DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

740.00119 CONTROL(JAPAN)/2-147 -- 2-2847

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Form DS-302
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DIVISION OF
COMMUNICATIONS AND RECORDS
TELEGRAPH BRANCH

DEPARTMENT OF STATE

INCOMING TELEGRAM

ACTION COPY

DIVISION OF JAPANESE AFFAIRS
FEB 7 - 1947
DEPARTMENT OF STATE

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DIVISION OF JAPANESE AFFAIRS
FEB 4 - 1947
DEPARTMENT OF STATE

File no action

Control 530

Rec'd February 3, 1947
5:41 p.m.

Office of
FAR EASTERN AFFAIRS
FEB - 4 1947
DIRECTOR
Department of State

FROM: Tokyo

TO: Secretary of State

NO: 24, February 3

In response to questions by telephone on February 2 from Associated Press regarding an alleged "appeal" by Japanese labor leaders to Allied Council, I stated merely that to best of my knowledge no such appeal had been received, that such subject had not been placed on agenda for February 5 meeting, that in conformity with procedural rules agenda for February 5 had been compiled and closed at 10 a.m. Friday, January 31, and that next regular meeting would presumably be held two weeks later on February 19.

BISHOP

SW:HME

740.00119 CONTROL (JAPAN)/2-347

FILED

FEB 10 1947

HH

DEPARTMENT OF STATE
FEB 10 1947

PLAIN

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

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~~SECRET FILE~~

THE STATE-WAR-NAVY COORDINATING COMMITTEE

WASHINGTON, D. C.

FOR VICTORY BUY UNITED STATES WAR BONDS AND STAMPS

Office of FAR EASTERN AFFAIRS FEB - 4 1947 DIRECTOR Department of State

SWN-5110
3 February 1947

FEB 7 1947

MEMORANDUM FOR THE SECRETARY OF STATE:
(Attention: Mr. J. K. Penfield - FE)

Subject: Properties and Possessions of the Japanese Imperial House; Assignment of State Properties

References: a FEC-104
b SWN-5077

The enclosed reply from the Supreme Commander for the Allied Powers to the request of the Far Eastern Commission contained in the draft consultative message forwarded to the State-War-Navy Coordinating Committee as the enclosure to a memorandum by the Assistant Secretary of State for Occupied Areas dated 18 January 1947 is forwarded for transmittal to the Far Eastern Commission.

For the State-War-Navy Coordinating Committee:

H. W. MOSELEY,
Secretary

DIVISION OF JAPANESE AFFAIRS FEB 6 - 1947 DEPARTMENT OF STATE

Memo for Chairman FE 2/6/47

DOE RE Unit 246 Final Rev. Out. Dist.

~~SECRET FILE~~
CONFIDENTIAL

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FILED
FEB 17 1947

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Feb 7 '47
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CONFIDENTIAL

MEMORANDUM FOR THE CHAIRMAN,

FAR EASTERN COMMISSION

With reference to the consultative message of the Chairman Pro Tempore of the Far Eastern Commission to the Supreme Commander for the Allied Powers, dated January 21, 1947, relative to the Imperial House Economy Law and Assignment of State Properties, there is enclosed a copy of a message from the Supreme Commander for the Allied Powers dated January 30, 1947.

It is requested that the Chairman make this message available to the members of the Far Eastern Commission.

J. H. Hilldring
Assistant Secretary

Enclosure:

Message from SCAP
January 30, 1947

JA: ALDunning/bms FE

CONFIDENTIAL

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

30 January 1947

Sufficiently detailed schedules of the holdings of the Imperial Household Ministry and of all members of the Imperial Household and of the period of surrender are submitted herewith to make clear the manner of their disposition. That disposition is now in process and will not be formally and legally completed before 3rd May 1947 when the Imperial Household Economy Law goes into effect.

The implication of urad that there have been efforts to conceal assets in order to leave in the hands of the Imperial family directly or indirectly unauthorized assets beyond control of the Diet are without foundation. Both the emperor and the Imperial Household Ministry through the divesture procedure have acted with dignity and decorum, and there is no slightest indication to the contrary.

The application of the capital tax levy law to Imperial Household property will result in the formal transfer to the State by 15th March upwards of 80 to 90 percent of the total assets of yen 1,675,267,073. The remainder consisting of Imperial palaces, villas and preserves to a value of yen 169,299,890 will become automatically state property on 3rd May 1947 and will be designated as State property assigned to the throne to be administered and accounted for to the Diet in accordance with the provisions of the Imperial House Economy Law and the State Property Law. The property thus transferred under capital tax levy will include all of the Imperial forest and farm lands including all equipment for upkeep and exploitation which will henceforth be administered by the Ministry of Agriculture and Forestry.

The Tax Levy Law will take nearly all of the cash, bonds, stocks and debendtures to the value of yen 344,144,297, leaving only some 30,000,000 yen to 50,000,000 yen in cash which the Household Ministry will use to meet current expenses until the Diet votes the first annual civil list under the new constitution. The surplus existing at that time will be transferred to the national accounts.

There will be left to the Emperor and the immediate members of his family cash in the amount of 3,000,000 yen to 5,000,000 yen which is due them out of unexpended sums from their privy purse over the past several years, and personal property to the value of yen 9,452,205 as follows:

1. Personal property of the Emperor and Empress and their children:

(A) Dress and clothes (429 pieces) yen 202,060
(114 for the Emperor; 130 for the Empress; 40 for the Crown Prince; 44 for Prince Masahito; 86 for 3 princesses; 15 others).
(B) Personal ornaments (69 pieces) yen 2,997,300.
(C) Robes, curtains, utensils and implements for ritual use (150 pieces) yen 199,800

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

(D) Books etcetera (5,584 volumes) yen 83,760.
(E) Table utensils (327 pieces) yen 353,000.
(F) Furniture and furnishings (5,367 pieces) yen 1,370,246. Total yen 5,206,166.

2. Appurtenances of the biological laboratory: yen 172,000. (20,000 specimens; 4,713 books; other apparatuses, appliances; farming implements and medicines).

3. Appurtenances of the cocoonery: yen 5,619.

4. Imperial relics in the form of books (122 volumes): yen 370,620.

5. Imperial relics in the form of art objects (657): yen 3,370,000.

6. Personal properties of the Empress Dowager:

(A) Dresses and clothes (81 pieces) yen 71,950.
(B) Table utensils (103) yen 28,500.
(C) Furniture and furnishings (813 pieces) yen 165,450.
(D) Books etcetera (200 volumes) yen 2,000.
(E) Miscellaneous (385 pieces) yen 29,500. Total yen 297,400. Grand total yen 9,452,205.

The assets of the Imperial princes and 11 princely families as of 1st September 1945 are set out hereunder. All figures are shown in yen. Information tabulated in following order: A Name of Prince. B Cash and negotiable property. C Lands D Buildings. E Jewels. F. Total

A	B	C	D	E	F
Chichibu	2,008,116	146,950	194,715	1,243,900	3,593,681
Takamatsu	4,043,165	708,314	1,416,176	2,830,400	8,997,055
Mikasa	1,112,852	0	0	640,300	1,753,152
Kan-In	1,220,415	1,703,627	233,000	189,500	3,346,542
Higashi-Fushimi	666,566	211,532	95,804	96,500	1,070,402
Fushimi	3,901,300	3,545,238	195,106	59,800	7,701,444
Yamashina	804,981	897,690	123,320	0	1,825,991
Kuni	1,430,411	92,686	1,410,663	295,600	3,229,360
Higashikuni	4,471,200	13,350	0	76,000	4,560,550
Kitashirakawa	1,430,851	2,523,777	273,117	379,200	4,606,945
Nashimoto	1,948,436	2,319,534	179,028	80,000	4,526,998
Takeda	1,002,533	978,563	481,864	552,300	3,015,260
Asaka	3,272,643	1,321,303	974,833	0	5,568,779
Kaya	1,365,880	46,191	0	324,700	1,736,771
Grand totals	28,679,349	14,508,755	5,576,626	6,768,200	55,532,530

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

These assets have already been turned over to them together with some yen 7,836,220 which they had entrusted to the Household Ministry for "Safe keeping" prior to the surrender. This action was ordered by SCAP (SCAPIN 1298-A) on 21 May 1946 which also directed the Government to divest these families of all right, title and interest in and to all property of the Imperial Household and also to divest them of all special privileges and immunities. As a result, the members of all these 11 families will shortly become commoners. Moreover their assets are subject to taxation including the capital tax levy. The latter tax will reduce their assets some 40 to 50%.

It is apparent from the above that the only property in possession of the Imperial Household Ministry and all members of the Imperial Family and their nominees at the time of the surrender which will not be under the control of the Diet after 3rd May 1947 will be the personal property of the members of the Imperial Family and even this property will be subject to taxation in the future and will also be subject to action in the courts. Moreover, the Emperor and the members of the Imperial Family will be subject to Diet control in the giving and receiving of property and personal gifts under article 2 of the Household Economy Bill which is designed to implement article 8 of the Constitution.

The foregoing specific information is given in response to the request of the Far Eastern Commission, although it is not clear how the same can serve to assist in assaying the democratic character of the Imperial House Economy Law or the constitutional provision which it implements,

End.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

CONFIDENTIAL

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

SWN-5110
3 February 1947

MEMORANDUM FOR THE SECRETARY OF STATE:
(Attention: Mr. J. K. Penfield - FE)

Subject: Properties and Possessions of the Japanese Imperial House; Assignment of State Properties

References: a. FEC-104
b. SWN-5077

The enclosed reply from the Supreme Commander for the Allied Powers to the request of the Far Eastern Commission contained in the draft consultative message forwarded to the State-War-Navy Coordinating Committee as the enclosure to a memorandum by the Assistant Secretary of State for Occupied Areas dated 18 January 1947 is forwarded for transmittal to the Far Eastern Commission.

For the State-War-Navy Coordinating Committee:

H. W. MOSELEY,
Secretary

COPY TO ACCOMPANY ORIGINAL

CONFIDENTIAL

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

From: CINCFE Tokyo Japan sgd MacArthur

To: War Department for JCS

Nr: C 69653

30 January 1947

Reurad WAR 90220 January 22. Sufficiently detailed schedules of the holdings of the Imperial Household Ministry and of all members of the Imperial Household and of the period of surrender are submitted herewith to make clear the manner of their disposition. That disposition is now in process and will not be formally and legally completed before 3rd May 1947 when the Imperial Household Economy Law goes into effect.

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

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1. Personal property of the Emperor and Empress and their children:

(A) Dress and clothes (429 pieces) yen 202,060 (114 for the Emperor; 130 for the Empress; 40 for the Crown Prince; 44 for Prince Masahito; 86 for 3 princesses; 15 others).
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(E) Table utensils (327 pieces) yen 353,000.
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Nashimoto	1,948,436	2,319,534	179,028	80,000	4,526,998
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Asaka	3,272,643	1,321,303	974,833	0	5,568,779
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Grand totals	28,679,349	14,508,755	5,576,626	6,768,200	55,532,530

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The foregoing specific information is given in response to the request of the Far Eastern Commission, although it is not clear how the same can serve to assist in assaying the democratic character of the Imperial House Economy Law or the constitutional provision which it implements.

End

CM-IN-5696 (31 Jan 47)

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

UNITED STATES POLITICAL ADVISER
FOR JAPAN

DIVISION OF FR
1947 FEB 20 PM 12 30

Tokyo, February 3, 1947.

UNCLASSIFIED MAIL ROOM

No. 850

SUBJECT: Notes Sent Members of Allied Council for Japan.

ACTION 2 FE
COPIES TO: ~~BE~~ ~~GG~~ GOCD Z SPA 1 DC/R 1 CIG 1 FC 1 EUR

The Counselor of Mission in Charge has the honor to enclose copies of notes dated January 25, 1947, from Ambassador Atcheson to the Chinese, British Commonwealth, and Soviet Members of the Allied Council announcing his departure for the United States and the designation of Mr. Max W. Bishop as Chairman pro tempore and representative of the United States Member in the Council.

Enclosures:

1. Note to Chinese Member;
2. Note to British Commonwealth Member;
3. Note to Soviet Member.

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Enclosure No. 1 to Despatch No. 850, dated February 3, 1947, from the United States Political Adviser for Japan, Tokyo, on the subject, "Notes Sent Members of Allied Council for Japan".

COPY

ALLIED COUNCIL FOR JAPAN
TOKYO

Office of the Member
for
The United States of America

Tokyo, January 25, 1947.

Sir:

I have the honor to inform you that I am proceeding shortly to the United States for a brief period of consultation with my Government and that during my absence Mr. Max W. Bishop, Counselor to the United States Member, has been designated by the Supreme Commander to function as Chairman pro tempore and to represent the United States Member in the Council.

Accept, Sir, the renewed assurance of my high consideration.

/s/ GEORGE ATCHESON, JR.
Deputy for the Supreme Commander,
Chairman and United States Member

Lieutenant General Kuzma N. Derevyanko,
Member for the Union of Soviet
Socialist Republic,
Allied Council for Japan,
Tokyo.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Enclosure No. 2 to Despatch No. 850, dated February 3, 1947, from the United States Political Adviser for Japan, Tokyo, on the subject, "Notes Sent Members of Allied Council for Japan".

COPY

ALLIED COUNCIL FOR JAPAN
TOKYO

Office of the Member
for
The United States of America

Tokyo, January 25, 1947.

Sir:

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Accept, Sir, the renewed assurance of my high consideration.

/s/ GEORGE ATCHESON, JR.
Deputy for the Supreme Commander,
Chairman and United States Member

The Honorable
W. Macmahon Ball,
British Commonwealth Member,
Allied Council for Japan,
Tokyo.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Enclosure No. 3 to Despatch No. 850, dated February 3, 1947, from the United States Political Adviser for Japan, Tokyo, on the subject, "Notes Sent Members of Allied Council for Japan".

COPY

ALLIED COUNCIL FOR JAPAN
TOKYO

Office of the Member
for
The United States of America

Tokyo, January 25, 1947.

Sir:

I have the honor to inform you that I am proceeding shortly to the United States for a brief period of consultation with my Government and that during my absence Mr. Max W. Bishop, Counselor to the United States Member, has been designated by the Supreme Commander to function as Chairman pro tempore and to represent the United States Member in the Council.

Accept, Sir, the renewed assurance of my high consideration.

/s/ GEORGE ATCHESON, JR.
Deputy for the Supreme Commander,
Chairman and United States Member

His Excellency
Lieutenant General Chu Shih-ming,
Member for China,
Allied Council for Japan,
Tokyo.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

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DIVISION OF JAPANESE AND KOREAN ECONOMIC AFFAIRS
DEPARTMENT OF STATE
FEB 12 1947

DC/R
DC/C
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MEMORANDUM FOR THE CHAIRMAN,

FAR EASTERN COMMISSION

With reference to the consultative message of the Chairman Pro Tempore of the Far Eastern Commission to the Supreme Commander for the Allied Powers, dated January 21, 1947, relative to the Imperial House Economy Law and Assignment of State Properties, there is enclosed a copy of a message from the Supreme Commander for the Allied Powers dated January 30, 1947.

It is requested that the Chairman make this message available to the members of the Far Eastern Commission.

J. H. Hilldring
Assistant Secretary

Enclosure:

Message from SCAP
January 30, 1947

JA: ALDanning/bms

FEB 7 1947

FE

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SECRET FILE
CS/R
2-747

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SAVE

RESTRICTED

THE STATE-WAR-NAVY COORDINATING COMMITTEE

WASHINGTON, D. C.

FOR VICTORY BUY UNITED STATES WAR BONDS AND STAMPS

Office of FAR EASTERN AFFAIRS FEB 14 1947 Department of State

SWN-5123
7 February 1947

RECEIVED DEPARTMENT OF STATE 1947 FEB 7 PM 4 08

FEB 11 1947

MEMORANDUM FOR THE SECRETARY OF STATE:
(Attention: Mr. J. K. Penfield - FE)

Subject: Copies for the Far Eastern Commission of Message to the Supreme Commander for the Allied Powers.

740.0011G CONTROL (JAPAN)/2-747

FILED FEB 18 1947

XR 894.03

Enclosure herewith are three copies of a message transmitted to the Supreme Commander for the Allied Powers by the Joint Chiefs of Staff. Copy No. 1 is for transmittal to the Far Eastern Commission and Copies Nos. 2 and 3 are for the files of the State Department.

For the State-War-Navy Coordinating Committee:

H. W. Mosely
H. W. MOSELEY
Secretary.

Enclosure

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DIVISION OF JAPANESE AFFAIRS FEB 10 1947 DEPARTMENT OF STATE

memo for Mr. Mosely from Gen. MacArthur FEC 2/10/47 ADP

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OFFICE OF FAR EASTERN AFFAIRS FEB 11 1947 Department of State

In reply refer to
JA

RESTRICTED

MEMORANDUM FOR THE SECRETARY GENERAL,
FAR EASTERN COMMISSION

In accordance with instructions of February 7, 1947 from the State-War-Navy Coordinating Committee, there is enclosed for the files of the Far Eastern Commission, a copy of a consultative message from the Chairman of the Far Eastern Commission to the Supreme Commander for the Allied Powers, dated February 3, 1947, relative to the Draft Diet Law.

J. H. Hilldring
Assistant Secretary

Enclosure:

Copy No. 1 of Message
to Supreme Commander
for the Allied Powers.

JA:ALDunning/sg
2/10/47

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

RESTRICTED

COPY NO. 2

3 February 1947

MESSAGE TO THE SUPREME COMMANDER FOR THE ALLIED POWERS

REQUEST FOR CONSULTATION WITH THE SUPREME COMMANDER FOR THE ALLIED POWERS RELATIVE TO THE DRAFT DIET LAW

The following communication from the Far Eastern Commission forwarded through its Chairman under the provisions of paragraph VI of its terms of reference, is transmitted to you at the request of the State, War and Navy Departments:

"The Far Eastern Commission is making a study of the Draft Diet law and requests the Chairman to convey to the Supreme Commander for the Allied Powers the substance of the following communication and also to state to him that the Commission would appreciate his views on the following matters.

1. Chapter 7. Ministers of State and Representatives of the Government. Articles 69 to 73.

To assist Japan in developing along democratic lines, it is desirable that the position of the Legislature be strengthened as much as possible. This is particularly important both in a system of responsible cabinet government such as that contemplated under the new constitution, and in the light of Japanese experience in the past, where the Diet was subordinate in fact to both the Cabinet and the Bureaucracy.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

In raising the following point, the Commission has had in mind the problems which must inevitably arise in the framing of a new constitution based upon a variety of democratic practices. In this connection, the provisions of chapter seven would appear to indicate that the drafters of this bill may have in mind the former system in Japan where the Ministers of State were not expected necessarily to be present in the Diet and to take full responsibility for leadership of its debates.

Article 69 would appear to allow the appointment as 'representatives of the government' of persons who are not members of the Diet. It is queried whether it is desirable for a representative of the government other than a Minister of State or a member of the Diet to have the right to speak before the Diet. Where the Executive is responsible to the Legislature, it is the universal practice that ministers themselves, or members of the Legislature appointed as their parliamentary deputies, should be present in the House to explain and defend the actions of their departments and the legislation they are sponsoring, and that they themselves should participate in debates. If persons other than members of the Diet were allowed to attend and speak in the place of ministers, it might be contrary to the principle of cabinet responsibility to the Diet inherent in the Far Eastern Commission policy laid down in FEC-031/19. (Serial number 54, approved 6 July 1946).

In making the foregoing comments, the Commission is not raising an objection to the right of any committee to hear any person it desires, including government employees and private individuals.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

2. Article 35. Allowance of Diet members.

The Commission is uncertain as to the effect of the provision linking the allowances of Diet members to the salaries of government officials, as 'Kanri' may be interpreted, and in the context may be intended, to include all appointed officials of the national government, even those of the highest rank such as the Chief Justice. Would this provision be likely to prevent adequate remuneration being offered to those holding the most senior and important government posts?"

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

Form DS-302
(7-2-46)

DIVISION OF
COMMUNICATIONS AND RECORDS
TELEGRAPH BRANCH

DEPARTMENT OF STATE

INCOMING TELEGRAM

CONFIDENTIAL

FE CA Informal EA
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ACTION COPY
JK

T-114

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Control 2501

Rec'd February 9, 1947
5:00 pm.

DIVISION OF CHINESE AFFAIRS
FEB 10 1947
9:10 am
DEPARTMENT OF STATE

Office of
FAR EASTERN AFFAIRS
FEB - 9 1947
12:00
DIRECTOR
Department of State

8
Action: FE CA
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FROM: Nanking

TO: Secretary of State

NO: 231, February 9, 9 a.m.

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"Embassy has received following telegram from Consulate General Shanghai for forwarding to Department:

E. A. Bayne has advised Gilpatric that Chinese Government is most concerned about present relations between its military mission in Tokyo and SCAP, and that Soong is apparently about to replace General Chu with General Wang who escaped from Bataan with General MacArthur. Meanwhile mission's proposal to send a trade negotiator to Washington not fully understood and feared would cause further deterioration Chinese relations with SCAP. In above circumstances Bayne has requested after consultation with appropriate Chinese officials that following message be sent from him for Martin in the Department. Please forward in your discretion.

'Chinese mission SCAP proposing that Chinese barter trade delegate be sent to Washington to participate presumably scheduled international discussions Japan trade policy. Would appreciate information on status trade policy formulation and as to whether substentive international consideration this problem being sponsored at this time. Also request your opinion advisability such Chinese representation under any circumstances.'"

DEPARTMENT OF STATE
FEB 20 1947
DCA
DISPATCH UNIT

JMS:JS

CONFIDENTIAL

DIVISION OF JAPANESE AND KOREAN
ECONOMIC AFFAIRS
DEPARTMENT OF STATE
FEB 10 1947
STUART
action taken 2/11/47
DCR file

FEB 12 1947
FILED

740.00119 CONTROL JAPAN/2-947 LRS

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RESTRICTED

FE

THE STATE-WAR-NAVY COORDINATING COMMITTEE

WASHINGTON, D. C.

Memo for Chairman FEE 2/12/47 alD file

DC/R

SWN-5128
10 February 1947

MEMORANDUM FOR THE SECRETARY OF STATE:
(Attention: Mr. J. K. Penfield - FE)

Subject: Consultation with Supreme Commander for the Allied Powers Relative to the Draft Diet Law

References: a. SWN-5112
b. WAR 91201

The enclosed reply from the Supreme Commander for the Allied Powers to the request of the Far Eastern Commission contained in the draft consultative message forwarded to the State-War-Navy Coordinating Committee as the enclosure to a memorandum by the Assistant Secretary of State for Occupied Areas dated 31 January 1947 is forwarded for transmittal to the Far Eastern Commission.

For the State-War-Navy Coordinating Committee:

H. W. MOSELEY,
Secretary

Enclosure
CM-IN-1285 (8 Feb 47)

740.0011G CONTROL (JAPAN)/2-1047
FILED
FEB 18 1947

RESTRICTED

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From: GHQ SCAP Tokyo Japan sgd Mac Arthur

To: War Department for JCS

Nr: C 69876 7 February 1947

Reurad W 91201 February 5th. The provision contained in Article 69 of the Diet Law is in accord with long established custom and practice in Japanese legislative history. It is a provision which was inserted on the sole initiative of the House of Representatives and unanimously approved by that chamber - a legislative body which has shown the most zealous desire to secure and preserve in fullest detail its power in government accorded by the new constitution. The provision is merely one within the body of rules established by the Diet to govern its own procedures, and is susceptible to amendment should experience deem amendment necessary. As it is not violative of any democratic principle and cannot possible compromise the principle of cabinet responsibility to the Diet, I consider it a most dangerous departure from established occupational policy to force a change upon the Diet in such detail.

The interpretation given by the Far Eastern Commission is not in accord with past Japanese practice nor with the intent of the article, namely, that the cabinet members would delegate their representative authority in the Diet. On the contrary, it is intended to permit them to bolster themselves by the technical aid of civil service subordinates of the respective ministries in presenting in complete detail factual matters which might be demanded by the Diet. While it differs somewhat from the British parliamentary procedure, it can hardly be said that it is less democratic or less efficient. I do not believe, under the circumstances, that it would be possible to persuade a voluntary modification.

With respect to the allowances for Diet members prescribed under Article 35 of the Diet, our interpretation here and the interpretation and intent of the Diet itself is that the provision questioned is not that "a government official's allowance shall be limited to that of a Diet member", but that "a Diet member's allowance shall equal common or ordinary national government officials' highest allowance" - in other words, that pertaining to the highest official under the civil service, viz. Vice minister. Thus, there is no limitation placed upon the remuneration of any government official however, but rather does it provide a minimum basis for the remuneration of Diet members. This too is a provision merely concerned with internal administration without involving any democratic principle and in which interference by the Allied Powers would be most difficult of justification.

End

CM IN 1285 (8 Feb 47)

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

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FEB 13 1947

740.00119 CONTROL(JAPAN)/2-1047

MEMORANDUM FOR THE CHAIRMAN

FAR EASTERN COMMISSION

With reference to the consultative message of the Chairman of the Far Eastern Commission to the Supreme Commander for the Allied Powers, dated February 3, 1947, relative to the Draft Diet Law, there is enclosed a copy of a message from the Supreme Commander for the Allied Powers, dated February 7, 1947.

It is requested that the Chairman make this message available to the members of the Far Eastern Commission.

CR ... Init.
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J. H. Hilldring
Assistant Secretary

Enclosure:

Message from SCAP
February 7, 1947

FEB 13 1947 F.E.

JA:ALDunning/bms
2/12/47

FE

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SPECIAL ASST. TO THE SECRETARY
JUN 23 1947
MR. LILLIENTHOTT
UNCLASSIFIED

DIVISION OF FR
1947 FEB 27 AM 9 53
MAIL ROOM

Office of
FAR EASTERN AFFAIRS
MAR 26 1947
Department of State

FR-INQUIRY SERVICE
JUN 19 1947
RECORDING UNIT

UNITED STATES POLITIC[illegible]
FOR JAPAN

Tokyo, February 1[illegible] 1947.

No. 864

SUBJECT: Twenty-fifth Meeting of the Allied Council for Japan, February 5, 1947.

INTERNATIONAL RESOURCES DIVISION
MAR 27 1947
DEPARTMENT OF STATE

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer to this Mission's despatch No. 838, January 28, 1947, and to previous correspondence in regard to meetings of the Allied Council for Japan, and to forward as an enclosure five copies each of the Agenda and Corrected Verbatim Minutes of the Twenty-fifth Meeting of the Allied Council, held on February 5, 1947. 1/ 2/

The Member for the Union of Soviet Socialist Republics placed upon the Agenda the subject "Fishery Rights in Inshore Waters of Japan". At the meeting, he read a prepared statement, which appears on page 1 et seq. of the Corrected Verbatim Minutes. This statement was obviously designed as an attempt to present himself as the champion of the fisherman. Mr. C. M. Adams, Chief of the Fisheries Division, Natural Resources Section, General Headquarters, Supreme Commander for the Allied Powers, delivered a detailed statement covering the inshore fisheries industry, page 4 et seq. of the Minutes, which not only provided the Council with excellent information but effectively pointed out that the Supreme Commander for the Allied Powers has already had the problem of the fisheries rights under intensive study for the past fourteen months and that active steps are being taken to expand production, rationalize the industry, introduce appropriate legislation to protect and promote the rights of the individual fishermen.

Respectfully yours,

Max W. Bishop
Counselor of Mission in charge

Enclosures:

1. Agenda;
2. Corrected Verbatim Minutes.

Original and Hectograph to Department.
Copies to: American Embassy, London
American Embassy, Nanking
American Embassy, Moscow
American Embassy, Canberra
American Embassy, New Delhi
American Legation, Wellington

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DIVISION OF INTERNATIONAL TRADE POLICY

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JUN 24 1947

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25-205

AGENDA

for the

TWENTY-FIFTH MEETING

ALLIED COUNCIL FOR JAPAN

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

I APPROVAL OF THE CORRECTED VERBATIM MINUTES OF THE TWENTY-FOURTH MEETING (1 Session, Numbered 24-123).

II PROCEDURAL MATTERS

None held over or submitted as subjects for this Agenda.

III OFFICIAL MATTERS

1. "Fishery Rights" in In-shore Waters of Japan.

By Direction of the Chairman pro tempore:

GLENN ABBEY
Secretary-General

1 Incl:
Agenda Item 25-205-1.

31 January 1947

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

ALLIED COUNCIL FOR JAPAN

Proposed Discussion Agenda

I AGENDA ITEM NO. 25-205-1.

II PROPOSED BY: LIEUTENANT GENERAL KUZMA N. DEREVYANKO, Member for the Union of Soviet Socialist Republics.

III SUBJECT FOR DISCUSSION: About So-called "Fishery Rights" in In Shore Waters of Japan.

IV DATE PROPOSED FOR DISCUSSION: Wednesday, 5 February 1947.

V SCOPE OF INFORMATION DESIRED:

1. The total number of fishery lots and their area under private ownership.
2. The share of these fishery lots in total fishing in home waters of Japan.
3. The total number of private owners enjoying "fishery rights."
4. The amount of money paid by the fishermen to the owners of so-called "fishery rights."
5. It is desirable to receive the draft of the bill which the Japanese Government intends to introduce at the 92nd session of the Diet.

VI SPECIFIC INFORMATION DESIRED ON PROGRESS TO DATE: None. requested.

VII REFERENCES: None.

Inclosure #1

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25-205

CORRECTED

VERBATIM MINUTES

of the

TWENTY-FIFTH MEETING

ALLIED COUNCIL FOR JAPAN

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

MEMBERS PRESENT

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

The Honorable Yorkson C. T. Shen, representing the Member for China

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

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

SECRETARY-GENERAL

Mr. Glenn Abbey

Office of the Secretariat
Allied Council for Japan
7 February 1947

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THE CHAIRMAN: The meeting will please come to order.

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

Are there any procedural matters? (Pause).

Under Official Matters, the subject "Fishery Rights in Inshore Waters of Japan" was proposed by the Member for the Union of Soviet Socialist Republics. Under Scope of Information Desired:

"1. The total number of fishery lots and their area under private ownership.

2. The share of these fishery lots in total fishing in home waters of Japan.

3. The total number of private owners enjoying 'fishery rights.'

4. The amount of money paid by the fishermen to the owners of so-called 'fishery rights', and

5. It is desirable to receive the draft of the bill which the Japanese Government intends to introduce at the 92nd session of the Diet."

In accordance with our usual procedure, I will ask the Member proposing the subject if he cares to make any initial comment.

LIEUTENANT GENERAL DEREVYANKO: I would like to make a short statement on the subject, sir.

MR. CHAIRMAN, Gentlemen: Taking into consideration the importance of further elimination of the remnants of the feudalistic practice in Japan, the increase of the catch of fish and marine products, and also in order to afford the possibility of using the sea to those who are fishing in it, I think it is

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necessary to raise the question before the Allied Council for Japan and the Supreme Commander, of so-called "Fishery Rights" (licensed fishery rights, exclusive fishery rights, etc.) which exist in Japan with regard to the right of catching fish and other marine products in the sea.

According to the available data, the existing peculiar system of fishery rights originated in the feudalistic age, in the 17th Century, during the so-called Tokugawa Period. In 1901 the system was legally established by the Fishery Law and continues to exist until today. Fishing rights are granted to certain persons or associations. The terms of fishery rights are fixed by the authorities who grant them for a period of 20 years, but they may be renewed for the next 20 years on application by the owners of the rights.

In accordance with this law, a holder of licensed fishery rights frequently having nothing in common with and not participating personally in fishing, unjustly makes profit by it and becomes rich by collecting rent from fishermen for use of his fishing right in certain fishing grounds.

On the other hand, when the haul of fish is small the fishermen who rent these grounds are running into ruin because they are obliged all the same to pay the same high rent for "using the sea." A situation like this represents in itself a crying survival of medieval feudalistic relations in the fishery villages, obstructing the development of the fishing industry and full exploitation of the wealth of the sea for the welfare of the people. No similar circumstances exist in any democratic country of the world.

In confirmation of all said above I shall quote from excerpts from certain articles which were published in the Japanese newspapers. For example:

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The provincial newspaper BOCHI SHIMBUN (The Yamaguchi Prefecture) wrote on September 22, 1946: "Fishing villages have always been looked upon as a part of rural districts and have remained economically unchanged since the Tokugawa Period. Fishing is controlled, as in the past, by bosses called Amimoto and fishermen are either given partial quotas or hired by them. The fishermen have insufficient power to express their own opinion on the matter of agreement."

The provincial newspaper SHIN IVATE NIPPO(MORIOKA) reported on September 9, 1946, "Fishermen are still shackled in the seaside districts and all over the country. No measures have been taken, as yet, for releasing fishermen from fishing rights and for the reform of fishery associations. Even if the fishing grounds are expanded four-fold, as long as the seaside districts are not released from the present powerful feudalistic policy, it is obvious that the development of the districts will be limited."

It was announced the other day in the Japanese Press that the Government is going to submit to the present Diet, a bill revising fishery law. I think that the Allied Council for Japan has to express its opinion concerning this matter which is not less important from the point of view of the elimination of feudalistic survivals in fisheries than the realization of rural land reform in Japanese villages.

THE CHAIRMAN: MR. CLAUDE M. ADAMS, Chief of the Fisheries Division of the Natural Resources Section, General Headquarters, has come over this morning to discuss this question, and specifically to answer the questions raised by the Soviet Member.

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MR. ADAMS has given this problem his personal attention for many months. I should like to introduce MR. ADAMS.

MR. ADAMS: The Occupation authorities have, from the outset, been aware of the problems of the Japanese fishing industry. Every effort is being made to restore and to protect the individual rights and welfare of the fishermen while simultaneously insuring maximum production. Abuses which grew up through past rigid governmental control are being eliminated. It is expected that on the basis of more than 14 months' study and development, a sound and rational fishing industry for the inshore operations of Japanese fishermen will be evolved.

I will now take up the questions presented.

"1. The total number of fishery lots and their area under private ownership."

For an understanding of this highly complex problem of fishing rights in Japan, it is necessary to undertake a brief review of the evolution from feudal fishing rights to those of private property.

BRIEF HISTORY OF FISHING RIGHTS

During the Tokugawa Era a characteristic, common to all feudal domains, was the reservation in the overlord's name of all coastal and fresh-water fishing rights. This monopolization of fishing rights enabled the exaction of tributary payments from individuals or fishing villages in exchange for temporary or permanent fishing privileges in controlled waters.

Disputes over fishing rights in coastal waters or on seas contiguous to controlled coasts were referred to and settled by the manorial lords, their magistrates or deputies. As the feudal system developed, fishing rights were gradually handed over to village fishing communes on payment of a continuing tribute

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which varied from district to district, and according to prevailing economic demands of the feudal overlords.

Immediately following the Meiji Restoration, control over the nation's fisheries once again reverted to a central power, and the principal immediate effect of the Restoration on the nation's fisheries was the return by proclamation of all aquatic rights whether by sea, river or lakes, to the national state and the reservation of the right to approve or disapprove privileges of fishing in waters over which control was claimed. Full consideration was given in the enforcement of this proclamation to traditional rights and unwritten codes of former periods.

So far as the fishing industries are concerned, legal recognition of the altered property relations was first made in a National Law enacted in 1875 to regulate fisheries. By this first overall attempt to control the exploitation of marine resources, all persons who sought the privilege of fishing in coastal waters were required first to make application to a statutory authority. Owing chiefly to the number of protests, and in many cases of violence, as an expression of protest against the effect of the new laws, a Fisheries Bureau was established in 1885, within the Ministry of Agriculture and Forestry, to devise means whereby the issue and regulation of fishing rights should be administered in such a manner as not to interfere too drastically with the country's principal food supply sources.

In May 1886, the Diet passed a bill which had for its purpose the minimizing of local wrangling over fishing rights. It encouraged the formation of communal associations for the exploitation of fishing rights. Principal provisions of the Bill were:

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After the formation of a village society, fishermen could apply in the name of the society for the exclusive fishing rights to a designated area of water. Societies were granted autonomous power in respect to local fishing seasons, tackle to be used, area limits for seaweed harvesters and any other regulations deemed necessary for the society.

The results were that fisheries societies were formed in every village and hamlet where fish were to be caught; at one legislative enactment it was sought to solve the troublesome administrative problems of fishing rights--

SOVIET INTERPRETER: Would you mind repeating that?

MR. ADAMS: --at one legislative enactment it was sought to solve the troublesome administrative problems of fishing rights, fishing activities theoretically could be undertaken by villagers without fear of penalty for infringement of prefectural or manorial laws and traditions. But the "right" of fishing still remained in its legal form incompatible with the legal requirements of a developing national social and economic structure.

A fishing right was a communal property similar to the grazing commons in western countries during the middle centuries, and could not be alienated.

An amendment to the Fisheries Law was sent to the 26th Imperial Diet and passed that body as Law No. 58, 1910, to become effective as of April 1, 1911, in which fishing rights were recognized as "property" capable of being subjected to all the tests of privacy in property relations. Thus fishing rights could be mortgaged, hypothecated or alienated in a manner similar to all other private titles. It was made legally

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possible for the entry of private capital into the fishing industry, and for further changes in the organizational form of those engaged in the industry.

The principal feature of the 1910 Fisheries Amendment Bill were:

1. The Fisheries Law applied only to waters designated as property of the State.

2. Fishing rights were recognized as real rights.

3. In granting fishing licenses the right to make limitations or stipulations in respect of the license was reserved to the Government.

4. Fishing rights could be cancelled or suspended only when public interest was involved.

5. Exclusive fishing right areas were clearly defined.

6. Rights were registered.

7. Provision was made for the limitation of personal property rights where "fisheries interest" was of greater importance.

A further revision of the Fishery Law was made in 1933 to widen the functions of fisheries societies in order to facilitate the entry of additional capital into the industry.

Vital points of the revision were:

1. Fisheries societies were permitted to seek capital for the purpose of establishing sales and trading organizations and for the provision of industrial facilities.

2. Subject to stated legal restrictions, the fisheries societies were given practically a free hand in the management of fisheries, and subject to certain limitations the societies' charters were broadened to permit operation in industries not directly connected with fishing.

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3. The legal right of societies to accept membership from persons residing outside the area of fishery operations was accorded.

4. The right of imposing penalties was enacted.

Further administrative revisions were passed through the Diet in 1938, 1940, and 1943. The last mentioned revision, the "Fisheries Corporation Law," resulted in the amalgamation of all existing fisheries societies, into the Central Federation of Fisheries.

To summarize: Amendments passed by the Diet in 1910 and 1933 changed the character of fishery rights from communal property to private property capable of all the tests of privacy in property and the relations arising therefrom. It will therefore be appreciated that all fishery rights irrespective of their character or their ownership are at present private property.

I have prepared some statistics on the number of various types of fishing rights. Should I read these or have them read into the Minutes?

THE CHAIRMAN: Would the Members like to have these read out now or just record them in the Minutes? They are not very long.

MR. BALL: MR. CHAIRMAN, unless GENERAL DEREVYANKO wishes to have MR. ADAMS read these now, I do feel that this is the kind of material that is very interesting and important to us but would, I think, be more valuable if we could go over it in written form rather than have MR. ADAMS read it.

LIEUTENANT GENERAL DEREVYANKO: I fully concur in your opinion.

THE CHAIRMAN: Then the statistics will be placed in the Minutes for study.

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* * * * *

NUMBER OF FISHING RIGHTS BY YEAR

Year	Exclusive	Fixed-net	Demarcated	Special
1907	411	Not Avail.	Not Avail.	Not Avail.
1913	Not Avail.	27,871	5,592	20,579
1914	4,339	28,059	5,681	20,255
1922	Not Avail.	26,869	7,005	18,875
1923	4,962	26,421	7,130	18,364
1934	4,908	28,371	8,095	15,597
1936	5,003	28,084	7,834	15,319
1941	Not Avail.	26,434	6,402	13,656
1946	5,224	22,275	5,520	10,474

REMARKS: Figures for 1946 are subject to be corrected by later reports.

*

NUMBER OF FIXED-NET FISHING RIGHTS, DEMARCATED FISHING RIGHTS AND SPECIAL FISHING RIGHTS

Owners	Fishermen's Associations		Individuals		Companies	Cities	30 Jun 1947	
	Single	Joint	Single	Joint			Others	Total
Fixed-net	12,517	375	6,280	1,728	1,297	84	39	22,275
Demarcated	2,378	160	2,140	580	71	74	17	5,520
Special	6,495	791	795	2,219	73	45	3	10,474

*

NUMBER OF "COMMON FISHERY" RIGHTS

Owners	Fishermen's Associations		Individuals		Companies		May 1, 1946 Cities		Total
	Single	Joint	Single	Joint	Single	Joint	S. J.	Other S. J.	
Traditional Common fishing Rights	1,579	190	21	113	2		2	2	1,909
Common Rights by agreements	96	39	11	3	1				150
TOTAL	1,675	229	32	116	3		2	2	2,059

*

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OWNERSHIP OF EXCLUSIVE FISHING RIGHTS AS OF MAY 1, 1946

Owners	Fishermen's Associations Single	Fishermen's Associations Joint	Individuals Sngl.	Individuals Jnt.	Companies Sngl.	Companies Jnt.	Cities,Towns Villages Sngl.	Cities,Towns Villages Jnt.	Others Sngl.	Others Jnt.	Total
By Usage											
E.F.R.	1,171	648	70	200	1	-	52	13	-	13	2,168
In Shore											
L.F.R.	2,886	170	-	-	-	-	-	-	-	-	3,056
Grand Total	4,057	818	70	200	1	-	52	13	-	13	5,224

* * * * *

MR. ADAMS: In answer to the second question: "The share of these fishery lots in total home waters of Japan."

All inshore waters where fish may be taken in commercial quantities are apportioned as "fishing rights."

Question 3: "The total number of private owners enjoying fishery rights."

15,183 fishing rights are owned by individuals or companies.

Question 4: "The amount of money paid by the fishermen to owners of so-called 'fishery rights'."

The amount of money paid by the fishermen to owners of fishing rights varies according to the type of fishery, the area, and the contract between the individual fishing right owners and the operators. It is usually based upon a percentage of production. Payment also varies according to the types of fishing rights, and, in order to have some understanding of this subject, it may be helpful to review and define the various types of fishing rights.

First is the Exclusive Fishing Rights.

Practically all the waters contiguous to the coast of Japan proper are set aside as waters which are recognized as being the exclusive fishing areas of individuals, companies, or village associations.

These areas vary in size according to geographical conditions and the density of fishing villages along the shore-line.

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The right to fish exclusively in the allotted area or fishing right is elastic of definition. In the main the fishing right is limited to the harvesting of seaweed or the gathering of mollusca.

In some instances the right of fishing on shallow shelves or rocky bottoms within the area specified as the fishing right, is accorded to the villagers, but this fishing right is often leased by the Prefectural Government to individuals and/or associations to the exclusion of villagers.

The granting of exclusive fishing rights is the prerogative of the National Government through the Ministry of Forestry and Agriculture. All other fishing rights, described hereafter, are granted by Prefectural Authorities. Before the outbreak of war ¥10 per annum was charged as registration fee for exclusive rights. The fee is now ¥100 per annum.

The second type of right is the Fixed Fishing Right.

These rights refer to all gear which is securely affixed to the bottom and which does not move with the current or with the ebb and flow of tidal waters.

These rights are allocated by the Prefectural Government at rates set by the Prefecture.

The fixed net is constructed within the area named as the exclusive fishing area of a village. Villagers have not the right to erect any fixed net in their exclusive area unless permission of the Prefectural Authorities is first obtained.

The third type of right is the Demarcated Fishing Right.

Demarcated rights refer to areas of shallow water leased to aquiculturists engaged in the production of oysters, seaweed, edible kelps, etc.

These areas are also within the exclusive fishing areas allocated to villagers.

The fourth type of right is Special Fishing Right.

Special rights to operate specific types of gear either from the shore or from vessels close to the shore are allocated by Prefectural Authorities.

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These rights include set nets, beach seines, small otter trawls, the construction of artificial fish nets, i.e. shrimps, etc.

The fifth type is the Common Fishing Right.

Where a good fishing ground exists in the vicinity of several villages, but which geographically is directly opposite or near to one village, the ground is fished in common by the several villages in agreement. Such communal arrangements are required to be registered with the Bureau of Fisheries, but comparatively few communal arrangements have been registered.

Fees charged by Prefectural Authorities for fixed, demarcated and special rights vary as between prefectures.

It can thus be seen that it is practically impossible even to estimate the amount of money which is paid to owners of fishing rights. Any estimate would be sheer guesswork. No statistics on this subject are available.

The fifth question presented today is: "It is desirable to receive the draft of the bill which the Japanese Government intends to introduce at the 92nd session of the Diet."

The bill is not yet ready in its draft form. This question is under active discussion with Japanese fishermen, experts in the industry, and in government, and it is anticipated that in due course the Japanese Government will prepare and present to the Diet appropriate and adequate legislation.

On the basis of extensive study and research into this problem we believe that provisions of new legislation should include, among others, the following basic principles:

1. Some provision for the formation of cooperative enterprises in fishing villages and fishing centers;

2. The allocation of all fishing rights, irrespective of their present character, without cost to village cooperatives and/or village associations; and

3. Other broad measures designed to restore and to protect the individual rights and welfare of the fishermen while

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simultaneously insuring maximum production for the benefit of the people at large.

It is felt that to accomplish these objectives the following measures inter alia are of sufficient importance to be noted here:

a. A fishery right should be granted, subject to certain exceptions, only to a Fisheries Cooperative Association or to an association of villagers where no cooperative association is formed.

b. In particular instances where it is considered desirable, a right may be allocated to a Federation of Fisheries Cooperative Associations, i.e. where additional capital is required for the construction of heavy traps, etc. Rights to operate or establish aquicultural fisheries in inland waters, i.e. reservoirs, canals, and small ponds should be granted to working owners as individuals, or to working owners in small associations.

c. A fishery right should not be subject to mortgage, distraint, or financial claim in any form.

d. Complicated nomenclature regarding fishing rights should be simplified.

Conditions of grant of fishing rights should include:

a. Rentals of fishing rights should be kept to a minimum. In the main, rentals should be determined by a charge for fisheries bureau administration, plus certain taxes.

b. A fishing right held by an association of fishermen or by a cooperative organization may be leased on a contractual basis.

c. All fishing rights should be exploited freely by owners or lessees subject to statutory law and ordinances governing conservation and propagation of stocks.

For the Arbitration of Disputes:

a. A Fisheries Adjustment Committee should be formed to arbitrate on questions of the use of any particular

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waters by two or more cooperatives or associations of villagers, or on any other disputes which may arise and which may not be precisely covered by statutory provision or by ordinance. The Committee would be comprised of fishermen's representatives, and other persons experienced in the fisheries industries.

THE CHAIRMAN: Thank you, MR. ADAMS.

Do the Members have any comment?

(None indicated).

MR. SHEN: May I have a little inquiry to MR. ADAMS? It was reported in GHQ Summations that as early as last May, there was a fishermen's union movement in Japan such as the inauguration of the so-called Young Fishermen's Organization. Could you give me some information--any information--regarding this organization?

MR. ADAMS: The Fisheries Union and Young Fishermen's Organization movement started out with great force, as you say, last May, but seems to have died from lack of desire on the part of the leaders to continue with the movement. As near as could be determined it appeared that the leaders of the Union movement were more interested in obtaining votes in their political party than they were in constructing a workable union for fishermen.

MR. SHEN: Thank you. This may be out of record, but I wish to know whether the report that the Japanese fishermen today, like farmers, are getting great profits out of the income of the so-called new yen is correct. Do you think that all the fishermen are getting the profits or just the privileged classes?

MR. ADAMS: I would say the statement was true. All of the fishermen--

MR. SHEN: Oh, all of the fishermen--

MR. ADAMS: --All of the fishermen are receiving excessive profits, unnatural profits you might say, but of course the

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privileged are sharing the profits also. This is an abuse that we feel should be corrected and we are taking that matter under advisement.

MR. SHEN: Thank you very much for your information.

THE CHAIRMAN: Do you have any comments?

LIEUTENANT GENERAL DEREVYANKO: I wish to thank MR. ADAMS for his information and, in view of the necessity to study the subject additionally, I would like to suggest that the further discussion of this matter be postponed to the next meeting of the Council in order to be able to make recommendations on the subject at the next meeting of the Council.

THE CHAIRMAN: That is entirely satisfactory to me as it is to the other Members, I am sure.

MR. SHEN: No objection.

THE CHAIRMAN: We will all want to study the material presented this morning, and we want to thank MR. ADAMS for his careful presentation.

MR. BALL: Thank you very much.

THE CHAIRMAN: That would seem to conclude the business of today's meeting. We shall adjourn.

(The meeting adjourned at 1104 hours).

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Gross - A-H

FROM : Mr. Martin - JK

DATE: February 10, 1947

SUBJECT: Amendment to "Short Period Controls over the Japanese Economy to Relieve World Shortages."

1. Subject paper has been on the agenda of the FEC since 10 July 1946. For several months the only difficult point upon which agreement could not be reached was the wording of paragraph 2 (b) in which the U.K. desired inclusion of figures which SCAP could use in determining estimates of Japanese domestic requirements for textiles. The U.S. has been able to accept the 2½ lbs figure per head per annum for all household textiles and clothing, provided SCAP was given wide discretion to go above that average figure for incentive purposes. The U.K. agreed in this, but wished to give a figure within which that expanded use might be kept. U. S. statistics indicate that 50 million lbs. should be adequate to meet SCAP's actual and practical requirement for incentive goods. Nevertheless, the WD until now has objected to the 50 million lbs figure on the grounds that it came close to being a "ration", and therefore close to being implementation. U.S. representation on the FEC has been seriously embarrassed by this WD stand.

2. At the last meeting of the Economics Committee, it was agreed tentatively that the following language would meet with approval among the other members:

(b) Except as determined by the Supreme Commander for the Allied Powers to be required to meet objectives of the occupation, the Japanese use of textiles should not exceed a consumption of 2½ lbs per head per annum for all household textiles and clothing, with additional supplies of textiles permitted to workers to the extent necessary to maintain or increase production or to farmers to the extent necessary to increase deliveries of food; such additional supplies should not exceed 50 million lbs per annum, except at the discretion of the Supreme Commander for the Allied Powers to meet the objectives of the occupation.

3. Martin and all working members of JK consider the above language acceptable. An informal check with Pollard in CAD, Fine and Ryder, here on leave from SCAP and Fahy, indicates that they will agree with the rewording of the controversal paragraph as indicated above. While CAD is without enthusiasm for the paper as a whole, they are now willing to be agreeable to it since the above language provides SCAP with the widest possible discretion to use or to ignore the figures contained in the paper. By telephone, Mr. Fahy has recommended and strongly urged that the paper would be even more acceptable if paragraph 1 were made to read as follows:

WD did not make this mandatory.

During the present period of world shortages Japan should supply to the maximum extent consistent with the objectives of the occupation and under arrangements acceptable to the Supreme Commander for the

New language →

Allied

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

Allied Powers, goods needed in areas which, as a result of Japanese aggression, have been deprived of them during war. ~~[illegible]~~ Whenever necessary to obtain these objectives, Japanese consumption of such goods should be restricted to minimum requirements."

When urging this wording, CAD has in mind the physical shipping arrangements and the fact that exports should be used as far as possible to defray the cost of imports. The working members of JK regard the proposed wording by CAD as appropriate and feel that we can agree with the War Department on the suggestion.

4. The paper as a whole appears important to us because its passage would put the FEC on record as favoring prompt and maximum expansion of Japanese exports, which of course accords with U.S. desire to remove barriers to Japanese trade as well as U.S. desire to pay for occupation imports from such exports.

5. We recommend that you authorize approval of the language in paragraph 2b without further clearance.

JK:RWBarnett:bcb
2/10/47

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AIR MAIL

London, February 11, 1947

947 FEB 18 AM 10 25

MAR 5 1947

RESTRICTED

No. 3727

Subject: Transmitting Clipping on B.C.O.F. in Japan

DEPARTMENT OF STATE
DC/M
OFFICE OF EUROPEAN AFFAIRS DISTRIBUTION OFFICE
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OFFICE OF SPECIAL POLITICAL AFFAIRS
MAR 10 1947
DEPARTMENT OF STATE

The Honorable
The Secretary of State,
Washington.

Sir:

1. I have the honor to enclose for the Department's information a clipping from the February 5, 1947, issue of The Times on the subject of the conditions under which the British Commonwealth Occupation Force is said to operate in Japan.

2. It is to be observed that there permeates the article an underlying note of complaint that under existing arrangements the B.C.O.F. is deprived of participation in military government--even in areas under British occupation. The article concludes with the suggestion that there are administrators among the B.C.O.F. who could be utilized to advantage in the area under British occupation, it being contended that there are not now sufficient American officers in the area to cope with these tasks.

3. It may be well to comment here that the British people, preoccupied as they are with their own intimate day-to-day problems, appear to evince very little interest in what goes on in Japan--even with respect to the B.C.O.F. Nevertheless, there is evidence that there exists in what might be described as "informed circles", both in the Government and out, some dissatisfaction with the minor role which it is alleged the British Commonwealth is given scope to play in Japan. This dissatisfaction is closely confined and probably unimportant, but it does exist and may grow to assume importance if brought persistently to the attention of the British public.

Respectfully yours,

For the Chargé d'Affaires ad interim:

Everett F. Drumright
First Secretary of Embassy

Enclosures:
Article from Feb. 5, 1947, issue of The Times.

(Original and four copies to Department)
Copy to USPOLAD, Tokyo
Embassy, Nanking
Embassy, Moscow
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Enclosure No. 1 to despatch No 3727 of Feb. 11. 1947.
from the Embassy at London, England.

PAPER: THE TIMES NUMBER

CITY: LONDON DATE: 5 FEB 1947

OCCUPATION OF JAPAN

BRITISH FORCE'S INADEQUATE DUTIES

NO PART IN ADMINISTRATION

From Our Tokyo Correspondent

The British Adjutant-General to the Forces, Lieutenant-General Sir Richard O'Connor, is visiting Shikoku Island on a tour of inspection of the British Commonwealth Occupation Force. During the tour he will talk with officers about future occupation policy and will also study at first hand the living conditions of the troops.

During the first months of occupation the British Commonwealth Occupation Force troops lived in Japan under extremely poor conditions. Many were sent inadequately equipped for Japan and lacked proper supplies. Their homes were devastated towns, including atom-bombed Hiroshima in all its misery. Conditions, however, have much improved and in many respects are now better than those under which British troops are living in other parts of the world. Many difficulties confronting the force have derived from inadequate planning before it was sent to this country and relate to matters outside the hands of local commanders.

An early regulation issued by General MacArthur prohibited all allied forces from making any use of Japanese food. B.C.O.F. troops are fed by the Australian Government, which sends regular supplies of fresh meat and vegetables. Thanks to the efforts of local commanders the provision of clothing is now adequate, though it was not easy to fit out troops, since certain United Kingdom units arrived from India without proper boots and in ragged battle-dress. Amenities vary greatly according to the district, headquarters and base being the best supplied. Six good European-type hotels have been made available for B.C.O.F., troops in some beautiful parts of Japan. These, however, accommodate only 30-40 officers and some 250 other ranks weekly. To alleviate the shortage of accommodation three more hotels will be opened shortly. In Shilolu there are also two fine rest camps for British and Indian troops, where 250 men stay for a week at a time. Many clubs and canteens for other ranks have been established.

TROOPS' GRIEVANCES

There is still room for improvement. Troops are living mostly in former Japanese barracks unsuitable for European use. New barracks are being built, but progress is slow. Though an exceptionally severe winter was expected, barracks are unheated and there is little hope of installing heating before the spring. Preparations for the installation of heating began before the summer, but would seem to have been neglected until the cold weather began. No one can explain the failure to mobilize available resources which would have provided heating for at least a proportion of the troops. The force has been hampered by the inability to obtain supplies from abroad. Equipment of hos-

a fine body of disciplined men. All B.C.O.F. units are composed of men of whom their respective countries may well be proud. Some troops have been less considerate towards the Japanese than have the Americans, but no serious criticism of their conduct has been made at allied headquarters, and the Americans are glad to have them as partners in occupation.

Throughout the United States-controlled areas American troops and civilians are permitted to mix freely in Japanese society, but in the B.C.O.F. zone there is a strict ban on fraternization. This was imposed as a personal instruction by the present commander-in-chief's predecessor, Lieutenant-General Northcott, now Governor of New South Wales, and it is generally felt it has had unfortunate consequences. It specifically prohibits B.C.O.F. troops from entering Japanese homes and participating in Japanese family life, and it directs that "official dealings with the Japanese must be kept down to a minimum." Coupled with the fact that B.C.O.F. troops are largely engaged in what may be described as police duties, this ban has prevented the Japanese from any real contact with the B.C.O.F. and learning something of their way of life and those democratic ideals on which the British Commonwealth is founded.

WANING PRESTIGE

Not only are B.C.O.F. troops, through no fault of their own, contributing little to the democratization of Japan, but in many Japanese quarters they are regarded, owing to the nature of their duties, as oppressors, while the Americans are looked upon as liberators. Non-military objectives of British Commonwealth occupation of Japan are to maintain and enhance British prestige and influence in Japan and impress on the Japanese people the democratic way of life. These objectives are not being attained. British publicity here is ineffectual.

Japanese people as a whole have little knowledge of the great part the British Commonwealth played in defeating Germany and Japan and still less knowledge of the social and economic changes taking place in the United Kingdom to-day. In Tokyo the principal British activity in the eyes of the Japanese consists of military parades, changing of the guard, and wearing colourful uniforms, all of which, after having had a certain novelty for a time, are now regarded with mild contempt. Britain thus appears to the Japanese as a would-be militaristic nation without real power. As many Japanese have said, "while the British parade to impress us, the Americans rebuild our country." This is not due to any real fault of the B.C.O.F. itself, but arises from the official decision that the B.C.O.F. should not participate in the military government, which is exclusively an American responsibility, even in the British zone.

The army component of the B.C.O.F. under the command of the United States Eighth Army, British Naval Forces under the naval officer in charge of Kure, and the British Commonwealth Air Group, though integral parts of the B.C.O.F., are under the operational command of the United States Commander, Commander Naval Activities Japan, and United States Fifth Air Force respectively. This arrangement works well, with the minimum of friction, but there is regret everywhere in the Commonwealth area that the B.C.O.F. has been deprived of all participation in the military government. Nobody wishes to change the system by which the Supreme Commander,

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from India without proper boots and in ragged battle-dress. Amenities vary greatly according to the district, headquarters and base being the best supplied. Six good European-type hotels have been made available for B.C.O.F., troops in some beautiful parts of Japan. These, however, accommodate only 30-40 officers and some 250 other ranks weekly. To alleviate the shortage of accommodation three more hotels will be opened shortly. In Shilolu there are also two fine rest camps for British and Indian troops, where 250 men stay for a week at a time. Many clubs and canteens for other ranks have been established.

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Another legitimate grievance of B.C.O.F. troops is the extraordinary delay in the receipt of mail from the United Kingdom, which may take any period up to three months to reach Japan. Newspapers and magazines are scanty, and the troops have few books to read and few educational facilities, except in Kure, where the Australian Government has established a good library in a well-run educational centre. There a few soldiers are taking university courses or studying for matriculation.

Failure to bring out dependents has been another source of complaint, but this is now being remedied and a certain number of families from India and the United Kingdom are expected to arrive shortly. Houses for these dependents are being built in certain parts of the occupation area. In others Japanese homes have been converted into suitable dwellings. When the families arrive they will find their new homes furnished with a luxury unknown in England in recent years. Furniture is being supplied by the Japanese Government free of cost on procurement orders.

Currency is a serious difficulty. The official exchange rate for £1 sterling is 60 yen, whereas the real value is about 300 yen. This had led to black marketing among certain troops. The introduction of military scrip, as in American areas, would seem the only answer, and it is understood that this will come into effect soon. The spirit of all B.C.O.F. units is extremely high, and there is deep resentment throughout the zone at any suggestion that they are not and enhance British prestige and influence in Japan and impress on the Japanese people the democratic way of life. These objectives are not being attained. British publicity here is ineffectual.

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WASTED MAN-POWER

There are some 100 United States officers to administer, through an intermediary composed of Japanese officials, the affairs of some 11,000,000 Japanese. The B.C.O.F. has only nine liaison officers to work with these 100 officers. The prefecture of Yamaguchi has about 3,000 schools in which militaristic anti-foreign doctrines were formerly inculcated. This prefecture is controlled by eight American officers of the Military Government. The B.C.O.F. possesses many competent administrators who could exercise great influence in the administration of the area. They would be a valuable addition to the Military Government. They want to participate in town planning and public health schemes and in economic rehabilitation, but they are debarred except in a private capacity. To these officers the issue is simple: either the B.C.O.F. should have some part under the United States command in the administration of its area, or the force would be better employed elsewhere. The fundamental aim of the occupation—the inculcation of democratic ideals among the Japanese people—has been largely lost sight of. Commanders' activities are too much limited to petty details of procurement, and the troops now feel they have not a proper job to do. Indeed, one of the most popular subjects of debate throughout the B.C.O.F. area is " Why are we in Japan ? "

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

AIR MAIL

London, February 11, 1947

RESTRICTED

No. 3727

Subject: Transmitting Clipping on B.C.O.F. in Japan

The Honorable
The Secretary of State,
Washington.

Sir:

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Respectfully yours,

For the Chargé d'Affaires ad interim:

Everett F. Drumright
First Secretary of Embassy

Enclosures:
Article from Feb. 5, 1947, issue of The Times.

(Original and four copies to Department)
Copy to USPOLAD, Tokyo
Embassy, Nanking
Embassy, Moscow
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Enclosure No. 1 to despatch No. 3727 of Feb. 11, 1947
from the Embassy at London, England.

PAPER: THE TIMES NUMBER

CITY: LONDON DATE: 25 FEB 1947

OCCUPATION OF JAPAN

BRITISH FORCE'S INADEQUATE DUTIES

NO PART IN ADMINISTRATION

From Our Tokyo Correspondent

The British Adjutant-General to the Forces, Lieutenant-General Sir Richard O'Connor, is visiting Shikoku Island on a tour of inspection of the British Commonwealth Occupation Force. During the tour he will talk with officers about future occupation policy and will also study at first hand the living conditions of the troops.

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a fine body of disciplined men. All B.C.O.F. units are composed of men of whom their respective countries may well be proud. Some troops have been less considerate towards the Japanese than have the Americans, but no serious criticism of their conduct has been made at allied headquarters, and the Americans are glad to have them as partners in occupation.

Throughout the United States-controlled areas American troops and civilians are permitted to mix freely in Japanese society, but in the B.C.O.F. zone there is a strict ban on fraternization. This was imposed as a personal instruction by the present commander-in-chief's predecessor, Lieutenant-General Northcott, now Governor of New South Wales, and it is generally felt it has had unfortunate consequences. It specifically prohibits B.C.O.F. troops from entering Japanese homes and participating in Japanese family life, and it directs that " official dealings with the Japanese must be kept down to a minimum." Coupled with the fact that B.C.O.F. troops are largely engaged in what may be described as police duties, this ban has prevented the Japanese from any real contact with the B.C.O.F. and learning something of their way of life and those democratic ideals on which the British Commonwealth is founded.

WANING PRESTIGE

Not only are B.C.O.F. troops, through no fault of their own, contributing little to the democratization of Japan but in many

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Control 3887

Rec'd February 13, 1947
12:44 p.m.

740.00119 Control (Japan)/2-1346

FROM: Tokyo

TO: Secretary of State

NO: 33, February 11

REDEPTEL 605, December 13 last sentence, and Yokohama's 192, December 23, 1946.

740.00119 Control (Japan)/12-2346

Suggested policy on travel of Japanese abroad is subject of SCAP radio C-69684, January 30, 1947 to War Department. It is thought that upon approval this policy satisfactory replies to queries regarding visits of Japanese to United States will be possible. Please instruct if additional information desired.

XR
811.111 Regulations

BISHOP

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FEB 20 1947

A.H.

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TC FORM 8

DEPARTMENT OF STATE
CENTRAL TRANSLATING DIVISION

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TRANSLATION

TC NO. 34490

DEPARTMENT OF STATE RECEIVED FEB 20 1947 DIVISION OF COMMUNICATIONS AND RECORDS

DIVISION OF JAPANESE AFFAIRS APR 11 1947 DEPARTMENT OF STATE

(Seal of the U.S.S.R.)

The Embassy of the Union of Soviet Socialist Republics presents its compliments to the Secretary of State and has the honor to communicate the following:

Mr. N. V. Novikov, Delegate of the U.S.S.R. to the Far Eastern Commission in Washington, communicated in his letter of July 1, 1946 addressed to Mr. Frank R. McCoy, Chairman of the Far Eastern Commission, that the Soviet Government recommends Moisei Semënovich USACH, Pëtr Karpovich MOSKALEV and Ivan Vlasovich OKHRIMENKO as candidates for nomination to the Reparations Division at General Headquarters of the Supreme Command for the Allied Powers in Japan. Mr. N. V. NOVIKOV requested that the names of the aforementioned persons be brought to the attention of the Supreme Command with a view to confirming M. S. Usach as Chief of the Reparations Division, P.K. Moskalev as Chief of a Section or Group of this Division, and I.V. Okhrimenko as Assistant Chief of a Section or Group of this Division.

On August 17, 1946, Mr. F. T. OREKHOV, Chargé d'Affaires ad interim of the U.S.S.R. in the U.S.A., in a letter addressed to Mr. Frank R. McCOY, Chairman of the Far Eastern Commission in Washington, communicated in addition that the Soviet Government recommends four more persons as candidates for positions at General Headquarters of the Supreme Command for the Allied Powers in Japan, namely:

1. Nikolai Ivanovich AGEEV - for work in the Economic and Scientific Section or in the Natural Resources Section;

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2. Vladimir Yakovlevich PODOLYAN - for work in the Public Health and Welfare Section;

3. Mikhail Maksimovich BELOV - for work in the Civil Information and Education Section; and

4. Aleksandr Nikolaevich KORNACHATEV - for work in the Civil Communications Section.

In the above-mentioned letter it was also communicated that the name of an alternate candidate recommended by the Soviet Government for the Economic and Scientific Section or for the Natural Resources Section would likewise be communicated.

Along with the aforementioned letters, biographical data concerning all persons recommended by the Soviet Government as candidates for the said positions at General Headquarters of the Supreme Command were also transmitted.

Mr. Frank R. McCoy, Chairman of the Far Eastern Commission, in a letter of August 22, 1946 addressed to Mr. F. T. OREKHOV, Chargé d'Affairs ad interim, and sent in reply to the latter's communication of August 17, 1946, acknowledged the receipt of the names of the candidates and biographical data concerning the candidates recommended by the Soviet Government, and he also communicated that, according to the procedure worked out with the Government of the U.S.A. on the basis of the document of the Far Eastern Commission entitled "Nomination of Allied Personnel for Service at the General Headquarters of the Supreme Command for the Allied Powers" (FEC-069), he had transmitted the aforementioned letter to the Government of the United States America with the request that the recommended candidacies be submitted to the attention of the Supreme Command for consideration. In the said letter Mr. McCoy promised to inform the Embassy concerning the answer of the Supreme Command. The Embassy,

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however, has not received any reply to date.

The Embassy would be very grateful to the Secretary of State for immediate information regarding the results of consideration by the Supreme Command of the question of nominating the persons recommended by the Soviet Government to the aforementioned positions at the Headquarters of the Supreme Command of the Allied Powers in Japan.

Embassy of the Union of Soviet Socialist Republics

Washington

February 12, 1947

(Initialed) N.N.

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OFFICE OF EUROPEAN AFFAIRS FEB 14 1947 DEPARTMENT OF STATE
DEPARTMENT OF STATE RECEIVED FEB 20 1947 DIVISION OF COMMUNICATIONS AND RECORDS

Посольство Союза Советских Социалистических Республик свидетельствует свое почтение Государственному Секретарю и имеет честь сообщить следующее:

Представитель СССР в Дальне-Восточной Комиссии в Вашингтоне Г-н Н.В.НОВИКОВ в своем письме от I-го июля 1946 г. на имя Председателя Дальне-Восточной Комиссии Г-на Франка Р.МАККОЯ сообщил о рекомендации Советским Правительством Моисея Семеновича УСАЧ, Петра Карповича МОСКАЛЕВА и Ивана Власовича ОХРИМЕНКО в качестве кандидатов для назначения их в Репарационный Отдел Штаба Верховного Главнокомандующего Союзных Держав в Японии. Г-н Н.В.НОВИКОВ просил довести имена упомянутых лиц до сведения Верховного Главнокомандующего с целью утверждения М.С.Усач в должности Начальника Репарационного Отдела, П.К. Москалева в должности Начальника Сектора или Группы этого же Отдела и И.В.Охрименко в должности Помощника Начальника Сектора или Группы этого же Отдела.

DIVISION OF JAPANESE AFFAIRS APR 11 1947 DEPARTMENT OF STATE

I7 августа I946 года Временный Поверенный в Делах СССР в США Г-н Ф.Т.ОРЕХОВ в письме на имя Председателя Дальне-Восточной Комиссии в Вашингтоне Г-на Франка Р.МАККОЯ сообщил дополнительно о рекомендации Советским Правительством еще четырех лиц в качестве

740.00119 CONTROL (JAPAN) /2-1247
740.00119 Control (Japan) 2-1247
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кандидатов для занятия должностей при Штабе Верховного Главнокомандующего Союзных Держав в Японии, а именно:

I. Николая Ивановича АГЕЕВА - для работы в Научной и Экономической Секции или в Секции Естественных Ресурсов;

2. Владимира Яковлевича ПОДОЛЯН - для работы в Секции Народного Здравоохранения;

3. Михаила Максимовича БЕЛОВА - для работы в Секции Гражданской Информации; и

4. Александра Николаевича КОРНАЧАТЕВА - для работы в Секции Гражданской Связи.

В последнем письме сообщалось также, что имя дополнительного кандидата, рекомендуемого Советским Правительством в Научную и Экономическую Секцию или в Секцию Естественных Ресурсов, будет сообщено дополнительно.

Вместе с упомянутыми письмами были препровождены также биографические справки о всех лицах, рекомендованных Советским Правительством в качестве кандидатов для занятия названных должностей при Штабе Верховного Главнокомандующего.

Председатель Дальне-Восточной Комиссии Г-н Франк Р.МакКой в письме от 22 августа 1946 г. на имя Временного Поверенного в Делах Г-на Ф.Т.ОРЕХОВА, присланном в ответ на письмо последнего

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

от I7 августа I946 года, подтвердил получение имен кандидатов и биографических справок на кандидатов, рекомендованных Советским Правительством, а также сообщил, что в соответствии с процедурой, выработанной с Правительством США на основе документа Дальне-Восточной Комиссии, озаглавленного "Назначение Союзного персонала для службы в Штабе Верховного Главнокомандующего Союзных Держав" /FEC-069/, он препроводил упомянутое письмо Правительству США с просьбой, чтобы рекомендованные кандидатуры были предложены вниманию Верховного Главнокомандующего для рассмотрения.В этом же письме Г-н МакКой обещал уведомить Посольство об ответе Верховного Главнокомандующего. Однако, Посольство до настоящего времени не получило ответа.

Посольство было бы весьма признательно Государственному Секретарю за незамедлительную информацию относительно результатов рассмотрения Верховным Главнокомандующим вопроса о назначении лиц, рекомендованных Советским Правительством на вышеупомянутые должности при Штабе Верховного Главнокомандующего Союзных Держав в Японии.

Посольство Союза Советских Социалистических Республик.
г.Вашингтон
I2 февраля I947 года.

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The Acting Secretary of State presents his compliments to the Chargé d'Affaires ad interim of the Union of Soviet Socialist Republics and refers to the Embassy's note of February 12, 1947, in which a reply is requested to the Soviet Government's communications of July 1, 1946, and August 17, 1946, addressed to the Chairman and American Member of the Far Eastern Commission, regarding the nominations of persons by the Soviet Government for positions on the staff of the Supreme Commander for the Allied Powers in Tokyo.

The Department has been informed that in February, 1946, when General MacArthur invited the Allied Missions in Japan to nominate their nationals for integration into the General Headquarters of the Supreme Commander, he needed competent assistance in many of his Headquarters sections. However, a considerable period of time elapsed before any nominations of Allied personnel were received by the Supreme Commander, and for the sake of the efficient

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efficient operation of the occupation it was necessary for him to fill all existing vacancies from available American sources.

The Supreme Commander for the Allied Powers has pointed out that during the past year the situation with respect to Allied representation in Tokyo has been greatly improved. Now, all of the Far Eastern Commission member governments are represented in Tokyo either on the Allied Council or by separate Missions.

In the opinion of the Supreme Commander there are great difficulties attendant upon the adoption of a policy of integrating the personnel of other nations into his staff caused by differences in methods, procedures, organization, language, and conditions of service. Therefore in the interests of maintaining an efficient headquarters for the occupation of Japan, the Supreme Commander cannot at the present time accede to the request of the Soviet Government for the assignment to his staff of the men nominated.

ZK
SK
to FE for initials on ribbon copy
MAR 31 1947 P.M.
APR 3 1947

Department of State,

Washington, April 3 1947

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FE EE A-H VKP

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

Mr. Hunt -
For comments
& concurrence
today.
- Conger

Suspense: Today
March 26

I have talked to Long about changing last sentence. Please return this file to him. (Hwd)

An 862

ecretary of State presents his compli-

gé d'Affaires ad interim of the Union

st Republics and refers to the Embassy's

12, 1947, in which a reply is requested

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17, 1946, regarding the nominations

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Commander

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

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Commander

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Commander, and for the sake of the efficient operation of the occupation it was necessary for him to fill all existing vacancies from available American sources.

The Department has been informed by the Supreme Commander that there are now no vacancies for Allied personnel on his staff. It is regretted, therefore, that the United States Government cannot accede to the request of the Union of Soviet Socialist Republics Government.

Department of State,

Washington,

FW 740.00119 Control (Japan)/2-1247

NA:HLPJ/pm
3/10/47

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A-H

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

DEPARTMENT OF STATE

ASSISTANT SECRETARY

REWRITTEN March 19th as per

suggestions on copy back of blue.

DEPARTMENT OF STATE

ASSISTANT SECRETARY

MAR 19 47
GENERAL HILLDRING
DEPARTMENT OF STATE

March 18, 1947

TO: AH Mr. Cameron.

FROM: AH Mr. Hemmendinger.

SUBJECT: Proposed SWNCC Paper on Treatment of United Nations' Property in Japan.

I have gone over the annexed paper with care and I believe it to be sound, except for certain doubts about the provision for compensation for depreciation in the value of the yen. Please note that OFD has expressed a reservation on this point and that the letter of transmittal from Hilldring to the Secretary of SWNCC states that that point has not been fully cleared in the Department. For this reason the letter suggests that this paper be referred to the Subcommittee for the Far East.

JK considers that it would be advantageous to get this paper into SWNCC rather than to hold it until this point is cleared up. I agree.

ah 670

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CONFIDENTIAL

SIGNED & RECEIVED IN S/S

March 19, 1947

MEMORANDUM TO THE SECRETARY, SWNCC

SUBJECT: Proposed SWNCC Paper on Treatment of United Nations' Property in Japan.

The attached statement of policy is presented to the State-War-Navy Coordinating Committee for formulation of a U.S. position. It is suggested that the proposed policy statement be referred to the Sub-Committee for the Far East for discussion and report. This paper represents the views of the Department of State except that, with respect to Section 8 f (2) and (3), which provide (in certain circumstances) for compensation in respect to depreciation in the value of the yen, the views of the Department will be considered further in the light of discussions in the Sub-Committee.

Representatives of the War and Treasury Departments have been consulted in the preparation of the draft paper.

J. H. Hilldring
State Department Member
State-War-Navy Coordinating Committee

JK:OJMcDiarmid:mw 3/17/47
AH:NHemmendinger:pl 3/19/47

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Lee DVF Return To

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Please Expedite

Turkish signature agreement
Ltr Frank Lee

...andum • UNITED STATES GOVERNMENT

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file

DATE: March 10, 1947

...cGuire PFMcG

...C paper on Treatment of United Nations' ... in Japan.

...ed paper in its present form is in accord ...l views. However, I feel bound to point ...sion for compensation (in certain circumstances ...n in the value of the yen to holders of ...rance policies, government bonds, bank ...etera /see Section 8 f (2) and (3)/ was not ...e treaties with Austria, Italy, or the ...tries of Europe. In fact, it is my under- the Department did not ask for such provision , and that recognition of the right to such ...s a new departure in U.S. Government policy. ...earily endorse the change, since it gives ...types of property the right to restoration ...es which has formerly been reserved for ...l" property. I believe that the inflationary impact or across the board restoration of real values will be minor in the case of Japan, because the total value of all United Nations' property in Japan is a very small fraction of the total wealth or even the total annual national income of Japan. However, all concerned should be aware that a precedent is being established which might have serious economic implications in certain circumstances. There is also the possibility that the adoption of a new policy at this time may subject the Department to some criticism from owners of property in countries with which restitution settlements have already been concluded.

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : A-H - JK/Sec

FROM : FN - Mr. McGuire PFMcG

DATE: March 10, 1947

SUBJECT: Proposed SWNCC paper on Treatment of United Nations' Property in Japan.

The proposed paper in its present form is in accord with my personal views. However, I feel bound to point out that provision for compensation (in certain circumstances) for depreciation in the value of the yen to holders of mortgages, insurance policies, government bonds, bank accounts, et cetera /see Section 8 f (2) and (3)/ was not included in the treaties with Austria, Italy, or the satellite countries of Europe. In fact, it is my understanding that the Department did not ask for such provision in those cases, and that recognition of the right to such compensation is a new departure in U.S. Government policy. I personally hearily endorse the change, since it gives owners of all types of property the right to restoration of "real" values which has formerly been reserved for owners of "real" property. I believe that the inflationary impact of across the board restoration of real values will be minor in the case of Japan, because the total value of all United Nations' property in Japan is a very small fraction of the total wealth or even the total annual national income of Japan. However, all concerned should be aware that a precedent is being established which might have serious economic implications in certain circumstances. There is also the possibility that the adoption of a new policy at this time may subject the Department to some criticism from owners of property in countries with which restitution settlements have already been concluded.

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STANDARD FORM NO. 64

CONFIDENTIAL file

Office Memorandum • UNITED STATES GOVERNMENT

TO : A-H - JK/Sec

DATE: February 13, 1947

FROM : JK - Mr. Martin

SUBJECT: Proposed SWNCC Paper on Treatment of United Nations' Property in Japan.

1. It is recommended that the attached paper be submitted to SWNCC through appropriate channels by the State Department Member.

2. The proposed paper establishes principles and procedures for the return to its owners of United Nations' property in Japan which was treated as enemy property by the Japanese Government during the war. In addition, it establishes principles of compensating such owners for damages sustained by their property during the period when it was not under their control. Such payment is to be made in yen except when other methods of compensation are agreed to between the owner and the Japanese Government, but compensation in foreign exchange is specifically excluded. The paper also provides for the establishment of a United Nations' Claims Tribunal, principally for the purpose of adjudicating claims for compensation.

3. Informal comment on the principles and procedures set forth in this paper has been obtained from FN (Mr. McGuire), JA (Mr. Fearey), Le (Mr. Freeman), and the Treasury Department (Mr. Hally), GA (Mr Oliver) FA (Mr Smith)

JK:OJMcDiarmid:mw
2/13/47

ESP Le JA FN FA A-H

Cleared Mr Hawley Treasury

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CONFIDENTIAL

March 18, 1947

TO: AH Mr. Cameron.

FROM: AH Mr. Hemmendinger.

SUBJECT: Proposed SWNCC Paper on Treatment of United Nations' Property in Japan.

I have gone over the annexed paper with care and I believe it to be sound except for certain doubts about the provision for compensation for depreciation in the value of the yen. Please note that OFD has expressed a reservation on this point and that the letter of transmittal from Hilldring to the Secretary of SWNCC states that that point has not been fully clear in the Department. For this reason the letter suggests that this paper be referred to the Subcommittee for the Far East.

JK considers that it would be advantageous to get this paper into SWNCC rather than to hold it until this point is cleared up.

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AH:NHemmendinger:lk

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Form DS-302
(7-2-46)

DIVISION OF
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DEPARTMENT OF STATE

INCOMING TELEGRAM

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Office of
FAR EASTERN AFFAIRS
FEB 15 1947
DIRECTOR
Department of State

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DIVISION OF JAPANESE AFFAIRS
FEB 17 1947
DEPARTMENT OF STATE

Control 4739

Rec'd February 14, 1947
10:36 p.m.

FROM: Tokyo

TO: Secretary of State

NO: 36, February 13, (?)

Following observations are offered regarding proposed obligations to consult Allied Council (reference Department telegrams 43 and 44, February 11):

Soviet proposal for insertion of clause "upon consultation with Allied Council" would, if accepted, amount to unwarranted assumption by Far Eastern Commission of executive authority over Supreme Commander requiring him to consult Allied Council on details of administration. Consultation with Allied Council is governed solely by terms of reference and strict compliance therewith has been practiced.

The Soviet proposal appears to disregard completely paragraph B, section 2, "functions" of terms of reference for Far Eastern Commission, in which it is stated "* * * the Commission in its activities will proceed from the fact that there has been formed an Allied Council for Japan and will respect existing control machinery in Japan including the chain of command * * *". It also appears to be an entering wedge in an attempt to establish direct relationship between Allied Council and Far Eastern Commission and marks but yet another attempt by Soviets to derogate from SCAP authority and to weaken American control of the occupation. It seems to us of utmost importance that such

moves should

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Office of
FAR EASTERN AFFAIRS
FEB 15 1947
DIRECTOR
Department of State

SECRET

moves should be firmly resisted. There have already occurred attempts by Japanese to circumvent SCAP and appeal through Allied Council to Far Eastern Commission. Such efforts have been completely rejected.

As required by terms of reference the Supreme Commander will consult with Allied Council on any matters of substance that might arise in implementation of this program. The individual plants to be retained can hardly be considered matters of substance. On the other hand, the minimum levels for the broad industries concerned are to be determined by Far Eastern Commission and not by SCAP decision and therefore are not subject to consultation between the Supreme Commander and Allied Council.

United States policy, as determined by SWNCC in 239/19 designates SCAP as the deciding authority for individual plants. Acceptance of Soviet proposal would violate this vital aspect of United States policy. Its value and effectiveness require, as stated in reference paper, speedy execution which is impossible of accomplishment without administrative flexibility. The Soviet proposal would effectively prevent "speedy execution".

It is therefore believed that the issue should be faced squarely and that the United States should decline to accept Soviet proposal. If no solution can be found in Far Eastern Commission, United States Government presumably could issue an interim directive based upon United States policy.

BISHOP

EEC:JS

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Form DS-302
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FAR EASTERN AFFAIRS
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Department of State

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FROM: Moscow

TO: Secretary of State

NO: 397, Fourteenth

Rec'd February 14, 1947
11 a.m.
2:50 pm

RED STAR February 12 carries article "In MANICHI Editorial Office", which claims that group of 20 journalists representing foreign democratic press encounter difficulties in obtaining information and are reprimanded for sending to US information which does not suit US administration. Article also states Japanese rightist papers enjoy greater facilities than leftist. While ASAHI and MANICHI are not prevented from supporting revival of Japanese imperialism "tone of these papers has slightly changed and they have been compelled to write good deal about democracy. Editorial offices have displayed interest in Soviet Union about which, however, they print nothing. Unseen hand does not permit anything to appear in their papers regarding growth and achievements of Soviet State."

XR.894.918

Department repeat Tokyo.

SMITH

Note: Repeated to Tokyo 5 p.m. 2/14/47. CWO-FEP

DM:HME

DEPARTMENT OF STATE
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CONFIDENTIAL

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

SWN-5152
17 February 1947

MEMORANDUM FOR THE SECRETARY OF STATE:
(Attention: Mr. J. K. Penfield - FE)

Subject: Directives Transmitted to SCAP by the Joint Chiefs of Staff

Enclosed are three copies of Directive, Serial No. 68, transmitted to SCAP by the Joint Chiefs of Staff. Copy No. 1 is for transmittal to the Far Eastern Commission and Copies Nos. 2 and 3 are for the files of the State Department.

For the State-War-Navy Coordinating Committee:

H. W. MOSELEY,
Secretary

Enclosures:
Copy Nos. 1, 2 and 3
of Serial No. 68

Memo Secretary General FEC 2/19/47 ALP file

FILED FEB 20 1947

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CONFIDENTIAL

COPY NO. 2

Serial No. 68

12 February 1947

DIRECTIVE TO THE SUPREME COMMANDER FOR THE ALLIED POWERS

INTERIM OBJECTIVES OF THE FAR EASTERN COMMISSION TOWARD THE DETERMINATION OF THE PEACEFUL NEEDS OF JAPAN

The following directive, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on 23 January 1947 under the provisions of paragraph II,A,1, of its terms of reference, has been received from the State, War and Navy Departments for transmission to you for your guidance in accordance with paragraph III, 1, of those terms of reference.

"1. The Far Eastern Commission determines as a matter of policy that the peaceful needs of the Japanese people should be defined as being substantially the standard of living prevailing in Japan during the period of 1930-1934.

"2. Data about the standard of living during 1930-1934 should for present purposes be used to make an estimate of Japan's peaceful needs in 1950. In estimating the nature and size of the industrial structure within that level, account should be taken of such factors as technological developments, the balance of payments and employment.

"3. Acceptance of the above policy should not be interpreted to mean acceptance in advance of a specific level for any particular industry."

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740.00119 CONTROL(JAPAN)/2-1747

FEB 19 1947

In reply refer to
JA

CONFIDENTIAL

MEMORANDUM FOR THE SECRETARY GENERAL
FAR EASTERN COMMISSION

In accordance with instructions of February 17, 1947, from the State-War-Navy Coordinating Committee, there is enclosed a certified copy of a directive, Serial No. 68, to the Supreme Commander for the Allied Powers regarding the Interim Objectives of the Far Eastern Commission Toward the Determination of the Peaceful Needs of Japan, to be filed with the Far Eastern Commission under the provisions of paragraph III, 4, of its Terms of Reference.

Cameron

J. H. Hilldring
Assistant Secretary

Enclosure:
Copy No. 1 (certified) of
Directive to the Supreme
Command for the Allied
Powers, Serial No. 68

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2/19/47

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THE STATE-WAR-NAVY COORDINATING COMMITTEE

WASHINGTON, D. C.

Office of FAR EASTERN AFFAIRS FEB 1 7 1947 Department of State

FE DC/R

SWN-5153
17 February 1947

740.00119 CONTROL (JAPAN)/2-1747

MEMORANDUM FOR THE SECRETARY OF STATE:
(Attention: Mr. J. K. Penfield, FE)

Subject: Draft directive regarding interim objectives of the Far Eastern Commission toward the determination of the peaceful needs of Japan.

The enclosed message from the Supreme Commander for the Allied Powers in reply to Serial Directive No. 68 is forwarded to the State Department for transmittal to the Far Eastern Commission

For the State-War-Navy Coordinating Committee:

H. W. MOSELEY
Secretary

Enclosure
CM-IN-2398

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DIVISION OF JAPANESE AFFAIRS FEB 18 1947 DEPARTMENT OF STATE

memo 1 to US member FEC file 2/18/47 ALD

FILED FEB 28 1947

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WAR DEPARTMENT
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CONFIDENTIAL TOT

PARAPHRASE NOT REQUIRED. HANDLE AS CONFIDENTIAL CORRESPONDENCE PER PARAS 51i and 60a (4), AR 380-5.

From: CINCFE Tokyo Japan sgd MacArthur

To: War Department for JCS

Nr: C 50080

14 February 1947

Reurad WAR 91906.

The advisability of publication of this and of any directive affecting the occupation, as a matter of basic principle, should depend upon the internal conditions existing in Japan at the time publication is proposed.

End

ACTION: JCS

INFO : AAF, Adm Leahy, ASW, CAD, ID, Adm Nimitz, P&O, SSP, CSA

CM IN 2398 (14 Feb 47) DTG: 140603Z bfr

CONFIDENTIAL

47

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THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

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SWN-5153
17 February 1947

MEMORANDUM FOR THE SECRETARY OF STATE:
(Attention: Mr. J. K. Penfield, FE)

Subject: Draft directive regarding interim objectives of the Far Eastern Commission toward the determination of the peaceful needs of Japan.

The enclosed message from the Supreme Commander for the Allied Powers in reply to Serial Directive No. 68 is forwarded to the State Department for transmittal to the Far Eastern Commission

For the State-War-Navy Coordinating Committee:

H. W. MOSELEY,
Secretary

Enclosure
CM-IN-2398

CONFIDENTIAL

COPY TO ACCOMPANY ORIGINAL

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From: CINCFE Tokyo Japan sgd MacArthur

To: War Departmeht for JCS

Nr: C 50080 14 February 1947

Reurad WAR 91906 (Serial Directive No. 68).

The advisability of publication of this and of any directive affecting the occupation, as a matter of basic principle, should depend upon the internal conditions existing in Japan at the time publication is proposed.

End

CM IN 2398 (14 Feb 47)

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740.00119 CONTROL (JAPAN)/2-1747

In reply refer to
JA - 740.00119 Control (Japan)

CONFIDENTIAL

MEMORANDUM FOR THE UNITED STATES MEMBER

FAR EASTERN COMMISSION

With reference to a request of February 12, 1947, for the views of the Supreme Commander for the Allied Powers regarding the future publication of the policy decision of the Far Eastern Commission relative to the Interim Objectives of the Far Eastern Commission toward the Determination of the Peaceful Needs of Japan, the following message, dated February 14, 1947, has been received from the Supreme Commander for the Allied Powers:

> The advisability of publication of this and of any directive affecting the occupation, as a matter of basic principle, should depend upon the internal conditions existing in Japan at the time publication is proposed.

The United States Member of the Far Eastern Commission is requested to make the information contained in this message available to the other members of the Far Eastern Commission.

J. H. Hilldring
Assistant Secretary

FEB 21 1947 P.M.

JA: ALDunking/bms FE AH

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

FE

DC/R

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

SWN-5154
18 February 1947

DEPARTMENT OF STATE
RECEIVED
FEB 18 1947
DIVISION OF
COMMUNICATIONS AND RECORDS

MEMORANDUM FOR THE SECRETARY OF STATE:
(Attention: Mr. J. K. Penfield - FE)

Subject: Draft Directive Regarding Interim Objectives of the Far Eastern Commission Toward the Determination of the Peaceful Needs of Japan.

The enclosed message from the Supreme Commander for the Allied Powers, in reply to Serial Directive Number 68, is forwarded to the State Department for transmittal to the Far Eastern Commission.

For the State-War-Navy Coordinating Committee:

H. W. MOSELEY,
Secretary

Enclosure
MC-IN 55986

DCR ME Unit
Final ... FE
Rev. ...
Out. ...
Dist. ...

DIVISION OF
FEB 19 1947
DEPARTMENT OF STATE

Memo for US Member FEC
2/19/47
ALD
file

FEB 20 1947
FILED
740.00119 CONTROL (JAPAN)/2-1847

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

From: SCAP Tokyo Japan

To: War Department for JCS

Nr: Z35385 17 February 1947

Reurad WAR 91906 (Serial Directive Number 68) action pending, will reply 21 February.

End

MC-IN 55986 (17 Feb 47)

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

JA

INCOMING AIRGRAM

DEPARTMENT OF STATE DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

FAR EASTERN AFFAIRS
FEB 28 1947
DIRECTOR
Department of State

OFFICE OF EUROPEAN AFFAIRS
DISTRIBUTION OFFICE
FEB 27 1947
DEPARTMENT OF STATE

DIVISION OF JAPANESE AFFAIRS
FEB 28 1947
DEPARTMENT OF STATE

UNRESTRICTED

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ACTION: EUR
INFO:
DC/R
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A-H
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OCD
GIC
FC
OFS

DATED February 19, 1947

RECD. Feb. 26, 8:52 a.m.

Secretary of State

Washington

A-347, February 19, 1947

740.00119 Control (Japan)2/1-23

1. Reference to Embassy's airgram A-147, January 25, 1947, on subject British occupation forces in Japan.

2. Following question and answer in regard to withdrawal of British troops from Japan exchanged in House of Commons on February 18, 1947:

Mr. Tooling (Conservative U.K. for Brighton) asked the Secretary of State for War why the 5,000 British troops about to leave Japan, and previously understood to have been returning to England, are now being sent to Malaya.

Mr. J. Freeman (Financial Secretary for War Office): "There have never been any grounds for supposing that the British troops being withdrawn from Japan would return to the United Kingdom. They are in fact going to Malaya."

GALLMAN

COPY to Political Adviser,
SCAP, Tokyo,
Consul General,
Singapore.

JDrumright/ejc

FILED
MAR 5 1947

740.00119 CONTROL (JAPAN)/2-1947 HH

PERMANENT RECORD COPY.—This copy must be returned to DC/R central files with notation of action taken.

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JA

Form DS-302
(7-2-46)

DIVISION OF
COMMUNICATIONS AND RECORDS
TELEGRAPH BRANCH

DEPARTMENT OF STATE

INCOMING TELEGRAM

ACTION COPY
OFFICE OF EUROPEAN AFFAIRS
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FEB 20 1947
DEPARTMENT OF STATE

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DIVISION OF JAPANESE AFFAIRS
no action
FEB 21 1947
DEPARTMENT OF STATE

7-X

Action: EUR
Info:
S
U
A-E
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OCD
CIG
FC
DC/R

Control 6154

Rec'd February 19, 1947
11:01 p.m.

Office of
FAR EASTERN AFFAIRS
FEB 21 1947
DIRECTOR
Department of State

FROM: London

TO : Secretary of State

NO : 1123, February 19, 5 p.m.

XR841.00
XR841.03

We are informed that a Labor MP has put down motion for adjournment in order to debate Allied policy toward Japan and that this move may evoke debate in Commons evening of Feb 20. Foreign Office suggests MP in question impelled to this action by his feeling that "iron curtain" exists in this country regarding Jap developments and especially regarding deliberations of Control Council. Foreign Office dismisses this feeling as "nonsensical", pointing out that British newspapers publish little Jap news because British people not interested in Jap developments.

Sent Dept 1123, Dept please repeat USPOLAD Tokyo as 2.

GAILMAN

NOTE: Repeated to Tokyo 2 a.m., 2/20/47 CWO-PEP

JMS:ABC

740.00119 CONTROL (JAPAN)
2-1947

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FEB 28 1947

HH

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D c/a

FEB 19 1947

740.00119 CONTROL(JAPAN)/2-1947

MEMORANDUM FOR THE UNITED STATES MEMBER
FAR EASTERN COMMISSION

With reference to the directive of February 12, 1947, Serial No. 68, to the Supreme Commander for the Allied Powers regarding the Interim Objectives of the Far Eastern Commission toward the Determination of the Peaceful Needs of Japan, the following message dated February 17, 1947, has been received from the Supreme Commander for the Allied Powers:

> Regarding Serial Directive Number 68
> action pending, will reply 21 February.

The United States Member of the Far Eastern Commission is requested to make the information contained in this message available to the other members of the Far Eastern Commission.

740.00119 Control (Japan) 2-18-47

W.M Cameron

J. H. Hilldring
Assistant Secretary

CS/A

740.00119 Control (Japan) 2-1947

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Enc.
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JA:ALDunning:bms
2/19/47

FE

FEB 19 [illegible] P.M.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

DIVISION OF JAPANESE AND KOREAN
ECONOMIC AFFAIRS
DEPARTMENT OF STATE
FEB 25 1947

DIVISION OF JAPANESE AND KOREAN
ECONOMIC AFFAIRS
DEPARTMENT OF STATE
MAY 22 1947

740.00119 CONTROL (JAPAN)/2-1947

In reply refer to
JK

My dear General Noce,

The Department of State would like to obtain from the War Department data on the total amount of appropriated funds expended in Japan and Korea since the beginning of the occupation, preferably by calendar year. It would be appreciated if this amount could be broken down as follows, with separate data on Japan and Korea:

1. Civilian supply

2. Civilian pay and travel

3. Transportation of civilian supplies

4. Military costs

   a. Total cost

   b. Cost per man.

Supplies provided by UNRRA should be excluded from the data. If it is possible to get any of these data in terms of commitments only, please indicate that this is the case. The assistance of the War Department in filling this request will be greatly appreciated.

Sincerely yours,

J. H. Hilldring
Assistant Secretary

Major General Daniel Noce,
Chief, Civil Affairs Division,
War Department,
Washington 25, D. C.

JK:RHFisher:el 2/17/47

ESP

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

In reply refer to
JK

My dear General Noce:

The Department of State would like to obtain from the War Department data on the total amount of appropriated funds expended in Japan and Korea from the beginning of the occupation to the end of 1946 for civilian supply items coming under Category I. In addition, a figure is desired regarding the value of any other imports into these areas paid for from appropriated funds. Supplies provided by UNRRA should be excluded.

If it is possible to get figures in terms of commitments only, please indicate that this is the case. The assistance of the War Department in this will be greatly appreciated.

Sincerely yours,

J. H. Hilldring
Assistant Secretary

Major General Daniel Noce,
Chief, Civil Affairs Division,
War Department,
Washington 25, D. C.

JAN 31 1947 P.M.

JK:RHFisher:el 1/30/47

ESP

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CONFIDENTIAL

740.00119 Control (Japan)/2-2047

SWN-5161
20 February 1947

MEMORANDUM FOR THE SECRETARY OF STATE:

Subject: United States Initial Post-Defeat Policy Relating to Japan

References: a. SWNCC 150/9
b. SWNCC 150/10

At its 54th Meeting on 19 February 1947 the State-War-Navy Coordinating Committee approved SWNCC 150/10, copies of which are enclosed.

It is requested that the Department of State forward the memorandum in Enclosure "B", with a copy of Enclosure "A" as an enclosure, to the U.S. representative on the Far Eastern Commission for guidance in connection with the review of the United States Initial Post-Defeat Policy by that Commission.

For the State-War-Navy Coordinating Committee:

J. H. HILLDRING,
Chairman

Enclosures
Copy Nos. 52 & 53,
SWNCC 150/10

COPY FOR STATE MEMBER, SWNCC

CONFIDENTIAL

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State
53

CONFIDENTIAL

COPY NO._____

20 February 1947

STATE-WAR-NAVY COORDINATING COMMITTEE

DECISION ON SWNCC 150/10

UNITED STATES INITIAL POST-DEFEAT POLICY RELATING TO JAPAN

Note by the Secretaries

At its 54th Meeting on 19 February 1947 the State-War-Navy Coordinating Committee approved SWNCC 150/10.

H. W. MOSELEY
W. A. SCHULGEN
V. L. LOWRANCE
Secretariat

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COPY NO. 53

SWNCC 150/10

18 February 1947

Pages 122 - 137, incl.

STATE-WAR-NAVY COORDINATING COMMITTEE

UNITED STATES INITIAL POST-DEFEAT POLICY RELATING TO JAPAN

References: a. SWNCC 150/4/A
b. SWNCC 150/7/D
c. SWNCC 150/8
d. SWNCC 150/9

Note by the Secretaries

Enclosure "A", a revision of reference d, and Enclosure "B", proposed instructions to the U. S. member on the Far Eastern Commission, both prepared by the ad hoc Committee appointed at the 53rd Meeting, are circulated for consideration by the Committee.

H. W. MOSELEY

W. A. SCHULGEN

V. L. LOWRANCE

Secretariat

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ENCLOSURE "A"

UNITED STATES INITIAL POST-DEFEAT POLICY RELATING TO JAPAN

Memorandum by the State Member, SWNCC

The attached paper (Appendix) is a revision of the Basic Post Surrender Policy for Japan which has been agreed on by a special sub-committee of the Far Eastern Commission. The original text is that ~~approved~~ considered by SWNCC in SWNCC 150/4/A 150/7/D. The changes are those made in the course of negotiations by the special sub-committee of FEC. In agreeing to these changes the U.S. negotiator has been guided by SWNCC 150/8. I am of the opinion that all changes agreed to are within the scope of the negotiating authority granted by that paper. Nevertheless, in view of the importance of the Basic Policy paper it is desirable that those amendments by the special sub-committee which relate to principles of major importance be reviewed before final approval in FEC. Since it is important that the U. S. member of FEC be instructed as early as possible, it is requested that this paper not be referred to a sub-committee.

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A P P E N D I X

BASIC POST-SURRENDER POLICY FOR JAPAN

This document is a statement of general policy relating to Japan after surrender. It does not deal with all matters relating to the occupation of Japan requiring policy determinations. Such matters as are not included or are not fully covered will be dealt with separately.

PREAMBLE

WHEREAS on September 2, 1945, Japan surrendered unconditionally to the Allied Powers and is now under military occupation by forces of these powers under the command of General of the Army Douglas MacArthur, Supreme Commander for the Allied Powers and WHEREAS representatives of the following nations, namely, Australia, Canada, China, France, India, the Netherlands, New Zealand, the Philippines, the U.S.S.R., the United Kingdom, and the United States of America, which were engaged in the war against Japan, have on the decision of the Moscow Conference of Foreign Ministers met together at Washington as a Far Eastern Commission, to formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished: THE NATIONS COMPOSING THIS COMMISSION, with the object of fulfilling the intentions of the Potsdam Declaration, of carrying out the instrument of surrender and of establishing international security and stability:

CONSCIOUS that such security and stability depend first upon the complete destruction of the military machine which has been the chief means whereby Japan has carried out the aggressions of past decades; second, upon the establishment of such political and economic conditions as would make impossible any revival of militarism in Japan; and third upon bringing the Japanese to a realization that their will to war, their plan of conquest, and the methods used to accomplish such plans, have brought them to the verge of ruin,

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RESOLVED that Japan cannot be allowed to control her own destines again until there is on her part a determination to abandon militarism in all its aspects and a desire to live with the rest of the world in peace, and until democratic principles are established in all spheres of the political, economic, and cultural life of Japan.

ARE THEREFORE AGREED:

To ensure the fulfillment of Japan's obligations to the Allied Powers:

To complete the task of physical and spiritual demilitarization of Japan by measures including total disarmament, economic reform designed to deprive Japan of power to make war, elimination of militaristic influences, and stern justice of war criminals, and requiring a period of strict control; and

To help the people of Japan in their own interest as well as that of the world at large to find means whereby they may develop within the framework of a democratic society an intercourse among themselves and with other countries along economic and cultural lines that will enable them to satisfy their reasonable individual and national needs and bring them into permanently peaceful relationship with all nations;

AND HAVE ADOPTED the following basic objectives and policies in dealing with Japan:

PART I - ULTIMATE OBJECTIVES

1. The ultimate objectives in relation to Japan, to which policies for the post-surrender period for Japan should conform, are:

a. To insure that Japan will not again become a menance to the peace and security of the world.

b. To bring about the earliest possible establishment of a democratic and peaceful government which will carry

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out its international responsibilities, respect the rights of other states, and support the objectives of the United Nations. Such government in Japan should be established in accordance with the freely expressed will of the Japanese people.

2. These objectives will be achieved by the following principal means:

a. Japan's sovereignty will be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor outlying islands as may be determined.

b. Japan will be completely disarmed and demilitarized. The authority of the militarists and the influence of militarism will be totally eliminated. All institutions expressive of the spirit of militarism and aggressions will be vigorously suppressed.

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

d. Japan shall be permitted to maintain such industries as will sustain her economy and permit the exaction of just reparations in kind, but not those which would enable her to rearm for war. To this end access to, as distinguished from control of, raw materials should be permitted. Eventual Japanese participation in world trade relations shall be permitted.

PART II - ALLIED AUTHORITY

1. Military Occupation.

There will be a military occupation of the Japanese home islands to carry into effect the surrender terms and further the achievement of the ultimate objectives stated above. The occupation shall have the character of an operation in behalf of the powers that have participated in the war against Japan. The

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principle of participation in the occupation of Japan by forces of these nations is affirmed. The occupation forces will be under the command of a Supreme Commander designated by the United States.

2. Relationship to Japanese Government.

The authority of the Emperor and the Japanese Government will be subject to the Supreme Commander, who will possess all powers necessary to effectuate the surrender terms and to carry out the policies established for the conduct of the occupation and the control of Japan.

The Supreme Commander will exercise his authority through Japanese governmental machinery and agencies, including the Emperor, but only to the extent that this satisfactorily furthers the objectives and policies stated herein. According to the judgment and discretion of the Supreme Commander, the Japanese government may be permitted to exercise the normal powers of government in matters of domestic administration, or the Supreme Commander may in any case direct action to be taken without making use of the agencies of the Japanese government. ~~It is the right and duty of the Supreme Commander to require changes in governmental personnel~~ or government machinery not effecting ~~a fundamental change in the Japanese constitutional structure~~, if, in his opinion, ~~such changes are necessary to effectuate the surrender terms or the policies contained in this document.~~ A new government coming into power after the old one has resigned, ~~whether on the initiative of the Supreme Commander or on the~~ initiative of the Japanese people themselves in the normal ~~functioning of the democratic and constitutional processes in~~ Japan, will not require formal approval by the Supreme Commander ~~or the Far Eastern Commission. However, in the event that the~~ question of the satisfactory or unsatisfactory character of the new government is raised in the Far Eastern Commission, and the Far Eastern Commission decides as a matter of policy that the new government is unsatisfactory, then the unsatisfactory government must be dismissed in accordance with an order by the Supreme

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~~Commander on the basis of a directive issued to him by the United States Government embodying a policy decision on this question by the Far Eastern Commission.~~

The Supreme Commander is not committed to support the Emperor or any other Japanese governmental authority. The policy is to use the existing form of government in Japan and not to support it. Changes in the pre-surrender institution of the Emperor and in the form of government in the direction of modifying or removing its feudal and authoritarian character and of establishing a democratic Japan are to be encouraged.

3. Protection of United Nations Interests.

It shall be the duty of the Supreme Commander to protect the interests, assets, and rights of members of the United Nations and their nationals. Where such protection conflicts with the fulfillment of the objectives and policies of the occupation, the government of the nation concerned shall be informed through diplomatic channels and shall be consulted on the question of proper adjustment.

4. Publicity as to Policies.

The peoples of the nations which have participated in the war against Japan, the Japanese people, and the world at large shall be kept fully informed of the objectives and policies of the occupation, and of progress made in their fulfillment.

PART III - POLITICAL

1. Disarmament and Demilitarization.

Disarmament and demilitarization are the initial tasks of the military occupation and shall be carried out promptly and with determination. Every effort shall be made to bring home to the Japanese people the part played by those who have deceived and misled them into embarking on world conquest, and those who collaborated in so doing.

Japan is not to have any army, navy, airforce, secret police organization, any civil aviation, or gendarmerie, but may

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have adequate civilian police forces. Japan's ground, air and naval forces shall be disarmed and disbanded and the Japanese Imperial General Headquarters, the General Staff and all secret police organizations shall be dissolved. Military and naval material, military and naval vessels and military and naval installations, and military, naval and civilian aircraft, wherever situated, shall be surrendered to the appropriate Allied commanders in their zones of capitulation of the Japanese troops and shall be disposed of in accordance with decisions of the Allied Powers already adopted or which may be adopted. Inventories shall be made and inspections authorized to insure the complete execution of these provisions.

High officials of the Japanese Imperial General Headquarters, and General Staff, other high military and naval officials of the Japanese Government, leaders of ultra-nationalist and militarist organizations and other important exponents of militarism and aggression will be taken into custody and held for future disposition. Persons who have been active exponents of militarism and militant nationalism will be removed and excluded from public office and from any other position of public or substantial private responsibility. Ultra-nationalistic or militaristic social, political, professional and commercial socieities and institutions will be dissolved and prohibited. The restoration, even in a disguised form, of any anti-democratic and militaristic activity shall be prevented, particularly on the part of former Japanese career military and naval officers, gendarmerie, and former members of dissolved militaristic and ultra-nationalistic organizations.

Militarism and ultra-nationalism, in doctrine and practice, including para-military training, shall be eliminated from the educational system. Former career military and naval officers, both commissioned and non-commissioned, and all other exponents of militarism and ultra-nationalsim shall be excluded from supervisory and teaching positions.

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2. War Criminals.

Stern justice shall be meted out to all war criminals, including those who visited cruelties upon prisoners of war or other nationals of members of the United Nations. Persons charged by the Supreme Commander, or appropriate United Nations Agencies with being war criminals, shall be arrested, tried, and, if convicted, punished. Those wanted by another of the United Nations for offenses against its nationals, shall, if not wanted for trial or as witnesses or otherwise by the Supreme Commander, be turned over to the custody of such other nation.

3. Encouragement of Desire for Individual Liberties and Democratic Processes.

Freedom of worship and observance of all religions shall be proclaimed and guaranteed for the future. It should also be made plain to the Japanese that ultra-nationalistic and militaristic organizations and movements will not be permitted to hide behind the cloak of religion.

The Japanese people shall be afforded opportunity and encouraged to become familiar with the history, institutions, culture and the accomplishments of the democracies.

Obstacles to the revival and strengthening of democratic tendencies among the Japanese people shall be removed.

Democratic political parties, with rights of assembly and public discussion and the formation of trade unions shall be encouraged, subject to the necessity for maintaining the security of the occupying forces.

Laws, decrees, and regulations which establish discrimination on grounds of race, nationality, creed or political opinion shall be abrogated; those which conflict with the objectives and policies outlined in this document shall be repealed, suspended or amended as required, and agencies charged specifically with their enforcement shall be abolished or appropriately modified. Persons unjustly confined by Japanese authority on political grounds shall be released. The judicial,

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legal and police systems shall be reformed as soon as practicable to conform to the policies set forth herein and it shall be the duty of all judicial, legal and police officers to protect individual liberties and civil rights.

PART IV - ECONOMIC

1. Economic Demilitarization.

The existing economic basis of Japanese military strength must be destroyed and not be permitted to revive.

Therefore, a program will be enforced containing the following elements, among others: the immediate cessation and future prohibition of production of all goods designed for the equipment, maintenance, or use of any military force or establishment; the imposition of a ban upon facilities for the production or repair of implements of war, including naval vessels and all forms of aircraft; the insitution of a system of inspections and control designed to prevent concealed or disguised military preparation; the elimination in Japan of those industries or branches of production which would provide Japan with the capacity to rearm for war; and the prohibition of specialized research and instruction contributing directly to the development of war-making power. Research for peaceful ends will be permitted, but shall be strictly supervised by the Supreme Commander to prevent its use for war purposes. Japan shall be restricted to the maintenance of those industries which will sustain the level of economy and standard of living fixed in accordance with principles determined by the Far Eastern Commission and consistent with the Potsdam Declaration.

The eventual disposition of those existing production facilities within Japan which are to be eliminated in accord with this program, as between transfer abroad for the purpose of reparations, scrapping, and conversion to other uses, will be determined, after inventory, in accordance with principles laid down pursuant to the terms of reference of ~~by~~ the Far Eastern Commission ~~or some other organization established by~~

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~~agreement between the members of the Far Eastern Commission~~. Pending decision, no such facilities either suitable for transfer abroad or readily convertible for civilian use, shall be destroyed except in emergency situations.

2. Promotion of Democratic Forces.

Organizations of labor in industry and agriculture, organized on a democratic basis, shall be encouraged. Other organizations in industry and agriculture, organized on a democratic basis, shall be encouraged if they will contribute to furthering the democratization of Japan or other objectives of the occupation.

Policies shall be laid down with the object of insuring a wide and just distribution of income and of the ownership of the means of production and trade.

Encouragement shall be given those forms of economic activity, organization and leadership deemed likely to strengthen the democratic forces in Japan and to prevent economic activity from being used in support of military ends.

To this end it shall be the policy of the Supreme Commander:

a. To prohibit the retention in important positions in the economic field of individuals who because of their past associations or for other reasons cannot be trusted to direct Japanese economic effort solely towards peaceful and democratic ends; and

b. To require a program for the dissolution of the large industrial and banking combinations accompanied by their progressive replacement by organizations which would widen the basis of control and ownership.

3. Resumption of Peaceful Economic Activity.

The policies of Japan have brought down upon the people great economic destruction and confronted them with