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FROM : DA (JCOS) NR : W 92777 20 DEC 47 CONTINUED

(a) To attain the maximum production of indigenous food;

(b) To ensure equitable distribution of indigenous food supplies by maintaining and improving the system of collection, rationing and price control.

"3. In view of the acute world shortage, imports of food for Japan during the present crop year (Nov 1, 1947 - Oct 31, 1948) should be the minimum required to prevent such starvation and widespread disease and civil unrest as would endanger the safety of the Occupation Forces, and no imports exceeding this minimum should be permitted which would have the effect of giving preferential treatment to the Japanese over the peoples of any allied power or liberated area.

"4. The Far Eastern Commission recommends to its member govts that they take all steps within their power to assist the implementation of this policy."

End of Directive.

The following statements made on dates indicated are included for your info.

STATEMENT OF THE US REPRESENTATIVE
ON NOV 20, 1947

"I am now able to state the position of my Govt on the pending paper, 'Supply of food for civ consumption in Japan' (FEC 248/4).'

"My Govt has authorized me to approve the paper as it stands, provided a time limit is placed on the period during which it will be in effect.

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FROM : DA (JCOS) NR : W 92777 20 DEC 47 CONTINUED

"My Govt therefore proposes that the paper be amended as follows: In line 1 of Para 3, before the word 'period' insert the word 'present,' and after the word 'period,' insert in brackets the clause '(Japanese crop year, Nov 1, 1947 - Oct 31, 1948).' The first line will then read: 'During the present period (Japanese crop year, Nov 1, 1947-Oct 31, 1948) of acute world shortage, imports of....'

"It has been the policy of the US Govt from the beginning of the occupation, during which period there has been acute world food shortage, that the food imported into Japan should be limited to not more than the amount recommended by SCAP and approved by my Govt to be the amount necessary 'to prevent such starvation and wide-spread disease and civil unrest as would endanger the safety of the Occupation Forces.' In the view of SCAP and my Govt's medical authorities, no less than 1,500 calories for the normal consumer are needed to meet this standard. However, as members of the Far Eastern Commission are aware, the shortage in world food supply has, in fact, thus far made it entirely impossible to provide a ration which will fully meet even this minimum standard. My Govt is willing to approve and enforce this policy for another year, fulfilling Japan's minimum requirements as fully as the food situation will allow...

"In view, however, of the impossibility of forecasting the conditions which will exist in Japan and in other Far Eastern Countries a year from now, or the obligations which changed conditions may place upon the Govt of the US, my Govt is unwilling to commit itself to any particular

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policy for a longer period than that proposed.

"If the US Amendment should be adopted the US Govt, as the time approaches when this paper will cease to be in effect, will be pleased to consider with other interested govts the policy regarding food relief for Japan which might then be adopted for a further period."

STATEMENTS OF US AND CHINESE REPRESENTATIVES ON DEC 11, 1947

"The US Representative asked that the following statement be recorded in the minutes of the Commission at the time of adoption of this policy.

"The US approves the policy statement on food contained in FEC 248/4 on the understanding that:

"1. As a first step in implementation of Para 3 of this policy the Supreme Comdr will present his requirements for food imports to the US Govt as requested by current directives classified separately as to:

a. Requirements essential to the safety of the Occupation Forces.

b. Additional requirements necessary to meet the objectives of the occupation.

"2. In order to make it possible for the US Govt to 'take all steps within its power to assist this policy to be carried into effect' SCAP will fwd to the US Govt all necessary data as to Japanese indigenous resources, measures being taken to increase production and provide equitable distribution of such resources, dietary standards necessary to prevent disease and unrest such as would endanger the safety of the Occupation Forces and other required info.

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FROM : DA (JCOS) NR : W 92777 20 DEC 47 CONTINUED

"3. The US Govt will determine, on the basis of info submitted by SCAP and other info avail to it, and after consultation with appropriate international bodies the imports other than those needed for the safety of the Occupation Forces which would not have the effect of giving preferential treatment to the Japanese.

"4. The US Govt will then inform the Supreme Comdr of its views as to the maximum imports which would not provide preferential treatment for the Japanese."

The Chinese Representative made the following statement of understanding which he asked be recorded in the minutes.

"It is the understanding of the Chinese Delegation that Para 2 A should not be interpreted to prevent removal as reparations of Japanese fertilizer plants and facilities, or to predetermine the ultimate capacity of such industry to be retained in Japan."

In reference to the above Chinese statement, the US Representative asked that the following statement of understanding also be recorded in the minutes.

"The US Govt does not acquiesce in any statement which implies that fertilizer plants may be used for reparations."

STATEMENT OF THE NEW ZEALAND
REPRESENTATIVE ON DEC 11, 1947

"Mr Chairman, may I be permitted to make some statements on the general aspect of this paper now that it is going to be passed? This is not the first occasion on which the Far Eastern Commission has been called upon to

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consider the question of food supplies for Japan. The Commission will recall the very keen interest which my Govt, and particularly my Minister, Sir Carl Berendsen has taken in the matter in its earliest stages, and I don't have any desire at all to recapitulate any part of the difficult and prolonged discussions which we have had on this paper extending almost for over a year - well over a year.

"I am instructed by my Govt to support the present paper as being the best obtainable under the circumstances, but I should like to comment on 1 or 2 general aspects involved.

"Of course, we realize that it is entirely natural and understandable that an occupying power holding such a predominant place in Japan as does the US should earnestly desire to avoid any unnecessary complication of its difficult and delicate task. It is also true that it is difficult to build a democratic country out of a hungry people. These things are plain and undeniable.

"But there is another principle involved. If there is to be hardship, and if at a time like this when there is not food enough to go around, anyone has to go short, then clearly, as we see it, the shortage and the suffering should fall upon the aggressors and not upon their victims. There does not seem to be any reason whatever, in logic or in equity, why, for example, the people of China, or Malaya or the Philippines or India or Burma, or, indeed, any of the peoples of the world who are suffering from hunger as a direct result of Japanese aggression, should be allowed to go short of food in a time of desperate need while the

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FROM : DA (JCOS) NR : W 92777 20 DEC 47 CONTINUED

Japanese, the substantial cause of their miseries, are supplied with food in greater proportion. The paper before us acknowledges this general principle, the validity of which, of course, is unquestionable, but the paper provides an important exception, in that the Japanese may be permitted to receive more food than their former victims if such extra food is necessary to prevent such starvation and widespread disease and civil unrest as will endanger the safety of the Occupation forces. This is an exception, sir, which may become both unjust and dangerous.

"It may become unjust because it can lead to a violation of that general principle I have referred to, and it may become dangerous because it leaves the way open for the Japanese, by deliberately fomenting internal disorder, to induce SCAP and the US Govt to allow more food. But, of course, in the proper discharge of the Commission's responsibilities, it is clear to all of us that such an exception must be inserted in the policy paper. In the circumstances we couldn't possibly do otherwise, but I do suggest that we should act with our eyes open. It is, therefore, obviously the duty of all concerned to minimize both the possibility of injustice and of danger, and to take all necessary steps to insure that the amount of actual food required by this exception is as small as possible. The Japanese food problem is only one part of a world-wide problem, as is recognized in the statement of the US Member in Document recently filed, FEC 248/4, and the more the Japanese can be got to see this light, and together with their own part in the history of its development, the less is there likely to be unrest and the more cooperative will

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the Japanese become and the lower will the level of food required to prevent danger to the Occupation Forces also be. In a previous food paper before the Commission, that is, FEC 026/12, there was a very significant paragraph which doesn't appear in the present paper, and I should like, with your permission, sir, to quote that paragraph. The paragraph reads as follows:

'The Supreme Comdr should make it clear to the Japanese people that:

'(1) Many countries are suffering from a dire shortage of foodstuffs largely due to Japanese aggression and in many of the countries devastated by the Japanese the diet of the people is inferior to that of the Japanese.

''(2) The Supreme Comdr assumes no obligation to maintain, or to have maintained, any particular standard of living in Japan.

'(3) The Supreme Comdr assumes no responsibility to the Japanese people to import foodstuffs to meet any deficit arising from the failure of the Japanese Govt and people to assure the just and impartial distribution of their indigenous foodstuffs.

'(4) The standard of living will depend upon the thoroughness with which Japan rids itself of all militaristic ambitions, redirects the use of its human and natural resources wholly and solely for purposes of peaceful living, administers adequate economic and financial controls and cooperates with the occupying forces and the govts they represent.'

"Now, sir, in the course of the food discussions, which

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FROM : DA (JCOS) NR : W 92777 20 DEC 47 CONTINUED

of course, were very prolonged in the Commission and in the Committee, the New Zealand Delegation fully understood the reasons for most of the arguments which were adduced by the US, although, of course, on occasions we contested their validity, but we never did understand the reason for the flat US rejection of subparagraph (1) in the abstract of the paragraph which I have just read. That is the subparagraph which suggests that the Supreme Comdr should make it clear to the Japanese people that many countries are suffering from shortage of foodstuffs largely due to Japanese aggression. The remainder of the paragraph that I quoted was fully accepted by the US Delegation. Now my Govt attaches great importance to this matter being understood in its correct perspective, and being so understood by the Japanese, and it has at times felt doubtful whether this was the situation or even whether SCAP was doing what could be done in this respect. And the attitude of the US upon that subparagraph (1) I have referred to didn't help very much to remove the doubts. But it does not appear that comparatively recently something has been done to put the matter to the Japanese in the proper light. I refer to the 2 papers that have been filed in the Commission--FEC 248/5 and 248/6-- and I refer also to a press report to the effect that the Japanes miners have been informed that they were getting twice as much food as the European miners but that they were only producing ⅓th as much coal. Now that is the sort of thing which ought to be told to the Japanese, but here again in the statements that were made by SCAP Officers at their press conference,

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FROM : DA (JCOS) NR : W 92777 20 DEC 47 CONTINUED

the 2 statements that are filed as of record in the Commission, I note that the SCAP Officers gave a reasonably good picture of the world food situation but there was no significant mention of the one big fact which must be brought home to the Japanese--that their own career of wanton aggression throughout the food-producing lands of Southeast Asia has been and still is a major cause of the world shortage of rice. We should like to see this fact hammered home to the Japanese until every man, woman and child in Japan has at least some appreciation of the grave extent of Japan's own responsibility in this matter. I repeat that the info at our disposal may not be complete, but in any case, I would suggest to the US Representative that possibly his Govt might profitably look again at the whole paragraph that I have referred to, that is, the paragraph that was in the previous document, and carefully consider the advisability of implementing it so as to attain the 2 objectives:

a. The maximum possible cooperation from the Japanese.

b. The reduction in the amount food required to keep safe the Occupation Forces."

The Commission has agreed to release the foregoing directive to the press after it is received by you, therefore, acknowledgment of receipt is requested.

ACTION: ECON & SCI NO SIG

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-2, G-3, G-4, AG. PUBLIC INFORMATION, TRANSP, CIV COMM, GOVT, STAT & RPTS, PUBLIC H & W, GEN PROC, CIV I & E, LEGAL, NAT RESOURCES, GEN ACCTG, DIPLOMATIC, INT'l PROS, CIV. PROP CUST, REPARATIONS, COMNAVFE

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26 Aug 47

FROM: WAR (JCOS)

TO : SCAP (TO MACARTHUR)

NR : WAR 84940

The following Directive, Serial Nbr 87, prepared by the State Dept to implement the policy adopted by the Far Eastern Commission on 14 Aug 47, under the provisions of Para II, A, 1, of its terms of reference has been received from the State, War and Navy Depts for transmission to you for your guidance in accordance with Para III, 1, of those terms of ref:

Directive begins.

"DIRECTIVE REGARDING REDUCTION OF JAPANESE INDUSTRIAL WAR POTENTIAL"

"1. SUMMARY"

Subject to the provisions stated in Para 10, the following actions, as detailed in Paras 2-9, should be taken during the period of the occupation, in order to reduce Japanese industrial war potential:

A. All special purpose industrial machinery and equipment functionally limited to use in connection with combat equipment-products, should be destroyed.

B. All other industrial machinery and equipment in primary war industries, and such other industrial facilities in secondary war industries and war-supporting industries as may be in excess of the peaceful needs of the Japanese economy should be made available for claim as reparations.

C. During the period of the occupation, a prohibition should be maintained against the re-establishment of primary war industries; and specified war-supporting industries should be limited to the productive capacity levels remaining after

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FROM: WAR (JCOS) NR: WAR 84940 26 AUG 47 CONTINUED

completion of the reduction program outlined above, except as modifications in these levels may be authorized by the Far Eastern Commission.

"2. PRIMARY WAR FACILITIES

A. DEFINITIONS

(I) PRIMARY WAR FACILITIES are defined as plants and establishments primarily engaged in the development, manufacture, assembly, testing repair, maintenance, or storage of combat equipment-products and civil aircraft, and plants and establishments building merchant vessels above a aize to be determined by the Far Eastern Commission.

(II) COMBAT EQUIPMENT*PRODUCTS ARE defined as weapons, ammunition, missiles and explosives used for military purposes; chemical or bacterial warfare agents; ultra-shortwave radio equipment (radar); Naval combatant vessels; armored vehicles; or aircraft (including air frames and aircraft engines).

B. DISPOSITION

(I) All firms and organizations, whether publicly or privately owned and operated, whose activities have related primarily to the operation of primary war facilities and whose continued existence is deemed by SCAP to be undesirable from a security standpoint, should be dissolved by the Supreme Commander, who should at the same time seize their records and register all their key executive, managerial, research and engineering pers.

(II) All plants and establishments identified by the Supreme Commander as primary war facilities should be impounded, and their machinery and equipment made available for reparations, subj to the following limitation; All buildings, machinery, and equipment in primary war facilities which, by virtue of initial design, construction, or major structural change, are, as individual items, special purpose in nature and

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functionally limited to use in connection with combat equipment-products should be destroyed.

"3. SECONDARY WAR FACILITIES are defined as plants and establishments primarily engaged in manufacturing, repairing or maintaining major fabricated component parts, sub-assemblies, accessories, or equipment especially designed for use in the products of primary war facilities.

B. DISPOSITION

(I) In plants and establishments identified by the Supreme Commander as being originally organized or completely re-equipped to operate as secondary war facilities, as defined in subpara A above, all machinery and equipment, except for under (III) below, should be made available for reparations.

(II) In plants and establishments other than those covered in (I) above, all machinery and equipment, except as noted under (III) below, should be disposed of under the recommendations in Para 5 covering the industry with which, in the opinion of the Supreme Commander, they were associated prior to their conversion or diversion to war production.

(III) All buildings, machinery, and equipment secondary war facilities which by virtue of initial design, construction, or major structural change are as individual items special purpose in nature and functionally limited to use in connection with combat equipment-products should be destroyed.

"4. DISPERSED MACHINERY AND EQUIPMENT FROM PRIMARY AND SECONDARY WAR FACILITIES

All special purpose machinery and equipment, as defined under 2 B (II) and 3 B (III) above, should be sought out in locations to which they may have been removed from primary and secondary war facilities, and should be destroyed wherever found. Other machinery and equipment which was formerly used in primary and

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secondary war facilities but subsequently dispersed, need not be sought out and identified under the provisions of this para but should be treated under Para 5, as a part of the industry with which it is associated.

"5. WAR SUPPORTING INDUSTRIES

A. OVER ALL POLICY

As a supplementary measure designed further to reduce Japan's industrial war potential, that portion of existing capacity in selected war-supporting industries which is in excess of that necessary to meet the peaceful needs of the Japanese people, as defined by the Far Eastern Commission, should be made available for removal as reparations.

B. APPLICATION

(I) The following specific industries are considered as being 'war supporting,' for purposes of the industrial removals provided for in Para 5 A.

(a) The iron and steel industry, producing pig iron, steel ingots and basic shapes.

(b) The coal carbonization industry.

(c) The non-ferrous metals industry, producing pig, ingot and basic shapes.

(d) The light metals industry, producing alumina, primary aluminum and magnesium, rolled, drawn or extruded shapes.

(e) The metal working machinery industry, producing machine tools, cutting tools and secondary metal working machinery.

(f) The ball and roller bearing industry.

(g) That part of the chemical industry producing industrial explosives, sulfuric acid, and soda ash, caustic soda, chlorine, chemical nitrogen and calcium carbide (in the case of

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industrial explosives 'capacity which is in excess of that necessary to meet the peacful needs of the Japanese people' is defined as capacity which is in excess of that necessary to meet Japanese domestic requirements.

(h) The railway equipment industry.
(i) The automotive industry.
(j) The electric power industry.
(k) The cement and abrasives industries.
(l) The steel merchant shipbuilding and repair industry (residual after removals effected under Para 2).
(m) The merchant marine, fishing, whaling and cannery fleets, including publicly and privately owned steel vessels of 100 tons or over (this shall not be interpreted to prevent vessels of less than 100 tons being considered for reparations).
(n) The oil refining and synthetic fuel industry and storage.
(o) The synthetic rubber industry.
(p) The heavy electrical equipment industry.

(II) In addition to reduction in capacity in the specific industries listed above, a further reduction in the total inventory of metal working machinery in Japan should be effected in so far as this may be required to eliminate metal working capacity in excess of the peaceful needs of the Japanese people as defined by the Far Eastern Commission.

"6. RESIDUAL CAPACITY

After SCAP has completed the selection for delivery to claimant countries of industrial plants or facilities within the catagories of industry approved for removal as reparations by the Far Eastern Commission,

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and, after the destruction of special purpose machinery, as defined in Paras 2 and 3, residual productive capacity in the industries designated in this paper which is in excess of Japan's peaceful needs, as defined by the Far Eastern Commission, should be appraised from the standpoint of the individual and collective war potential represented by this capacity, and a decision make by the Far Eastern Commission as to its Disposition.

"7. PROPERTY OF NATIONALS OF MEMBERS OF THE UNITED NATIONS

The property of nationals of members of the United Nations should be dealt with in accordance with FEC 226/1 (Destruction or Removal of United Nations Property in Japan, approved 24 April 1947 and transmitted to SCAP as Directive Serail Nbs 76 on 2 May 47).

"8. REPARATIONS

Removal or destruction of industrial capacity for security purposes under the terms of this policy should not be limited in order to compensate for the effects of industrial removals for reparations.

"9. POST RESTRICTIONS ON JAPANESE INDUSTRIAL CAPACITY

Throughout the period of the occupation the following limitations of Japanese industrial capacity should be maintained.

A. PRIMARY WAR FACILITIES

Within the framework of the definitions given in Paras 2 and 3:

(1) The following should be prohibited in Japan:

The establishment, possession or operation of any facilities for the development, manufacture or assembly of combat equipment-products; the development, namufacture, assembly, importation or possession of any special purpose machinery and equipment as

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defined under Paras 2 B (II) and 3 B (III); the development, manufacture or assembly of any combat equipment products, or their possession except as authorized by the Supreme Commander, after consultation with the Allied Council for Japan in accordance with the terms of reference of the Allied Council for Japan, for the purposes of the occupation; the building of merchant vessels above a size to be determined by the Far Eastern Commission; the development, manufacture or assembly of civil aercraft; and the participation by the Japanese Govt or Japanese nationals in the ownership or airborne operation of civil aircraft.

(2) Japan should be directed to prohibit any of its nationals from taking part in the ownership or operation of primary war facilities outside of Japan.

B. WAR SUPPORTING INDUSTRIES

The capacity levels remaining in the iron and steel, light metals, metal-working machinery, shipbuilding, oil refining and starage, synthetic oil and synthetic rubber industries, after the completion of the industrial removals proposed in this paper and after the disposition of remaining 'excess' facilities as provided for under Para 6, should constitute the permissable maxima in these industries until the end of the present phase of the occupation of Japan or until 1 Oct 1949, whichever is the earlier, pending a decision as to the long term disarmament controls. These maxima should be subject to review of the Far Eastern Commission, and, if the Commission expects still to be charged on 1 Oct 1949 with responsibility for post-surrender policies respecting Japan, the Commission should assess the situation before the date with a view to the adoption of an appropriate policy to be put into effect on 1 Oct 1949, on which date

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the provisions herein specified regarding productive capacity maxima in these industries will lapse. If, at any time during the occupation, the Supreme Commander considrrs an adjustment in these levels necessary, he should, after consultation with the Allied Council for Japan in accordance with terms of reference of the Allied Council for Japan, recommend such an adjustment and submit to the Far Eastern Commission appropriate supporting data. Changes in the established levels can be made after adoption by the Far Eastern Commission of a policy decision authorizing such a change.

"10. OCCUPATION NEEDS

The supreme Commander should be authorised to except temporarily from the provisions of this paper particular primary war facilities, secondary war facilities and facilities in war-supporting industries, in so ffar as such facilities are required to meet the needs of the occupation. In such cases the Supreme Commander will , after consultation with the Allied Council for Japan, in accordance with the terms of reference of the Allied Council for Japan provide an explanation of reasons for retention and an estimated date of removal or destruciton.

"11. RECORDS OF PROPERTY REMOVALS AND DESRTUCTION

The Supreme Commander should keep records of all property removed from Japan or destroyed in the execution of the policies in this paper.

"12. The provisions of this policy decision will apply until an appropriate decision on this question by the peace conference.'

Directive ends.

In approving the policy decision in which the foregoing directive is based the Chinese representative made a statement of his Gvot's understanding of certain portions of the text. This

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FROM: WAR(JCOS) NR : W 84940 26 AUG 47 CONT'D

statement as recorded in the draft minutes of the meeting is transmitted for your information;

"EXCERPT FROM THE DRAFT MINUTES OF THE MEETING OF THE FAR EASTERN COMMISSION AUG 14, 1947.

"I. * * * *

2. REDUCTION OF JAPANESE INDUSTRIAL WAR POTENTIAL (FEC-084/19)"

* * * *

CHINESE STATEMENT

"I wish to record the understanding of the Chinese Govt that the expression 'present phase of occupation,' as used in Para 9 B of this paper, is identical in meaning with the existing regime of control as provided in the terms of reference of the Far Eastern Commission and the Allied Council for Japan.

"It is also the understanding of the Chinese Govt that in the event that reparations removals do not proceed as repidly as expected or if agreement on long-term disarmament control or decisions of the FEC on the disposal of residual capacity cannot be reached before Oct 1, 1949, the implementation of the afore mentioned para should be effected in such a manner as will not reduce the reparations pool to be distributed among the recipient countries or affect adversely the reparations share or shares of such country or countries.

"The Chinese Delegation has already recorded its understanding of Para 5 B (II) of this paper, which understanding appears in the cover page thereof as fols: 'The meaning of Para 5 B (II) would include equipment for manufacturing heavy prime movers, cranes, mining equipment and chemical equipment.'"

The Commission has agreed to release the foregoing directive to the press after it has been received by you; therefore, acknowledgement of receipt is requested.

NO SIG

ACTION: ECON & SCI
INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-2, G-3, G-4, AG, PUBLIC INFORMATION, TRANSP, CIV COMM, GOVT, STAT & RPTS, PUBLIC H& W, GEN PROC, CIV I & E, LEGAL, NAT RESOURCES, GEN ACCTG, DIPLOMATIC, INT'L PROS, CIV PROP CUST, REPARATIONS, COMNAVFE

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FAR EAST COMMAND
GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

JRS
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INCOMING MESSAGE

Restricted
ROUTINE

13 Aug 47

FROM : WAR (THE JOINT CHIEFS OF STAFF)

TO : SCAP (MACARTHUR)

NR : W 84041

The following directive, Serial Number 86, prepared by the State Dept to implement the policy adopted by the Far Eastern Commission on Aug 7, 1947, under the provisions of Para II, A, 1, of its terms of reference has been recd from the State, War and Navy Departments for transmission to yo for your guidance in accordance with Para III, 1 of those terms of reference:

Directive begins.

"DIRECTIVE REGARDING DISPOSITION OF FUNDS COVERING FINES COLLECTED BY ALLIED MILITARY OCCUPATION COURTS.

"Since the military occupation courts which have been appointed by your order in Japan partake of an international character, any fines imposed or other sums collected pursuant to orders made by such courts should be used in defraying the costs of the Allied Occupation. All such moneys should be entered in a separate account and should be assigned to meet the occupation costs of the forces whose courts ordered payment to be made."

Directive ends.

The commission has agreed to release the foregoing directive to the press after it has been received by you, therefore acknowledgement of receipt is requested.

NO SIG

AUG 14 1947

(over)

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"Paraphrase not required. Handle as RESTRICTED correspondence per para 51 1 and 60 a (4) AR 380-5."

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946.

COPY NO. 335

JCS DIRECTIVE SERIAL NO. 86

Restricted
ROUTINE

FROM : WAR (THE JOINT CHIEFS OF STAFF) NR : W 84041 13 Aug 47
CONT'D

ACTION: GOVT

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, DC/S SCAP, DC/S FEC, G-1, G-2, G-3, G-4, AG, PUBLIC INFORMATION, TRANSP, CIV COMM, STAT & RPTS, PUBLIC H & W, ECON & SCI, GEN PROC, CIV I & E, LEGAL, NAT RESOURCES, GEN ACCTG, DIPLOMATIC, INT'L PROS, CIV PROP CUST, REPARATIONS

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39418 ROUTINE Restricted TOO : 122029 Z
MCN : 59352

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GENERAL HEADQUARTERS, FAR EAST COMMAND
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

I N C O M I N G M E S S A G E

RESTRICTED
ROUTINE

1 Aug 47

FROM: (JOINT CHIEFS OF STAFF)

TO : SCAP (MACARTHUR)

Note: this radio Amends JCS Serial No. 83,

NR : WAR 83200

The following directive, Serial Number 85, prepared by the State Dept to implement the policy adopted by the Far Eastern Commission on Jul 24, 1947, under the provisions of Para II, A, 1, of its terms of reference has been received from the State, War and Navy Depts for transmission to you for your guidance in accordance with Para III, 1, of those terms of reference:

"DIRECTIVE REGARDING EXTENSION OF FAR EASTERN COMMISSION POLICY ON TEMPORARY RETENTION OF ELECTRIC STEEL FURNACES

"1. In view of the continued shortage of coal in Japan, the authorization granted in FEC-059/30 (Interim Reparations Removals: Temporary retention of electric steel furnaces, approved 6 Dec 46, and forwarded to you as Directive Serial Nbr 65 of 13 Dec 46) to retain in Japan up to 30 Jun 47, electric steel furnaces in excess of the 100,000 mtons annual capacity referred to in FEC-059/13, (Interim Reparations Removals: Iron and steel industry, etc approved 12 Jun 46, and forwarded to you as Directive Serial Nbr 52 on 15 Jun 46) together with the rolling mill capacity integrated with such electric furnaces, to a maximum of an additional 300,000 mtons annual capacity, is hereby extended until 30 Jun 1948.

"2. The above policy should not postpone the designation of these facilities under the Reparations Removal Program."

Directive ends.

In approving the policy decision on which the foregoing draft directive is based the Chinese representative made a formal statement of his position and the French representative abstained from voting. These statements as recorded in the draft minutes of the 67th meeting are quoted below for your information:

"Paraphrase not required. Handle as RESTRICTED correspondence per para 51 i and 60 a (4) AR 380-5."

INCOMING MESSAGE

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ROUTINE

FROM: WAR (JOINT CHIEFS OF STAFF) NR: WAR 83200 1 Aug 47 CONT'D

"EXCERPT FROM DRAFT MINUTES OF THE 67TH MEETING OF THE FAR EASTERN COMMISSION

"I 4- EXTENSION OF THE FAR EASTERN COMMISSION POLICY ON TEMPORARY RETENTION OF ELECTRIC STEEL FURNACES FEC-239/6: 239 series, FEC-059/30, FEC-059/13.

"DR KOO presented the following formal statement:

'Mr Chairman, at the 63rd meeting of this Commission I requested certain information; concerning the capacity of electric steel furnaces in Japan in order to determine our position with reference to the paper. In response to the questions which I presented, you were good enough to call upon one of your technical advisers who furnished us with certain information. Your adviser said, among other remarks: "". . .the US delegation was informed that approximately 2,000,000 tons of rated electric furnace capacity existed in Japan. Should the Commission approve the Supreme Commander's request for an extension of authority under FEC-059/30 to retain up to 400,000 tons of actual productive capacity, then the remaining electric furnace productive capacity would be available for removal as reparations."" This information; was gratifying to us.

'Later the whole problem was referred to Committee Nbr 2, the Committee on Economic and Financial Affairs, for consideration. In the course of discussion in the Committee, I have been advised it was stated by the US member that, while he was unable to supply any further information beyond what had been given in the Commission, he believed that the approxiamte answer already given was about as complete as it could possibly be. This was equally gratifying to us, although we wished on our part fuller information might have been given, if that had been possible.

'In these circumstances we would like to express emphatically the earnest hope that in selecting plants and facilities of electric steel furnances for temporary retention, the SCAP would bear in mind the desirability of making a balanced selection so that such selection will not bring about a disproportionate reduction of the value, type, or quality of electric steel furnaces available for reparations removal.

'In the second place, we wish to express the view that, if the remaining capacity of electric steel furnaces, after deducting the capacity for retention, as provided for in FEC-059/13 and FEC-059/30, should be insufficient to meet the claim made

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ROUTINE
FROM: WAR (JOINT CHIEFS OF STAFF) NR: WAR 83200 1 AUG 47 CONT'D

by claimant countries for reparation removals, or if the situation of coal supply in Japan, which, I understand, has been the main reason for the request for additional allocaton of electric furnace capacity for Japan, improves prior to June 30, 48, the authorization of temporary retention granted under this policy paper should be subject to review by the FEC. This quite in accordance with the terms of reference of our Commission.

'With those 2 understandings, Mr. Chairman, we are prepared to vote for the paper as it stands.'

"DR KOO requested that his statement be recorded in the minutes, and fwded to the Supreme Commander together with the appropriate directive if the proposed policy should be adopted by the Commission.

"MR Douteau said that the French Delegation had not been convinced that the authorization granted in FEC-059/30 should be extended until 30 June 48 and that the French reservation would accordingly be maintained. However, in case of a formal vote he would not oppose adoption of the proposed policy decision but would abstain from voting."

The Commission has agreed to release the foregoing directive to the press after its receipt in Tokyo, therefore acknowledgment of receipt is requested.

NO SIG

ACTION: EKON & SCI

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, DC OF S SCAP, DC OF S FEC, G-k, G-2, G-3, G-3, AG, PUBLIC INFO, TRANSP, CIV COMM, GOVT, STAT & RPTS, PUBLIC H&W, GEN PROC, CIV I & E, LEGAL, NAT RESOURCES, GEN ACCTG, COMNAVFE, DIPLOMATIC, INT'L PROS, CIV PROP CUST, REPARATIONS

ROUTINE
34960 RESTRICTED TOO: 311730/Z
MCN: 58639

"Paraphrase not required. Handle as RESTRICTED correspondence per para 51 i and 60 a (4) AR 380-5."

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ADJUTANT GENERAL'S OFFICE
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INCOMING MESSAGE

CORRECTED COPY

RESTRICTED
PRIORITY

1 Aug 47

FROM : WAR (JOINT CHIEFS OF STAFF)

TO : SCAP (MACARTHUR)

NR : W 83311

Note: this radio supersedes in Part JCS Serial No. 20.

The following directive, Serial Nbr 84, prepared by the State Dept to implement the policy adopted by the Far Eastern Commission on Jul 24, 47, under the provisions of Para 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 Para III, 1, of those terms of reference:

Directive begins.

"INTERIM IMPORT-EXPORT POLICIES FOR JAPAN

"I. LONG-RANGE POLICY OBJECTIVES

"1. As soon as possible participation by private individuals and corporations in Japanese foreign trade will be authorized. The policies set forth in this statement, therefore, should be regarded as applying to a fairly short period.

"II. INTERIM CONTROLS

"2. All imports to and exports from Japan will take place exclusively under your direct control acting in accordance with the policies formulated by the Far Eastern Commission or policies established in accordance with its terms of reference. For the present no govt or individual will have contact with the Japanese Govt or Japanese individuals except as authorized by you.

"3. The Japanese Govt subject to your supervision will be responsible for:

A. Internal operations necessary to inspection, purchase, collection, and storage of goods for export, and the delivery of these goods to designated ports;

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C O P Y

FROM: WAR (JOINT CHIEFS OF STAFF), NR : W 83311, 3 AUG 47
CONT'D

B. Custody, sale and distribution of imported goods within Japan;

C. Provision of all funds and conduct of internal financing arrangements necessary to these operations.

"4. External purchases and sales will be on a govt-to govt basis. The Japanese Govt or its agent will make all sales and purchases and will guarantee title. Transactions should be carried out on behalf of the other governments by their trade representatives in Japan with the Japanese Govt or its agents and should conform to general conditions determined by you or alternatively, in respect of particular transactions to special conditions agreed with you. The purchaser from or seller to Japan will be a govt agency or, if a non-government firm, the transaction must be arranged for by an official trade representative who will take responsibility for the transaction.

"5. The provisions of this section should not be taken to prevent the resumption of private trade.

"III. DEVELOPMENT OF AN IMPORT-EXPORT PROGRAM.

"6. You will be responsible for acertaining the types and amounts of goods available for export, and for recommending the types and amounts of goods to be imported. The trade program developed and recommended by you will be reviewed by the US Govt, and fwded to the Far Eastern Commission and the Inter-Allied Trade Board for consideration in accordance with their respective terms of reference. The Trade program when put into effect will contain only such items the inclusion of which are not contrary to any decision of the Far Eastern Commission.

"7. You will be notified by the US Govt, after consultation

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FROM: WAR (JOINT CHIEFS OF STAFF) NR: W 83311 3 AUG 47 CONT'D

with the Inter-Allied Trade Board, of those export items for the disposal of which you will be directly responsible. In dealing with these you will be guided by the policies formulated by the Far Eastern Commission, or policies established in accordance with its terms of reference, relating to the destinations of exports and the termsof their sale. In the remaining cases the US Govt, after consultation with the Inter-Allied Trade Board, will reserve to itself the determination of allocations which will be notified to you in due course. The disposition of exports will be for currencies whihh are acceptable in accordance with the terms of reference of the Far Eastern Commission or in exchange for imports necessary for Japan.

"8. You should make available to the Far Eastern Commission monthly returns showing completed imports and exports, and quarterly returns showing planned imports and exports and the state of Japan's balance for payments classified according to currencies.

"IV. IMPORTS

"9. For the purposes of this paper imports are divided into the following 3 categories.

A. Imports required to prevent such widespread disease and unrest would endanger the occupying forces;

B. Imports required to accomplish the objectives of the occupation;

C. Other imports requested by the Japanese Govt.

"10. For the time being import programs under categories 9 A and B are authorized subj to availability of itmes and funds and such other limitations as may be operative. Category 9 C imports are not authorized until it is possible to appraise more accurately than can be done at present, such factors as the comparative need of the Japanese economy for such imports, the foreign trade position of Japan, the amount of proceeds of exports required to pay for imports under A and B above, and other

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FROM : WAR (JOINT CHIEFS OF STAFF) NR : W 83311, 3 AUG 47 CONT'D

costs of the occupation to be paid for by export surpluses.

"11. The commodity requirements for prevention of disease and unrest and to accomplish the objectives of the occupation will be met to the maximum extent by indigenous resources and to the minumum extent by imports.

"V. EXPORTS

"12. For the present no fixed capital goods or equipment, except that which results from current production, should be exported to pay for imports.

"13. Export industries should not be developed when the character of such industries would contribute significantly to the maintence or development of Japan's war-making potential or if they would promote dependence of other countries on Japan for strategic products. Exports of testiles and other goods which are in world-short supply, especially in Asiatic countries, should be stimilated to the maximum practicable extent.

"14. The proceeds of exports resulting from current production inclusive of current production of gold or the other precious metals will be used in the first instance to pay for both past and current imports under categories 9 A and B.

"15. The proceeds of exports of stacks of materials not subj to restitution in accordance with the Far Eastern Commission Policy shall also be used in the first instance to pay for imports.

"16. Stocks of gold, silver, cultural objects and other precious metals, precious stones and jewels should be disposed of as follows:

A. Cultural objects, produced prior to Sept 1, 45, should not be exported.

B. Stocks of gold, silver, precious metals looted from

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FROM : WAR (JOINT CHIEFS OF STAFF) NR : W 83311, 3 AUG 47 CONT'D

occupied areas should be treated in accordance with FEC Policy and pending establishment of a new restitution policy, items known to have been looted or probably looted, should not be exported from Japan.

C. Stocks of gold, silver, other precious metals, precous stones and jewels of clearly established Japanese ownership ultimately should be disposed of as reparations. In the meantime, values of such Japanese assets should be preserved, but such assets themselves may be used as a means of acquiring foreign exchange to aid in financing production programs designed to contribute to the revival of productivity in a Japanese peace economy. In case of export of the above-mentioned assets equal opportunity to acquire these assets in return for acceptable currency should be granted to all member countries of the Far Eastern commission."

Directive ends.

In approving the policy decision on which the foregoing directive is based the Australian, USSR, US and British representatives made formal statements of their governments position. These statements as recorded in the draft minutes of the meeting are transmitted for your info:

EXCERPT FROM DRAFT MINUTES OF THE 67TH MEETING OF THE FAR EASTERN COMMISSION.

"Iten 3. INTERIM IMPORT EXPORT POLICIES FOR JAPAN (FEC-032/25, FEC-032 series)

"MR MAKIN removed the Austrilian reservations on FEC-032/25. He presented the fol formal statement:

"I should like to statethat my Govt some time ago introduced a paper into the Far Eastern Commission which provided that the resumption of private trade should await the peace conference. That view did not prevail and events have moved very rapidly since. Nevertheless we still believe that resumption of priveate trade should not have been allowed. In order to protect our trading interests we have had to participate by sending

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C O P Y I M C O M I N G M E S S A G E

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FROM : WAR (JOINT CHIEFS OF STAFF) NR : W 83311 3 AUG 47 CONT'D

private trade and we will not oppose this.

'In regard to the last para we have stated that we expect that one of the consequences of the operation of the fund will be that a substantial nbr of imports will now be obtained for Japan from non-dollar areas.'

"MR TSARAPKIN removed the Soviet reservation of FEC-032/25 and said that he was now in a position to support adoption of the proposed policy.

"GEN MCCOY said that he was prepared to withdraw the US reservation on para 16 c of FEC-032/25. In this connection, however, he said, he desired to record in the minutes the understanding of the US Govtthat the disposition as reparations of stacks of gold, silver, etc, referred to in para 16 c should be in accordance with the fol provision of FEC-014/9, Basic Post-Surrender Policy for Japan:

'The reparations shall be in such a formas would not endanger the fulfillment of the program of demilitarization of Japan and which would not prejudice the defraying of the cost of the occupation and the maintenance of a minumum civilian standard of living.'

"MR GRAVES said that in view of the US interpretation just recorded by Gen McCoy he would like to avoid any question of misunderstanding by pointing out that it was the understanding of his govt that FEC-032/25 would provide for the ultimate disposition of stacks of gold as reparations and that while they were preserved for this ultimate disposition they would not be available for transfer to a separate trading account.

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C O P Y I N C O M I N G M E S S A G E

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PRIORITY

FROM : WAR (JOINT CHIEFS OF STAFF) NR : W 83311, 3 AUG 47 CONT'D

"Fol a brief recess for purposes of consultation, MR GRAVES clarified the United Kingdom position by stating that it was his understanding that para 16 c provided that either stocks of gold or their equivalent in acceptable currency would be preserved and ultimately disposed of as reparations. His only desire had been for assurance that stocks of gold or their equivalent would not be dissipated by trading operations.

"THE COMMISSION unanimously approved FEC-032/25 as a policy decision.

The commission has agreed to release the foregoing directive to the press after it has been received by you, therefore acknowledgment of receipt is requested.

The State, War and Navy Depts advise that the foregoing directive is the one referred to in WAR 81076 and that you should be guided by the conclusions in that message in the implementation of para 16 c of the directive.

NO SIG

ACTION: ECON & SCI

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, AG , GEN ACCTG, CIV PROP CUST, REPARATIONS

NOTE: Corrected copy received AG R/C Office at 040330 I.

ADDED DIST: STAT & RPTS (4 Aug 47)

35633 PRIORITY RESTRICTED TOO : 011609 Z MCN : 58722

"Paraphrase not required. Handle as RESTRICTED correspondence per paragraphs 51 i and 60 a (4) AR 380-5."

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ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

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I N C O M I N G M E S S A G E

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PRIORITY

1 July 47

FROM : WAR (JOINT CHIEFS OF STAFF)

TO : SCAP (MACARTHUR)

NR : WAR 81199

Following Directive, Serial Nbr 83, prepared by the Dept of State to implement the policy adopted by the Far Eastern Commission on 26 Jun, 1947, under the provisions of Para II, A, 1, of its terms of reference has been received from the State, War and Navy Depts for transmission to you for your guidance in accordance with Para III, one of these terms of reference:

"DIRECTIVE REGARDING TEMPORARY EXTENSION OF FAR EASTERN COMMISSION POLICY ON TEMPORARY RETENTION OF ELECTRIC STEEL FURNACES"

"The provisions of FEC-059/30 (Interim Reparations Removals: Temporary retention of electric steel furnaces, approved 6 Dec 1946, and transmitted to the Supreme Commander as Directive Serial Number 65 on 13 Dec 1946) are hereby extended until 31 Jul 1947, pending decision by the Far Eastern Commission on the subject of further review of these provisions."

NO SIG

REVISED (1 Jul 47)

ACTION : ECON & SCI

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, D C OF S SCAP, D C OF S FEC, G-1, G-2, G-3, G-4, PUBLIC INFORMATION, TRANSP, CIV COMM, GOVT, STAT & RPTS, PUBLIC H & W, GEN PRIC, CIV I & E, LEGAL, NAT RESOURCES, GEN ACCTG, AOMNAVFE, DIPLOMATIC, INT'L PROS, CIV PROP CUST, REPARATIONS

TOO : 302233 Z
MCN : 56622

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22523

"Paraphrase not required. Handle as RESTRICTED correspondence Per Paragraphs 51 i and 60 a (4) AR 380-5

Note: this radio Amends JCS Serial No.65 & is Amended by JCS Serial No. 85.

JCS DIRECTIVE SERIAL NO. 83

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GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~ FAR EAST COMMAND
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

82

FEC

INCOMING MESSAGE

"Unclassified" per DDB #22

DEFERRED

28 Jun 47

FROM : WAR (JOINT CHIEFS OF STAFF)

TO : CINCFE (MACARTHUR)

NR : WAR 81011

Note: this radio supersedes JCS Serial No. 10.

The following directive, serial number 82, prepared by the Dept of State to implement the policy adopted by the Far Eastern Commission on Jun 19, 1947 under the provisions of para 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 para III, 1, of those terms of reference: Directive begins.

"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

21515

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"Paraphrase not required. Handle as RESTRICTED correspondence per par 51 1 and 60 a (4) AR 380-5."

-1-

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946.

COPY NO.

JCS DIRECTIVE SERIAL NO. 82

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FAR EAST COMMAND
GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

INCOMING MESSAGE

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FROM : WAR (JOINT CHIEFS OF STAFF) NR WAR 81011 DATED 28 JUN 47 CONT'D

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,

"RESOLVED that Japan cannot be allowed to control her own destinies 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 to war criminals, and requiring a period of strict control; and

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"paraphrase not required. Handle as RESTRICTED correspondence per par 51 1 and 60 a (4) AR 380-5."

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GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
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FROM : WAR (JOINT CHIEFS OF STAFF) NR WAR 81011 DATED 28 JUN 47 CONT'D

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:

"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 menace 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 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

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"Paraphrase not required. Handle as RESTRICTED correspondence per par 51 i and 60 a (4) AR 380-5."

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FAR EAST COMMAND
GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

INCOMING MESSAGE

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FROM: WAR (JOINT CHIEFS OF STAFF) NR WAR 81011 DATED 28 JUN 47 CONT'D

will be totally eliminated. All institutions expressive of the spirit of militarism and agression 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 freedoms 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 will be permitted.

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 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 Govt

21515

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Restricted

"Paraphrase not required. Handle as RESTRICTED correspondence per par 51 1 and 60 a (4) AR 380-5."

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FROM: WAR (JOINT CHIEFS OF STAFF) NR WAR 81011 DATED 28 JUN 47 CONT'D

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 judgement and discretion of the Supreme Commander, the Japanese Govt 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.

"After appropriate preliminary consultation with the representatives of the Allied Powers in the Allied Council for Japan, the Supreme Commander may, in cases of necessity, make decisions concerning the removal of individual ministers of the Japanese Govt, or concerning the filling of vacancies created by the resignation of individual cabinet members. Changes in the governmental machinery, or a change in the Japanese Govt as a whole, will be made in accordance with the principles laid down in the terms of reference of 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 form of the Emperor institution and in the form of government in the direction of modifying or removing its feudal and authoritarian

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FROM: WAR (JOINT CHIEFS OF STAFF) NR WAR 81011 DATED 28 JUN 47 CONT'D

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 all 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 and policies of the occupation, and of the progress made in their fulfillment.

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, or any civil aviation, or gendarmerie, but may 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.

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GENERAL HEADQUARTERS, U. S. ARMY FORCES, PACIFIC
FAR EAST COMMAND
ADJUTANT GENERAL'S OFFICE
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FROM: WAR (JOINT CHIEFS OF STAFF) NR WAR 81011 DATED 28 JUN 47 CONT'D

Military and naval material, military and naval vessels and military and naval installations, and military and 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 complete execution of these provisions.

"High officials of the Japanese Imperial General Hq and General Staff, other high military and naval officials of the Japanese Govt, lesders 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 societies 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, ultra-nationalistic and other anti-democratic organizations.

"Militaristic, ultra-nationalistic and anti-democratic doctrines and practices, including para-military training, shall be eliminated from the educational system. Former career military and naval officers, both commissioned and non-commissioned,

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FROM: WAR(JOINT CHIEFS OF STAFF) NR WAR 81011 DATED 28 JUN 47 CONT'D

and all other exponents of militaristic, ultra-nationalistic and anti-democratic doctrines and practices shall be excluded from supervisory and teaching positions.

"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, militaristic and anti-democratic 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.

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FROM: WAR (JOINT CHIEFS OF STAFF) NR WAR 81011 DATED 28 JUN 47 CONT'D

"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, 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.

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 institution of a system of inspection 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.

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FROM: WAR (JOINT CHIEFS OF STAFF) NR WAR 81011 DATED 28 JUN 47 CONT'D

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 these 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 the program, as between transfer abroad for the purpose of reparations, scrapping, and conversion to other uses, will be determined, after inventory, in accordance with the principles laid down by the Far Eastern Commission or pursuant to the terms of reference 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 to those forms of

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FROM: WAR (JOINT CHIEFS OF STAFF) NR WAR 81011 DATED 28 JUN 47 CONT'D

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 economic difficulty and suffering. The plight of Japan is the direct outcome of its own behavior, and the Allies will not undertake the burden of repairing the damage. It can be repaired only if the Japanese people renounce all military aims and apply themselves diligently and with single purpose to the ways of peaceful living. It will be necessary for them to undertake physical reconstruction and basically to reform the nature and direction of their economic activities and institution. In accordance with assurances contained in the Potsdam Declaration, the Allies have no intention of imposing conditions which would prevent the accomplishment of these tasks in due time.

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FROM: WAR (JOINT CHIEFS OF STAFF) NR WAR 81011 DATED 28 JUN
47 CONT'D

"Japan will be expected to provide goods and services to meet the needs of the occupying forces to the extent that this can, in the judgement of the Supreme Commander, be effected without causing starvation, wide-spread disease and acute physical distress.

"The Japanese authorities will be expected, and if necessary directed, to maintain, develop and enforce programs, subject to the approval of the Supreme Commander, which are designed to serve the following purposes:

a. To avoid acute economic distress.

b. To assure just and impartial distribution of available supplies.

c. To meet the requirements for reparations deliveries.

d. To make such provisions for the needs of the Japanese population as may be deemed reasonable in accordance with principles formulated by the Far Eastern Commission in the light both of supplies available and of obligations to other peoples of the United Nations and territories formerly occupied by Japan.

"4. Reparations and Restitution

"Reparations

"For acts of aggression committed by Japan and for the purpose of equitable reparation of the damage caused by her to the Allied Powers and in the interests of destruction of the Japanese war potential in those industries which could PEAD to Japan's rearmament for waging war, reparations shall be exacted from Japan through the transfer of such existing Japanese capital equipment and facilities or such Japanese goods exist or may in future be produced and which under policies

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FROM: WAR (JOINT CHIEFS OF STAFF) NR WAR 81011 DATED 28 JUN 47 CONT'D

set forth by the Far Eastern Commission or pursuant to the terms of reference of the Far Eastern Commission should be made available for this purpose. The reparations shall be in such a form as would not endanger the fulfillment of the program of demilitarization of Japan and which would not prejudice the defraying of the cost of the occupation and the maintenance of a minimum civilian standard of living. The shares of particular countries in the total sum of the reparations from Japan shall be determined on a broad political basis, taking into due account the scope of material and human destruction and damage suffered by each claimant country as a result of the preparation and execution of Japanese aggression, and taking also into due account each country's contribution to the cause of the defeat of Japan including the extent and duration of its resistance to Japanese aggression.

"Restitution

"Full and prompt LZ JHZLON will be required of all identifiable property, looted, delivered under duress, or paid for in worthless currency.

"5. Fiscal, Monetary, and Banking Policies

"While the Japanese authorities will remain responsible for the management and direction of the domestic fiscal, monetary, and credit policies, this responsibility is subject to the approval and review of the Supreme Commander, and wherever necessary to his direction.

"6. International Trade and Financial Relations

"Eventual Japanese participation in world trade relations shall be permitted. During occupation and under suitable controls and subject to the prior requirements of the

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GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
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INCOMING MESSAGE

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DEFERRED

FROM: WAR (JOINT CHIEFS OF STAFF) NR WAR 81011 DATED 28 JUN 47 CONT'D

peoples of countries which have participated in the war against Japan, Japan will be permitted to purchase from foreign countries raw materials and other goods that it may need for peaceful purposes. Japan will also be permitted under suitable controls to export goods to pay for approved imports. Exports other than those directed to be shipped on reparations account or as restitution may be made only to those recipients who agree to provide necessary imports in exchange or agree to pay for such exports in foreign exchange usable in purchasing imports. The proceeds of Japanese exports may be used after the minimum civilian standard of living has been secured to pay for the costs of non-military imports necessary for the occupation which have already been made since the surrender.

"Control is to be maintained over all imports and exports of goods and foreign exchange and financial transactions. The Far Eastern Commission shall formulate the policies and principles governing exports from and imports to Japan. The Far Eastern Commission will formulate the policies to be followed in the exercise of these controls.

"7. Japanese Property Located Abroad

"The clauses herein on reparations and references to this subject are without prejudice to the views of governments on the overseas assets issue.

"8. Equality of Opportunity for Foreign Enterprise Within Japan

"All business organizations of any of the United Nations shall have equal opportunity in the overseas trade and commerce of Japan. Within Japan equal treatment shall be

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INCOMING MESSAGE

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FROM: WAR (JOINT CHIEFS OF STAFF) NR WAR 81011 DATED 28 JUN 47 CONT'D

accorded to all nationals of the United Nations.

"9. Imperial Household Property

"Imperial household property shall not be exempt from any action necessary to carry out the objectives of the occupation."

End directive

The commission has agreed to release the foregoing directive to the press after its receipt in Tokyo; therefore acknowledgement of receipt is requested.

NO SIG

ACTION: ECON & SCI

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, DC OF S SCAP, DC OF S FEC, G-1, G-2, G-3, G-4, AG, PUBLIC INFORMATION, TRANSP, CIV COMM. GOVT, STAT RPTS, PUBLIC H & W, GEN PROC, CIV I & E, LEGAL, NAT RESOURCES, GEN ACCTG, COMNAVFE, DIPLOMATIC, INT'L PROS, CIV PROP CUST, REPARATIONS

9 to circulate
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21515 DEFERRED TOO: 262332 Z
Restricted MCN: SA 130/27

"Paraphrase not required. Handle as RESTRICTED correspondence per par 51 1 and 60 a (4) AR 380-5.

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81

FAR EAST COMMAND
GENERAL HEADQUARTERS, ~~U. S ARMY FORCES, PACIFIC~~
ADJUTANT GENERAL'S OFFICE
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INCOMING MESSAGE

~~Restricted~~ Unclassified

PRIORITY

per DRB #30, Feb. 50

RECEIVED 23 Jun 47
23 JUN1947

FROM : WAR (THE JOINT CHIEFS OF STAFF)

TO : SCAP (MACARTHUR)

NR : WAR 80637

Note: this radio Amplifies JCS Serial No. 340.

The following Directive, Serial Nbr 81, prepared by the Dept of State to implement the policy adopted by the Far Eastern Commission on May 22, 1947, under the provisions of Para 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 Para III, 1 of those terms of reference:

"DIRECTIVE REGARDING THE PROPERTY OF WAR CRIMINALS"

"1. The property of convicted War criminals should be forfeited if so ordered by a Tribunal. If not so ordered, it should be returned to the owner or to his legal heirs, unless it is subject to other occupation policy directives of general application requiring impounding, forfeiture or restitution. The Far Eastern Commission should recommend to member governments that they inform you of any sentences imposed by their Tribunals on convicted War criminals which involve forfeiture of/or levy upon property within his jurisdiction. Upon receipt of such information, you will cause the property of persons so convicted to be forfeited pursuant to the Tribunal's Special Order.

2. Such property forfeited or fines levied at your direction pursuant to an order of a Tribunal should become available for occupation costs.

19336

Unclassified

PRIORITY

~~Restricted~~

"Paraphrase not required. Handle as RESTRICTED correspondence per para 51 i and 60 a (4) AR 380-5."

-1-

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COPY NO. 81

JCS DIRECTIVE SERIAL NO. 81

FAR EAST COMMAND
GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

INCOMING MESSAGE

~~Restricted~~ Unclassified
PRIORITY

FROM : WAR (CHIEF CHIEFS OF STAFF) NR: WAR 80637 23 JUN 47
CONT'D

3. The property taken under control by Military Commanders of accused persons who have been acquitted or who die before completion of trial should be returned to the accused persons or the legal heirs as the case may be, provided that where it is claimed that its acquisition was unlawful or inconsistent with occupation policy directives, or where its release to these persons would be inconsistent with such directives, the acquittal or death should not prevent its forfeiture or other treatment pursuant to occupation policy directives."

The Commission has agreed to release the foregoing Directive to the press after its receipt in Tokyo, therefore acknowledgment of receipt is requested.

NO SIG

ACTION: CIV PROP CUST

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, D C/S SCAP, D C/S FEC, G-1, G-2, G-3, G-4, AG, PUBLIC INFORMATION, TRANSP, CIV COMM, GOVT, STAT & RPTS, PUBLIC H & W, ECON & SCI, GEN PROC, CIV I & E, LEGAL, NAT RESOURCES, GEN ACCTG, COMNAVFE, DIPLOMATIC, INT'L PROS, REPARATIONS

NOTE: Duty Officer Signal Message Center states this message delayed due to service.

19336 ~~Restricted~~ PRIORITY TOO: 210021 Z MCN: SA 33/22

"Paraphrase not required. Handle as RESTRICTED correspondence per para 51 i and 60 a (4) AR 380-5."

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COPY NO.

80

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GENERAL HEADQUARTERS, FAR EAST COMMAND
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

INCOMING MESSAGE
Restricted
Routine

4 June 47

FROM : WAR (JOINT CHIEFS OF STAFF)

TO : SCAP (MACARTHUR)

Note: see JCS Serial No. 45.

NR : WAR 99310

The following directive, serial number 80, prepared by the State Dept to implement the policy adopted by the Far Eastern Commission on May 22, 1947, under the provisions of para 2, A, 1, of its terms of reference has been received from the State, War and Navy Departments for transmission to you for guidance in accordance with para 3, 1 of those terms of reference:

Directive begins.

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

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

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

b. The achievement of a fair balance between:

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

(a) Of modern and efficient design and manufacture,
(b) In good working condition and capable of being removed from Japan with minimum loss of value and efficiency,
(c) In consolidated or integrated units,
(d) Of special value or need to claimant countries, and,

11479

ROUTINE
Restricted

"Paraphrase not required. Handle as RESTRICTED correspondence per par 51 i and 60 a (4) AR 380-5."

JCS DIRECTIVE SERIAL NO. 80

INCOMING MESSAGE
Restricted
ROUTINE

FROM: WAR (JOINT CHIEFS OF STAFF) NR: WAR 99310 DTD 4 JUNE 47 CONT'D

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

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

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

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

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

(III) Plants and equipment owned by Nationals and Governments of the neutral countries.

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

End of directive.

The Commission has agreed to release the foregoing directive to the press after its receipt in Tokyo, therefore acknowledgement of receipt is requested.

NO SIG

R E V I S E D (5 June 47)

ACTION: ECON & SCI
INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, DC OF S SCAP, DC OF S FEC, G-1, G-2, G-3, G-4, AG, PUBLIC RELATIONS, TRANSP, CIV COMM, GOVT, STAT & RPTS, PUBLIC H & W, GEN PROC, CIV I & E, LEGAL, NAT RESOURCES, GEN ACCTG, COMNAVFE, DIPLOMATIC, INT'L PROS, CIV PROP CUST, REPARATIONS

11479

ROUTINE
Restricted

TOO: 031835 Z
MCN: YA 10/04

"Paraphrase not required. Handle as RESTRICTED correspondence per par 51 i and 60 a (4) AR 380-5."

GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~ FAR EAST COMMAND
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

RLJ hds

79

INCOMING MESSAGE

Restricted
DEFERRED

FROM : WAR (THE JOINT CHIEFS OF STAFF)

TO : SCAP (MACARTHUR)

NR : W 98176

The following directive, serial nbr 79, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on May 8, 47 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 AXLDVZC your guidance in accordance with paragraph III, 1 of those terms of reference:

"DIRECTIVE REGARDING DIVISION OF REPARATION SHARES"

"1. For acts of aggression committed by Japan and for the purpose of equitable reparation of the damage caused by her to the Allied Powers and in the interests of destruction of the Japanese war potential in those industries which could lead to Japan's rearmament for waging war, reparations shall be exacted from Japan through the transfer of such existing Japanese capital equipment and facilities or such Japanese goods as exist or may in future be produced and which under policies set forth by the Far Eastern Commission or pursuant to the terms of reference of the Far Eastern Commission should be made available for this purpose. The reparations shall be in such a form as would not endanger the fulfillment of the program of demilitarization of Japan and which would not prejudice the defraying of the cost of occupation and the maintenance of a minimum civilian standard of living. The shares of particular countries in the total sum of the reparations from Japan shall be determined on a broad political basis,

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COPY NO. 10

JCS DIRECTIVE SERIAL NO. 79

FAR EAST COMMAND
GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
ADJUTANT GENERAL'S OFFICE
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INCOMING MESSAGE

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FROM : WAR (THE JOINT CHIEFS OF STAFF) NR: W 98176 16 MAY 47
CONT'D

taking into due account the scope of material and human destruction and damage suffered by each claimant country as a result of the preparations and execution of Japanese aggression, and taking also into due account each country's contribution to the cause of the defeat of Japan, including the extent and duration of its resistance to Japanese aggression.

"2. The clauses herein on reparations and references to this subject are without prejudice to the views of governments on the overseas assets issue."

End of directive.

The Commission advises that in approving the policy decision, the Australian representative on the Far Eastern Commission abstained from voting on this policy because in the opinion of the Australian Govt the question of division of reparation shares should be dealt with in the peace conference.

The Commission has agreed to release the foregoing directive to the press after its receipt in Tokyo, therefore acknowledgment of receipt is requested.

NO SIG

ACTION: REPARATIONS

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, DC OF S SCAP, DC OF S FEC, G-1, G-2, G-3, G-4, AG, PUBLIC RELATIONS, TRANSP, CIV COMM, GOVT, STAT & RPTS, PUBLIC H & W, ECON & SCI, GEN PROC, CIV I & E, LEGAL, NAT RESOURCES, GEN ACCTG, COMNAVFE, DIPLOMATIC, INT'L PROS, CIV PROP CUST

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TOO: 152126 Z
MCN: SA 19/16

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FAR EAST COMMAND
GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
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78

INCOMING MESSAGE

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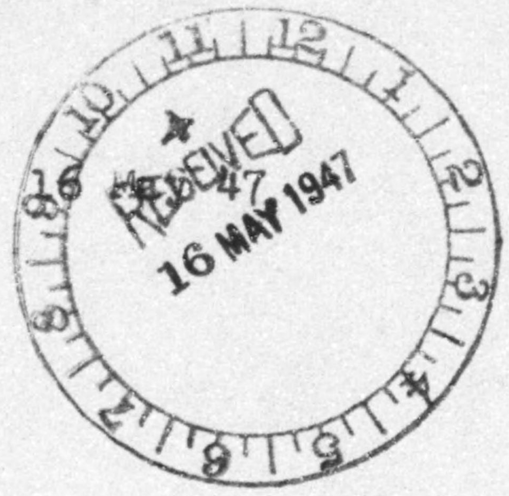

FROM : WAR (THE JOINT CHIEFS OF STAFF)

TO : SCAP (MACARTHUR)

NR : W 98144

The following directive, serial nbr 78, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on May 8, 47, under the provisions of paragraph 2, 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 3, 1, of those terms of reference:

"1. The primary objective in selecting the destinations of exports from Japan, subject to paragraphs 3 and 4, is to maximize the proceeds. Factors to be taken into account are price, the purchasing power of the currency for which the commodity is sold, and the availability of necessary imports which can be procured with the proceeds of the exports.

"2. Commercial exports as distinct from commodity movements on reparations account or restitutions shall be made only to those recipients who agree to provide imports necessary for Japan in exchange or agree to pay for Japanese exports in foreign exchange usable for procuring necessary imports. Foreign exchange is considered usable under any of the following circumstances:

a. Freely convertible into currencies which can be used for the purpose of procuring necessary imports.

b. Inconvertible, but usable to pay for imports already or concurrently purchased, but not paid for.

c. Inconvertible, but stable in value and subject to a specific agreement with the area within which the currency is valid-subject to the condition that excess balances of

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-1-

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COPY NO. 108

JCS DIRECTIVE SERIAL NO. 78

FAR EAST COMMAND
GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
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INCOMING MESSAGE

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FROM : WAR (THE JOINT CHIEFS OF STAFF) NR: W 98144 16 MAY 47
CONT'D

the currency in question rising from sale of Japanese exports, not usable for purchase of imports within a reasonable time period, will be made convertible into dollars.

"3. In determining the destination of exports from Japan of commodities in world short supply or commodities whose import is of substantial commercial importance to a member of the UN, consideration should be given to the interests of all members of the United Nations. Proper consideration should be given to the factors mentioned in paragraph 1 and also to other factors including the requirements of countries for the commodities concerned, any new situations or demands arising in post-war circumstances and the pre-war patterns of trade, so long as the pre-war patterns of trade reflect current economic needs of the countries concerned. Taking into account the foregoing principles, the Inter-Allied Trade Board may recommend individual treatment for different types of exports.

"4. For allocated commodities the price should be the same to all recipients and should in general be fixed according to the following principles:

a. The price should be the established worlds price where such a price exists.

b. Where there is no established world price the price should be fixed in equitable relation to export prices of equivalent goods from other sources and to the domestic prices in the recipient countries which have substantial markets for the commodity."

End of directive.

The Commission release the foregoing directive to the press after its receipt in Tokyo, therefore acknowledgment

04593

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"Paraphrase not required. Handle as RESTRICTED correspondence per para 51 a and 60 a (4) AR 380-5."

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COPY NO.

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INCOMING MESSAGE

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FROM : WAR (THE JOINT CHIEFS OF STAFF) NR: W 98144 16 MAY 47
CONT'D

of receipt is requested.

NO SIG

ACTION: ECON & SCI

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, DEPUTY C/S SCAP, DEPUTY C/S FEC, G-1, G-2, G-3, G-4, AG, PUBLIC REIATIONS, TRANSP, CIV COMM, GOVT, STAT & RPTS, PUBLIC H & W, GEN PROC, CIV I & E, LEGAL, NAT RESOURCES, GEN ACCTG, COMNAVFE, DIPLOMATIC, INT'L PROS, CIV PROP CUST, REPARATIONS

4 C/S circulate
7

04593

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"Paraphrase not required. Handle as RESTRICTED correspondence per para 51 1 and 60 a (4) AR 380-5."

TOO: 151534 Z
MCN: SA 147/15

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FAR EAST COMMAND
GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
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77

INCOMING MESSAGE

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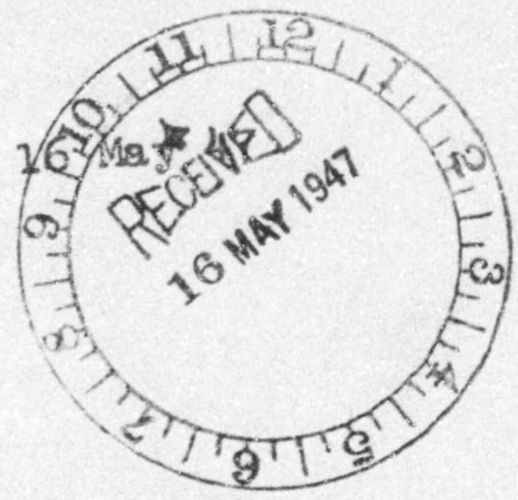

FROM : WAR (FROM THE JOINT CHIEFS OF STAFF)

TO : SCAP (TO MACARTHUR)

NR : W 98145

The following directive, serial nbr 77, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on May 8, 47, 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:

"DIRECTIVE REGARDING THE SOURCE OF JAPANESE IMPORTS"

"1. The primary objective in selecting the sources of imports into Japan should be to minimize the cost and difficulty of procurement. Factors to be taken into account are price, terms of purchase other than price, and assurances of meeting scheduled requirements.

"2. In determining the sources of imports into Japan of commodities in world short supply due consideration should be given to the needs of countries other than Japan in addition to the factors mentioned in paragraph 1.

"3. In procurement of commodities in world surplus or in procurement of any commodity whose export to Japan is of substantial commercial importance to a member of the UN while primary consideration should be given to the objectives outlined in paragraph 1 above, consideration should also be given to such other relevant factors as the interests of all members of the UN, including any new trade situations or

04591

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"Paraphrase not required. Handle as RESTRICTED correspondence para 51 i and 60 a (4) AR 380-5."

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COPY NO. 109

JCS DIRECTIVE SERIAL NO. 77

FAR EAST COMMAND
GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
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INCOMING MESSAGE

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FROM : WAR (FROM THE JOINT CHIEFS OF STAFF) NR : W 98145
16 MAY 47 CONT'D

demands arising in post-war circumstances and pre-war patterns of trade, so long as the pre-war patterns of trade reflect current economic interests of the countries concerned. Taking into account the foregoing principles the Inter-Allied Trade Board may recommend individual treatment for different types of imports.

"4. This statement of policy will in no way be permitted to jeopardize the fulfillment of US responsibilities for the prevention of such widespread disease or civilian unrest as would endanger the occupying forces or interfere with Military operations."

The Commission has agreed to release the foregoing directive to the press after its receipt in Tokyo, therefore acknowledgment of receipt is requested.

NO SIG

ACTION: ECON & SCI

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, DEPUTY C/S SCAP, DEPUTY C/S FEC, G-1, G-2, G-3, G-4, AG, PUBLIC RELATIONS, TRANSP, CIV COMM, GOVT, STAT & RPTS, PUBLIC H & W, GEN PROC, CIV I & E, LEGAL, NAT RESOURCES, GEN ACCTG, COMNAVFE, DIPLOMATIC, INT'L PROS, CIV PROP CUST, REPARATIONS

G-4 to circulate

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TOO: 151535 Z
MCN: SA 144/15

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COPY NO.

FAR EAST COMMAND

GENERAL HEADQUARTERS, U~~S. ARMY FORCES PACIFIC~~

ADJUTANT GENERAL'S OFFICE

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76

INCOMING MESSAGE

~~Restricted~~ DEFERRED Unclassified 3 May 47

FROM : WAR (JCS) per DA Radio WCL 31435 dtd 5 Jan 50. also DRB #30, 20 Jan 50

TO : SCAP (MACARTHUR)

NR : W 97401

The following directive, serial nbr 76, prepared by the State Dept to implement the policy adopted by the Far Eastern Commission on 24 Apr 47, under the provisions of para 2, A, 1, of its terms of reference has been received from the State, War and Navy Depts for transmission to you for your guidance in accordance with para 3, 1, of those terms of reference:

"DIRECTIVE REGARDING DESTRUCTION OR REMOVAL OF UN PROPERTY IN JAPAN

"1. This policy decision deals with the treatment of the property in Japan of nationals of members of the UN when such property forms part of an industry, the capacity of which is subj to reduction either by the destruction or by the removal of plants under the terms of relevant policies of the Far Eastern Commission.

"2. Such property shall be regarded as UN property for the purpose of this policy decision and shall be so termed.

a. If owned by nationals of members of the UN, or

b. If it has been treated as enemy property by the Japanese Govt, or

c. If owned by a corp, the stock of which is substantially owned directly or indirectly by nationals of members of the UN, or

d. If owned by a corp in which a minority of the stock is owned by nationals of members of the UN but nationals of members of the UN nevertheless have controlling rights.

99512

DEFERRED ~~Restricted~~ Unclassified

"Paraphrase not required. Handle as RESTRICTED correspondence per para 51 1 and 60 a (4) AR 380-5."

106

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946. 16—48710-1 GPO

COPY No.

JCS DIRECTIVE SERIAL NO. 76

FAR EAST COMMAND

GENERAL HEADQUARTERS, ~~U.S. ARMY FORCES, PACIFIC~~

ADJUTANT GENERAL'S OFFICE

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INCOMING MESSAGE

Unclassified
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FROM : WAR (JCS) NR : W 97401 3 MAY 47 CONT'D

"3. UN property which is subj to destruction, in accordance with policies of the Far Eastern Commission, on the disarmament of Japan and the reduction of the Japanese industrial war potential, should be destroyed irrespective of the nationality of the owner.

"4. When such UN property is destroyed, the UN owners should be entitled to full compensation for the value of their interest in the plant at the time of destruction.

"5. UN property within the categories of industrial plants and facilities which are subj to removal in accordance with policies of the Far Eastern Commission should not be selected for removal so long as the Japanese-owned industrial facilities within the same categories are available for removal.

"6. When such UN property is selected for removal, the owner's govt should be given a reasonable opportunity to remove the property or any part of it from Japan, expenses being borne by the Japanese Govt to the same extent as in the removal and delivery of other reparations goods. If such industrial facilities are removed by the owner's govt the value of such property which is removed should be applied against the reparations account of that govt. Any such property which the owner's govt fails to remove within a reasonable time should be made available to other govts from the reparations pool.

"7. When such UN property is made available for reparations, the UN owners should be entitled to full compensation

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FAR EAST COMMAND
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~~DEFERRED~~

FROM : WAR (JCS) NR : W 97401 3 MAY 47 CONTINUED

for the value of their interest in the plant at the time of removal.

"8. When a UN owner is entitled to compensation under para 4 or 7 above, such compensation should be paid to the owner by the Japanese Govt in yen, and should not be charged to the reparations share of the govt of which the UN owner is a national. Such compensation should be distinct from and additional to any other claims for compensation which the owner may have with respect to this property.

"9. The Japanese Govt should remain responsible for safeguarding and maintaining UN property until it is disposed of in accordance with the foregoing paragraph."

The Commission has agreed to release the foregoing directive to the press after its receipt in Tokyo, therefore acknowledgment of receipt is requested.

NO SIG

ACTION: EX REP

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, DEPUTY C/S SCAP, DEPUTY C/S FEC, G-1, G-2, G-3, G-4, AG, PUBLIC RELATIONS, TRANSP, CIV COMM, GOVT, STAT & RPTS, PUBLIC H & W, GEN PROC, CIV I & E, LEGAL, NAT RESOURCES, GEN ACCTG, COMNAVFE, DIPLOMATIC, INT'L PROS, CIV PROP CUST, ECON & SCI

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~~Restricted~~

99512 TOO: 030001 Z
MCN: SA 143/02

"Paraphrase not required. Handle as RESTRICTED correspondence per para 51 i and 60 a (4) AR 380-5."

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COPY No.

75

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GENERAL HEADQUARTERS, FAR EAST COMMAND
ADJUTANT GENERAL'S OFFICE
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INCOMING MESSAGE

CONFIDENTIAL

PRIORITY

6 Apr 47

FROM : WAR (THE JOINT CHIEFS OF STAFF)

TO : CINCFE (TO MACARTHUR)

NR : WAR 95604

Note: Rescinded by JCS Serial No. 104.

The following interim directive, serial nr 75, received from the State, War and Navy Depts, issued under the provisions of para III, of the terms of reference of the Far Eastern Commission, is furnished for your guidance.

"INTERIM DIRECTIVE REGARDING ADVANCE TRANSFERS OF JAPANESE REPARATIONS AND REPARATIONS ALLOCATION PROCEDURES FOR INDUSTRIAL FACILITIES IN JAPAN

Part A.

"1. The Supreme Commander for the Allied Powers should effect immediate delivery of assets within Japan in accordance with the provisions of the directive, serial nr 69, Feb 19, 47, regarding the delivery of reparations goods in Japan, as advance payment on account of ultimate reparations shares providing:

a. That such assets fall within categories of Japanese facilities and equipmt which have been properly declared as available for reparations transfer by the Far Eastern Commission and designated for removal by the Supreme Commander for the Allied Powers;

b. That such assets should be declared by the Supreme Commander for the Allied Powers to China, the Philippines, the Netherlands (for Netherlands East Indies) and the United Kingdom for Malaya, Burma and its colonial possessions in the Far East;

c. That such assets should be delivered to a recipient country only after it has supplied evidence acceptable to the Supreme Commander for the Allied Powers, or to some other agent or agency hereafter designated to evaluate and pass judgement on such evidence, that the:

(1) Immediate and useful employment of such assets is practicable,

(2) Employment of rehabilitated, repaired or reconstructed facilities can contribute, directly, to immediate relief and rehabilitation reqmts of the war-devastated economy of the claimant country or, indirectly,

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JCS DIRECTIVE SERIAL NO. 75

INCOMING MESSAGE

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FROM : WAR (THE JOINT CHIEFS OF STAFF) NR : WAR 95604 6 Apr 47 CONT'D

(1) Immediate and useful employment of such assets is practicable,

(2) Employment of rehabilitated, repaired or reconstructed facilities can contribute, directly, to immediate relief and rehabilitation reqmts of the war-devastated economy of the claimant country or, indirectly, to the relief needs of other parts of Asia devastated by Japanese Armed Forces;

d. That no country listed in subpara b should receive delivery of more than 5%, excepting China which may receive 15%, in quantity or value of any single category of assets available as determined in subpara a above, and authorized for transfer under the provisions of subpara c above.

e. That assets specified for delivery should represent in their total quantity or value, not more than 30% of any single category of available assets as determined in subpara a above.

"2. The Supreme Commander for the Allied Powers should designate for delivery on advance transfer account such a balanced selection of plants and facilities as will not represent disproportional reduction of value or quality of over-all residual industrial capacities available for later transfer as reparations.

"3. The Supreme Commander for the Allied Powers should maintain such records as necessary to enable offset for any such advance transfers to be made against ultimate fulfillment of approved and recognized over-all national reparations shares.

Part B.

"1. The following procedures should govern SCAP implementation of those aspects of the Japanese reparations program providing for the removal from Japan of industrial facilities and equip:

a. In accordance with provisions of directives to SCAP regarding availability for reparations transfer of categories of Japanese industry, SCAP should be responsible for final selection of those particular industrial facilities and equip to be made available for removal from Japan as reparations.

b. SCAP should be responsible for preparing an inventory of individual Japanese industrial facilities selected under a above. This inventory shall include any available info which would aid a prospective claimant in determining the utility of the individual facility, such as technical specifications, make, age and condition.

"Paraphrase not required. Handle as CONFIDENTIAL correspondence per para 51 i and 60 a (4) AR 380-5."

c. SCAP should be responsible for assigning monetary valuation to industrial facilities selected and listed under a and b. Procedures for uniform monetary valuation should be determined by SCAP. Valuation should be in sufficient detail to permit charges to be made for parts of plants which may be allocated separately. Values assigned to reparations assets referred to in a and b above need have no relation to any other values as long as these values are consistent among the reparations assets comprised of industrial facilities and equip.

d. SCAP should submit to representatives of countries, members of the FEC the inventory provided in b, and the valuation provided in c.

e. Upon receipt of the inventories and valuations mentioned herein, a country, member of the FEC may lodge with SCAP claims for the allocation to it of particular industrial facilities.

f. Upon receipt of directives indicating the over-all shares assigned to each country, SCAP should set up appropriate reparations accounts for recipient countries. The value of the facilities received by any one country should not exceed its percentage share of the total value of the industrial facilities selected and valued by SCAP for removal as reparations. As provided in the directive, serial nr 69, Feb 19,47, regarding the delivery of reparations goods in Japan, a recipient country will make a commitment to accept a specific facility at the time the allocation is made. SCAP should likewise agree to reserve the accepted facility for the claimant country. At such time SCAP will make an initial charge of the monetary value assigned to the facility (in accordance with 1 c above) to the reparations account of the recipient country. When the final title is taken by a recipient country to an individual facility aboard ship, a final charge shall be made against the reparations account of the recipient country, taking into account, if necessary, any unforseen loss of value.

g. From those items of industrial facilities and equip declared available for reparations removals SCAP should allocate particular industrial facilities to each country on the basis of claims submitted by that country. To the extent that claims of 2 or more countries are in conflict, he will work out what seems to him the most reasonable allocation, taking into primary consideration the proportion of each country's allocation still unfilled. After taking into account this primary consideration, consideration should be given the following 4 items in stated order of priority:

(1) Claims for whole plants and related facilities, as opposed to claims for portions thereof.

(2) Claims for parts of plants or related groups of items which can be integrated with the existing industrial pattern of the claimant country.

"Paraphrase not required. Handle as CONFIDENTIAL correspondence per para 51 i and 60 a (4) AR 380-5."

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FROM : WAR (THE JOINT CHIEFS OF STAFF) NR : WAR 95604 6 Apr 47 CONT'D

(3) The extent to which the claimed item or items would replace property which was destroyed, damaged or looted in the war, or requires replacement because of excessive wear incident to prosecuting the war against Japan.

(4) The extent to which the claimant country depended in the pre-war years on imports from Japan of the item or items (or products thereof) claimed.

h. In making allocations as provided by g, SCAP should, to the extent practicable, give consideration to striking a fair and equitable balance as between all claimant countries of items:

(1) In integrated or consolidated units.
(2) Of modern and efficient design and manufacture.
(3) In good working condition.

i. Each country represented on the FEC should be permitted to have a reparations technical mission in Japan. These missions should be afforded full opportunity for inspection of plants declared available, and should be kept fully informed by SCAP of all designations and allocations. They should be authorized by their govts to receive inventories, valuations and other communications from SCAP relating to reparations, to lodge claims, to make commitments to accept title to plants selected, to accept final title to industrial facilities on reparations account, and to make all necessary arrangements with SCAP including scheduling the required shipping for the actual removal of allocated facilities in accordance with the principles laid down in the directive, serial nr 69.

j. SCAP should organize a reparations technical advisory committee (RTAC) composed of the heads of the above reparations technical missions located in Japan and chaired by a representative of SCAP appointed by SCAP. The function of this committee should be to assist SCAP, in an advisory capacity, in the development of technical and administrative procedures to assure an orderly removal of reparations goods from Japan, and in the settlement of conflicts between claimant countries arising over claims for particular facilities. In the event of disagreement between SCAP and a member country concerning the allocation of a particular facility by SCAP, if a formal protest is made to SCAP by 2/3 of members of RTAC, SCAP, who has final authority in such matters, may, in his discretion, refer the dispute to the U. S. Govt.

k. Claims for individual facilities must be filed with SCAP by a claimant country within 6 months after the fixing of a claimant country's final reparations percentage share, or receipt from SCAP of a final inventory and valuation of the facility, whichever is the later date.

"Paraphrase not required. Handle as CONFIDENTIAL correspondence per para 51 i and 60 a (4) AR 380-5."

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FROM : WAR (THE JOINT CHIEFS OF STAFF) NR : WAR 95604 6 Apr 47 CONT'D

l. Each claimant will arrange for transportation for its reparations goods at the port and will be prepared to accept transfer of title no later than 2 years after the designation of the goods for application to that country's reparations account, providing that such goods have been delivered to the loading point at the port within a reasonable time before the end of the period.

m. Industrial facilities, machinery or equipment (other than specialized war-making equipment) declared available for reparations, but either:

(1) Unclaimed for application against recognized reparations claims on Japanese assets from within Japan, or

(2) Unaccepted as prescribed by 1 l above,

(3) Should not be destroyed or otherwise disposed of by SCAP pending receipt of further directives.

n. The provisions of this paper shall apply to any country not a member of the FEC which may be declared eligible to receive reparations from Japan in industrial facilities, except that no country not a member of the FEC shall be a member of the RTAC.

"2. The provisions of para l c and d requiring a monetary valuation for industrial facilities shall not operate to delay delivery of goods under the provisions of part A of this directive. As soon as recognized and approved national reparations shares have been determined andannounced by directive to SCAP all of the provisions of part B of this directive will govern and provisions of part A of this directive will be rendered inoperative."

NO SIG

ACTION: EX REP

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, GEN HARRISON, G-4, AG, TRANSP, ECON & SCI, DIPLOMATIC, CIV PROP CUST

ADDED DIST: STAT & RPTS (24 Apr 47)

88086

PRIORITY
CONFIDENTIAL
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TOO : 050431 Z
MCN : SA 121/05

"Paraphrase not required. Handle as CONFIDENTIAL correspondence per para 51 i and 60 a (4) AR 380-5."

GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~ FAR EAST COMMAND
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

CWH
crb

JEC

74

INCOMING MESSAGE

Restricted
ROUTINE

6 Apr 47

FROM : WAR (THE JOINT CHIEFS OF STAFF)

TO : CINCFE (TO MACARTHUR)

NR : W 95629

The following directive, Serial Number 74, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on March 27, 1947, under the provisions of Para 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 Para III, 1, of those terms of reference:

"DIRECTIVE REGARDING THE REVISION OF THE JAPANESE EDUCATIONAL SYSTEM

"Guiding Principles and Objectives

"1. Education should be looked upon as the pursuit of truth, as a preparation for life in democratic nation, and as a training for the social and political responsibilities which freedom entails. Emphasis should be placed on the dignity and worth of the individual, on independent thought and initiative, and on developing a spirit of inquiry. The inter-dependent character of international life should be stressed. The spirit of justice, fair play, and respect for the rights of others, particularly minorities, and the necessity for friendship based upon mutual respect for people of all races and religions, should be emphasized. Special emphasis should also be placed on the teaching of the sanctity of the pledged word in all human relations, whether between individuals or nations. Measures

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-1-

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7 APR 1947
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JCS DIRECTIVE SERIAL NO. 74

GENERAL HEADQUARTERS, ~~U. S. ARMY FOR~~ FAR EAST COMMAND ~~S, PACIFIC~~
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

INCOMING MESSAGE

Restricted
ROUTINE

FROM: WAR (JOINT CHIEFS OF STAFF) NR: W 95629 6 APR 47

CONT'D

should be taken as rapidly as possible to achieve equality of educational opportunity for all regardless of sex or social position. **The revision of** the Japanese educational system should in large measure be undertaken by the Japanese themselves and steps should be taken to carry out such revision in accordance with the principles and objectives set forth in this paper.

"Training, Recruitment, and Conditions of Service of Teachers

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

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

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

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

"6. The teaching profession should be recognized as of vital importance to the future welfare and democratic development

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FAR EAST COMMAND
GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

INCOMING MESSAGE

Restricted
ROUTINE

FROM: WAR(JOINT CHIEFS OF STAFF) NR: W 95629 6 APR 47
CONT'D

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

"Textbooks, Curricula and Teaching Methods

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

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

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

"10. Teaching of military subjects should be totally forbidden in all educational institutions. The wearing by students of military-style uniforms should be forbidden. Classical sports, such as kendo, which encourage the martial

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RADIO AND CABLE CENTER

INCOMING MESSAGE

Restricted
ROUTINE

FROM: WAR (JOINT CHIEFS OF STAFF) NR: W 95629 6 APR 47
CONT'D

spirit, should be totally abandoned. Physical training should no longer be associated with the Seishin Kyoiku. Greater emphasis should be placed on games and other recreational activities than of pure calisthenics and drill. If former servicemen are employed as drill instructors, or in connection with physical training or sport, they should be carefully screened.

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

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

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

"Adult Education

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

"Vocational Education

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

"Educational Administration and Finance

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

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

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FAR EAST COMMAND
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INCOMING MESSAGE

Restricted
ROUTINE

FROM: WAR (JOINT CHIEFS OF STAFF) NR: W 95629 6 APR 47
CONT'D

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

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

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

"General

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

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

"22. Equal opportunity for both sexes should be provided

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GENERAL HEADQUARTERS, U. S. ARMY FORCES, PACIFIC
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RADIO AND CABLE CENTER

INCOMING MESSAGE

Restricted
ROUTINE

FROM: WAR (JOINT CHIEFS OF STAFF) NR: W 95629 6 APR 47

CONT'D

at all levels of education --- primary, secondary, and tertiary.

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

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

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

The Commission requested that the following excerpts from the minutes of the meeting on Mar 27, 47, recorded before the policy decision was approved be forwarded for your information:

"Statement by the Indian Representative:

"Mr Chairman, I am grateful to you for having allowed me this opportunity to discuss things in conference with you and your educational adviser on the subject. I would not like to take up the time of the Commission on this paper. I find that it is a most excellent paper, drafted by those who know the subject. They have taken all relevant questions into consideration and have dealt with them as well as they could in the circumstances. When I say in the circumstances I mean that Japan today represents, along with some of the others whose fate is being dealt with elsewhere, a country and people who

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FROM: WAR (JOINT CHIEFS OF STAFF) NR: W 95629 6 APR 47

CONT'D

unfortunately were a little too excessive in their ambition. They were carrying out their ambition in a form which had become a menace to the world, which menace fortunately has now been conquered. And now we must be very concerned that that menace is not revived in any shape or form anywhere --- not merely in Japan but elsewhere too. If the world is to preserve peace, and if humanity is to grow along lines of peaceful prosperity, then these tendencies have got to be restrained wherever they may be found. That is the object behind this paper and I am entirely in agreement with it. But there are one or two little points which have occurred to me after a superficial reading of this paper in the short time I have had at my disposal, and which I have mentioned to the Chairman. With the help of his advice my doubts have been more or less satisfied for the time being. But it is only relevant that I should mention these points to you now so that you may also bear in mind how my mind is moving.

"Now, if you look at Page 1, Paragraph 2, the opening sentence runs as follows: 'Those teachers and other educational officials whose record shows them to have been pronounced exponents of ultra-nationalistic, militaristic, or totalitarian ideas, should be forbidden to teach or engage in other employment....' '... or engage in other employment connected with education.' Now, supposing for instance, little children are being taught in schools and some of these men are available for supplying, shall we say, milk to the children, which is possibly a connected activity. After all we must see that the children are brought up properly, and we supply them with milk. You know what the manpower shortage is like all over the world.

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INCOMING MESSAGE

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ROUTINE

FROM: WAR (JOINT CHIEFS OF STAFF) NR: W 95629 6 APR 47
CONT'D

Supposing these people can be employed in that particular activity, which will still be connected with education but not education itself. I want to know whether this will bar them. If so, I think we are drawing rather heavily upon our resources of man-power. That is one doubt. I don't know whether that doubt has been completely resolved, but I do not wish that little point to become a hindrance in the passage of this paper.

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

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GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~

ADJUTANT GENERAL'S OFFICE

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Restricted

ROUTINE

thing to do. But it is a point for you to consider. It is easy for us to lay down certain rules and fundamentals in a hurry and then find later on that they become halters around our necks. This is a doubt which I have expressed.

"Statement by the Australian Representative:

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

"It is believed that comprehensive educational reform is likely to be most effectively handled through a centralized government department. Therefore decentralization of administration is not recommended for general policy planning, finance, appointment of teachers, conditions for teachers, provision of buildings, planning of educational standards, and the overall conduct and planning of research programmes. However, the carrying out of details of administration should be decentralized. This decentralization might be accomplished most effectively by placing local administration of education under district superintendents of education, appointed by the Japanese Government,

88?01

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INCOMING MESSAGE

Restricted

ROUTINE

FROM: WAR (JOINT CHIEFS OF STAFF) NR: W 95629 6 APR 47

CONT'D

who should be educationalists of standing. It is believed that the schools and teachers should not be under the control of the prefectural administrations. In determining curricula, a central authority should make general suggestions for all subjects and should specify requirements of standards; however, within those limits, decentralization should occur, and is recommended particularly for social studies, biological sciences and vocational subjects in which local conditions should play an important role.

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

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

The Commission has agreed to release the foregoing directive to the press after its receipt in Tokyo, therefore acknowledgment of receipt is requested.

NO SIG

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ADJUTANT GENERAL'S OFFICE
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INCOMING MESSAGE

Restricted
ROUTINE

FROM: WAR (JOINT CHIEFS OF STAFF) NR: W 95629 6 APR 47
CONT'D

ACTION: CIV I & E

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, AG, PUBLIC RELATIONS, GOVT, STAT & RPTS, DIPLOMATIC

88201

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TOO: 052234 Z
MCN: SA 27106

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GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
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INCOMING MESSAGE

73

~~Restricted~~ Unclassified
ROUTINE

Govt

Rec'd DA Radio WCL 3141 35 dtd 6 Jan 50, also ORB #30, 20 Jan 50

23 Mar 47

FROM : WASHINGTON (THE JOINT CHIEFS OF STAFF)

TO : SCAP (TO MACARTHUR)

NR : W 94629

The fol directive, prepared by the State Dept to implement the policy adopted by the FEC on 6 Mar 47, under the provisions of par II, A, 1, of its terms of ref has been recd from the State, War, Navy, Dept for transmission to you for your guidance in accordance with par III, 1, of those terms of ref:

Directive begins

" DIRECTIVE REGARDING INTERIM PRINCIPLES FOR RESTITUTION OF IDENTIFIABLE PROPERTY CONFISCATED IN JAPAN FROM ALLIED NATIONALS.

"1. You are auth to restore to nationals of any of the UN identifiable property, tangible or intangible, which was located in Japan prior to the outbreak of hostilities between their government and the government of Japan and owned by them at that time or lawfully acquired thereafter, and which was seized, confiscated, or sequestered, formally or otherwise, during the event hostilities by the Japanese Government, members of its Armed Forces or by official or private Japanese or other enemy individuals or groups; provided that:

"A. Subject to your discretion, restitution should be made at this time only to:

"(1) Natural persons present in Japan;

"(2) Juridicial persons where the holders of a controlling interest are Nationals of Members of the UN now resident in Japan;

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

82493

~~ROUTINE~~ Unclassified

"Paraphase not required. Handle as RESTRICTED correspondence per para 51 i and 60 a (4) AR 380-5"

-1-

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JCS DIRECTIVE SERIAL NO. 73

FAR EAST COMMAND
~~SUPREME HEADQUARTERS, U. S. ARMY FORCES, PACIFIC~~
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INCOMING MESSAGE

Unclassified
~~Restricted~~
ROUTINE

FROM : WASHINGTON NR : WAR 94628 23 MAR 47 CONT'D

"B. Without in any way prejudging the definitive policy later to be adopted by the FEC with respect to the disposition of large-scale enterprises, only small-scale commercial and industrial enterprises should be restored at the present time;

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

"D. You are satisfied as to the identification of such property.

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

"3. For the purpose of determining whether property was in fact confiscated it should be assumed that all property taken by the Japanese or other enemy government, Armed Forces, or Nationals during the recent hostilities from Nationals of any of the UN was confiscated whether or not payment was made at the time of acquisition unless it can be definitely shown that no duress or fraud was involved.

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

82493 ROUTINE ~~Restricted~~ Unclassified

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~~Restricted~~
ROUTINE

FROM : WASHINGTON NR : WAR 94628 23 MAR 47 CONT'D

"5. If payment to restore was made at the time of confiscation you will require persons repossessing the property to agree to remit such amounts to the Japanese Government as a prerequisite tc restitution. However, actual payment of such amounts should be made only after settlement of claims as specified in par 4 above.

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

"7. The right to restitution provided in the foregoing paragraphs and even the completion of restitution should not be considered as permission to operate properties where you consider the operations of such property injurious to the occupying forces or to the purposes of the occupation. Similarly, the operation of properties which you consider, upon consultation with the Allied Council for Japan in accordance with the terms of ref of the Allied Council for Japan, to be beneficial to the Occupying Forces and / or the accomplishment of the purposes of the occupation should not await restitution of title or the transfer of possession of such properties; but in such cases compensation for the use of the property should be paid for the account of the owner.

"8. Japanese Nationals injured by the provisions of the foregoing par should look to the Japanese Government for relief."

The following excerpt from the minutes of the FEC meeting on 6 Mar 47 is forwarded for your info:

"Item 5 (FEC OLL/28, FEC OLL/24)

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

32493

ROUTINE. ~~Restricted~~ Unclassified

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COPY No.

FAR EAST COMMAND
PA[illegible]EADQUARTERS, ~~U. S. ARMY FOR[illegible]S. PACIFIC~~
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

INCOMING MESSAGE

~~Restricted~~
ROUTINE
Unclassified

FROM : WASHINGTON NR : WAR 94628 23 MAR 47 CONT'D

'It is agreeable to the Chinese Delegation to eliminate par 1B from the document FEC 011/27 if it is clearly understood that for the purpose of this paper the expersssion"The outbreak of hostilities " In par 1 should be regarded in so far as China is concerned, as 7 July 37. The Chinese Delegation desires to reserve its right to request of the Supreme Commander for the Allied Powers the restitution of Chinese property within the terms of this paper which was seized, confiscated, or sequestered before 7 July 37.

'It is the understanding of the Chinese Delegation that the definition of "The outbreak of hostilities" as indicated above is only for the purpose of this paper and will in no way affect policy statements to be adopted by the FEC relating to the question of restitution as a whole and the restitution of cultural objects removed from China by the Japanese Government , member of its Armed Forces, Japanese Officials or Nationals, or other enemy individuals or groups.'

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

'It is agreeable to the French Delegation to eliminate par 1 B from the document FEC 011/27. If it is clearly understood that for the purpose of this paperthe expression"The outbreak of hostilities" par 1 should be regarded, in so far as France is concerned, as 22 Sept 40.

The following comment by the State Dept on par 5 and 6 of the foregoing directive is transmitted for your guidance in executing the directive: "Content of par 5 and 6 is that blocked accounts established by the Japanese Government out of proceeds of sale of UN's property should be returned to Japanese Government if property is returned to owner, except that such disposition should be suspended pending the settlement of compensation claims with respect to such property."

32493

Unclassified
~~Restricted~~ ROUTINE

"Paraphase not required. Handle as RESTRICTED correspondence per para 51 1 and 60 a (4) AR 380-5."

-4-

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946. 16—48710-1 GPO

COPY No.

FAR EAST COMMAND
RADIO HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

INCOMING MESSAGE

~~Restricted~~
ROUTINE
Unclassified

FROM : WASHINGTON NR : WAR 94628 23 MAR 47 CONT'D

The Commission advises that in adopting the foregoing policy decision the commission agreed to release it to the press after received by you; therefore, acknowlegment of receipt is requested.

NO SIG

ACTION: CIV PROP CUST

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, GEN HARRISON, AG, GOVT, STAT & RPTS, ECON & SCI, DIPLOMATIC, EX REP

f & c circulate 7

82493 ROUTINE TOO : 221843 Z
~~Restricted~~ MCN : SA 8/23
-5-
Unclassified

"Paraphrase not required. Handle as RESTRICTED correspondence per para 51 1 and 60 a (4) AR 380-5."

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946. 16—48710-1 GPO

COPY No.

FAR EAST COMMAND

GENERAL HEADQUARTERS, ~~U.S. ARMY FORCES, PACIFIC~~

ADJUTANT GENERAL'S OFFICE

RADIO AND CABLE CENTER

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INCOMING MESSAGE

72

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Restricted

ROUTINE

20 Mar 47

FROM : WAR (THE JOINT CHIEFS OF STAFF)

TO : SCAP (TO MACARTHUR)

NR : W 94360

The following directive, prepared by the State Dept to implement the policy adopted by the Far Eastern Commission on Mar 13, 1947, under the provisions of para 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 para III, 1, of those terms of reference:

Directive begins:

"DIRECTIVE REGARDING ALLIED TRADE REPRESENTATIVES IN JAPAN"

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

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

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

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

81237

ROUTINE

Restricted

"Paraphrase not required. Handle as RESTRICTED correspondence per par 51 1 and 60 a (4) AR 380-5."

-1-

95

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946. 16—48710-1 GPO

COPY No.

JCS DIRECTIVE SERIAL NO. 72

FAR EAST COMMAND
GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

INCOMING MESSAGE

Restricted
ROUTINE

FROM : WAR (THE JOINT CHIEFS OF STAFF) NR : W 94360
20 MAR 47 CONT'D

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

D. To accept delivery of Japanese exports. FOB Japanese port, and to handle details of ocean shipping and insurance.

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

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

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

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

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

Directive ends.

The Commission has agreed to release the foregoing directive to the press after it is received in Tokyo, therefore acknowledgment of receipt is requested.

NO SIG

81237

ROUTINE
Restricted

"Paraphrase not required. Handle as RESTRICTED correspondence per par 51 i and 60 a (4) AR 380-5."

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946. 16—48710-1 GPO

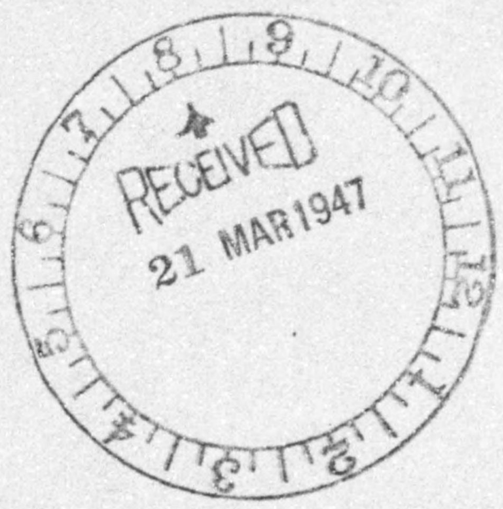
COPY No.

GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~ FAR EAST COMMAND
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

INCOMING MESSAGE

Restricted
ROUTINE

FROM : WAR (THE JOINT CHIEFS OF STAFF) NR : W 94360
20 MAR 47 CONT'D



ACTION: ECON & SCI

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, G-2, G-4, AG, TRANSP, GOVT, STAT & RPTS, DIPLOMATIC

Restricted
ROUTINE

81237

TOO: 200012 Z
MCN: SA 106/20

"Paraphrase not required. Handle as RESTRICTED correspondence per par 51 1 and 60 a (4) AR 380-5."

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946. 16—48710-1 GPO

COPY No.

FAR EAST COMMAND

GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

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71

INCOMING MESSAGE

Confidential
ROUTINE

9 Mar 47

FROM : WASHINGTON (JOINT CHIEFS OF STAFF)

TO : SCAP (TO MACARTHUR)

NR : W-93518

The following directive, prepared by the State Dept to implement the policy adopted by the Far Eastern Commission on Feb 20, 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:

Directive begins.

"DIRECTIVE REGARDING ASSURED PRODUCTION CAPACITY LEVELS FOR JAPAN

"1. Interim assured production capacity levels are hereby established for each of the 8 categories of Japanese industry listed below.

The Supreme Commander for the Allied Powers, upon consultation with the Allied Council for Japan in accordance with the terms of reference of the Allied Council for Japan, may designate for retention specific plants and establishments associated with each category, whose aggregate production capacity does not exceed the level established for that category. Such designation should be interpreted to mean that:

a. The Supreme Commander for the Allied Powers, upon consultation with the Allied Council for Japan in accordance with the terms of reference of the Allied Council for Japan, decides that operation of these plants and establishments, individually and collectively, is practical in terms of current needs for their products, and in terms of such conditioning

76667

ROUTINE
Confidential
-1-

"Paraphrase not required. Handle as CONFIDENTIAL correspondence per paragraphs 51 1 and 60 a (4) AR 380-5."

92.

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946. 16—48710-1 GPO

COPY No.

JCS DIRECTIVE SERIAL NO. 71

FAR EAST COMMAND

GENER[illegible]EADQUARTERS, ~~U. S. ARMY FC[illegible]S, PACIFIC~~

ADJUTANT GENERAL'S OFFICE

RADIO AND CABLE CENTER

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INCOMING MESSAGE

Confidential
ROUTINE

FROM : WASHINGTON NR : W-93518 9 MAR 47 CONTINUED

factors as availability of raw materials, power, and labor.

b. Owners and management are assured that the particular facility will not be subject to removal under the interim program or subsequent disarmament or reparations program.

"2. Machine tool industry.

The assured production capacity level for Japan's machine tool industry should be placed at a balanced type-size aggregate of 7,500 units annually.

"3. Arsenals, Army and Navy.

No assured production capacity level should be assigned to Army and Navy arsenals.

"4. Aircraft industry (including aircraft engines).

No assured production capacity level should be assigned to the aircraft industry.

"5. Iron and steel industry.

The assured production capacity level for Japan's iron and steel industry should be placed at an aggregate of 2.0 million metric tons of steel ingot, and an aggregate of 800,000 metric tons of pig iron annually.

"6. Light metals industry.

No assured production capacity for Japan's light metals industry should be given.

"7. Thermal electric power industry.

The assured production capacity level for Japan's thermal electric power industry should be placed at an aggregate installed public utility capacity of 1.0 million kilowatts.

"8. Soda, ash, chlorine and caustic soda industry.

The assured production capacity level for Japan's soda

76667

ROUTINE
Confidential
-2-

"Paraphrase not required. Handle as CONFIDENTIAL correspondence per paragraphs 51 1 and 60 a (4) AR 380-5."

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946. 16—48710-1 GPO

COPY No.

FAR EAST COMMAND

GENER[illegible]EADQUARTERS, ~~U. S. ARMY FC[illegible]S, PACIFIC~~
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

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INCOMING MESSAGE

Confidential
ROUTINE

FROM : WASHINGTON NR : W-93518 9 MAR 47 CONTINUED

ash, chlorine, and caustic soda industry should be placed at 207,000 metric tons of soda ash, of which 72,000 are required to produce caustic soda, 28,000 metric tons of chlorine and and 80,000 metric tons of caustic soda annually.

"9. Sulphuric acid industry.

The assured production capacity level for the Japanese sulphuric acid industry should be placed at 3,000,000 metric tons annually."

Directive ends.

The following excerpt from the minutes of the 46th meeting of the Far Eastern Commission, Feb 20, 1947 is furnished for your information:

"ITEM 3-ASSURED PRODUCTION CAPACITY LEVEL FOR JAPAN. (FEC-083/2, FEC-083/3, FEC-083/4).

* * * * *

STATEMENT BY THE CHINESE MEMBER.

Dr Koo presented the following formal statement:

'In keeping with the constant desire of the Chinese Government to promote cooperation in the Far Eastern Commission and expedite its work, I am prepared to vote for the paper, although with some reluctance. I say with some reluctance because we feel that with particular regard to the capacity level for Japan's steel ingot and pig iron industry, to assure an aggregate of 2,000,000 metric tons of steel ingot and an aggregate of 800,000 metric tons of pig iron annually is premature at the present time and also based on too high an estimate. On the basis of the latest information from SCAP (summation of non-military activities in Japan, number 13, Oct 1946, page 91) the production of steel ingot and castings in Oct 1946 reached only the level of 60,000 metric tons and

76667 ROUTINE Confidential -3-

"Paraphrase not required. Handle as CONFIDENTIAL correspondence per paragraphs 51 1 and 60 a (4) AR 380-5."

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946. 16—48710-1 GPO

COPY No.

FAR EAST COMMAND

GENER[illegible]EADQUARTERS, ~~U. S. ARMY FC~~[illegible]~~S, PACIFIC~~

ADJUTANT GENERAL'S OFFICE

RADIO AND CABLE CENTER

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INCOMING MESSAGE

Confidential
ROUTINE

FROM : WASHINGTON NR : W-93518 9 MAR 47 CONTINUED

that of pig iron only 10,000 metric tons. We therefore doubt the urgency to decide upon an assured capacity for Japan which would provide for a production greatly in excess of the present production.

'I want to point out further that as late as 1931, the year Japan invaded Manchuria, the total Japanese steel consumption was only about 2,000,000 metric tons. Even in that year there was reason to believe that a substantial part of the consumption was for war production or for shipbuilding and expansion of capital facilities. None of the above needs to be assured for Japan's rehabilitation should be considered as having an urgent priority over reparations to severely damaged allied nations.

'Therefore, I wish to make it clear that the Chinese Government will accept this policy paper with the express understanding that it does not preclude the possibility of using the increased current production from such assumed capacity to furnish a part of the reparations.

'I hope you will allow this to be recorded in the minutes and communicates along with the policy paper to SCAP.'

Mr Naggiar (French representative) said that he desired to record his government's approval of the position just expressed by Dr Koo.

General Hilldring said that he had no objection to the record containing this statement of understanding on the part of the Chinese representative. He desired to point out, however, that the subject of reparations from current production had not previously been considered by the commission and he wanted to make it clear that the United States Government could not at this time commit itself on any proposal involving

76667

ROUTINE
Confidential
-4-

"Paraphrase not required. Handle as CONFIDENTIAL correspondence per paragraphs 51 i and 60 a (4) AR 380-5."

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946. 16—48710-1 GPO

COPY No.

FAR EAST COMMAND

GENER[illegible]EADQUARTERS, ~~U. S. ARMY FC[illegible]S, PACIFIC~~

ADJUTANT GENERAL'S OFFICE

RADIO AND CABLE CENTER

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INCOMING MESSAGE

Confidential

ROUTINE

FROM : WASHINGTON NR : W-93518 9 MAR 47 CONTINUED

reparations from current production.

Dr Koo said that the understanding he had just recorded naturally applied only to the Chinese Government and that he simply wishes to reserve the right of the Chinese Government to raise the question at the appropriate time."

The Far Eastern Commission advises that in adopting the foregoing policy decision the commission accepted your recommendation that the decision not be released to the press until specific plants had been designated by you, pursuant to the terms of the policy decision. The commission requests your opinion as to when the release of this policy decision to the press would be appropriate.

The commission also requests that you be informed that the Australian representative pointed out that consultation with the Allied Council, as provided by the policy decision, might involve public disclosure of its contents and desired that it be understood that a power would not be violating the commission's decision on publication if it raised any question connected with the policy at a meeting of the Allied Council.

NO SIG

ACTION: ECON & SCI

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, GEN HARRISON, AG, GOVT, DIPLOMATIC, EX REP

ADDED DIST: STAT & RPTS SECT (14 Mar 47)

76667 ROUTINE TOO: 072242/Z

Confidential MCN: SA 122/08

-5-

"Paraphrase not required. Handle as CONFIDENTIAL correspondence per paragraphs 51 1 and 60 a (4) AR 380-5."

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946. 16—48710-1 GPO

COPY No.

70

FAR EAST COMMAND
GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

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INCOMING MESSAGE

Restricted
ROUTINE 7 Mar 47

FROM : WAR (JOINT CHIEFS OF STAFF)

TO : SCAP (TO MACARTHUR)

NR : W 93345

The fol directive, prepared by the State Dept to implement the policy adopted by the Far Eastern Commission on Feb 27, 47, under the provisions of para II, A, 1, of its terms of reference has been received from the State, War and Navy Depts for transmission to you for your guidance in accordance with para III, 1, of those terms of reference:

"DIRECTIVE REGARDING SHORT PERIOD CONTROL OVER THE JAPANESE ECONOMY TO RELIEVE WORLD SHORTAGES;"

"1. During the present period of world shortages Japan should supply, to the maximum extent consistent with the objectives of the occupation, goods needed in areas which, as a result of Japanese aggression, have been deprived of them during the War. Whenever necessary to attain these objectives, Japanese consumption of such goods should be restricted to minimum requirements."

"2. RESTRICTION OF JAPANESE DOMESTIC CONSUMPTION;"

"(A) Whenever it is necessary in order to attain the objectives stated in para 1, Japanese consumption of textiles and necessary consumption goods such as hardware, rubber goods, pottery and electrical goods, which before the war found a ready market in certain countries, should be restricted to minimum requirements."

"(B) Except as determined by SCAP to be required to meet objective 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,

75446 ROUTINE Restricted

"Paraphrase not required. Handle as RESTRICTED correspondence per paragraphs 51 i and 60 a (4) AR 380-5."

-1-

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946.

COPY NO. 91

JCS DIRECTIVE SERIAL NO. 70

FAR EAST COMMAND

GENERAL HEADQUARTERS, U. S. ARMY FORCES, PACIFIC
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

INCOMING MESSAGE

Restricted
ROUTINE

FROM: WAR NR: W 93345 7 MAR 47 CONT'D

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 50,000,000 lbs per annum, except at the discretion of SCAP to meet occupation objectives."

"3. ENCOURAGEMENT OF PRODUCTION;"

Measures should be continued or taken to stimulate Japanese production of good required for exports, particularly coal, textile machinery, mill stores and similar light equipment in addition to those specified in para 2 (A) above, and to ensure that the types produced are those in demand in countries requiring supplies from Japan.

"4. This policy statement in no way affects decisions as to reparations removals or the future level of Japanese economic life.

"5. This policy should be terminated on 31 Dec 47 unless extended by the Far Eastern Commission."

Prior to the approval of the policy decision on which this directive is based the US Representative had recorded in the minutes of the Far Eastern Commission the understanding of the US Govt that the provision for the supply of goods by Japan should be carried out under arrangements acceptable to SCAP.

The Far Eastern Commission has agreed to release the directive to the press after its receipt in Tokyo, therefore acknowledgment of receipt is requested.

NO SIG

75446 ROUTINE Restricted

"Paraphrase not required. Handle as RESTRICTED correspondence per paragraphs 51 i and 60 a (4) AR 380-5."

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946.

COPY NO.

FAR EAST COMMAND
GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

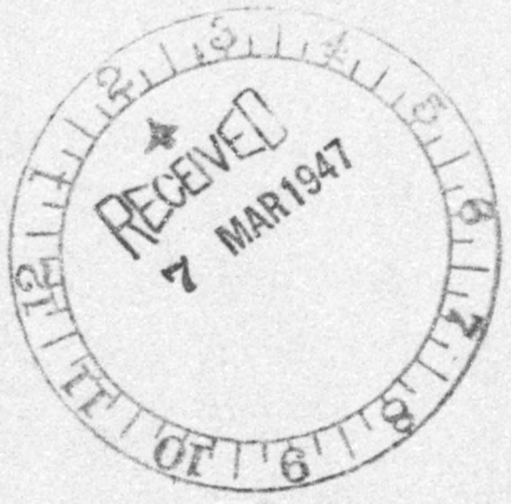
INCOMING MESSAGE

Restricted
RESTRICTED

FROM: WAR NR: W 93345 7 MAR 47 CONT'D

ACTION: ECON & SCI

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, AG, GOVT, DIPLOMATIC



75446 ROUTINE TOO: 060009/Z
Restricted MCN: SA 8 /06

"Paraphrase not required. Handle as RESTRICTED correspondence per paragraphs 51 i and 60 a (4) AR 380-5."

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946.

COPY NO.

COPY

69

GENERAL HEADQUARTERS, U.S. ARMY FORCES, PACIFIC
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

I N C O M I N G M E S S A G E

RESTRICTED
ROUTINE

20 Feb 47

FROM : WAR (THE JOINT CHIEFS OF STAFF)

TO : SCAP (TO MACARTHUR)

NR : W 92372

The following directive, prepared by the State Dept to implement the policy adopted by the Far Eastern Commission on 13 Feb 47 under the provisions of para II, A, 1, of its terms of reference, has been received from the State, War and Navy Depts for transmission to you for your guidance in accordance with para III, 1, of those terms of reference:

(DIRECTIVE REGARDING DELIVERY OF REPARATIONS GOODS IN JAPAN)

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

69327

ROUTINE
RESTRICTED

-1-

"Paraphrase not required. Handle as RESTRICTED correspondence per para 51 i and 60 a (4) AR 380-5"

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I N CO M I N G M E S S A G E

RESTRICTED
ROUTINE

FROM: WAR (THE JOINT CHIEFS OF STAFF), NR: W 92372
dtd 20 FEB 47, CONT'D

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

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

69327

ROUTINE
RESTRICTED

"Paraphrase not required. Handle as RESTRICTED correspondence per para 51 i and 60 a (4) AR 380-5

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I N C O M I N G M E S S A G E

RESTRICTED
ROUTINE

FROM: WAR (THE JOINT CHIEFSOF STAFF) NR: W 92372, DTD 20 FEB 47, CONT'D.

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

The Far Eastern Commission has agreed to release the directive to the press, therefore acknowledgment of receipt is requested.

R E V I S E D (20 Feb 47) NO SIG

ACTION: EX REP

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, GEN HARRISON, G-4, AG, TRANSP SECT, ECON & SCI SECT, DIPLOMATIC SECT, CIV PROP CUST

"Paraphrase not required. Handle as RESTRICTED Correspondence per para 51 i and 60 a (4) AR 380-5."

C O P Y

FAR EAST COMMAND.

GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

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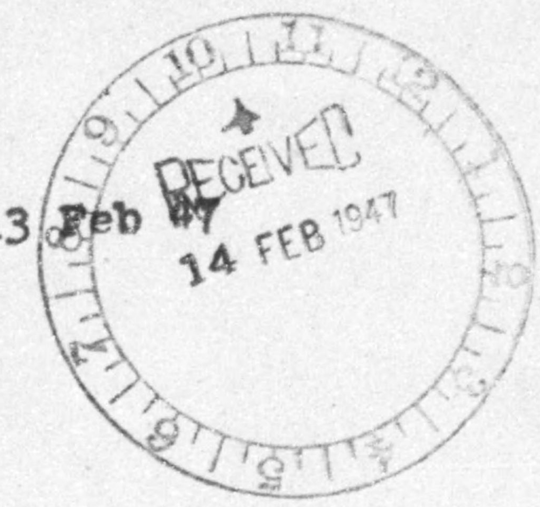
68

INCOMING MESSAGE

Confidential
ROUTINE

13 Feb 47



FROM : WAR (THE JOINT CHIEFS OF STAFF)

TO : CINCFE (TO MACARTHUR)

NR : WAR 91906

The following directive, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on 23 January 47 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:

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

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 and 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.

66867 ROUTINE Confidential

"Paraphrase not required. Handle as CONFIDENTIAL correspondence per para 51 i and 60 a (4) AR 380-5."

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946. 16—48710-1 GPO

COPY No.

JCS DIRECTIVE SERIAL NO. 68 FEC 84.

FAR EAST COMMAND
GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

INCOMING MESSAGE

RECEIVED
14 FEB 1947

Confidential
ROUTINE

FROM: WAR (THE JOINT CHIEFS OF STAFF) NR: WAR 91906
13 FEB 47 CONTINUED

The Far Eastern Commission requests that you be informed:

(a) That the Commission recognizes the necessity for establishing a broad principle for the guidance of the Commission and SCAP, prior to the establishment of particular levels of industry in various categories.

(b) Since this policy is primarily for the guidance of the Commission release to the press is not recommended at the present time. However, since future publication may be regarded here as desirable your views on publication of the directive are requested.

NO SIG

ACTION: GOVT SECT

INFORMATION: COMMANDER-in-CHIEF, CHIEF OF STAFF, AG, ECON & SCI SECT, DIPLOMATIC SECT, JPO

66867 ROUTINE Confidential TOO: 130146 Z
MCN: SA 82/13

"Paraphrase not required. Handle as CONFIDENTIAL correspondence per para 51 i and 60 a (4) AR 380-5."

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COPY No.

FAR EAST COMMAND

GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

RLJ
rln

INCOMING MESSAGE

Restricted
ROUTINE

8 Feb 47

FROM : WASHINGTON (THE JOINT CHIEFS OF STAFF)

TO : CINCFE (MACARTHUR)

Note: Supersedes JCS Serials Nos.17 & 24.

NR : W 91539

The following directive, prepared by the State Dept to implement the policy adopted by the Far Eastern Commission on 30 Jan 47 under the provisions of paragraphs 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:

"DIRECTIVE REGARDING JAPANESE RESEARCH AND ACTIVITY IN THE FIELD OF ATOMIC ENERGY.

1. Japanese research or other activity in the field of atomic energy should be governed by the following:

a. Such decisions by the United Nations on international control of atomic energy as are applicable;

b. Additional restrictive policies established for the disarmament and control of Japan.

2. In view of continuing discussion of the foregoing, the Far Eastern Commission considers that the Japanese should not be permitted at present to conduct research in the field of atomic energy, or to develop or use atomic energy. The commission accordingly establishes the following policy:

a. All research in Japan, of either a fundamental or applied nature, in the field of atomic energy should be prohibited, including:

(1) All research or development which has

64856

ROUTINE
Restricted
-1-

"Paraphrase not required. Handle as RESTRICTED correspondence per paragraphs 51 i and 60 a (4) AR 380-5."

RECEIVED
9 FEB 1947

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946.

COPY NO. 83.

JCS DIRECTIVE SERIAL NO. 67

GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~ FAR EAST COMMAND
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

RLJ
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INCOMING MESSAGE

Restricted
ROUTINE

FROM : WASHINGTON NR : W 91539 8 FEB 47 CONTINUED

for its purpose the production of fissionable atomic species.

(2) All research or development which has for its purpose the separation or concentration of fissionable species of atomic isotopes from the naturally occurring isotope mixture of a chemical element.

b. All development or construction in Japan which has for its purpose the utilization of atomic nuclear energy should be prohibited.

c. The mining, processing, and refining of radioactive materials in Japan for authorized purposes, such as radium for medical uses, should be permitted only in those instances specifically approved by the Supreme Commander for the Allied Powers and under his surveillance."

The following statements, made by the United Kingdom and Indian members of the commission at the time the directive was adopted, are quoted for your information:

STATEMENT BY THE UNITED KINGDOM MEMBER.

"I am instructed to refer to paragraph 2 A of the proposed policy and particularly to the words 'field of atomic energy'. If the term is intended to be used in the sense in which it is defined in the British Atomic Energy Act the prohibition would cover practically the whole field of nuclear physics and other activities also. We do not object to the rigid curtailment of fundamental physics research in Japan but we wish to ensure that there is concensus of opinion in the commission as to the extent of the prohibition in order that the emergence of possible differences of opinion as to the meaning of the term shall be avoided.

64856

ROUTINE
Restricted
-2-

"Paraphrase not required. Handle as RESTRICTED correspondence per paragraphs 51 i and 60 a (4) AR 380-5."

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RECEIVED
9 FEB 1947
COPY NO.

FAR EAST COMMAND

GENERAL HEADQUARTERS, ~~U. S. ARMY FORCES, PACIFIC~~
ADJUTANT GENERAL'S OFFICE
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INCOMING MESSAGE

Restricted
ROUTINE

FROM : WASHINGTON NR : W 91539 8 FEB 47 CONTINUED

And then in paragraph 2 A (1) and (2) the phrase 'all research or development which has for its purpose' occurs.

We suggest that the words 'which has for its purpose' might lead to subsequent difficulties, since it might possibly be claimed that a given branch of research which was intended for some entirely different purpose had unexpectedly given results of interest in the field of atomic energy. In view of this I am instructed to propose that the authority appointed to supervise the implementation of this policy decision, which for the time being will no doubt be the Surpreme Commander for the Allied Powers, should be empowered to adjudicate as to whether any proposed piece of research or development has for its purpose matters connected with atomic energy."

STATEMENT BY THE INDIAN MEMBER.

"Mr. Chairman, when we considered this paper last time I was in the unfortunate position of not having yet received the views of my government. I have those now, and with your permission I would like to submit them to you briefly.

When the paper was being considered in the appropriate committee, I gather that some representative of the War Dept or the State Dept stated that in Germany what you might call fundamental nuclear research is permitted, but under strict control so as to ensure that research is not either directly or indirectly utilized for warlike purposes or purposes that might endanger the peace. My government feels that in so far as research is permitted in Germany in these facts there is not reason why, subject to similar control and supervision, it should not be permitted in Japan. They are no

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ROUTINE
Restricted
-3-

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9 FEB 1947

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