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32. a. You will use in Korea supplemental military yen currency (Type "A") issued pursuant to military proclamation hereinafter referred to as supplemental yen (Type "A") and Bank of Chosen notes. Supplemental yen (Type "A") will be declared legal tender in Korea and will be circulated therein interchangeably at par without distinction with Bank of Chosen notes. Records will be kept of amounts of currencies used by your forces.

b. Supplemental military yen currency notes (Type "B") Bank of Japan notes, Bank of Taiwan notes and Japanese military yen issued for circulation in territories formerly occupied by Japan will not be legal tender in Korea. The importation of any type of currency into Korea, except for your use, should be prevented by border and other control measures. As soon as practicable, Bank of Japan and Bank of Taiwan notes should be exchanged for Bank of Chosen or supplemental yen (Type "A") on a one for one basis.

c. No Korean governmental or private bank or agency will be permitted to issue banknotes or currency without your authorization.

33. You will not announce, establish or permit the use or publication until receipt of further instructions, of any general rate of exchange between Bank of Chosen notes and supplemental yen (Type "A") on the one hand and the U.S. dollar and other currencies on the other. However, a rate of conversion to be used exclusively for pay of military and naval personnel and for military and naval accounting purposes, i.e., 15 Bank of Chosen and/or supplemental yen (Type "A") equal one U.S. dollar, has already been communicated to you.

34. a. A Financial Division should be established within your Military Government Administration which should include in its functions the control of supplemental yen to be used by your forces within the area including receipt, storage,

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issue, exchange, and shipment of such currency. It should maintain all the accounts and records necessary to indicate the supply, control, and movement of such currency, as well as financial data which may be useful in the determination of occupation costs and other expenditures arising out of operations or activities involving participation of your forces.

b. In so far as operations relate to the provision of supplemental yen for the pay and other cash requirements of military formations of your forces, the Financial Division should draw the necessary resources from its currency reserve and should record the debit against the U.S. forces concerned.

c. In so far as operations relate to the provision of supplemental yen for civil administration, the Financial Division should draw on its currency reserve and should record the debit against your Military Government Administration.

35. a. You will designate the Bank of Chosen, to perform under your direction central banking functions. Simultaneously, all connections between the Bank of Chosen and institutions or persons in Japan should be severed in accordance with paragraph 31 a above. When satisfied that this bank is under adequate control, you may make credits available in legal tender currency of Korea, if necessary, to place such bank in a position to finance approved business either directly or through other banks or other financial institutions.

b. In an emergency you are also authorized to make direct advances, only in Korean legal tender currency, to other Korean financial and business institutions.

c. You may designate the head office of the Bank of Chosen under your direction, control and supervision as agent for the Financial Division of your Military Government Administration.

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36. You will close and not allow to reopen banks and other financial institutions whose paramount purpose has been the financing of war production or the mobilization or control of financial resources in colonial or other Japanese-occupied territories for the benefit of Japan. These include such offices as may be found in Korea of the

- a. Bank of Taiwan,
- b. Southern Development Company,
- c. Southern Development Bank,
- d. Central Bank of Manchu,
- e. Bank of Mongolia,
- f. Federal Reserve Bank of China,
- g. Central Reserve Bank of China,
- h. War Time Finance Bank, and
- i. National Financial Control Association and its member control associations.

You will take custody of all the books and records of these banks or institutions and you should take measures to ensure in so far as practicable the preservation of books and records of all public and private banks and other financial institutions.

37. You are authorized to take the following steps:

a. To prohibit, or regulate transfers or other dealings in private or public securities or real estate or other property;

b. To close banks, insurance companies and other financial institutions other than those indicated in paragraph 36 above, only where clearly necessary for the purpose of introducing satisfactory control, removing objectionable personnel and taking measures to effectuate the program for the blocking of certain accounts and transfers or the determination of accounts to be blocked. You should reopen any closed banks or financial institutions, except those indicated in paragraph 36 above, as promptly as is consistent with the accomplishment of the foregoing purposes.

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38. With the exception of non-Japanese who served in the armed forces of any of the United Nations or in any other direct way aided the United Nations' victory, you will prohibit

a. The payment of all military pensions, or other emoluments or benefits, except compensation for physical disability limiting the recipient's ability to work, at rates which are no higher than the lowest of those for comparable physical disability arising from non-military causes;

b. The payments of all public or private pensions or other emoluments or benefits granted or conferred

(1) by reason of membership in or services to the Political Association of Greater Japan, the Imperial Rule Assistance Association (Taisei Yokusankai), the Imperial Rule Assistance Political Society (Taisei Soijikai), their affiliates and agencies or any successor or similar organizations, and all Japanese nationalistic, terroristic and secret patriotic societies and their agencies and affiliates, or by reason of any other assistance rendered to Pan-Japanism or Japanese imperialism,

(2) to any person who has been removed or excluded from an office or position in accordance with paragraphs 30 and 31 above, and

(3) to any person arrested and detained in accordance with paragraph 7 of the political directive during the term of his arrest, or permanently, in the case of his subsequent conviction.

39. a. You will take such action as may be necessary to insure that all laws and practices promulgated by the Japanese authorities relating to taxation or other fields of finance, which discriminate for or against any persons because of race, nationality, creed or political opinion, will be amended,

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suspended or abrogated to the extent necessary to eliminate such discrimination. Consistent with the foregoing purposes, the Korean authorities should be required to take such action in the field of taxation as is necessary to assure an adequate inflow of revenues. Any public revenue in Korea collected by the Japanese Government prior to occupation may be used for approved public expenditures,

b. You should exercise general control and supervision over the expenditures of public funds to the extent necessary to achieve the purposes of the occupation and to insure that public expenditures are consistent with the objectives stated elsewhere in this directive.

c. You will promptly institute a survey for the purposes of ascertaining

(1) the amount of the Japanese Government debt held in Korea,

(2) the fiscal position of Korea.

40. You will impound or block all gold, silver, platinum, currencies, securities, accounts in financial institutions, credits, valuable papers, and all other assets falling within the following categories:

a. Property owned or controlled, directly or indirectly, in whole or in part, by any of the following:

(1) the governments, nationals, or residents of Germany, Italy, Bulgaria, Rumania and Hungary, including those of territories formerly occupied by them and by Japan;

(2) absentee owners, including United Nations and neutral governments;

(3) any institutions dedicated to public worship, charity, education, or the arts and sciences, which have been used by Pan-Japanese nationalistic, terroristic, or secret patriotic societies to further their interests or to cloak their activities; and

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(4) any persons subject to arrest under the provisions of paragraph 7 of the political directive and all other persons specified by military government by inclusion in lists or otherwise;

(5) all organizations, clubs or other associations prohibited or dissolved by Military Government.

b. Property which has been the subject of transfer under duress, or wrongful acts of confiscation, disposition or spoliation, whether pursuant to legislation or by procedure purporting to follow forms of law or otherwise; and

c. Works of art or cultural material of value or importance, regardless of the ownership thereof.

You will take such action as will insure that any impounded or blocked assets will be dealt with only as permitted under licenses or other instructions which you may issue. Property in Korea taken from non-Japanese under the conditions stated in b above should be restored as promptly as possible, subject to appropriate safeguards to prevent the cloaking of Japanese, pro-Japanese, or militaristic influence.

41. All foreign exchange transactions, including those arising out of exports and imports, shall be controlled for the purpose of achieving the objectives set forth in this directive. To effectuate such objectives you should

a. prohibit, except as authorized by regulation or license, all dealings in gold, silver, platinum, foreign exchange and all foreign exchange transactions of any kind;

b. make available any foreign exchange proceeds of exports for payment of imports necessary to the accomplishment of the objectives set forth in this directive and authorize no other outlay of foreign exchange assets without specific approval of your government through the Joint Chiefs of Staff;

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c. establish effective controls with respect to all foreign exchange transactions, including:

- (1) transactions as to property between persons inside Korea and persons outside Korea;
- (2) transactions involving obligations owed by or to become due from any person in Korea to any person outside Korea; and
- (3) transactions involving the importation into or exportation from Korea of any currency foreign exchange assets or other form of property.

42. You should seek out and take title to all Japanese public and private property interests of any type and description located in Korea. You will provide full reports to your Government, through the Joint Chiefs of Staff, on such property interests which will be held for ultimate disposition in accordance with detailed instructions to be forwarded to you.

43. You will maintain such accounts and records as may be necessary to reflect the financial operations of your military occupation and you will provide the Joint Chiefs of Staff with such information as they may require, including financial data referred to in paragraphs 32 a and 34 above, for intergovernmental settlement and other necessary purposes.

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S E C R E TCOPY NO. 4319 February 1946STATE-WAR-NAVY COORDINATING COMMITTEEDECISION AMENDING SWNCC 162/2REORIENTATION OF THE JAPANESENote by the Secretaries

1. At its 36th Meeting the State-War-Navy Coordinating Committee, after amending, approved SWNCC 162/2.

2. Holders of SWNCC 162/2 are requested to substitute the attached revised page 9 for the one contained therein and destroy the latter by burning.

ALEXANDER D. REID

B. L. AUSTIN

RAYMOND E. COX

Secretariat

~~Master copy~~SECRETCOPY NO. 43SWNCC 162/28 January 1946Pages 9 - 17, incl.STATE-WAR-NAVY COORDINATING COMMITTEEREORIENTATION OF THE JAPANESEReferences: a. SWNCC 162/D
b. SWNCC 162/1
c. SFE 116 SeriesNote by the Secretaries

1. The enclosure, a report by the State-War-Navy Coordinating Subcommittee for the Far East, is circulated for consideration by the Committee.

2. A copy of this paper has been forwarded to the Joint Chiefs of Staff for comment from a military point of view. These comments will be circulated to the Committee upon receipt thereof from the Secretary, Joint Chiefs of Staff.

ALEXANDER D. REID

B. L. AUSTIN

RAYMOND E. COX

Secretariat

S E C R E TE N C L O S U R EREORIENTATION OF THE JAPANESE

Report by the
State-War-Navy Coordinating Subcommittee for the Far East

THE PROBLEM

1. What action should be taken to fix U.S. responsibility for basic planning for and the continuing development of the reeducation and reorientation of the Japanese people for the purpose of bringing about the development of a peaceful and democratic Japan?

FACTS BEARING ON THE PROBLEM

2. See Appendix "A".

DISCUSSION

3. See Appendix "B".

CONCLUSIONS

4. It is concluded that:

a. Since many of the initial steps designed to attain the basic objectives of the Allied Powers through reorientation and reeducation of the Japanese have already been taken by SCAP in compliance with his current directives or soon will be implemented, it is unnecessary at this time to specify further action in detail as contemplated in SWNCC 162/D.

b. The long-range character of reorientation makes it desirable to fix at this time the U.S. responsibility for basic planning and continuing development in order that (1) the present program as implemented by SCAP may be properly integrated with the long-range program of reorientation, and that (2) the transfer from military to civilian control may take place in an orderly manner.

c. Because of the inherent nature of the problem, the basic planning for and continuing development of a U.S. program of reorientation and reeducation is an appropriate responsibility of the Department of State subject to existing arrangements

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with respect to control machinery for Japan and the channel of command for issuing instructions to SCAP.

d. The Department of State should immediately undertake basic planning for and the development of such a program for the approval of SWNCC, and where necessary, for that of the FEC. Such a program should be implemented by SCAP and where appropriate and after coordination with SCAP by the State Department in the United States.

e. This program should be considered as a matter of priority and should be given adequate support in funds, material and facilities to insure that maximum advantage is taken of present more favorable psychological conditions of the Japanese people.

RECOMMENDATIONS

5. It is recommended that:

a. The paper be transmitted by SWNCC to the JCS for comment as a matter of priority.

b. After receipt of the comments of the JCS, the SWNCC approve the "Conclusions" in paragraph 4 above.

c. This report be transmitted to the War and Navy Departments for their information, to the State Department for implementation and to the United States representative on the Far Eastern Commission for his information.

d. The integrated program as developed by the State Department pursuant to the "Conclusions" in paragraph 4 above be submitted to SWNCC as early as possible for its consideration as a matter of priority.

S E C R E TAPPENDIX "A"FACTS BEARING ON THE PROBLEM

1. The Potsdam Declaration of 26 July 1945 by the heads of government of the United States, the United Kingdom, U.S.S.R. and the Republic of China states:

"There must be eliminated for all time the authority and influence of those who have deceived and misled the people of Japan into embarking on a world conquest. We insist that a new order of peace, security and justice will be impossible until irresponsible militarism is driven from the world."

"The Japanese Government shall remove all obstacles to the revival and strengthening of democratic tendencies among the Japanese people. Freedom of speech, of religion and of thought, as well as respect for the fundamental human rights shall be established."

2. The "United States Initial Post-Surrender Policy for Japan" (SWNCC 150/4/A) made public by the President on 22 September 1945 states:

"The ultimate objectives of the United States in regard to Japan, to which policies in the initial period must conform, are:

(a) To insure that Japan will not again become a menace to the United States or to the peace and security of the world.

(b) To bring about the eventual establishment of a peaceful and responsible government which will respect the rights of other states and will support the objectives of the United States as reflected in the ideals and principles of the Charter of the United Nations."

3. Among the principal means for the achievement of these objectives this statement indicates the following:

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"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, speech, and the press. They shall also be encouraged to form democratic and representative organizations."

"The Japanese people shall be afforded opportunity and encouraged to become familiar with the history, institutions, culture, and the accomplishments of the United States and the other United Nations."

4. The introductory paragraph of the President's announcement states in part:

"Such matters as are not included or are not fully covered herein have been or will be dealt with separately."

5. On 31 August SWNCC considered SWNCC 162/D, a memorandum by the Under Secretary of the Navy entitled "Positive Policy for Reorientation of the Japanese". The Committee concluded that there was need for a comprehensive report on the positive steps that should be taken in the reorientation of the Japanese in order to implement the objectives set forth in the basic statement of policy subsequently made public in the President's statement of 22 September 1945. The Committee directed its Subcommittee for the Far East to prepare such a report.

6. By a directive of the Supreme Commander for the Allied Powers issued on 22 September 1945 a special staff division of Supreme Headquarters was established, designated as the Civil Information and Education Section, charged with advising the Supreme Commander on policies "relating to public information, education, religion and other sociological problems of Japan and Korea." The section is further charged with "expediting the establishment of freedom of religious worship, freedom of opinion, speech, press and assembly by the dissemination of democratic ideals and principles through all media of public information. It has the responsibility of making clear to all levels of the Japanese public

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the true facts of their defeat, their war guilt, the responsibility of the militarists for present and future Japanese suffering and privation and the reason for and objectives of the military occupation of the Allied Powers. It is also responsible for keeping the Supreme Commander factually informed of public reactions to the occupation and rehabilitation program in order to ensure a dependable basis for program formulation and modification of policies and plans." Extensive implementation of this directive already has taken place in Japan and additional steps are being planned by SCAP.

7. By Presidential Executive Order 9608 of August 31, 1945, the foreign information activities of the Office of War Information and of the Office of Inter-American Affairs were transferred to the State Department. In accordance with this executive order, there was established in the Department of State on August 31, 1945 an Office of International Information and Cultural Affairs (OIC). The office functions under the direction and supervision of the Assistant Secretary of State for Public and Cultural Relations. According to the Order establishing the Office it is responsible for:

- "a. the coordination and direction of the formulation of policies and the taking of action in the field of international information and cultural affairs;
- b. the development of policies and programs promoting freedom of information among peoples;
- c. the furtherance of international interchanges of persons, knowledge, and skills with other countries;
- d. the coordination of the programs and activities of other federal agencies in the international interchanges of persons, knowledge and skills with over-all United States foreign policy."

8. The members of the ad hoc committee appointed by the Subcommittee to consider 162/D have made available to appropriate staff officers at the State Department, Office of International Information and Cultural Activities the results of their studies and research on the subject of this paper.

S E C R E TAPPENDIX "B"DISCUSSION

1. Most Japanese, in greater or lesser degree, at present share a common attitude of mind of which the following are salient elements:

a. The persistence of feudal concepts, including class stratification, the glorification of the military, and a habit of subservience to authority.

b. A belief in the superior qualifications of the Japanese for world leadership, closely connected with the cult of emperor-worship fostered in recent years by the military to serve their own purposes.

c. Extreme racial consciousness, and an anti-foreign complex, which, however, is often combined with great admiration for foreign achievements and learning.

2. It is probable that the attainment of the ultimate objectives of the Allied Powers in regard to Japan cannot be assured in the absence of changes in these ideologies and ways of thinking, which have in the past motivated the Japanese people as a whole in the pursuit of chauvinistic and militaristic policies.

3. It will not be necessary to recast all Japanese cultural concepts; rather, it is proposed to develop those particular Japanese concepts which will create new attitudes of mind conforming to the basic principles of democracy and fair dealing.

4. It is recognized that the character of our occupation of Japan and the commitment to act through the Japanese Government require that the approach to the Japanese be made through their own leaders. It is also recognized that the Japanese may offer resistance to new ideas and points of view advanced directly by the occupation authorities, whereas the same ideas, put forward by leaders of their own and in whom they have confidence, may very well be favorably received and acted upon. There are numerous Japanese

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who, through prior contacts and earlier education, will be disposed to accept and assist in the development of our ultimate objectives and along lines which will further the interests of the United States. For this reason a fundamental responsibility of the Allied authorities in Japan should be to seek out such persons, ensure that they are placed in positions that will enable them to accomplish these aims, and afford them counsel, guidance and support.

5. If it is to be successful the process of reorientation cannot be restricted to formalized education or to a mere reform of the educational system. It must be extended to a reeducation not only of the youth but of the population as a whole, and must be developed in such manner as to reach into the minds of the Japanese through every available channel. The influence of Japanese leaders in every field should be utilized as well as all appropriate media, including books, text books, periodicals, motion pictures, radio, lectures, discussion groups and the schools. The methods of approach and character of materials used must be carefully considered, must be persuasive rather than didactic, and must be designed to ensure the maximum response and acceptance by the Japanese.

6. On the national level, our objective should be to encourage the Japanese to develop the political responsibility of the individual citizen, and thereby to develop a gradual reorganization of the Japanese political system. It is axiomatic that the only effective political reform must stem from the people themselves. Political reforms imposed solely by the fiat of a military occupant will either be resisted by the people, or will be ignored by them. Our policy must be designed to supply to the Japanese themselves the ideas and incentives essential to the indigenous development of a political reorganization stemming from the people as a whole.

7. The Japanese are a literate people. They realize that an education is desirable and this fact coupled with their habit of obedience to authority and uncritical acceptance of the teachings of

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their leaders, makes them receptive to a process of ideological re-orientation which is properly presented. One of the most effective means of achieving this objective will be to furnish information concerning the world outside Japan.

8. It will be the policy of the United States not to repress ideas and information from other sources, but to ensure an adequate presentation through Japanese media and channels and an adequate understanding by the Japanese of the aims and ideals of the United States. Other aims and ideals will undoubtedly be promoted, and it is essential, in order to give the Japanese a true picture and enable them to make up their minds intelligently as to their future in relation to the United States and the world at large, that we present our case effectively and comprehensively.

9. It should be borne in mind that a process of reorientation will only be effective as it goes hand in hand with some gradual improvement in the economic condition of the ordinary Japanese toward whom it is directed, as compared with the conditions existing at the time of surrender. To this end, it is essential that the economic policies of our occupation, including the encouragement of appropriate agrarian and economic reforms, be integrated as a part of the entire process of reorientation of the Japanese, and that whatever relief is furnished and whatever economic improvement is made be utilized in influencing the minds of the Japanese in the direction of such reorientation.

10. The entire program in type and scope should be designed so that it can be carried on by the Japanese themselves following withdrawal of controls, and, to this end, it will be essential from the beginning to encourage participation by local groups and organizations. It must be emphasized that reeducation promptly and adequately made effective will materially speed the development of a responsible and trustworthy government in Japan, thereby materially shortening the period of occupation and reducing the commitments of the United States.

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11. In the main reorientation will be accomplished through the channels of information, education and religion. Unlike other aspects of the occupation, information, education and religion will present long-range problems extending in some instances over several decades. At the same time the ground work for these aspects of the reorientation program must be laid at once, lest there crystallize in the Japanese mind attitudes and concepts the possession of which would defeat the purposes of occupation. Reorientation and reeducation are primarily civilian tasks and will require large numbers of civilian experts for their performance. Their early recruitment by some agency of the U.S. Government would appear to be essential to the success of any program.

12. While the process of reorientation has already been initiated by SCAP, it will necessarily extend beyond the earlier and predominantly military phase of our control of Japan into the period of predominantly political and economic controls. The program of reorientation should be considered as a unit, designed to cover both phases of control. It is of great importance to give early consideration to its implementation in the later phase. The principal responsibility for the long-range aspects of reorientation will rest ultimately with the Department of State. In order to assure continuity to the program and to bring about an orderly transition from military to civilian control it is of utmost importance that arrangements be made for the Department of State to assume responsibility for its execution at as early a date as feasible.

COPY NO. 39~~TOP SECRET~~
SWNCC 150/4/A21 September 1945Pages 46 - 59, Incl.STATE-WAR-NAVY COORDINATING COMMITTEEPOLITICO-MILITARY PROBLEMS IN THE FAR EAST:
UNITED STATES INITIAL POST-DEFEAT POLICY RELATING TO JAPAN
Reference: a. SWNCC 150/4Note by the Secretaries

1. The enclosure supersedes SWNCC 150/4 and embodies amendments directed by the Committee at their 25th meeting, 21 September 1945.
2. The President has approved the statement of policy set forth in this paper.
3. Holders of SWNCC 150/4 are requested to destroy all copies of SWNCC 150/4 by burning.

CHARLES W. McCARTHY

ALVIN F. RICHARDSON

RAYMOND E. COX

Secretariat

SWNCC 150/4/A
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TOP SECRETE N C L O S U R EU. S. INITIAL POST-SURRENDER POLICY FOR JAPANPurpose of this Document

This document is intended as a statement of general initial policies relating to Japan after surrender. Following Presidential approval, it will be distributed to appropriate United States departments and agencies for their guidance. It is recognized that this document does not deal with all matters relating to the occupation of Japan requiring policy determinations. Policies upon such matters, as are not included or not fully covered herein will be dealt with in subsequent papers.

PART I - Ultimate Objectives

The ultimate objectives of the United States in regard to Japan, to which policies in the initial period must conform, are:

- (a) To insure that Japan will not again become a menace to the United States or to the peace and security of the world.
- (b) To bring about the eventual establishment of a peaceful and responsible government which will respect the rights of other states and will support the objectives of the United States as reflected in the ideals and principles of the Charter of the United Nations. The United States desires that this government should conform as closely as may be to principles of democratic self-government but it is not the responsibility of the Allied Powers to impose upon Japan any form of government not supported by the freely expressed will of the people.

These objectives will be achieved by the following principal means:

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- (a) Japan's sovereignty will be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor outlying islands as may be determined, in accordance with the Cairo Declaration and other agreements to which the United States is or may be a party.
- (b) Japan will be completely disarmed and demilitarized. The authority of the militarists and the influence of militarism will be totally eliminated from her political, economic, and social life. Institutions expressive of the spirit of militarism and aggression 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, speech, and the press. They shall also be encouraged to form democratic and representative organizations.
- (d) The Japanese people shall be afforded opportunity to develop for themselves an economy which will permit the peacetime requirements of the population to be met.

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PART II - ALLIED AUTHORITY

1. Military Occupation

There will be a military occupation of the Japanese home islands to carry into effect the surrender terms and further the achievement of the ultimate objectives stated above. The occupation shall have the character of an operation in behalf of the principal allied powers acting in the interests of the United Nations at war with Japan. For that reason, participation of the forces of other nations that have taken a leading part in the war against Japan will be welcomed and expected. The occupation forces will be under the command of a Supreme Commander designated by the United States.

Although every effort will be made, by consultation and by constitution of appropriate advisory bodies, to establish policies for the conduct of the occupation and the control of Japan which will satisfy the principal Allied powers, in the event of any differences of opinion among them, the policies of the United States will govern.

2. Relationship to Japanese Government

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

In view of the present character of Japanese society and the desire of the United States to attain its objectives with a minimum commitment of its forces and resources, the Supreme Commander will exercise his authority through Japanese governmental machinery and agencies, including the Emperor, to the extent that this satisfactorily furthers United States objectives. The Japanese Government will be permitted, under his instructions, to exercise the normal powers of government in matters of domestic administration. This policy, however,

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will be subject to the right and duty of the Supreme Commander to require changes in governmental machinery or personnel or to act directly if the Emperor or other Japanese authority does not satisfactorily meet the requirements of the Supreme Commander in effectuating the surrender terms. This policy, moreover, does not commit the Supreme Commander to support the Emperor or any other Japanese governmental authority in opposition to evolutionary changes looking toward the attainment of United States objectives. The policy is to use the existing form of Government in Japan, not to support it. Changes in the form of Government initiated by the Japanese people or government in the direction of modifying its feudal and authoritarian tendencies are to be permitted and favored. In the event that the effectuation of such changes involves the use of force by the Japanese people or government against persons opposed thereto, the Supreme Commander should intervene only where necessary to ensure the security of his forces and the attainment of all other objectives of the occupation.

3. Publicity as to Policies.

The Japanese people, and the world at large, shall be kept fully informed of the objectives and policies of the occupation, and of progress made in their fulfillment.

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Disarmament and demilitarization are the primary 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 the military and naval leaders, and those who collaborated with them, in bringing about the existing and future distress of the people.

Japan is not to have an army, navy, airforce, secret police organization, or any civil aviation. Japan's ground, air and naval forces shall be disarmed and disbanded and the Japanese Imperial General Headquarters, the General Staff and all secret police organizations shall be dissolved. Military and naval materiel, military and naval vessels and military and naval installations, and military, naval and civilian aircraft shall be surrendered and shall be disposed of as required by the Supreme Commander.

High officials of the Japanese Imperial General Headquarters, and General Staff, other high military and naval officials of the Japanese Government, leaders of ultra-nationalist and militarist organizations and other important exponents of militarism and aggression will be taken into custody and held for future disposition. Persons who have been active exponents of militarism and militant nationalism will be removed and excluded from public office and from any other position of public or substantial private responsibility. Ultra-nationalistic or militaristic social, political, professional and commercial societies and institutions will be dissolved and prohibited.

Militarism and ultra-nationalism, in doctrine and practice, including para-military training, shall be eliminated

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from the educational system. Former career military and naval officers, both commissioned and non-commissioned, and all other exponents of militarism and ultra-nationalism shall be excluded from supervisory and teaching positions.

2. War Criminals.

Persons charged by the Supreme Commander or appropriate United Nations Agencies with being war criminals, including those charged with having visited cruelties upon United Nations prisoners or other nationals, 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 religious worship shall be proclaimed promptly on occupation. At the same time it should be made plain to the Japanese that ultra-nationalistic and militaristic organizations and movements will not be permitted to hide behind the cloak of religion.

The Japanese people shall be afforded opportunity and encouraged to become familiar with the history, institutions, culture, and the accomplishments of the United States and the other democracies. Association of personnel of the occupation forces with the Japanese population should be controlled, only to the extent necessary, to further the policies and objectives of the occupation.

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

Laws, decrees and regulations which establish discriminations on grounds of race, nationality, creed or political

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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 in Articles 1 and 3 of this Part III and thereafter shall be progressively influenced, to protect individual liberties and civil rights.

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PART IV - ECONOMIC

1. Economic Demilitarization.

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

Therefore, a program will be enforced containing the following elements, among others; the immediate cessation and future prohibition of production of all goods designed for the equipment, maintenance, or use of any military force or establishment; the imposition of a ban upon any specialized 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 over selected elements in Japanese economic activity to prevent concealed or disguised military preparation; the elimination in Japan of those selected industries or branches of production whose chief value to Japan is in preparing for war; the prohibition of specialized research and instruction directed to the development of war-making power; and the limitation of the size and character of Japan's heavy industries to its future peaceful requirements, and restriction of Japanese merchant shipping to the extent required to accomplish the objectives of demilitarization.

The eventual disposition of those existing production facilities within Japan which are to be eliminated in accord with this program, as between conversion to other uses, transfer abroad, and scrapping will be determined after inventory. Pending decision, facilities readily convertible for civilian production should not be destroyed, except in emergency situations.

2. Promotion of Democratic Forces.

Encouragement shall be given and favor shown to the development of organizations in labor, industry, and agriculture, organized on a democratic basis. Policies shall be favored which permit a wide distribution of income and of the ownership of the means of production and trade.

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Those forms of economic activity, organization and leadership shall be favored that are deemed likely to strengthen the peaceful disposition of the Japanese people, and to make it difficult to command or direct economic activity in support of military ends.

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

- (a) To prohibit the retention in or selection for places of importance in the economic field of individuals who do not direct future Japanese economic effort solely towards peaceful ends; and
- (b) To favor a program for the dissolution of the large industrial and banking combinations which have exercised control of a great part of Japan's trade and industry.

3. Resumption of Peaceful Economic Activity.

The policies of Japan have brought down upon the people great economic destruction and confronted them with the prospect of 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, deeply to reform the nature and direction of their economic activities and institutions, and to find useful employment for their people along lines adapted to and devoted to peace. The Allies have no intention of imposing conditions which would prevent the accomplishment of these tasks in due time.

Japan will be expected to provide goods and services to meet the needs of the occupying forces to the extent that this can be effected without causing starvation, widespread

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disease and acute physical distress.

The Japanese authorities will be expected, and if necessary directed, to maintain, develop and enforce programs that 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 agreed upon by the Allied Governments.
- (d) To facilitate the restoration of Japanese economy so that the reasonable peaceful requirements of the population can be satisfied.

In this connection, the Japanese authorities on their own responsibility shall be permitted to establish and administer controls over economic activities, including essential national public services, finance, banking, and production and distribution of essential commodities, subject to the approval and review of the Supreme Commander in order to assure their conformity with the objectives of the occupation.

4. Reparations and Restitution.

Reparations.

Reparations for Japanese aggression shall be made:

- (a) Through the transfer--as may be determined by the appropriate Allied authorities--of Japanese property located outside of the territories to be retained by Japan.
- (b) Through the transfer of such goods or existing capital equipment and facilities as are not necessary for a peaceful Japanese economy or the supplying of the occupying forces. Exports other than those directed to be shipped on reparation account or as restitution may be made only to those recipients who agree to provide necessary

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imports in exchange or agree to pay for such exports in foreign exchange. No form of reparation shall be exacted which will interfere with or prejudice the program for Japan's demilitarization.

Restitution.

Full and prompt restitution will be required of all identifiable looted property.

5. Fiscal, Monetary, and Banking Policies.

The Japanese authorities will remain responsible for the management and direction of the domestic fiscal, monetary, and credit policies subject to the approval and review of the Supreme Commander.

6. International Trade and Financial Relations.

Japan shall be permitted eventually to resume normal trade relations with the rest of the world. During occupation and under suitable controls, Japan will be permitted to purchase from foreign countries raw materials and other goods that it may need for peaceful purposes, and to export goods to pay for approved imports.

Control is to be maintained over all imports and exports of goods, and foreign exchange and financial transactions. Both the policies followed in the exercise of these controls and their actual administration shall be subject to the approval and supervision of the Supreme Commander in order to make sure that they are not contrary to the policies of the occupying authorities, and in particular that all foreign purchasing power that Japan may acquire is utilized only for essential needs.

7. Japanese Property Located Abroad.

Existing Japanese external assets and existing Japanese assets located in territories detached from Japan under the

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terms of surrender, including assets owned in whole or part by the Imperial Household and Government, shall be revealed to the occupying authorities and held for disposition according to the decision of the Allied authorities.

8. Equality of Opportunity for Foreign Enterprise within Japan.

The Japanese authorities shall not give, or permit any Japanese business organization to give, exclusive or preferential opportunity or terms to the enterprise of any foreign country, or cede to such enterprise control of any important branch of economic activity.

9. Imperial Household Property.

Imperial Household property shall not be exempted from any action necessary to carry out the objectives of the occupation.

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SWNCC 149/1

COPY NO. _____

3 August 1945Pages 6 and 7STATE-WAR-NAVY COORDINATING COMMITTEEIMMEDIATE DEMAND FOR THE UNCONDITIONAL SURRENDER OF JAPAN

Reference: SWNCC 149

Note by the Secretaries

1. The enclosure, a proclamation by the heads of governments of the United States, United Kingdom, and China was signed by the President of the United States and Prime Minister of the United Kingdom at Potsdam and concurred in by the President of the National Government of China who communicated with President Truman by dispatch, is published for information in connection with the reference.

2. The purpose of SWNCC 149 has been accomplished by the publication of the enclosed proclamation and therefore no further action is required on the basic paper.

CHARLES W. McCARTHY

ALVIN F. RICHARDSON

RAYMOND E. COX

Secretariat

ENCLOSURE

26 July 1945

PROCLAMATION BY HEADS OF GOVERNMENTS, UNITED STATES,
UNITED KINGDOM, AND CHINA

(1) We -- the President of the United States, the President of the National Government of the Republic of China, and the Prime Minister of Great Britain, representing the hundreds of millions of our countrymen, have conferred and agree that Japan shall be given an opportunity to end this war.

(2) The prodigious land, sea and air forces of the United States, the British Empire and of China, many times reinforced by their armies and air fleets from the west, are poised to strike the final blows upon Japan. This military power is sustained and inspired by the determination of all the Allied Nations to prosecute the war against Japan until she ceases to resist.

(3) The result of the futile and senseless German resistance to the might of the aroused free peoples of the world stands forth in awful clarity as an example to the people of Japan. The might that now converges on Japan is immeasurably greater than that which, when applied to the resisting Nazis, necessarily laid waste to the lands, the industry and the method of life of the whole German people. The full application of our military power, backed by our resolve, will mean the inevitable and complete destruction of the Japanese armed forces and just as inevitably the utter devastation of the Japanese homeland.

(4) The time has come for Japan to decide whether she will continue to be controlled by those self-willed militaristic advisers whose unintelligent calculations have brought the Empire of Japan to the threshold of annihilation, or whether she will follow the path of reason.

(5) Following are our terms. We will not deviate from them. There are no alternatives. We shall brook no delay.

(6) There must be eliminated for all time the authority and influence of those who have deceived and misled the people of Japan into embarking on world conquest, for we insist that a new order of peace, security and justice will be impossible until

irresponsible militarism is driven from the world.

(7) Until such a new order is established and until there is convincing proof that Japan's war-making power is destroyed, points in Japanese territory to be designated by the Allies shall be occupied to secure the achievement of the basic objectives we are here setting forth.

(8) The terms of the Cairo Declaration shall be carried out and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we determine.

(9) The Japanese military forces, after being completely disarmed, shall be permitted to return to their homes with the opportunity to lead peaceful and productive lives.

(10) We do not intend that the Japanese shall be enslaved as a race or destroyed as a nation, but stern justice shall be meted out to all war criminals, including those who have visited cruelties upon our prisoners. The Japanese Government shall remove all obstacles to the revival and strengthening of democratic tendencies among the Japanese people. Freedom of speech, of religion, and of thought, as well as respect for the fundamental human rights shall be established.

(11) 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 re-arm for war. To this end, access to, as distinguished from control of, raw materials shall be permitted. Eventual Japanese participation in world trade relations shall be permitted.

(12) The occupying forces of the Allies shall be withdrawn from Japan as soon as these objectives have been accomplished and there has been established in accordance with the freely expressed will of the Japanese people a peacefully inclined and responsible government.

(13) We call upon the government of Japan to proclaim now the unconditional surrender of all Japanese armed forces, and to provide proper and adequate assurances of their good faith in such action. The alternative for Japan is prompt and utter destruction.

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TOP SECRET**TOP SECRET**COPY NO. 26SWNCC 109/412 July 1945Page 16STATE-WAR-NAVY COORDINATING COMMITTEEPOLITICO-MILITARY PROBLEMS IN THE FAR EAST:
UNITED STATES POLICY IN REGARD TO THAILANDReferences: a. SWNCC 109/2.
b. SWNCC 109/3.Note by the Secretaries

1. By informal action on 12 July 1945 the State-War-Navy Coordinating Committee approved the enclosure, "U.S. Policy in Regard to Thailand".
2. The Joint Chiefs of Staff have advised the Committee as follows:

"There is little probability of U.S. forces being committed to orthodox military operations in Thailand prior to the defeat of Japan or during the post-defeat disarmament, demobilization and evacuation period, incident to the war with Japan. They consider that the proposed U.S. post-war policy toward Thailand is one which should be accomplished by means other than military. Subject to these comments, there appear to be no objections at this time, from the military point of view, to the proposed policy."
3. The enclosure is transmitted herewith as approved politico-military policy on this subject for information and guidance. Copies of the Statement of Policy have been forwarded to the Secretaries of State, War and the Navy and to the Joint Chiefs of Staff for guidance and such implementation as is deemed appropriate.

TOP SECRETCHARLES W. McCARTHY
ALVIN F. RICHARDSON
RAYMOND E. COX

Secretariat

SWNCC 109/4

TOP SECRETE N C L O S U R EUNITED STATES POLICY IN REGARD TO THAILAND

1. As to the present status of Thailand:

It is the policy of the United States to regard Thailand as an enemy occupied territory. This Government is opposed to the establishment of control machinery in Thailand designed to accomplish anything beyond immediate defeat of the common enemy.

2. As to the future political and economic status of Thailand:

It is the policy of the United States to favor restoration to Thailand of complete freedom as a sovereign state and to favor the creation in Thailand of a government which will represent the free will of the Thai people. This Government is opposed to the placing of Thai territory on the Kra Isthmus under any sort of a protectorate status. Furthermore, this Government desires to make operative again between the United States and Thailand the existent commercial treaty which provides for the economic rights and privileges of American nationals; and to seek from the Thai an understanding that nationals or other members of the United Nations will be treated on a similar non-discriminatory basis and that any concessions or other special privileges which the Thai may grant will be open to all on equal terms.

3. As to the retention by Thailand of areas obtained since 1940 by the assistance of the Japanese:

It is the policy of the United States not to recognize the lawfulness of such acquisitions and to hold that such territories must be restored in fact to Malaya, Indochina and Burma, without prejudice, however, to the presentation of claims by any nation, Thailand included, for adjustments of boundaries or transfers of territories by processes which are orderly and peaceful.

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S E C R E TCOPY NO. 65SWNCC 107/11 October 1945Pages 5 - 14, Incl.STATE-WAR-NAVY COORDINATING COMMITTEEPOLICY WITH RESPECT TO RELIEF IN JAPANReferences: a. SWNCC 16/8
b. SWNCC 107Note by the Secretaries

1. The enclosure, a report by the State-War-Navy Coordinating Subcommittee for the Far East is circulated for consideration by the Committee.
2. A copy of this paper has been forwarded to the Secretary, Joint Chiefs of Staff, for comment from a military point of view. The views of the Joint Chiefs of Staff will be circulated to the Committee upon receipt thereof from the Secretary, Joint Chiefs of Staff.

CHARLES W. McCARTHY

ALVIN F. RICHARDSON

RAYMOND E. COX

Secretariat

SWNCC 107/1

SECRETENCLOSUREPOLICY WITH RESPECT TO RELIEF IN JAPANReport by the State-War-Navy Coordinating Subcommittee
for the Far EastTHE PROBLEM

1. To determine the policies with respect to relief which should be followed by the Supreme Commander in Japan.

FACTS BEARING ON THE PROBLEM

2. See Appendix "A".

DISCUSSION

3. See Appendix "B".

CONCLUSIONS

4. It is concluded that:

a. The objectives of the relief policy of the United States are to prevent such starvation and widespread disease and civil unrest as would (1) clearly interfere with military operations or endanger the occupying forces, and (2) permanently obstruct the ultimate objectives of the occupation.

The problem of relief, in the sense of imports to supplement Japanese resources, is an integral part of the general problem of supervising or directing the economy of Japan. Relief should be accomplished with a maximum of Japanese responsibility and a minimum of imports.

b. Widespread publicity should be given to the general policy that, the Supreme Commander should assume no obligations to maintain, or have maintained, any particular standard of living in Japan; and that the standard of living will depend upon the thoroughness with which Japan 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 governments they represent.

c. Initially imported supplies may be provided only when it is clear that maximum Japanese efforts cannot produce

SECRETENCLOSUREPOLICY WITH RESPECT TO RELIEF IN JAPANReport by the State-War-Navy Coordinating Subcommittee
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c. Initially imported supplies may be provided only when it is clear that maximum Japanese efforts cannot produce

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or have not produced materials essential to a standard of physical well-being below which there would be such starvation, widespread disease or civil unrest as would clearly endanger the occupying forces, or interfere with military operations. Imported supplies may also have to be provided to prevent such widespread starvation or disease as would permanently obstruct the ultimate objectives of the occupation. The burden of proof rests on those who present a plea for imports.

d. Disease rates may be used as an indication of the adequacy of living conditions in terms of danger to the occupying forces and the objectives of the occupation; but in such case should be independently verified by the Supreme Commander. In the absence of a pronounced increase in disease rates, a state of physical hardship should not for the present be construed as endangering the occupying forces or the objectives of the occupation.

e. Distribution of supplies should be made through Japanese public supply agencies or such other consignees as are acceptable to the Supreme Commander and under his direct supervision or control. In the event that, as a matter of military necessity, relief supplies are issued by the occupying forces, the cost of such issues should be paid for by the Japanese Government.

f. The Supreme Commander should immediately undertake a survey to determine the average caloric content required for two basic standards of diet. (1) that adequate to prevent, under present conditions in Japan, such widespread disease or civil unrest as would endanger the occupying forces; and (2) that adequate to prevent interference with attainment of the general objectives of the occupation. The results of such survey should be promptly reported to the Joint Chiefs of Staff as a basis for further planning. In the determination of such average caloric content it should be considered that variations in diet may be made according to age and work required, and that it is preferable to begin low and to increase as circumstances

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clearly permit rather than risk failure to maintain a standard once established. Meanwhile, the Supreme Commander should not provide relief supplies unless it can be shown that a balanced diet of 1500 calories of rationed and non-rationed items is not available for urban consumption.

g. The existing dispersion of persons from food deficit areas to food surplus areas should be prolonged, exceptions being made for people of needed special skills. In the discretion of the Supreme Commander voluntary movement of persons from food deficit areas to food surplus areas may be encouraged.

h. Special attention should be given to encouraging production and sale of incentive goods to induce farmers and other food producers to move their produce to market.

5. The Japanese authorities should be required immediately to restore such public health services as water and sewage disposal systems, particularly in congested urban areas. Imports requested for this purpose must be justified as necessary relief measures before being approved. This is not to be construed as an authority to import supplies for housing, communications, or other facilities necessary to restore the economy of Japan. Economic rehabilitation is a responsibility of the Japanese Government.

RECOMMENDATIONS

6. It is recommended that:

a. This report be referred to the Joint Chiefs of Staff with a request for their comments from a military point of view; and

b. Upon approval by the SWNCC of the "Conclusions":

(1) this report be transmitted to the Joint Chiefs of Staff, and to the State, War and Navy Departments for their guidance and, where appropriate, for proper implementation, and

(2) no part of this paper be either communicated to our Allies or released to the press at present.

SECRETAPPENDIX "A"FACTS BEARING ON THE PROBLEM

1. SWNCC 150/4, approved by the President on September 6, 1945, included the following among the principal means for the achievement of the ultimate objectives of the United States in regard to Japan:

"The Japanese people shall be afforded opportunity to develop for themselves an economy which will permit the peacetime requirements of the population to be met."

2. Part IV, Economic, of SWNCC 150/4 includes the following under the heading "Resumption of Peaceful Economic Activity":

"The policies of Japan have brought down upon the people great economic destruction and confronted them with the prospect of 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, deeply to reform the nature and direction of their economic activities and institutions, and to find useful employment for their people along lines adapted to and devoted to peace. The Allies have no intention of imposing conditions which would prevent the accomplishment of these tasks in due time.

"Japan will be expected to provide goods and services to meet the needs of the occupying forces to the extent that this can be effected without causing starvation, widespread disease and acute physical distress.

"The Japanese authorities will be expected, and if necessary directed, to maintain, develop and enforce programs that serve the following purposes:

- (a) To avoid acute economic distress
- (b) To assure just and impartial distribution of available supplies...
- (c) To facilitate the restoration of Japanese economy so that the reasonable peaceful requirements of the population can be satisfied.

SECRETAPPENDIX "B"DISCUSSION

1. The responsibility for the welfare of the Japanese people is placed upon the Japanese authorities. The administration of relief, in the usual sense, is not the function of the Supreme Commander and no gratuitous distribution of supplies as direct relief should be made by him. The problem of relief, in the sense of imports to supplement Japanese resources, is an integral part of the general problem of supervising or directing the economy of Japan.

2. The central issue of relief policy is the extent to which the occupation authorities should sponsor imports. Although SWNCC 150/4 does not include a positive statement of policy on this point, it includes prohibitions which constitute adequate guidance in the formulation of such policy. The tenor of the relevant provisions of SWNCC 150/4 is that the Japanese people are responsible for their hardships and that they themselves must find their way out. The only statement involving any responsibility on our part for the Japanese standard of living is the purely negative one prohibiting us from requiring for the occupation forces goods or services to an extent which would cause "starvation, widespread disease and acute physical distress." Other than this there is no reference to any responsibility toward the Japanese on their own account. The criterion appears to be basically the safety of the occupation forces, and, inferentially, the attainment of our other objectives in Japan.

3. Therefore, it is concluded that the policy of the Supreme Commander should be to provide no relief assistance unless the safety of the occupying forces seems to require it, or until the Japanese Government has requested it and it is demonstrated (a) that conditions are such, or threaten to become such, as to seriously endanger the occupation forces by exposing them to widespread disease or as to permanently prevent the accomplishment of our long-range objectives, and (b) that the Japanese Government

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and people have made every possible effort to correct the situation.

4. Without further information as to existing conditions in Japan it would be unwise to attempt to translate such a policy into precise terms. Prompt consideration however must be given to establishing for our guidance the minimum levels to which the Japanese people may be expected to adjust, if necessary. Such determinations are essential in making adequate provision for relief, since in many cases shipments must be decided on some months before arrival.

5. The restoration of Japanese economic well-being is referred to in SWNCC 150/4 only as something to be accomplished by the Japanese themselves "in due time" and as something we will do nothing to prevent. For the present no responsibilities should be assumed by us beyond those referred to above. The amounts of various supplies used for peaceful civilian consumption before the war do not constitute requirements under present circumstances and such amounts do not constitute a basis for imports or for calculating import requirements, though they may serve as some indication of what requests to expect. It may be inferred from the language of SWNCC 150/4 that a considerable measure of physical hardship for some time would accelerate Japanese efforts to help themselves and would not do harm to our ultimate objectives. The burden of proof definitely rests on those who present a plea for imports.

6. It is difficult to determine what measures of widespread disease or civil unrest would endanger the occupying forces or interfere with the attainment of our objectives. Civil unrest can readily arise for reasons other than the food supply or economic conditions. A diet so inadequate as to result in starvation usually reveals itself first in an increased incidence of disease. Therefore, it appears that some measure of conditions to be avoided can be sought in the disease rates. The disease rates should, therefore, be used as an index of the need of improving production or distribution of the necessities of life, or if Japanese efforts appear to have been exhausted, of the need

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of supplementation by imports. Since such statistics readily lend themselves to distortion or falsification, it is recommended that disease statistics provided by the Japanese authorities be carefully checked by independent investigation by the Supreme Commander.

7. The adequacy of a diet depends upon various circumstances: adequacy of shelter and clothing, the amount of activity required of the individual, his diet habits, and the composition of the diet. The average pre-war per capita diet in Japan was about 2,250 calories.

8. Food production from the four home islands only, for the past two years, is estimated to have been the equivalent of something over 1700 calories average daily per capita. This production was not as well-balanced as the pre-war diet. The principal deficiencies arising from an exclusive dependence on the home islands would be soya beans, sugar, salt, and, currently, fish.

9. In terms of calories, it is believed that about 1200 calories, assuming adequate variety, as average for a whole population is adequate to prevent starvation. At this level there would, after some months, be increased susceptibility to disease but there would not be starvation.

10. Beyond a period of a few months, it is believed that a diet containing 1500 to 1700 calories would probably need to be maintained to prevent such starvation, widespread disease or civil unrest as would endanger the objectives of the occupation.

11. No quantitative standard of the shelter, clothing and public services is possible. Elsewhere it is suggested that the aggregate of physical conditions be measured for the purposes of the occupation of disease rates.

12. No reference is made in SWNCC 150/4 to the use of the standard of living in neighboring allied countries as a yardstick to measure the permissible standard of living in Japan. The question of how high the standard of living in Japan should be allowed to rise is not a question of relief but is allied more nearly to the question of reparations and our political and

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economic objectives.

13. It would be desirable to be able to present some estimate in tonnage and value of the supplies which may be requested by the Japanese.

14. The ability of the Japanese to provide for themselves depends to a large extent (apart from the skill and cooperation of the people and the government) upon two factors which cannot be ascertained here at this time--the stocks of supplies they will have on hand and the extent of the destruction of facilities that has taken place. As to starvation, however, it seems unlikely that crops and stocks of food have been destroyed to an extent such that adequate amounts of food sufficient to prevent starvation will not be available. Transportation is more likely to be lacking than food supplies and it is to be anticipated that trucks probably will be needed. The other requests over a longer period would probably include:

(a) Fertilizer. Before the war Japan imported over a million tons a year, mostly of phosphate material but, in some years, as much as 300,000 tons of ammonium sulphate. The value was something over \$20,000,000. Some proportion of the usual imports will, eventually, prove necessary to sustain domestic food production.

(b) Clothing. The Japanese are reported to have been using various grasses and low grade woodpulp - base artificial fibres. They have probably also been mixing in their silk. Military stocks of cloth may be high, but civilians have been receiving only a small proportion of their usual textiles.

15. Normally about one-third of the textile industry produced enough for peacetime domestic purposes. The machinery needed to convert raw fibres into a "disease and unrest" textile capacity would almost certainly be available - perhaps by cannibalization - even after severe destruction. Something of the order of 200,000 bales of cotton (worth about \$25,000,000) and about \$10,000,000 worth of raw wool should be fully adequate.

(a) Sugar. A useful incentive stuff, high-priced in the

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black market. Five pounds per capita per year would come to 175,000 tons, worth about \$10,000,000.

(b) Soybeans. The average export of soybeans from Manchuria in the years 1933-37 was 2,864,000 metric tons (including soybean oil equivalent). In the period 1931-37 Japan imported from Manchuria an annual average of about 500,000 tons. This amount has roughly been trebled in 1943 and 1944. In the years 1936-39 Japan took from all sources about 1,200,000 tons of soybeans annually. Soybeans were an important element in diversifying the Japanese diet. They are not necessarily indispensable in terms of the methods and purposes of the occupation but should figure among the first foodstuffs to be imported into Japan if foodstuffs are imported.

Other oil seeds to the extent of about 250,000 tons annual average were imported in the years 1936-39.

(c) Salt. Salt was imported to the extent of about 1,500,000 tons in 1936-39. It is not known how much of this was necessary for use in connection with food, but unofficial reports of the black market price for salt indicate that it might be one of the best products to import in quantity for incentive purposes.

(d) Fuel. No data at hand sufficient to justify discussion.

(e) Other materials. Other goods, such as rubber and leather, may also prove desirable, for incentive purposes, but, by a strict interpretation of "disease and unrest", it is not clear that they will be needed.

(f) Parts. It will probably be wise to consider favorably minor parts and supplies to facilitate local production adequate to the disease and unrest standard; particularly fuel, and supplies not domestically available, for the fishing fleet.

(g) Facilities. There is likely to be disease and unrest in the cities unless the services are restored - particularly water and sewage disposal. It will be difficult to send provisions to the cities unless the railroads and highways - bridges, tunnels

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and such structures are restored and unless rolling stock or trucks are available. The Japanese themselves should be encouraged to undertake this work; for us to undertake it is beyond the scope of relief, in terms of the policies set forth, and also in terms of the cost, tonnage required, and competing superior demands of allies for the materials.

16. Since there may be difficulties in re-establishing sanitary conditions in the cities and in transporting food to them, the existing dispersion of persons from food deficit areas to food surplus areas should be prolonged, exceptions being made for people of needed special skills. In the discretion of the Supreme Commander voluntary movement of persons from food deficit areas to food surplus areas may be encouraged.

17. Measures to be taken to secure and distribute needed supplies constitute a factor in the general economic management of the country rather than relief as such. However, in relation to relief requirements it is considered advisable:

(a) That widespread publicity be given to the general policy, that the Supreme Commander assumes no obligation to maintain any particular standard of living in Japan and that the Japanese cannot rely upon imports but must depend upon the effectiveness of the government and people in utilizing their own resources.

(b) Dispersion of persons from food deficit areas should be encouraged as indicated above.

(c) That measures be encouraged looking toward production and price controls, rationing, control of black markets, and the like, looking toward the most effective and equitable distribution of food supplies.

(d) In view of probable loss of confidence in the yen, the production and sale of incentive goods should be encouraged in order to provide a motive to farmers and other food producers for them to sell their produce.

TOP SECRETTOP SECRETCOPY NO. 78SWNCC 101/424 October 1945Pages 18 - 32, incl.STATE-WAR-NAVY COORDINATING COMMITTEEA TEMPORARY INTERNATIONAL AUTHORITY IN KOREA

References: a. SWNCC 101/1
b. SWNCC 101/2
c. Item 3, Minutes
28th SWNCC Mtg.

Note by the Secretaries

The enclosure, a revision of SWNCC 101/1, as amended by SWNCC 101/2, approved by the State-War-Navy Coordinating Committee at the 28th meeting and agreed upon by the Joint Chiefs of Staff, is circulated for information and guidance.

ALEXANDER D. REID

ALVIN F. RICHARDSON

RAYMOND E. COX

Secretariat

SWNCC 101/4**TOP SECRET**

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E N C L O S U R E

Report by the State-War-Navy Coordinating Subcommittee
for the Far East

THE PROBLEM

1. To determine whether there should be an international trusteeship for Korea pending full Korean independence and, if so, the form of such trusteeship and the policies to be followed in connection therewith.

2. To determine the functions and relationships of such a trusteeship with military government in Korea and with the United Nations Organization.

FACTS BEARING ON THE PROBLEM

3. See Appendix "A".

DISCUSSION

4. See Appendix "B".

CONCLUSIONS

5. Following the termination of Japanese sovereignty and of military government, Korea should be established, in accordance with the provisions of the Charter of the United Nations relating to an International Trusteeship System, as a trust territory, no part of this territory should be designated as a strategic area.

6. The United States, the United Kingdom, the Soviet Union and the Republic of China are the nations which should be regarded as "the states directly concerned" with Korea within the meaning of Article 79 of the Charter of the United Nations. As soon as practicable, these four powers should enter into a trusteeship agreement containing the terms under which Korea will be administered and designating themselves jointly as the "administrative authority" in accordance with Articles 79, 81 and other appropriate articles of the Charter of the United Nations.

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7. Appendix "C" should be approved as a statement of United States policy with respect to an international trusteeship for Korea.

RECOMMENDATIONS

8. It is recommended that:

a. This report be forwarded to the Joint Chiefs of Staff for comment from the military point of view; and

b. Upon approval by the SWNCC of the "Conclusions" in paragraphs 5 and 6 above and of the policy statement contained at Appendix "C";

(1) The report be transmitted to the Joint Chiefs of Staff and to the War and Navy Departments for their information, and to the Department of State for its guidance and appropriate implementation.

(2) A statement substantially the same as that shown at Appendix "D" be released to the press when considered appropriate by the Department of State.

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APPENDIX "A"

FACTS BEARING ON THE PROBLEM

1. The Cairo Declaration states:

"The three great Allies are fighting this war to restrain and punish the aggression of Japan.

"They covet no gain for themselves and have no thought of territorial expansion.

"The aforesaid three great powers, mindful of the enslavement of the people of Korea, are determined that in due course Korea shall become free and independent."

2. The Soviet Union in its declaration of war on Japan on 9 August 1945 stated that:

"Loyal to its Allied duty, the Soviet Government has accepted the proposal of the Allies and has joined in the declaration of the Allied powers of July 26."

With reference to the Cairo Declaration, the Potsdam Declaration of 26 July 1945, issued by the heads of the Governments of the United States, the United Kingdom, and China stated that:

(3) The terms of the Cairo Declaration shall be carried out and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we determine.

3. President Roosevelt proposed to Generalissimo Stalin at Yalta that an international trusteeship should be established for Korea, to be administered by the United States, the Soviet Union, the United Kingdom and the Republic of China. On 28 May 1945, Generalissimo Stalin agreed to this proposal in his conversation with Mr. Hopkins.

4. The Charter of the United Nations provides for an International Trusteeship System in Articles 75, 76, 77, 78, 79, 81, 84, 85, and 87. (See Annex "A" to Appendix "A").

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ANNEX "A" TO APPENDIX "A"

THE INTERNATIONAL TRUSTEESHIP SYSTEM UNDER
THE CHARTER OF THE UNITED NATIONS

The Charter of the United Nations provides for an International Trusteeship System as follows:

"Article 75. The United Nations shall establish under its authority an International Trusteeship System for the administration and supervision of such territories as may be placed thereunder by subsequent individual agreements. These territories are hereinafter referred to as trust territories.

"Article 76. The basic objectives of the trusteeship system, in accordance with the purposes of the United Nations laid down in Article 1 of the present Charter shall be:

- a. To further international peace and security;
- b. To promote the political economic, social and educational advancement of the inhabitants of the trust territories, and their progressive development toward self-government or independence as may be appropriate to the particular circumstances of each territory and its peoples and the freely expressed wishes of the peoples concerned, and as may be provided by the terms of each trusteeship agreement.

"Article 77.

1. The trusteeship system shall apply to such territories in the following categories as may be placed thereunder by means of trusteeship agreements:

- a. Territories now held under mandate;
- b. Territories which may be detached from enemy status as a result of the Second World War; and
- c. Territories voluntarily placed under the system by states responsible for their administration.

2. It will be a matter for subsequent agreement as to which territories in the foregoing categories will be brought under the trusteeship system and upon what terms.

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"Article 78. The trusteeship system shall not apply to territories which have become members of the United Nations, relationship among which shall be based on respect for the principle of sovereign equality.

"Article 79. The terms of trusteeship for each territory to be placed under the trusteeship system, including any alteration or amendment, shall be agreed upon by the states directly concerned, including the mandatory power in the case of territories held under mandate by a Member of the United Nations, and shall be approved as provided for in Articles 83 and 85.

"Article 81. The trusteeship agreement shall in each case include the terms under which the trust territory will be administered and designate the authority which will exercise the administration of the trust territory. Such authority, hereinafter called the administering authority, may be one or more states or the Organization itself.

"Article 84. It shall be the duty of the administering authority to ensure that the trust territory shall play its part in the maintenance of international peace and security. To this end the administering authority may make use of volunteer forces, facilities, and assistance from the trust territory in carrying out the obligations towards the Security Council undertaken in this regard by the administering authority, as well as for defense and the maintenance of law and order within the trust territory.

"Article 85.

1. The functions of the United Nations with regard to trusteeship agreements for all areas not designated as strategic, including the approval of the terms of the trusteeship agreements and of their alteration or amendment, shall be exercised by the General Assembly.

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2. The Trusteeship Council, operating under the authority of the General Assembly, shall assist the General Assembly in carrying out these functions.

"Article 87. The General Assembly and, under its authority, the Trusteeship Council, in carrying out their functions, may:

- a. Consider reports submitted by the administering authority;
- b. Accept petitions and examine them in consultation with the administering authority;
- c. Provide for periodic visits to the respective trust territories at times agreed upon with the administering authority; and
- d. Take these and other actions in conformity with the terms of the trusteeship agreements."

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APPENDIX "B"

DISCUSSION

1. The United States, the United Kingdom and the Republic of China have stated in the Cairo Declaration that they "are determined that in due course Korea shall become free and independent". The Soviet Union indicated its support of the Cairo Declaration when it declared war on Japan.

2. No time has been set as to when Korea should become independent, but this should, of course, be accomplished as quickly as possible after liberation. The question arises as to whether or not military government in Korea should be extended beyond the period necessary to disarm the Japanese to continue until Korea becomes free and independent. Considerations which militate against such an extension are (a) that military government is not specifically designed to cope with the difficult and complex problems that will inevitably arise in transforming a former colonial territory such as Korea into an independent state, and (b) that the American people will probably not desire an extended military occupation of Korea beyond the time designated by military necessity. It would therefore seem advisable to terminate military occupation as early as practicable.

3. The United States, by its acceptance of the Charter of the United Nations, favors an international trusteeship system for certain types of territories such as Korea. Both the internal and external factors connected with the liberation of Korea and the establishment of Korean independence are so complex that some form of international trusteeship would seem necessary following military government. It is the policy of the United States, as indicated by the plan suggested by President Roosevelt to Generalissimo Stalin at Yalta, that an international trusteeship should be established for Korea and that such a trusteeship should be administered by the United States, the Soviet Union, the United Kingdom and the Republic of China. This plan was

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later agreed to by Generalissimo Stalin in his conversations with Mr. Hopkins on 28 May 1945.

4. It remains to be determined, therefore, whether or not all of the four states concerned agree to such a proposal and whether such a four-power trusteeship should be independent of the United Nations Organization or part of it. The strategic position of Korea between China, the Soviet Union and Japan, and the instability of the Korean Government prior to its annexation by Japan made it the scene of rivalry between China and Japan and later between Japan and Russia. Unless prompt agreement is reached among the four major Allies on the form of trusteeship for Korea, rivalry for the control of Korea may again develop.

5. Korea is a territory to which the proposed International Trusteeship System, as provided for in the Charter of the United Nations, is applicable. It is a territory detached from an enemy state as a result of this war and one in which a progressive development toward independence should be promoted. Korea is not one of the United Nations.

6. There would be several advantages to the Koreans in placing Korea under the International Trusteeship System as a trust territory, no part of which is designated as strategic:

a. The Charter provided that the terms of the trusteeship for all areas not designated as strategic shall be approved by the General Assembly. Hence, any trusteeship agreement for Korea made by the powers concerned would be subject to the approval of all the United Nations, thereby increasing the responsibility of all the powers for carrying out the agreement.

b. The Charter further provides that the administering authority shall make an annual report to the General Assembly on the political, economic, social and educational advancement of the inhabitants of the trust area. Consequently, the Korean people would have the benefit of the

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influence the General Assembly and the Trusteeship Council will be able to exert upon the administering authority.

c. The Charter also stipulates that the Trusteeship Council may accept petitions from any trust area, so that the Korean people would have adequate opportunity to express their criticisms of the administering authority.

d. Furthermore, the General Assembly and the Trusteeship Council may provide for periodic visits to the respective trust territories.

7. The principal advantage to the administering powers lies in achieving stability through joint action in Korea as an alternative to rivalry among the great powers in an area of special danger. Furthermore, the difficulties inherent in the establishment of an international supervisory authority for Korea independent of the Trusteeship System of the United Nations would be avoided, and the duplication that would result from the formation of international machinery charged with the responsibilities similar to those of an organ of the United Nations would be eliminated.

8. The administering authority in Korea should, in accord with Article 84 of the Charter, recruit police forces from the territory for local defense and the maintenance of law and order.

9. It is probable, however, that foreign military forces will be necessary in Korea, especially during the early period of trusteeship before sufficient local forces have been organized. The four administering powers should arrange for such forces.

10. The success of the temporary administration of Korea under the trusteeship would also depend on whether or not the terms of the trusteeship agreement were acceptable to the Koreans. Many of the possible objections of the Koreans to a trusteeship system could be met, and the pledge in the Cairo Declaration that Korea shall become free and independent in due course, could be implemented most effectively by the inclusion in the trusteeship agreement for Korea of provisions substantially as follows:

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a. The independence of Korea is recognized subject to the condition that the exercise of the powers of independent government are suspended during the period of trusteeship.

b. The states directly concerned, parties to the agreement, pledge themselves actively to support in the Security Council and in the General Assembly the admission of Korea to full membership in the United Nations as soon as conditions indicate that Korea can accept the responsibilities of independence.

c. The primary purpose of the administering authority for Korea will be to make it possible for the Koreans to undertake the responsibilities of independence and for Korea to become a member of the United Nations at an early date. The Trustee Powers will make every effort to bring about as early as possible the necessary internal conditions in Korea and international arrangements assuring Korea's security to justify the termination of the trusteeship administration and Korea's admission to the United Nations.

d. To these ends the administering authority will:

- (1) Utilize Korean personnel to the fullest possible extent;
- (2) Provide necessary facilities to train the Koreans to assume the responsibilities of an independent state;
- (3) Provide necessary facilities by which the Koreans can determine the form of government under which they will live and to which the administering authority can transfer its powers and responsibilities in such a way as to disturb least the security of the region. Such facilities might include the establishment of a Korean representative assembly and, when the appropriate time arrives, the formulation of a constitutional assembly for the formulation of a national

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constitution in accordance with the freely expressed will of the people.

e. Exercise such executive, legislative and judicial authority as is necessary for the efficient administration of Korea until a free and independent Korean government is established.

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APPENDIX "C"

UNITED STATES POLICY WITH RESPECT TO AN
INTERNATIONAL TRUSTEESHIP FOR KOREA

1. The primary purpose of the administering authority for Korea should be to make it possible for the Koreans to accept the responsibilities of independence and for Korea ultimately to become a member of the United Nations. The independence of Korea should be recognized in the trusteeship agreement subject to the condition that the exercise of the powers of independent government will be suspended during the period of trusteeship. The administering authority should make every effort to bring about as early as possible the necessary internal conditions in Korea and international arrangements assuring Korea's security, to justify the termination of the trusteeship administration and Korea's admission as a responsible member of the United Nations.

2. Following the termination of Japanese sovereignty and of military government, Korea should be established, in accordance with the provisions of the Charter of the United Nations relating to an International Trusteeship System, as a trust territory, no part of this territory should be designated as a strategic area.

3. There would be several advantages to the Koreans in placing Korea under the International Trusteeship System as a trust territory, no part of which is designated as strategic:

a. The Charter provided that the terms of the trusteeship for all areas not designated as strategic shall be approved by the General Assembly. Hence, any trusteeship agreement for Korea made by the powers concerned would be subject to the approval of all the United Nations, thereby increasing the responsibility of all the powers for carrying out the agreement.

b. The Charter further provides that the administering authority shall make an annual report to the General Assembly on the political, economic, social and educational

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advancement of the inhabitants of the trust area. Consequently, the Korean people would have the benefit of the influence the General Assembly and the Trusteeship Council will be able to exert upon the administering authority.

c. The Charter also stipulates that the Trusteeship Council may accept petitions from any trust area, so that the Korean people would have adequate opportunity to express their criticisms of the administering authority.

d. Furthermore, the General Assembly and the Trusteeship Council may provide for periodic visits to the respective trust territories.

4. Military government in Korea should terminate as soon as practicable in accord with a joint agreement by the trustee powers, and should be superseded by the administering authority for Korea. The administering authority itself should be terminated consistent with the trusteeship agreement, when Korea is capable of assuming the responsibilities of independence.

5. The administering authority for Korea should exercise such executive, legislative, and judicial powers as are necessary. It should make arrangements to maintain in Korea forces adequate for the maintenance of law, order and security.

6. The trusteeship agreement for Korea should include, in addition to the provisions necessary to implement the policies listed above, the following stipulations:

a. Korea shall be administered as a single political and economic unit by a central administering authority, which shall be responsible for the promulgation and implementation of political, economic and financial policy throughout the country.

b. Korean personnel to be used to the fullest possible extent in the administration of Korean affairs, and their responsibility to be progressively increased.

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c. As far as possible, Koreans returning from outside Korea not to be appointed or retained in official positions by the administering authority if these persons are clearly unacceptable to the Korean people.

d. Adequate facilities to be provided to train the Koreans to assume the responsibilities of an independent state.

e. Adequate facilities to be provided by which the Koreans can determine the form of government under which they will live, these facilities to include a Korean representative assembly to advise the administering authority and, when the appropriate time arrives, a constitutional assembly for the formulation of a national constitution in accordance with the freely expressed wishes of the people.

f. Provisions to be made for the termination of the trusteeship and for the transfer to a Korean government of the rights and responsibilities of the administering authority.

TOP SECRETAPPENDIX "D"STATEMENT FOR THE PRESS

"As indicated by the Cairo Declaration, it is the policy of the United States that Korea in due course shall become free and independent. In order to assist the Korean people in the development of a responsible democratic government that will enable Korea to assume its proper position as a member of the United Nations as quickly as possible, a trusteeship for Korea should be established as soon as adequate agreement can be concluded. Furthermore, since the United States has subscribed to the principles of the United Nations Organization and has ratified the Charter, the Government of the United States believes that such trusteeship for Korea should be brought within the framework of the United Nations Organization. The United States has invited China, the Union of Soviet Socialist Republics, and the United Kingdom to enter into a joint agreement for such trusteeship."

S E C R E TCOPY NO. 81SWNCC 99/37 November 1945Pages 15 - 22, incl.STATE-WAR-NAVY COORDINATING COMMITTEEPOLICY WITH RESPECT TO FISHING AND AQUATIC
INDUSTRIES IN JAPANReferences: a. SWNCC 99/1
b. SWNCC 99/2Note by the Secretaries

The enclosure, a revision of reference a to incorporate the amendments proposed in reference b, was approved by the Committee at its twenty-ninth meeting and is circulated for information and guidance.

ALEXANDER D. REID

ALVIN F. RICHARDSON

RAYMOND E. COX

Secretariat

SWNCC 99/3

S E C R E TE N C L O S U R EPOLICY WITH RESPECT TO FISHING AND AQUATIC
INDUSTRIES IN JAPANReport by the
State-War-Navy Coordinating Subcommittee for the Far EastTHE PROBLEM

1. To determine United States policy during the occupation period in regard to the Japanese fishing and aquatic industries.

FACTS BEARING ON THE PROBLEM

2. See Appendix "A".

DISCUSSION

3. See Appendix "B".

CONCLUSIONS

4. During the period of occupation, the Supreme Commander should be guided, subject to military considerations, by the following general principles:

a. In order to meet domestic consumption requirements, the Supreme Commander should:

(1) Insist that appropriate available vessels, facilities, gear, equipment and supplies in Japanese hands be put to use;

(2) Take such steps as he may deem practical and necessary to provide sufficient fuel for allocation to fishing boats;

(3) Require the Japanese Government to rehabilitate the production facilities of the fishing, fish fertilizer and seafood processing industries, and facilities for distribution of their products; and

(4) Furnish such other assistance, subject to general policies governing aid to Japanese industry, as he deems necessary.

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b. The coastal fisheries and fish culture should be utilized as the primary sources for domestic consumption. To the extent that fish culture and coastal fisheries are unable to meet the minimum domestic requirements, deep sea fisheries and other fisheries in water open to Japanese operation may be utilized where security and political considerations permit. Deep sea fishing in areas near United States territory or near United States island responsibilities should not be authorized. Japanese fishing should not be permitted near areas under Allied jurisdiction without prior permission from the country concerned. These prohibitions should continue until international agreements are negotiated permitting Japanese fishing in these areas.

c. In order to determine (1) the effect on Japanese food supply of restrictive measures enforced for security or other reasons, and (2) the extent to which the United States and other nations should be permitted to exploit fisheries previously exploited by the Japanese, the Supreme Commander should immediately obtain from the Japanese Government available surveys and other data concerning the resources of all Pacific fishing areas previously exploited by the Japanese.

d. Japanese fishing operations should conform strictly to:

(1) The provisions of agreements relating to whaling to which the United States is a party;

(2) The provisions of other agreements relating to conservation to which the United States is a party;

(3) The policies or rules governing specific fisheries announced by the United States, or by other governments in conformity with policies announced by the United States with respect to coastal fisheries; or

(4) The Japanese national and local regulations for the conservation of fisheries.

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e. Such fishery products may be exported as can be produced by vessels, facilities, gear, equipment and supplies not suitable for or convertible to use in providing for domestic consumption, and which are needed (1) to supply United Nations needs for animal proteins and oils or (2) to secure foreign exchange for essential imports.

f. In the establishment of local security regulations consideration should be given to ensuring the maximum production of seafood products consistent with security requirements.

RECOMMENDATIONS

5. It is recommended that:

a. This report be referred to the Joint Chiefs of Staff with a request for their comments from a military point of view; and

b. Upon approval by the SWNCC of the "Conclusions" in paragraph 4 above:

(1) This report be transmitted to the Joint Chiefs of Staff and to the State, War and Navy Departments for their guidance and, where appropriate, for implementation; and

(2) The "Conclusions" in paragraph 4 above be communicated by the Far Eastern Advisory Commission to the Governments of the United Kingdom, the Soviet Union, China, France, the Commonwealth of the Philippines, Australia, Canada, New Zealand and the Netherlands together with a statement that the U.S. Government has dispatched the "Conclusions" to the Supreme Commander for the Allied Powers.

S E C R E TAPPENDIX "A"FACTS BEARING ON THE PROBLEM

1. SWNCC 150/4 states in Part IV, 3, pages 56-7:

"Japan will be expected to provide goods and services to meet the needs of the occupying forces to the extent that this can be effected without causing starvation, widespread disease and acute physical distress.

"The Japanese authorities will be expected, and if necessary directed, to maintain, develop and enforce programs that 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 agreed upon by the Allied Governments.
- (d) To facilitate the restoration of Japanese economy so that the reasonable peaceful requirements of the population can be satisfied.

"In this connection, the Japanese authorities on their own responsibility shall be permitted to establish and administer controls over economic activities, including essential national public services, finance, banking, and production and distribution of essential commodities, subject to the approval and review of the Supreme Commander in order to assure their conformity with the objectives of the occupation."

SECRETAPPENDIX "B"DISCUSSION

1. Before the war Japan's fisheries production was the largest in the world. The annual catch of Japan Proper has amounted to nearly 3 million tons. About 1 1/2 million people were engaged either full or part time in the industry. Among important primary fishery products are fish, shellfish, seaweed and marine mammals. The fisheries provide important sources of protein in the diet, as well as supplying much of the fertilizer, animal oils, fats and skins. In 1937 the fishing fleet consisted of 364,260 vessels, comprising 297,961 without engines, 97 with steam engines and 66,202 with oil burning engines. 98% of the vessels without motors and 73% of those with engines were under 5 tons. Exports of fishery products 1936-39 averaged 235,000 tons annually with a value of \$30 million--over 3 1/2% of the total value of Japanese exports.

2. Production of fish during the war has decreased to an estimated catch of 2 million tons in 1943-44 and of 1.4 million tons in 1944-45. This decline would appear to have had an important effect upon the Japanese diet. In 1935-37-39 fish contributed 85 (or 3.8%) out of the total of 2270 calories. In 1943-44 they contributed 2.8% of the 2050 calories. Although fish constitute a small proportion of the total caloric intake, they are virtually the sole source of animal protein. In western countries 30% to 40% of the diet is of animal origin, while in Japan the proportion is 10%--almost all from the fisheries. In the pre-war period, consumption for food averaged 85 pounds per year per capita of whole fish; in 1943-44 consumption averaged 55 pounds.

3. It is clear that Japan should produce the volume of fishery products required for her domestic consumption both of food and fertilizer in order to relieve the United Nations of the burden of feeding the Japanese populations and occupying forces during the period of critical food shortages in the United Nations and liberated areas.

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4. The extent to which Japan may be in a position to meet the domestic requirements immediately following the cessation of hostilities appears to be dependent primarily upon (a) the condition of vessels, supplies, equipment and gear and the availability of replacements, (b) the damage to the fisheries and to the industrial capital equipment through naval, military and air action, and (c) availability of fuel.

5. It is desirable that all Japanese naval auxiliary and fishing vessels which are capable of use in fishing operations, as well as all gear, supplies, and equipment in Japanese hands, be employed as fully as possible in production to supply domestic needs. Facilities and materials for repairs and replacements may be drawn from Japanese sources, but a portion may have to be supplied from sources outside Japan. Making such vessels, gear, supplies and equipment available early will reduce materially the food import requirements.

6. A portion of the production facilities may not readily be converted to use in production of the type and quality of goods customary in the domestic market. In general, luxury products should not be produced for general domestic consumption at a time when such items are not readily available in the world market. While it is desirable to secure maximum production of the luxury products when materials and facilities are available and not useful for production of basic items, consideration should be given in distribution of the products, not only to customary domestic consumption patterns, but also to the needs of the occupying forces, and requirements for the United Nations, for foreign exchange and for shipping facilities.

7. Although it may be advantageous in long range economic policy to reestablish and develop all Japanese fishing industries, including those engaged in export, it is preferable at present to exploit the interior and coastal fisheries as the primary sources for domestic consumption needs because, (a) they have, in the past, provided the great bulk of Japan's domestic requirements,

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and are both a traditional and major source, (b) the fishing and processing operations are simple and require equipment and facilities, the major portion of which might be produced locally, (c) the enterprises, particularly in coastal waters, are for the most part communal in character, and (d) international problems of rights to fisheries are largely avoided since the majority of vessels engaged in coastal fishing stay within 30 miles of shore.

8. The trawling operations require mechanized equipment and involve use of waters greater distances from Japan Proper and near the continent. The products of the Japanese concessions in Soviet waters and the deep sea fisheries before the war were primarily export items.

9. Japan and the USSR concluded a five-year agreement commencing January 1944, dealing with Japan's rights in the Soviet fisheries. In recent years, on the grounds of security, the Soviet Government has curtailed the enjoyment by Japan of these rights which have been recognized since the Russo-Japanese War. Legal and diplomatic considerations will possibly determine the extent and conditions of exploitation of the concessions in Soviet waters during the period of occupation.

10. Japan has taken steps to conserve her interior and coastal fisheries resources. Maintenance of the Japanese regulations concerning closed areas, open and closed seasons, intensity of fishing, etc. appear desirable in order to encourage the taking of the maximum quantity of fish consistent with the preservation of the fisheries.

11. It is necessary that Japan be prevented from conducting fishing operations which will endanger the Pacific fisheries. While Japan has regulated the fisheries in home waters in the interests of conservation, Japanese fishing operations in other waters have had little regard for conservation. Progress is being made toward establishing, in concert with other interested nations,

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a system for protecting the fisheries, but it is not expected that a program of regulation will be instituted in the immediate future. As an interim measure, it is recommended that Japanese fishing on the high seas along the American coasts and off American possessions be prohibited until an adequate conservation regime is established. While the recommendation applies only to the continents of North and South America and to the island possessions of the United States, it is recognized that similar zones for protection of fisheries may be established at the request of allied or neutral nations in other waters where the needs for such protection of the fisheries is clearly evident.

12. The whaling agreements in effect with respect to the United States at the present time are: (1) Convention for the Regulation of Whaling signed at Geneva, September 24, 1931, Treaty Series 880; (2) Agreement for the Regulation of Whaling, and Final Act signed at London, June 8, 1937, Treaty Series 933; (3) Protocol amending the Agreement for the Regulation of Whaling signed at London, June 1937, and Final Act of the Conference signed at London, June 24, 1938, Treaty Series 944; Japan participated in the conferences preparing the conventions but failed to ratify.

13. The fur seal treaty of 1911 (T.S. 546) with the United States, Great Britain, Russia and Japan was terminated in October 1941 upon notice from Japan on the ground that Japan's herds were endangering her fisheries. Subsequently, Canada and the United States concluded an executive agreement (E.A.S. 415) governing the Northeast Pacific area. Until the facts as to the conditions of the Robben and Kurile Islands herds are established, any sealing which may be authorized by the government during the occupation period should be undertaken in conformity with sound conservation principles. All pelagic sealing should be prohibited.

RESTRICTEDCOPY NO. 38 ✓SWNCC 98/111 October 1945Pages 5 - 17, incl.STATE-WAR-NAVY COORDINATING COMMITTEECONTROL OF FOOD AND AGRICULTURE IN JAPANReference: a. SWNCC 98Note by the Secretaries

1. The enclosure, a report by the State-War-Navy Coordinating Subcommittee for the Far East on reference a., is circulated for consideration by the Committee.

2. A copy of this paper has been forwarded to the Joint Chiefs of Staff for comment from a military point of view. The comments of the Joint Chiefs of Staff will be circulated to the Committee upon receive thereof from the Secretary, Joint Chiefs of Staff.

CHARLES W. McCARTHY

ALVIN F. RICHARDSON

RAYMOND E. COX

Secretariat

SWNCC 98/1

RESTRICTEDE N C L O S U R ECONTROL OF FOOD AND AGRICULTURE IN JAPAN

Report by the
State-War-Navy Coordinating Subcommittee for the Far East

THE PROBLEM

1. To determine the policy of the United States with respect to food supply in Japan with particular relation to agricultural production.

FACTS BEARING ON THE PROBLEM

2. See Appendix "A".

DISCUSSION

3. See Appendix "B".

CONCLUSIONS

4. It is concluded that:

a. The responsibility with respect to formulating and executing food and agriculture programs should be placed on the appropriate Japanese authorities subject to the approval of the Supreme Commander.

b. Production of food crops should be maximized. However, tea and mulberry plantations should not be converted to food crops except for those areas whose trees or bushes are over age or for other reasons non-producing, and except for those areas which would be especially productive for food.

c. Supplies of fertilizers should be made available, particularly for this winter's crops. Night soil is an important source of fertilizer and its use should be continued. Surveys should be instituted of facilities and raw materials ^{available} for the production of fertilizer in Japan. The importation of fertilizer and of essential spare parts and raw materials for fertilizer plants is authorized to

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the extent required to meet deficiencies in local supply. Imports should be procured as far as possible from sources in proximity to Japan.

d. The production of farm tools and implements in short supply should be encouraged.

e. To the extent practicable, stock from the army remount depots should be distributed to areas most dependent on animal power.

f. Steps should be taken to insure an equitable distribution of farm produce. Such measures should include price control, rationing, control of black markets and such other measures as are directed toward full employment of resources, including labor. Attention should be given to the production and sale of such incentive goods as are in demand by food producers and can be produced locally.

g. The production of synthetic vitamins should be encouraged to supplement the probable inadequacies of diet during 1945-46, especially for the ill and for children and expectant and nursing mothers.

RECOMMENDATIONS

5. It is recommended that:

a. This report be forwarded to the Joint Chiefs of Staff for comment from the military point of view;

b. Upon the approval by the State-War-Navy Coordinating Committee of the conclusions in paragraph 4 above:

(1) this paper be transmitted to the Joint Chiefs of Staff and to the State, War and Navy Departments for their guidance, and where appropriate for implementation;

(2) the "Conclusions" in paragraph 4 above be communicated by the Department of State to the Governments of the United Kingdom, the Soviet Union, China, France, the Commonwealth of the Philippines, Australia, Canada, New Zealand and the Netherlands;

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(3) after having communicated with our Allies according to subparagraph (2) above, the Department of State, at its discretion, release the "Conclusions" to the press, and

(4) this report be classified "Restricted" until such time as it is released according to paragraph 5 b (3) above.

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APPENDIX "A"

FACTS BEARING ON THE PROBLEM

1. In the Economic Directive to the Supreme Commander it is stated (Part I, Paragraph 3) that:

"You will not assume any responsibility for the economic rehabilitation of Japan or the strengthening of the Japanese economy. You will make it clear to the Japanese people that:

a. You assume no obligations to maintain, or have maintained, any particular standard of living in Japan, and

b. That the standard of living will depend upon the thoroughness with which Japan 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 governments they represent.

It is not the policy of the United States to prevent the eventual achievement by Japanese working effort and resources of satisfactory conditions of living in Japan."

2. It is stated in Paragraph 9 that:

"The Japanese authorities will be expected to develop and effectively carry out programs of working activity that will enable them out of their own resources and labor to accomplish the following:

(a) To avoid acute economic distress,

(b) To assure just and impartial distribution of available supplies."

In the same section it is further stated that:

"The Japanese authorities will have to make the utmost effort to maximize production of agriculture and fishery products....."

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3. Paragraph 11 provides that:

"The Japanese authorities shall be permitted on their own responsibility to establish and administer any controls over economic activities that are appropriate or necessary in order to achieve the economic ends specified in paragraph 9. Both the policy and the administration of these controls shall be subject to your approval and supervision....."

4. Paragraph 19 of Part II of the Economic Directive on "Civilian Supply and Relief" states:

"a. You will assure that all practicable economic and police measures are taken to achieve the maximum utilization of essential Japanese resources in order that imports into Japan may be strictly limited. Such measures will include production and price controls, rationing, control of black markets, fiscal and financial controls and other measures directed toward full employment of resources, facilities and means available in Japan.

"b. You will be responsible for providing imported supplies only to supplement local resources. Such imports will be confined to minimum quantities of food, fuel, medical and sanitary supplies and other essential items, including those which will enable local production of such supplies which you would otherwise have to import."

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APPENDIX "B"

DISCUSSION

1. Special Characteristics of Japanese Agriculture.

Agriculture has long been the most important single economic activity in Japan. In 1939 40.4 percent of the Japanese families were listed as "agricultural". A somewhat higher percentage of the gainfully employed people follow this occupation. Few Japanese are more than one or two generations removed from the farm and typical Japanese life has been that of the farm village.

Japanese agriculture is of a special character, suited to the peculiar conditions prevalent in Japan, particularly the great population per unit of arable land. The farms average 2.7 acres in area and are tended like gardens. Only about 16 percent of the land has been made cultivatable and that only through elaborate terracing, diking, levelling, irrigation and inundation. So scarce and expensive is land and so plentiful and cheap is labor that great quantities of manpower are spent on very small plots. The type of crops grown and the methods used have been adapted over the centuries to give the largest possible amounts of produce, (chiefly food) per unit of area. Heavy yielding crops, which respond to abundant supplies of water, large applications of fertilizer and hand labor, and which require only small amounts of "land-time" are highly favored. This means careful preparation of the soil, the selection of such crops as rice which grow in inundated land, the forcing of crops first in seedbeds, and later in the fields by generous individual manuring. By rapid succession of crops, rising, in some cases, to three per year, all pushed to the heaviest possible production, each acre in Japan is able to feed some four persons and provide besides such important crops as silk, tea, tobacco and rushes.

The most important farm product is rice, in the production of which over half the arable land is used. This is the

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basic food of the country. Also important are wheat and barley. Indeed some 80 percent of the "crop area" is used in food production and most of this for cereals. Among important non-cereal food crops are sweet and Irish potatoes, different kinds of beans, several other vegetables and increasing amounts of fruit.

Most of the crops are used directly for human food. An animal food diet would require many times the acreage available in Japan. There are few animals and they are used almost wholly for draft purposes. A few dairies have developed around the larger cities but meat and dairy products play a very small role in the diet of the average Japanese. Even fish, which with beans provides half the total amount of protein, is consumed mainly by the coastal and the more prosperous urban populace.

2. Methods of Control.

Maximum domestic production of food must be required because of the world-wide shortage of food supplies, particularly in view of the needs of liberated areas, the inadequacy of Japan's means of payment, and the need of providing labor to the great army of unemployed. If at all possible production and consumption must be brought into balance in order to relieve the occupation forces of any responsibility for food imports. Since normally Japan has imported 10-15 percent of her food, this will require vigorous measures.

Since fortunately the 1945 crops are nearly ready to harvest, chief efforts must be centered on the food supply for 1946.

In view of the recognized high efficiency of Japanese agriculture in the production of food and of the means in the hands of the Japanese Government for collecting information about and controlling agriculture in its technical, social and economic aspects, the occupation forces should make full use of the Japanese Department of Agriculture and Forestry.

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Responsibility should be placed on the Japanese. They should therefore be allowed to formulate and implement their own programs. American agricultural specialists attached to the occupational force, several of whom have wide knowledge of Japanese agriculture, should be organized as an advisory group to consult with Japanese agricultural agencies, approve the programs presented by them and appraise the effectiveness of those programs in operation.

3. Crops to be Produced.

The first problem is to devise programs which will result in maximum food production. There is doubt of gain and some danger of loss from shifting of land from one food crop to another. Most Japanese crops are food crops and are grown in an intricate rotation which follows the seasons and is suited to the character of the land, the seasonal supplies of labor and the food habits of the people.

During the war there has been some transfer of land from silk (mulberry) and tea to food production, generally on the older plantations where the land was adapted to food growing. In view of our policy to require Japan to pay for imports with its own exports during the occupation period it is believed wise to deviate from the general program of maximizing food production to the extent of keeping most of the remaining mulberry and tea plantations intact. Only in case the plantation is about to be abandoned because of the age of the plants or for some other reason, and in case the land would be especially productive if used for food production, should the transfer to food be made.

Raw silk and tea production provide the best means open to many farmers to secure cash income and they offer to Japan one of the few means of securing foreign exchange with which to pay for the imports which may be required to support the civilian economy. These products have been grown mainly on land which because of its soil, topography or local climate is not very effective for food production.

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It is not anticipated that there will be marked difficulty in securing Japanese cooperation with respect to the foregoing proposals. The individual farmer depends upon high production for his own income and the Japanese Government has always aimed at maximum outputs of food.

4. Fertilizers.

Japanese agriculture is far more dependent on the use of fertilizers than is most American agriculture. The Japanese land is generally poor, it has been heavily cropped for many generations and is subject to constant leeching by heavy rainfall and flooding. In fact a relatively small proportion of Japanese cultivated land is of a quality which would make its use practical under the agricultural standards of the United States. In normal times, an average of about 250 pounds of fertilizer was applied per acre, of which about half was supplied directly from the farm. The remainder was made up of fish guano, bean cake, and inorganic chemical fertilizers. Nitrogenous fertilizers have been most important although potassium and phosphorous were also used in large amounts. Much of this material was imported. Soy beans and bean cake and much inorganic fertilizer have come from Korea and Manchuria. Phosphorite has been obtained mainly from the mandated and other South Sea Islands, more recently from China.

Since fertilizers have been in short supply during the war years, there is an unusual need of regular supplies. It may be assumed that China will wish to utilize her own output, including Manchuria's, and that much less of Korea's product will be available for Japan. Lack of fertilizer may constitute the most important bottle-neck in the entire food program.

The shortage is most important in nitrogenous inorganic fertilizers. A recent radio report from Japan indicated that the supply was extremely low even in 1944.

One possible means of meeting the shortage would be by the use of Japan's nitrogen fixation plants. The Foreign

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Economic Administration estimates that these were expanded by four times between 1934 and 1938 and that their capacity, if intact, should be about 543,000 metric tons. This expansion, designed to meet the needs of war, should be ample to supply the inorganic nitrogen required for peace time agricultural needs.

5. Farm Tools and Equipment.

While Japanese farm implements are crude and simple in construction they have been especially adapted to the physique of the people and to the tasks of Japanese farming. A sufficient supply is essential to the effective application of manpower on the land. It is probable that spades, hoes, plows and various other tools have been taken from the farms of many neighborhoods for the preparation of fortifications, trenches, etc. This will result in a short supply, which because of the specialized character of the Japanese equipment will be impossible to overcome by importation.

The only possible relief appears to be by way of increased production in Japan. Some of the labor formerly employed in armament industries may well be employed on "plow shares". If actual swords are not available there should be at least a plentiful supply of scrap iron.

6. Work Animals.

Livestock plays a small but important part in Japanese rural economy. The principal function of farm animals is that of the rougher field labor, such as plowing and carrying or carting the harvested crops. This work is done by horses or small cattle of which there is on the average about one horse and one cow per each four farm families. These animals are most plentiful in northern Honshu and Hokkaido but numerous also in Kyushu and southwest Honshu. A few fowl, pigs and goats are kept to supply food in certain areas, but these products, as in the case of beef and dairy products, play a small part in the Japanese diet. There will probably be a considerable

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shortage of these animals in the post-surrender period, horses having been taken pursuant to the war effort for draft purposes and cattle for food. There seems no way by which this shortage can be quickly and effectively overcome, apart from distributing to the regions most dependent on horses some of the stock from the Japanese army horse farms. These animals, most of which will be young, will require a year or two of maturing and training before they will be very useful.

Since in Japanese agriculture there is traditionally and economically an easier interchangeability between manpower and animal power, the post-war shortage of animals in Japan can be partially offset by the probable abundance of human labor.

7. The Local Production of Useful Low Income Consumers' Goods which are in Short Supply.

Experience has shown that under the inflationary conditions which exist in Japan, accompanied by a great scarcity of consumer goods, however large their crops may be, farmers sometimes hoard them and thus deprive the general public of food supplies. There is evidence that this practice is developing in Japan. Under such conditions the farmers, although they are in dire need of goods, refuse depreciated money with which they can buy little or nothing and hoard their crops.

The solution of this problem has been met elsewhere by the provision, frequently by importation, of consumers' goods which, being placed on the market, tend to coax the farmer to part with his produce for money which immediately can be converted into much needed consumers' goods.

Since it is our policy to hold imports to a minimum the importation of completed goods would be out of the question. There are two ways, however, by which the situation might be met. One would be by the importation of raw material, such as raw cotton, which could be manufactured into yarn or cloth.

Many other simple articles are made up from Japanese materials by partially mechanized or handicraft industry. If these goods were of such kinds as the farmers use they would

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tend to break down the practice of hoarding food. Especially in view of the expected unemployment the Japanese authorities might well be directed to encourage this kind of production, especially of goods made from indigenous raw materials.

8. Rationing.

The best of planning and execution can hardly avoid a marked shortage of food for the coming year. Under the conditions an effective system of rationing and price control will be necessary to secure even an approximately just distribution of food and other essential goods. Reports since the occupation indicate that rationing unfortunately is not very effective and that inflation and black markets are out of hand.

This is a matter, however, which, in both planning and execution, should be left to the Japanese. The Japanese commodities are mostly unfamiliar to Americans and the local conditions under which they are produced, exchanged and consumed can hardly be understood apart from rather long residence among the people. The staff of trained occupational personnel would be insufficient to perform this onerous task effectively. Furthermore, being an administrative task for the welfare of the Japanese populace, this could well be left to the Japanese authorities. The Supreme Commander should, however, require that appropriate steps be taken by the Japanese Government to ensure effective rationing and price control.

9. Supplementary Vitamin Rations.

Since food production is bound to be low, the occupation should take all practicable steps to avoid serious malnutrition. Consumption may be reduced to little more than 1,500 calories per capita per day, a seriously low figure at a time when the people have just passed through several years of underfeeding accompanied by the strain of war and perhaps the more serious strain of defeat.

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In order to avoid acute physical distress, possible disease and serious social unrest during the period prior to the availability of the 1946 crop, some strategic foods might be imported. Especially, steps should be ordered for the supply, possibly from Japanese vitamin production, of essential food elements to the ill, to children and both expectant and nursing mothers.

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S E C R E TCOPY NO. 5828 December 1945STATE-WAR-NAVY COORDINATING COMMITTEEDECISION AMENDING SWNCC 92/1TREATMENT OF JAPANESE WORKERS' ORGANIZATIONNote by the Secretaries

1. By informal action on 28 December 1945, the State-War-Navy Coordinating Committee approved SWNCC 92/1, after deleting the word "free" from the second line of paragraph 4 d of the enclosure thereto as recommended by the Joint Chiefs of Staff.

2. Holders of SWNCC 92/1 are therefore requested to delete the word "free" from the second line of paragraph 4 d on page 6.

ALEXANDER D. REID

B. L. AUSTIN

RAYMOND E. COX

Secretariat

S E C R E TCOPY NO. 58SWNCC 92/116 November 1945Pages 5 - 21, Incl.STATE-WAR-NAVY COORDINATING COMMITTEETREATMENT OF JAPANESE WORKERS' ORGANIZATION
Reference: SWNCC 92Note by the Secretaries

The enclosure, a report by the State-War-Navy Coordinating Subcommittee for the Far East, is circulated for consideration by the Committee.

A copy of this report has been forwarded to the Joint Chiefs of Staff for comment from a military point of view. The comments of the Joint Chiefs of Staff will be circulated to the Committee upon receipt thereof from the Secretary, Joint Chiefs of Staff.

ALEXANDER D. REID

B. L. AUSTIN

RAYMOND E. COX

Secretariat

SWNCC 92/1

SECRETENCLOSURETREATMENT OF JAPANESE WORKERS' ORGANIZATION

Report by the
State-War-Navy Coordinating Subcommittee for the Far East

THE PROBLEM

1. To determine the policy to be followed by the occupation authorities in dealing with organizations of Japanese workers.

FACTS BEARING ON THE PROBLEM

2. SWNCC 150, Part IV, "Economic", paragraph 2, states:
"Encouragement shall be given and favor shown to the development of organizations in labor, industry and agriculture, organized on a democratic basis."

DISCUSSION

3. See Appendix.

CONCLUSIONS

4. It is concluded that:
 - a. The Japanese Government should issue a general proclamation recognizing the freedom of industrial and agricultural workers to join trade unions or other organizations of their choice for purposes of improving their terms and conditions of employment and mutual protection.
 - b. Legislative steps should be taken to provide legal safeguards for workers' organizations in the carrying out of legitimate trade union functions.
 - c. In consideration of the importance both from a political and economic viewpoint of encouraging the formation of democratic Japanese workers' organizations, the occupation authorities, in their own employment and labor policies, should when conditions warrant give positive encouragement to the development of labor organizations.

S E C R E T

d. The trade unions should have the right of free assembly, speech and press, and ~~the~~ access to broadcasting facilities on a nondiscriminatory basis provided only that such assembly, speech, or writing does not interfere with military necessity or public security.

e. The Japanese Government should abrogate all laws and other regulations which prevent or have the effect of preventing (1) the free organization of trade unions for the purposes of improving wages, hours and working conditions and the rendering of mutual assistance; and (2) the performance of other legitimate activities directed to these ends. The following laws are specifically recommended for immediate abrogations if such action has not already been taken, together with any subsequent amendments and additions:

- (1) Peace Preservation Law (Jian Iji-ho) of 1941.
- (2) The Protective Surveillance for Thought Offenses Law (Shiso-han Hogo Kansatsu-ho) and The Regulations Relative to the Protective Surveillance for Thought Offenses Law (Shiso-han Hogo Kansatsu-ho ni kansuru kisaku), both of 1936.
- (3) Articles 4, 6 and 7 of the National Mobilization Act (Kokka Sodoin-ho) of 1938 as revised in 1941.
- (4) Articles 3 and 8 of the Public Peace Police Law (Jian Keisatsu-ho) of 1900 as amended in 1922, 1926 and 1941.
- (5) Paragraphs 3 and 4 of Article 1, and paragraphs 5 and 31 of Article 2 of the Police Crimes Punishment Ordinance (Keisatsu-han Shobatsu-rei) of 1908, as amended in 1919.
- (6) The Factory and Workshop Supervision Ordinance (Kojo Jigyo Kanri-rei) of March, 1944.

S E C R E T

f. Persons who have been imprisoned because of activity or "thought" in connection with trade unions and other labor organization activity should be released as promptly as proper examination procedure permits.

g. Any patriotic workers' organizations or their affiliates, such as the Patriotic Industrial Associations, which have not already been abolished, should be dissolved.

h. As soon as workers' organizations are formed in consonance with principles established in par. c they should be encouraged to bargain collectively with employers regarding the terms of employment, subject to such policies on wages, hours and working conditions as are established by the Japanese Government.

i. The Japanese Government should establish conciliation machinery for dealing with industrial disputes that cannot be settled by direct and voluntary negotiation between the worker or his representative and the employer.

j. Strikes and other work stoppages should be prohibited only when the occupation authorities consider that such stoppages would interfere with military operations or military security or directly prejudice the objectives or needs of the occupation.

k. Japanese Government agencies which have been set up or have functioned for the purpose of or in such a way as to obstruct free labor organization and legitimate trade union activities should be abolished or their powers in respect to labor revoked, and all individuals who have been directly connected in a responsible capacity with the obstruction or repression of trade union organization or activity should be declared ineligible for employment in labor agencies or as mediators, conciliators or arbitrators.

S E C R E T

RECOMMENDATIONS

5. It is recommended that:

a. This report be forwarded to the Joint Chiefs of Staff for comment from a military point of view; and

b. Upon approval by the State-War-Navy Coordinating Committee of the "Conclusions" in paragraph 4 above:

- (1) This paper be forwarded to the Joint Chiefs of Staff and to the State, War and Navy Departments for guidance and, where appropriate, for implementation; and
- (2) This paper be forwarded to the American Representative on the FEAC for such action as he deems appropriate.

S E C R E TA P P E N D I XDISCUSSION

1. Encouragement of democratically organized and inspired workers' organizations by occupation authorities during the period of occupation of Japan should be advantageous in that the growth of worker controlled trade unions would be an important move in the direction of the development of democratic organization and ideas in Japan. Prior to the rise to power of the military-fascist clique in Japan there had been a growing, though still weak, independent trade union movement. The organizations, being inimical to the aims of the group in power, were persecuted and eventually forced to dissolve. Since then, labor, and indeed the whole population, has been regimented into government controlled "Patriotic Associations" and "Civilian Volunteer Corps". These latter organizations have been dissolved with the occupation. It is believed, however, given encouragement by our occupation forces, that truly indigenous workers' organizations will be able to rise from within the ranks of Japanese workers. In order to make this possible, laws and restrictions that have hampered such development must be suspended and assurance given to labor that the occupation authorities look with favor upon the revival of independent trade unionism.

2. Historical Background

Trade unionism in Japan developed during the early years of the twentieth century along with the growth of modern industry. The peak of the numerical strength of independent unions was reached in 1936 when more than 420,000 members were on the rolls of these labor organizations. This represented only 6.9 per cent of the industrial workers, however. The highest proportion of organized workers to all industrial labor was achieved in 1931 when 7.9 per cent or 369,000 of the 4,670,000 listed as industrial workers were union members. While these figures are small, the following points should also

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be considered in appraising the past achievements and the potential strength of the labor movement in Japan:

a. The basic industries such as communications, transport, metals and chemicals were more highly organized than industry as a whole. Thus at one time forty per cent of the transport workers and nearly as large a proportion of the metal workers were in unions.

b. Union growth was severely hampered by unfavorable legislation and by harsh repressive measures taken periodically by the government. The unchecked persecution of unions by "patriotic" societies and "blood brotherhoods" who opposed their democratic and anti-war tendencies was also a limiting factor here.

c. Strong employer opposition to independent trade unions was almost universal also. The traditional paternalistic relationship between employer and employee that had long existed in Japan, and which was encouraged by the government and even abetted by recognition in Japanese social legislation, constituted a powerful employers' weapon in this struggle. Some statistical evidence of the strength of this paternalistic tradition is seen in the reported membership of company unions and welfare associations which was said to be 1,347,000 in 1936.

d. The high percentage of women employed in industry mitigated against the growth of union membership. The majority of the female employees expected to remain in the factories for a few years only before returning to the villages for marriage. Thus in 1929 only 0.72 per cent of women workers were trade union members compared to 9.57 per cent of the men.

e. Politically labor showed considerable strength during the thirties. In April, 1937, the political arm of the moderate unions, (The Social Mass Party, Shakai Taishu-to) polled nearly a million votes and elected 37 of the 446 representatives to the Lower House of the Diet.

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f. Finally, in appraising the significance of the growth of trade unions in Japan, certain additional retarding influences peculiar to that country should not be forgotten. These include the rapid industrialization; the feudal economy characterized by a few large all-powerful industrial families, within which industrialization took place; the Imperial System with which a truly free labor movement was in many ways inconsistent; the "home industry" system, with its thousands of small shops employing only a handful of workers; and the normal surplus of labor supply over jobs available, stemming from a densely populated rural situation.

3. After the outbreak of war with China in 1937, the independent unions, under strong government and nationalistically inspired pressure, either dissolved or were finally amalgamated into the Patriotic Industrial Association (Sangyo Hokoku-kai), or "Sampo", which in essentials resembled the German Labor Front. In 1942, "Sampo" was put under the control of the Imperial Rule Assistance Association (IRAA). This latter organization was formally dissolved in June, 1945, its functions being taken over by the Civilian Volunteer Corps. "Sampo" and certain other of the "Patriotic Associations" were slated to continue, as integral parts of the new Volunteer Corps but as the Volunteer Corps was dissolved August 21, 1945, these Associations have formally disappeared. Our occupation authorities may thus expect to find no genuine trade unions existing when they enter upon their duties in Japan. However, it is worthy of mention that in spite of these controls and all other emergency powers in Government hands, as well as the increased pressure of patriotic motives and societies, strikes and other vigorous actions of protest on the part of labor against the treatment accorded them have occurred on several occasions since the outbreak of the Pacific War. Rigid censorship has prevented much information of this nature from reaching the outside world, however.

S E C R E T

The trade union movement prior to 1937 was one of the most hopeful elements in Japanese life. In general the unions pressed for increased democracy in the political, social and economic institutions of Japan. They condemned imperialistic aggression and war. The individual unions were mostly democratically organized, though in the upper levels of organization bureaucratic controls frequently negated majority desires. The more important unions and federations of unions during this period may be listed as follows:

a. The Japan Trade Union Congress (Nippon Rodo Kumiai Kaigi), an organization composed of center and right wing unions that in general repudiated extremist principles and strove chiefly for legislation favorable to the development of unions and collective bargaining. In 1936 some 260,000 trade union members, or about 62 per cent of the national total were enrolled in the trade unions and federations affiliated with the Congress.

b. The All Japan General Federation of Labor (Zen-Nippon Rodo Sodomei), affiliated with the Japan Trade Union Congress, had 85,000 members in 1936. The Sodomei, like the Kaigi, held for social reform by constitutional means and strongly supported cooperation with the International Labor Organization, though in the early twenties it had been decidedly leftist in character.

c. The Japan Seamen's Union (Nippon Kaikin Kumiai) was one of the most powerful labor organizations in the country though considered conservative in policy. In 1938 its membership, numbering 115,000 included nearly all eligible seamen.

d. Two left wing unions, the National Council of Japanese Labor Unions (Nippon Rodo Kumiai Zenkoku Hyogikai) and the General Federation of Japanese Transport Workers (Nippon Kotsu Rodo Sodomei) should also be

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mentioned. The former, though having only about 14,000 members, was ordered dissolved in December, 1937, because of its aggressive tactics, large numbers of the more prominent members being imprisoned. The latter organization, whose membership of 30,000 was drawn largely from street car and bus employees in the metropolitan areas, abandoned its left wing policies in 1937 in favor of "industrial cooperation".

4. Labor Legislation

Japanese labor legislation is of relatively recent development. Because of this and other conditions it has been spotty both in content and administration. Thus we find detailed regulations concerning conditions of work in factories and mines, hours of work, the labor of women and children, etc., but no law authorizing workers to establish unions or bargain collectively. On the contrary what legislation pertaining to these latter matters existed was restrictive and punitive in nature. (Details of selected laws which have obstructed and repressed trade union organization and activity will be found in Appendix D, Civil Affairs Guide, "Trade Unionism and Collective Bargaining in Japan".) Administration was likewise uncertain and many statutes were either enforced in part or not at all. The basic laws for the protection of labor are the Mining Act of 1905 and the Factor Act of 1911, both of which did not come into force, however, until 1916. Extensive amendments and enlargements considerably improved the original acts and though far from the standards provided by the more advanced industrial nations of the West, they have furnished labor, especially female and child workers, with protections in important respects.

Other types of legislation include the "Employment Exchanges Act" of 1921 and the "Labor Disputes Adjustment Act" of 1925. The first of these provided a system of free public employment agencies, with loans to needy workers. A real contribution was made by the exchanges, but in 1937 they became instruments for war labor mobilization. The latter law, under

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which arbitration of disputes in public utilities and government industries was to be compulsory while in all others it was to be invoked only at the request of both parties, was of no practical significance, only four cases of arbitration under it in fourteen years having been reported. Most disputes in the past ten years have been "settled" by police intervention.

The administration of labor matters between 1922 and 1938 was centered in a Bureau of Social Welfare in the Ministry of Home Affairs. In this latter year it was transferred to a special Bureau of Labor under the then new Ministry of Welfare. Most of the actual detailed administration was carried on by the governments of the prefectures, with the police being heavily involved in the work.

Provisions for Social Insurance have lagged behind both industrial development and protective legislation. The government has been reluctant to assume the responsibility and expense of these functions, preferring to rely upon the traditional techniques of paternalism and mutual aid. A large number of laws touch upon compensation for industrial accidents but they leave much to be desired in respect to the proportion of accidents covered and the amount of compensation paid to injured employees. Health insurance, strangely enough, has been developed more fully than other types, about six million persons, it was estimated, being covered by compulsory and voluntary systems in 1939. The government's concern over wartime health deterioration, reports seem to indicate, has led to a further broadening of this field. The difficult problem of unemployment insurance has hardly been scratched, reliance to a large extent having been placed in making compulsory the former voluntary system of dismissal allowances. This system is inadequate as it protects the unemployed for a brief period only and the law does not apply to that large proportion of employees working in establishments of less than fifty workers. (For details regarding Social Insurance see "Civil Affairs Guide" "Administration of Public Welfare Institutions and Social Security in Japan".)

S E C R E T5. Possible Relationship of Workers' Organizations with the Future Economic and Political Structure of Japan.

The record of Japanese workers' organizations in the past leads to the belief, first, that after the collapse of the present military government and the removal of its system of repressive legislation and police persecution, workers' organizations of some importance will emerge if conditions favorable to their growth are established; and, second, that such organizations might assist materially in the reconstruction of the country's political structure along democratic lines and in the reorientation of its economy towards peace and stability. The possible advantages of such developments are set down in the following pages. It is not expected, it should be made clear at the outset, that these developments will be achieved in any short period of time. Stable workers' organizations are the products of years rather than months of growth and experience, and the chaotic conditions that in all probability will exist for some time after the conclusion of actual hostilities will not be especially favorable for the development of settled organization. Considerate treatment of labor by the occupation authorities will make the start possible, however, and if eventual achievements are only part of what can be hoped for, the policy will have been worthwhile in that some contribution will have been made towards a more lasting peace.

6. Probable Growth of Workers' Organizations.

The new trade unions which will emerge will have to overcome many obstacles. It may be expected that the shutting down of war industries will produce a period of mass unemployment during which the bargaining power of the trade union and consequently its ability to help the individual worker will be small. Moreover, the reversion of Japanese industry to the manufacture of light consumer goods after the war will probably bring about a revival of the emphasis on small handicraft workshops which may entail