

FAR EAST

Box #

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FEC Mtgs. 105-125

CONFIDENTIAL

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FAR EASTERN COMMISSION

Transcript of 115th Meeting of the Far Eastern Commission

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

Thursday, July 15, 1948

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

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Transcript of 115th Meeting of the Far Eastern Commission
Held in Main Conference Room, 2516 Massachusetts Avenue, N.W.
Thursday, July 15, 1948

Representatives Present

Major General Frank R. McCoy, Chairman	(United States)
Mr. R. Harry	(Australia)
Mr. R. E. Collins	(Canada)
His Excellency Dr. V. K. Wellington Koo	(China)
Mr. J. Daridan	(France)
Mr. S. N. Banerji	(India)
Mr. O. Reuchlin	(Netherlands)
Mr. R. B. Taylor	(New Zealand)
Mr. J. U. Jovellanos	(Philippines)
Rear Admiral S. S. Ramishvili	(U.S.S.R.)
Mr. H. A. Graves	(United Kingdom)

Secretary General

Mr. Nelson T. Johnson

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

(The 115th meeting of the Far Eastern Commission, 2516 Massachusetts Avenue, N.W., Washington, convened at 10:40 A.M., 15 July 1948, Major General Frank R. McCoy, Chairman.)

GEN. MCCOY: Good morning, gentlemen, our session is now open.

ITEM 1 - CORRECTION AND APPROVAL OF THE PROVISIONAL MINUTES OF THE 114th MEETING

GEN. MCCOY: We will consider the minutes of the last meeting for the purposes of correction or comment.

MR. DARIDAN: Mr. Chairman, on page 6, the last paragraph but one, the fourth line, instead of "under the present circumstances of the occupation of Japan" it should read "in the present circumstances of the occupation of Japan".

GEN. MCCOY: Are there any other corrections or comment? There seems to be none and the minutes will be made a matter of record provisionally or otherwise.

ITEM 2 - INTERCHANGE OF PERSONS BETWEEN JAPAN AND OTHER COUNTRIES FOR CULTURAL PURPOSES (FEC-240/16)

GEN. MCCOY: We still have before us Item 2, the Interchange of Persons between Japan and Other Countries for Cultural Purposes, FEC-240/16. This was approved and forwarded to the Commission by the Steering Committee on the 15th of June. The Soviet position is opposed and the Australian, Chinese, French, and Philippine positions are reserved.

Are there any other changes to be noted, gentlemen, from the point of view of Australia, China, France, and the Philippines?

MR. DARIDAN: Mr. Chairman, the French delegation has now received instructions and we are instructed to vote for the proposal when the Commission is disposed to take a vote on it.

GEN. MCCOY: I think at the last meeting there was a consideration that, even though there are a number of positions reserved, possibly, in view of the fact that we have no pressure of time for

the moment, it might be wise to discuss this paper even before we are fortified by positions of the other delegates. Possibly such a discussion might help in that sense. What are your wishes, gentlemen? Dr. Koo, I think that you brought up that point at the last meeting.

DR. KOO: Yes, sir. We have no objection to having this question taken up now for discussion. Our reservation was made in the sense--the desire to see what the course of the discussion was in determining our final action, which would depend upon the course of the discussion itself. I would like to see a discussion of this item.

GEN. MCCOY: Yes. I think the French position was on that same line.

(The French representative indicated affirmation.)

GEN. MCCOY: Are any of you prepared this morning to discuss the general subject and help in the solution of this paper which is one, you remember, of several like papers which have been or are before us on particular phases of this policy or the policies of the Commission with regard to Japanese nationals taking part in commissions and conferences--political, technical and cultural?

I know, in my own instance just as titular Chairman of this Commission without of course entering into the problem myself other than as it comes before me from individuals, that for the past two years I have been under great personal pressure from people who don't know the nature of the Commission or the nature of the procedure, thinking that their special propagandists or missionaries or scientists should be permitted to come to take part again in the international consideration of such subjects, and so far we haven't been able to go very far in getting policies laid down by the Commission. So it's important for us to do so as three years will have passed shortly now since the end of the war and the need of the occupation with regard to trade and science and cultural

subjects generally is more pressing now than it has been heretofore. It was a natural interlude for at least a year or two, that the Japanese should be considered with the attitude of this Commission, but now the conditions are so changing and the safeguards and supervision and control is exercised in so many different ways that I am hopeful that we could reach agreement on these policy papers step by step.

I have nothing to offer this morning myself in the sense of anything new beyond what has been already put before you in the working committees and the Steering Committee, but I would be very glad to hear any opinions from the colleagues around the table-- anything that has occurred to them or has come up since the consideration of the problem at the lower levels.

(No response).

GEN. MCCOY: Well there seems to be no initiative on the part of the members of the Commission this morning, due to the reservations probably, so that if there is no objection we will keep it on the agenda and pass on to Item 3.

ITEM 3 - REPLACEMENT OF LOST CULTURAL OBJECTS (FEC-272/4, -/5, C1-272/3)

GEN. MCCOY: This statement was submitted by the Netherlands representative at the Commission meeting on the 24th of June. That was followed by a statement submitted by the United States representative on the 1st of July containing information from the Supreme Commander in response to queries raised by representatives. Further consideration was postponed to afford the Chinese representative opportunity to receive information from Japan regarding articles appearing in the Japanese press.

I turn to the Chinese Ambassador to see if he has received any such information that might be of interest to the members of the Commission and will be glad to have his expressed opinion on this whole subject.

DR. KOO: Yes, Mr. Chairman, the Chinese delegation has received the clippings both of the Japanese language papers and of the English language Japanese papers—the "Nippon Times". The texts of the two Japanese language papers do not mention specifically the alleged intention to loot Japan but the "Nippon Times", as you yourself read the other day, did contain in the last sentence such an insinuation.

On the whole the Japanese newspaper accounts of what had been taking place in the Commission here on this subject are less offensive from the point of view of my Government, especially those two versions of the two Japanese language papers, but it is apparent that, although none of these three articles mentioned the Crane article in the "New York Times", judging from the sequence of dates, the statement sent Japan and published in these three Japanese papers was based upon the article written by Mr. Burton Crane in the "New York Times". Whatever the real fact may have been as to the relationship between the three articles—in the Japanese papers and the article by Crane in the "New York Times"—the point which my Government has been feeling concerned about is the fact that not only the question of the security of this information—discussions of the Commission but also in this particular case it seems to cast unwarranted aspersions on the intentions of my country and also some other countries which happen to support the majority report. In other words, these articles, particularly Mr. Crane's article, purported to paint certain members as being perfectly virtuous and other members as being thoroughly villainous. Of course, in this country the press is free and the newspapers are in the habit of publishing what they desire, but in this particular case I think, since it purports to report the nature of the discussions and the positions taken by the different governments in the Commission, especially since the accounts of these articles did not reflect the true statements or the real intention of the member states, it would

be very unfortunate if the Commission as a whole should leave these articles sort of unheeded. By heeding cases I do not mean that the Commission should go into a refutation or take up any specific point of these articles, particularly the "New York Times" article, although our delegation--my Government feel that the reasons given by Mr. Crane in his article were really far from being tenable or even correct.

For example, one of the reasons which Mr. Crane attributed to SCAP for objecting to the proposed replacement of looted objects was that he said this would be looting--whatever name was used to describe it--and this would establish a precedent contravening the customs of warfare down the centuries. Well, Mr. Chairman, taking this particular point for illustration, it is obviously true that there has been no precedent established in international law for claiming replacement of cultural objects by the victim countries--cultural objects either looted or destroyed by the invader as an act of aggression. For example, in the peace treaty which was concluded after the First World War the replacement of the collections of the University of Louvain library was provided for. The same thing recently as regard the Second World War--the Italian Peace Treaty, and the text of the agreement on reparations also provided for the principle of replacement of lost cultural objects. In other words, from the point of view of principle it is only an act of justice that objects which had been deliberately looted--destroyed--cultural objects--by the aggressor nation should be replaced.

Mr. Chairman, It is not my intention today to go into the substance of the question, which will be discussed in the Commission when the proper time comes. The point which I wish to make is this, that some attention should be given to these various press articles which not only give a wrong picture of the actual situation as regards the course of discussion of the question in the Commission and in the committees but also unwarrantably casts aspersions on

the intentions--on the good faith of the member states. It is quite apart from the question of the security of the information. Therefore, my delegation considers that the Netherlands proposed resolution will be something quite appropriate perhaps for the Commission to discuss and finally adopt.

I should add, however, that the information and the statement which you, Mr. Chairman, as the representative of the United States Government, gave to the Commission last time would seem to have answered the question as to the first part of the Netherlands resolution calling upon SCAP for information and for a statement of denial, that, I think, the reply from the SCAP and your own statement of the actual situation now under the circumstances could be considered as having met the point. I say so with diffidence and of course I leave it entirely to my Netherlands colleague to express his view. But as regards the second part of the Netherlands proposed resolution, I think it is worded in a very mild form and in entirely an objective manner without indicating any desire either to quarrel with any newspaper or to go into details--to refute any of the points alleged by Mr. Crane or by the article in the "Nippon Times".

So, Mr. Chairman, the view of my delegation is that in consideration of the whole unfortunate situation it would be very desirable not merely to reassure my own Government that what has been published is entirely unwarranted but also to make it plain and to protect the positions of the various member states on the Commission as to our real purpose and intention in discussing the question of the replacement of cultural objects.

(A brief pause in the proceedings followed at this point.)

GEN. MCCOY: I was just looking back at the minutes of the former discussion here where the Chairman had made certain statements of information and referred to the opinion of the United States Government. Both Dr. Koo and Dr. van Gulik were naturally very much concerned and both seemed to stress not so much the article,

which they recognized in the United States press as a daily occurrence, and they were concerned however particularly with the Japanese press. That has been now before you in the way of information in the sense that the articles in the Japanese press seem to have no particularly harmful effect or have made much impression. The thing has died out out there. However, the one English language paper did have certain implications which were very unfortunate. But there again it's water under the bridge and I now refer to those most concerned as to their wishes at this time, after the discussion that has gone before and the information that has been furnished, which seems to be all that I can get for the moment.

It goes back in a sense to the policy of this Commission from the start with the recurrent embarrassments that have brought around the table a natural concern and at times a very decided effort at action. You remember that the Soviet Ambassador almost the first thing he had to face when he came here was such a leak from the proceedings of this Commission, and the whole policy and subject was thoroughly canvassed at that time and we were not able as a Commission to comply with the very proper request from his point of view to have the Commission make a statement, following the rather, you might say, colorless statement that I had made on my own initiative as soon as I had seen the article. In this case I made no statement, first, because I didn't know anything about it until it had happened for some time—I missed it when it was considered in the working committee and I hadn't seen the article myself, so that until it was brought before this Commission, or possibly a day before that, I knew nothing about it and I don't know much more now with all the information that we tried to get, other than the fact that it did occur, and I do know there was a very unfortunate and inaccurate statement in the "New York Times" which we don't often have to point the finger at for such type of articles.

We now have what has happened in Japan. The position of my Government was given to you in a sheet that was circulated, and my own position as representing the United States Government is still as it was stated last week and in the article that has been circulated. My Government feels it is not advisable for SCAP to make any statement with reference to the matter and finally instructs me in addition that it is the view of the United States Government that it would be improper for SCAP, the United States Government, or the Far Eastern Commission to take special cognizance of the appearance of any of these articles in the press.

Have you anything to say this morning representing the Netherlands, Mr. Reuchlin?

MR. REUCHLIN: Well, Mr. Chairman, if I may I would like to refer to what the Chinese representative said with regard to the first part of our proposal contained in FEC-272/4. I entirely agree that, after the action taken by you, Mr. Chairman, of informing the Supreme Commander of what had been discussed in the Commission here and the following answer, the purpose of this first part of our proposal has been met. However, I would like to maintain the second part of our proposal. The matter has been extensively discussed and I am not going into it any further. I only want to draw the attention of the members of this Commission to the fact that SCAP could do something and it's not up to us to indicate to SCAP how he should do it, in order to prevent or punish or restrict the publication in the Japanese press of villainous aspersions, as the Chinese Ambassador so rightly called them, against foreign countries. It might be very easy for SCAP to do that because in the case, for instance, when a member of the occupation forces is libeled, and I have here before me an article in the "Nippon Times" which says that the "...managing editor, Yasuo Haruyama, has been charged before a Provost Court..." because the "...Nikkan Sports

published an utterly untrue and libelous article concerning a member of the occupation forces". The Editor-in-Chief "was taken into custody but was released pending his trial". So the moment a member of the occupation forces is concerned action by SCAP seems to be very quick. I should think if, indeed, publications of a villainous character are published about a foreign power SCAP could easily also take some sort of action. I just wanted to point this out as a difference between when an article appears about a member of the occupation forces and when an article appears about one of the governments member of the Far Eastern Commission.

GEN. MCCOY: Well, I wonder if the representatives of the Netherlands and of China in Japan have brought this to the attention of SCAP? Of course, that may have been neglected and brought here to Washington instead. Have you any information that it was taken up with SCAP in Tokyo?

MR. REUCHLIN: As far as we know, no, because we took action here.

GEN. MCCOY: Well by the time that we took action here and took it up with SCAP it was cold as a dead fish in the ice box. I have no doubt, if it had been brought to the attention of SCAP out there--it was a local thing and apparently he wasn't conscious of it until we brought it to his attention a month or two later. I am very sympathetic with both the Chinese Ambassador and yourself in the representations you make. It has concerned me very deeply because in a sense it reflects ultimately on somebody in this Commission or in the Secretariat or in the State Department or the War Department or the SCAP, and I am just up against these things about once in so often and have been very sympathetic with the party aggrieved.

I think on the whole we have been very fortunate when we think that it has only occurred two or three times in two years and a half. But that doesn't solve the ulcers of the moment and I

would like to do something about it if it were practicable--but I don't think it is practicable--I think it is just one of those things that we have to suffer against. Of course, everybody in the United States is more or less accustomed to read in the morning paper what a villain he is from the President of the United States down, but that doesn't alter the fact that as guests of this country and as one of the Allied Powers we are particularly sensitive to these attacks on our colleagues and their countries. But I don't know what we can do about it that would solve the question other than satisfy the governments concerned. That, of course, has got to be considered.

DR. KOO: Mr. Chairman, our representatives in Japan did not take up the matter with the SCAP locally because what appeared in the "Nippon Times", which you have quoted, also bore the dateline of Washington and our people didn't take up the Crane article because it was published here in the "New York Times", and, although it bore the dateline of Tokyo, that article as well as the article in the "Nippon Times" and in the other two Japanese language papers all referred to the discussions in the Far Eastern Commission and also referred--alleged to indicate the positions taken by the different member states on the Commission in regard to this question of replacement of cultural objects.

Now, take the last sentence in the "Nippon Times", which is an English language paper, it reads: "United States and the United Kingdom believe that the adoption of the Chinese policy would lay the Allies open to charges of looting and now are opposing it". Well, unless some objective statement is issued, it would leave the impression that the United States and the United Kingdom do entertain such a belief and I myself feel that that could not possibly be true. That is the reason why I think that the second part of the Netherlands resolution--proposed resolution--might be

considered by the Commission and adopted.

As regards the first part, I want to reiterate that what the SCAP said in his reply and also what you stated may be considered to have met the point raised in paragraph (a) of the Netherlands proposal. But for (b), it merely proposes to issue a brief official statement to the press along the lines suggested. It says:

"A committee of the Far Eastern Commission is now considering the draft of the document regarding the replacement of cultural goods lost through Japanese acts of aggression", which is a fact, I mean, which no one can deny--it is so--

"This draft is in a very early stage of discussion...", which also appears to be a fact--

"Most of the governments concerned have not yet stated their definite views"

which also is stating the actual situation in the Commission

"and it cannot yet be conjectured what decision the Far Eastern Commission shall finally take in this matter".

This again merely is stating the position of the question in the Commission. It is ended by saying:

"All unauthorized statements of the press regarding this question at the present time are premature and should be disregarded".

Mr. Chairman, it seems to my delegation that a statement along these lines would meet the situation and help the Commission to dispose of this question serious as the view is which my Government has taken, because this article seems to question the motive and intention of the member states. But I think that if some such objective, mild statement could be adopted then I am sure that personally my Government would not wish to pursue this question further.

ADM. RAMISHVILI: Mr. Chairman, I have a statement to be made regarding this matter which I will make through my interpreter.

(INTERPRETER): Mr. Chairman, the Soviet delegation considers that the publication of confidential proceedings of the Far Eastern Commission and also the libelous and tendentious character of the articles which were published affect the interests of all the Far Eastern Commission countries and hampers the agreeable and ~~fruitful~~ fruitful work of the Commission itself. Following this, Mr. Chairman, the Soviet delegation is supporting the Netherlands proposal. We have on various occasions discussed the facts of publication in the American press of articles in which confidential discussions at the Commission or in the working committees were published. Not seldom the character of such articles is of a tendentious and libelous character toward particular members of this Commission. This matter is aggravated also by the fact that, in spite of the promises given around this table--promises to take measures to prevent the re-occurrence of such acts--these statements continue.

Now, just expressing my personal opinion, I think that the leakage of this confidential discussion comes from some definite source and the impression also is that this source which I mentioned also directs the character and the direction of those articles. The Soviet delegation feels that the time has already come when this matter should be thought over and measures taken to prevent the leakage of such confidential proceedings. In particular, I agree with the Netherlands representative in that, for example, in Japan this is very easy to be done, and what it would require in Japan is just administrative measures on the part of the authorities there. The Soviet delegation considers that one of the essential and fruitful measures for the time being would be in order to prevent such leakage, which would be to adopt in this Commission the Netherlands proposal.

MR. GRAVES: Mr. Chairman, I should like to say that we have every sympathy with the Chinese point of view and we very well understand their annoyance--the annoyance of the Chinese Government--an annoyance which was stated in such moderate terms by the Chinese Ambassador, that these unwarranted aspersions have been cast against members of this Commission, especially when those aspersions are given space in the Japanese press whether it is a vernacular press or whether it is an English language press. The "Nippon Times" does in its article throw an entirely unwarranted emphasis on a certain aspect of the paper. It's true that the United States and ourselves have taken up one stand on this policy proposal and the Chinese and a good many of the colleagues have taken another stand, but the stand has been taken on the policy as a whole--not on any particular aspect of it--and it's perfectly true to say, I think, that no member of this Commission regards the Chinese as wishing to loot Japan. When I sat on the committee which was discussing that problem I certainly didn't get any such impression, and that impression has, of course, been thrown out in these articles. It's an improper impression and I think we could all feel the greatest sympathy with the Chinese that that incorrect aspersion should have been thrown against them. What we have to consider though is a remedial measure as to how we deal with the situation and this proposal does suggest that the Commission itself should make an official statement.

You yourself, sir, said that you don't think that that would be a suitable course and if that is still the attitude of the United States delegation, then perhaps we have to consider some other way of getting around it. There has been a precedent, of course, for a statement by yourself, sir, as Chairman of the Commission, or speaking as the United States delegate, and I wonder whether it would be suitable to the Chinese delegation and to other colleagues if that precedent could be followed, if you yourself

felt that you could issue a statement as you did on the previous occasion when the Soviet delegation was under fire. If that could be done it might meet the case; it would have just about the official standing as it would have if it were put out by the Commission. Another course which might be adopted, but not such a good one, would be perhaps a statement by yourself to the press as you have been in the habit of doing on occasions and are authorized by the Commission to do--to state to the press. But I should favor the other course if you perhaps could do it in your capacity as Chairman of the Commission--you should make a statement which would have the official indorsement of this Commission.

GEN. MCCOY: Well I thank you very much for your consideration of this problem in such a reasonable spirit, and under the circumstances today I would not be able to take a definite stand myself in view of the instructions here. However, I will bring to the attention of my Government the statements made this morning and I will be able to give you a definite reply at the next meeting. I think that is satisfactory we will proceed to the next item on the agenda.

ITEM 4 - CIVIL AVIATION IN JAPAN (FEC-245/18; -/19)

GEN. MCCOY: I am sorry to say I am still unable to take a position representing the United States on this civil aviation paper, and I ask your consideration for further consideration when I am able to give it.

ITEM 5 - LEVEL OF ECONOMIC LIFE IN JAPAN: POLICY TOWARDS JAPANESE INDUSTRY (FEC-242/32; -/33)

GEN. MCCOY: The same thing applies to Items 5 and 6.

ITEM 6 - a STATEMENT BY THE UNITED STATES REPRESENTATIVE OF THE FAR EASTERN COMMISSION ON REPARATIONS SHARES (FEC-278)

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

(See preceding item.)

ITEM 7 - PORT AND SERVICE CHARGES ON FOREIGN VESSELS IN JAPAN
(FEC-304/16; T-036, 304 series)

GEN. MCCOY: FEC-304/16 is a proposed policy decision approved by the Steering Committee on 29th June by a vote of 5 to 2. The United Kingdom and United States members opposed the paper, and the Canadian, French, New Zealand, and Philippine members abstained. The substance of the proposal was ^{also} inserted as an amendment to the paper on conduct of trade (SC-273/13) which is still pending before the Steering Committee. I still request postponement on this paper, that is the paper FEC-304/16, until the paper before the Steering Committee comes before the Commission. The wording of this special paper is in both the papers before the Steering Committee, I think, literally as it is here, so that I ask your postponement of this particular problem until the paper comes from the Steering Committee.

ITEM 8 - OTHER BUSINESS

GEN. MCCOY: Is there any other business this morning to be brought before the Commission--new business or otherwise?

If not, we will stand adjourned.

(The meeting adjourned at 11:35 A.M.)

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Representatives Present

Major General Frank R. McCoy, Chairman	(United States)
Mr. H. W. Bullock	(Australia)
Mr. H. E. Collins	(Canada)
His Excellency Dr. V. K. Wellington Koo	(China)
Mr. J. Daridan	(France)
Mr. S. N. Banerji	(India)
Mr. O. Reuchlin	(Netherlands)
Mr. R. B. Taylor	(New Zealand)
Mr. J. U. Jovellanos	(Philippines)
His Excellency Mr. A. S. Panyushkin	(U.S.S.R.)
Mr. H. A. Graves	(United Kingdom)

Secretary General

Mr. Nelson T. Johnson

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

(The 116th meeting of the Far Eastern Commission, 2516 Massachusetts Avenue, N.W., Washington, convened at 10:40 A.M., 22 July 1948, Major General Frank R. McCoy, Chairman.)

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

ITEM 1 - CORRECTION AND APPROVAL OF THE PROVISIONAL MINUTES OF THE 115th MEETING

GEN. MCCOY: The minutes of the previous meeting are before you for the usual consideration.

DR. KOO: Mr. Chairman, on page 2, in the second paragraph, the third line should read: "on the ground that it would establish a precedent contravening the customs of warfare down the centuries". This was what was alleged in the "New York Times" article. Then it is to be followed "It was noteworthy, however, that there did exist precedents for claiming replacement of cultural objects on the part of countries which had been the victims of invaders' acts of aggression". Then in the next line after "Simple justice" the word "however" should be "moreover". Then in the fourth paragraph in the third line "The portion of the Netherlands proposal shown in paragraph 2 a might be considered to have already been met..."

GEN. MCCOY: Those corrections will be made if there is no objection, and the Chinese representative will have his assistant check with the Secretariat on it, please?

MR. REUHLIN: Mr. Chairman, on page 3, the first sentence of the remarks alleged to me somehow don't seem to read well. It says there in the second line "and he agreed that the action taken by the Chairman had advised". Now there is something missing there and I think the word "who" is missing there—"by the Chairman who had advised the Supreme Commander". But then the sentence doesn't run well either because the end is missing, so after the reference to "FEC-272/6" the words "in his opinion had taken care of the first part of the Netherlands proposal" should be added as it doesn't make sense as it is now.

GEN. MCCOY: That is correcting my statement or yours?

MR. REUHLIN: My own statement.

GEN. MCCOY: But quoting me.

MR. REUCHLIN: Quoting your action, yes. And then near the end after "occupation" the word "forces" should be inserted: "member of the occupation forces was involved..."

GEN. MCCOY: If there are no objections, the corrections will be made.

Are there any other comments or corrections? There seems to be none.

The minutes of the previous meeting are made a matter of record.

ITEM 2 - INTERCHANGE OF PERSONS BETWEEN JAPAN AND OTHER COUNTRIES FOR CULTURAL PURPOSES (FEC-240/16)

GEN. MCCOY: We still have the important paper on the Interchange of Persons between Japan and Other Countries for Cultural Purposes, FEC-240/16. It was approved and forwarded to the Commission by the Steering Committee on the 15th of June. The Chinese, the Australian, and the Philippine positions were reserved, and the Soviet position was opposed in the Steering Committee.

In view of those positions, as reported, of opposition and reservation, is there anything that we can step forward on this morning on the part of any one of those awaiting instructions?

MR. JOVELLANOS: My position is still the same, Mr. Chairman. I am still awaiting instructions.

GEN. MCCOY: The Philippines are still awaiting instructions.

MR. BULLOCK: My position is the same as the Philippines; we are awaiting instructions.

GEN. MCCOY: Mr. Ambassador, have you anything further that you can help on this morning?

DR. KOO: We have no objection to having a discussion. We are prepared to vote on it if a discussion brings the subject to that point.

GEN. MCCOY: Yes. Well we might have an interchange of opinion to see if we can get a little bit of help and clarification possibly.

May I ask the Soviet representative if his opposition was based on certain differences of opinion that he's going to discuss to consider in the way of amendments, or was it awaiting instructions of your Government?

MR. PANYUSHKIN (through interpreter): Mr. Chairman, I am not awaiting instructions. I have submitted my own amendments which are stated in FEC-240/16. It seems to me that the discussion of this question is delayed on account of the reservations on the part of the Philippines and Australia and China.

GEN. MCCOY: Yes. That is what I wanted to make sure of-- that is why I asked.

MR. PANYUSHKIN: And as far as our position is concerned it has been stated some time ago.

GEN. MCCOY: Yes, I notice on the cover page the amendments are stated. I had forgotten that. I see that the Soviet amendments are repeated on the cover page so that the rest of the representatives probably were more conscious than I of the full picture there.

Is there any comment in the meantime that may help us in getting agreement on this paper?

Is there any desire, in view of these statements--the positions being as already explained on the cover page and with the action in the Steering Committee already known, the three countries having reservations still maintaining them--

DR. KOO: Mr. Chairman, if a discussion would be in order, I would like to throw out an idea.

We have no objection to the paper as it stands speaking generally. In regard to the visit of Japanese nationals abroad my Government would like to see some limitation placed on the number of Japanese nationals coming out, for example, for the first year. We are not prepared to present any formal position--I just would like to raise this point to get a reaction from the member governments. Say, for the first twelve months after the adoption of this paper the number should not exceed 100, of course representing various fields of activity, and it would be naturally left to the SCAP to implement that. Perhaps that might help to alleviate anxiety and uneasiness lest the nationals from Japan coming abroad at the present juncture, when no peace settlement has been made as yet and technically a state of war still exists, there might be undue activity in the direction of propaganda. So our instructions from our Government direct us to raise this point, and I would like

to hear the reaction from the members of the Commission as to the desirability—advisability of setting some limit to the number of Japanese nationals coming abroad for the first twelve months.

MR. BULLOCK: Mr. Chairman, in principle I feel that I agree with the Chinese Ambassador that it is essential to place some limitations on Japanese going abroad. We, of course, have thought also in terms of placing a limitation on the time which Japanese may remain abroad prior to the signing of a peace treaty with Japan and, of course, that question is at present being taken up in connection with a paper which the Australian delegation introduced in the Steering Committee. In principle, I think that my Government might very well favor some such limitation as to numbers, although I am not prepared to commit my Government this morning.

But the question of limitation of numbers I presume would apply not only to the paper on the interchange of persons between Japan for cultural purposes but there is also another paper in the Steering Committee still, I believe, concerning the travel of Japanese businessmen abroad. So that this other paper that we introduced in the Steering Committee, for instance, was introduced as a separate paper because there were a few papers on the travel of Japanese abroad for different reasons within the various levels of the Commission and we introduced this idea of a limitation on the length of stay abroad in a separate paper because it applied to more than one paper. I'm just wondering if the Chinese Ambassador is concerned with this problem only in connection with the travel abroad of Japanese for cultural reasons or is he also concerned with the travel of Japanese businessmen abroad, that there should be some limitation of numbers in that respect?

DR. KOO: Mr. Chairman, may I answer. I was aware of the Australian paper and, in fact, I should have added when I first made my remarks that my Government is in favor of the Australian paper which is now, I understand, in the Steering Committee. We

are prepared to support that paper. When I mentioned the question of the desirability of setting some limitation on the number of Japanese nationals coming abroad, I was referring to the paper that is now before the Commission, but I think the same principle naturally would apply to the nationals coming out for purposes other than those specified in the paper now before the Commission. As to the definite number, of course we have suggested a hundred for the first paper and in regard to the second we are open also to suggestions. But we favor the principle of setting some limitation on the number of nationals coming out yearly, so as, as I said, to preclude—forestall—undue anxiety and a feeling of uneasiness on the part of our people in China, and I dare say perhaps in some other countries also.

GEN. MCCOY: Have you been conscious, Mr. Ambassador, of the report of Japanese already under foreign auspices of SCAP as reported by him? Have your assistants brought that to your attention by chance—the number and the purposes for which they are abroad?

I know there are some businessmen, for instance, with your Government, I believe.

MR. BANERJI: Yes.

GEN. MCCOY: There are four Japanese in India, and no doubt other governments are making arrangements under the former action of the Commission or of SCAP. Possibly this point that you bring up of setting a number might not be necessary if from experience you see what SCAP is doing, because as soon as you say that 70 or 80 or 100 will be the limit—I should think just off-the-bat that for the present that would be probably a good working number just to pick—but, on the other hand, suppose that representatives of this Commission, acting with SCAP as they have been doing, might want some more. These papers cover cultural and they cover trade and they cover a number of people abroad. Now we all know of the pernicious activity of the Japanese in normal times—I'm sympathetic with the

idea of putting some salt somewhere—but I would like the paper itself to be a broad policy paper which doesn't look picayunish on the part of an international commission—I don't know what the position of my Government would be on that—but personally I think it would be unwise to set a limit unless you see from what General MacArthur is doing under the policy that there are an undue number from your point of view - in other words, wouldn't it be better to have a policy paper and let it work a little while to see how it works—whether it wouldn't be to the advantage of all as it works? Now, if, from the reports that we get from the Supreme Commander of what he's doing under the policy, it looks as though the Japanese are beginning their pernicious activity, when then the question of putting some embargo or some limit could then be considered. But we're sort of shooting in the dark when we pick out any number now.

DR. KOO: Mr. Chairman, you asked whether we have been aware of the visits of Japanese nationals abroad taking place already. We have been, and my Government as a matter of fact has sent us two or three inquiries expressing some surprise that these Japanese nationals had been able to leave Japan and go abroad and carry out whatever missions they had as their object while the question was still being considered in the Commission. So far, of course, we are aware that the number of Japanese nationals that have come abroad is very limited—very few. The reason why my Government is desirous of seeing some limit set on the number of nationals is, as I said, to reassure public opinion in China, following this prolonged struggle to resist invasion and following a long period of suffering, the people not unnaturally feel very apprehensive and uneasy, always recalling, as you see, not being able to forget entirely as yet the hardships and the suffering they had sustained. So, in suggesting some number like a hundred, we don't insist upon that particular number but perhaps some limit of a generous character

might be set so as just to reassure public opinion, and I feel that if it is set then in case actual requirements arise in the future which will call for a greater number of Japanese nationals coming abroad, whatever limit might be set, of course the matter could be brought before the Commission again.

In this particular case, as we are dealing not so much with the technical aspects as mainly with policy decisions, my Government feels that there is always that political and psychological factor in the situation in each country--in this case in China--which the government naturally cannot refrain from taking notice. So, so far as the actual number is concerned we are open to suggestions, but as far as the principle is concerned my Government feels it would be desirable from the political and psychological point of view to set some limit, leaving it naturally to the SCAP to maneuver within whatever limit might be decided upon. This is the point which I raised really, to obtain some reaction from the members, and I am grateful for what you have said as your own personal reaction.

GEN. MCCOY: I might add one other thing in the way of asking for information. It just occurs to me so much of the Japanese normal relations, even not forgetting the proper attitude of the Chinese people toward them, I would assume that there would be a good deal of interchange of persons between Japan and China. Has that started yet in any way? That is, under the reopening of trade has there been any interchange between China and Japan on that?

DR. KOO: Mr. Chairman, we have sent groups of Chinese merchants representing the Chinese business world to Japan and so far our Government, in view of the strong feeling on the part of the people, has not seen its way clear to receiving any mission of Japanese nationals--businessmen--from Japan as yet. There has been some proposal made to our Government, but because of this state of public feeling in China at present we have not seen our way of acceding--of accepting the proposal of the visit of Japanese businessmen yet.

GEN. MCCOY: How about Holland? Has there been any interchange in any way between the East Indian colonies of Holland and Japan?

MR. REUCHLIN: As far as I know, Mr. Chairman, not a single one, no.

GEN. MCCOY: The French, have they had any?

MR. DARIDAN: No, Mr. Chairman, not so far as I know.

GEN. MCCOY: Well I am afraid you are left out in the cold. But they are beginning to go to India and to the United States—I assume that there are some over here although I haven't looked at the list.

MR. REUCHLIN: But, Mr. Chairman, I may point out that we have already quite sufficient trouble with the Japanese who are still there that we don't want any more.

GEN. MCCOY: You mean the ones left over from the war?

(The Netherlands representative indicated affirmation.)

GEN. MCCOY: Those that have not been repatriated in a military sense?

MR. REUCHLIN: Yes, we have escaped that system of repatriation.

GEN. MCCOY: Is there a large number?

MR. REUCHLIN: I wouldn't be able to tell you that. Dr. van Gulik tells me there are about 400.

MR. JOVELLANOS: Yes, Mr. Chairman.

MR. DARIDAN: Mr. Chairman, I must correct myself. It seems to me I remember that there have been some interchange between French silk businessmen and Japan for the sending of Japanese businessmen to Rouen, France, for trade business in silk.

MR. GRAVES: Mr. Chairman, may we take it that the Chinese Ambassador contemplates a unilateral limitation, that is, limiting the number of Japanese who are abroad? This paper has reciprocal provisions and deals with nationals of other countries who would

be permitted to visit Japan also. I take it that the Chinese Ambassador is referring solely to Japanese who would go abroad and not any limitation on nationals of other countries who might wish to visit Japan.

DR. KOO: Yes.

GEN. MCCOY: Is there any other comment?

Well, there already we have some clarification and some help in meeting this paper, which I hope we can get agreement on shortly. But there doesn't seem to be any opportunity to do anything about it in view of the reservations of the countries concerned, so that, if there is no objection, it will be passed over until the next meeting.

ITEM 3 - CIVIL AVIATION IN JAPAN (PEC-245/18, -/19)

GEN. MCCOY: I am obliged to inform you that I am not able to state the United States position on this important paper before us, and I ask that I be given still more time to do so.

ITEM 4 - LEVEL OF ECONOMIC LIFE IN JAPAN: POLICY TOWARDS JAPANESE INDUSTRY (PEC-242/32, -/33)

GEN. MCCOY: This is a paper which is being fully considered and I ask your indulgence to retain it on the agenda.

ITEM 5 - REPARATIONS REMOVALS: ACCESSORY FACILITIES, BUILDINGS, TECHNICAL DATA (PEC-299/5)

GEN. MCCOY: This was approved by the Steering Committee on the 20th of July by a vote of 7 to 3 with 1 abstention. Canada, the United Kingdom, and the United States were the three in opposition. This paper is before you for the first time as on the Commission level and in view of the fact that we have so few things to act on this morning possibly we might have around the table a look at that paper as it is here for the first time, and see if we can get a little bit ahead in the way of understanding and discussion and clarification. Are there any of the members prepared to take the word on this paper? There seems to be none. Possibly we had better have that a little bit longer on the agenda. -9-

ITEM 6 - REPLACEMENT OF LOST CULTURAL OBJECTS (FEC-272/4, /5, /6, CI-272/3)

GEN. MCCOY: We go to the Replacement of Lost Cultural Objects which I would like to comment on in the sense that after the Commission meeting of last week, and conscious of the natural attitude on the part of China and Holland, I tried to do something about it myself. This refers to the replacement of lost cultural objects, which is in the 272 series with the attendant memoranda of information and reply to queries of members of the Commission, /5, /6. FEC-272/4 is the statement submitted by the Netherlands representative at the Commission meeting on the 24th of June. The others are statements, as you remember, from the United States representative at successive meetings in July. Having that as a background and conscious of our discussions and concern, and also from my point of view always being disturbed by anything that comes up in connection with the press where the natural feeling on the part of aggrieved representatives is one that I can sympathize with, at the same time I go back to the continuing policy of this Commission which has on the whole, I think, worked pretty well, dealing with the irresponsible press. So I took the responsibility, after the meeting, to issue a statement on my own responsibility and not that of the United States, but acting as Chairman of the Far Eastern Commission, and I made the following statement which has been circulated.

Is that correct?

MR. JOHNSON: Yes, sir.

GEN. MCCOY: So I won't read it since it is before you. I hope that that will be agreeable to the Commission since I took their name in vain in a sense by feeling that I was expressing the general sentiment of the Commission.

MR. REUCHLIN: Mr. Chairman, may I be allowed to express the thanks of the Netherlands delegation for the quick action which you as Chairman of the Far Eastern Commission have taken. I may point

out that we always have made at the time of the discussion of this subject a distinction between the press in this country and the Japanese press and stressed the importance of the publications in the Japanese press, especially with reference to the publication under consideration. I venture to express the hope that SCAP will be informed of your statement to the press here and that it will also be communicated to the Japanese press.

GEN. MCCOY: Well I didn't do that formally for various reasons, but I did do it in what might be called a casual way by communicating with the leading press associations and asking them to do it, that is, the Associated Press and the United Press, and they assured me they would.

DR. KOO: Mr. Chairman, I wish to associate myself with the expression of appreciation for your very prompt action as Chairman of this Commission in issuing this statement. I think the statement sets in correct relief the actual situation regarding the discussions in the Commission on this question of replacement of cultural objects, in ~~the~~ ^{with} correction really not only ~~the~~ unwarranted but really fantastic statements made by the articles in the "New York Times" as well as the "Nippon Times". So, in view of your statement, we feel that perhaps the situation which has been unfortunately created by those articles has been met by your statement and we would appreciate it on the part of our delegation if a copy of this statement could be forwarded to SCAP for his information.

GEN. MCCOY: Is there any other comment on this Item 6?

MR. PANYUSHKIN (through interpreter): Mr. Chairman, I was not present at the last meeting of this Commission but I read in the minutes of that meeting that the Chairman said the following:

"General McCoy said that under his present instructions he could not agree on the issuance of any type of statement. He would be glad of course to bring the suggestions to the attention of his Government and to reply to them as soon as possible."

As I understood from this record, this question was not voted on and General McCoy promised to inquire of his Government as to what action could be taken in this respect. I presumed that General McCoy, after having consulted with his Government, would inform this Commission of the results of that consultation so that the Far Eastern Commission, which is considering this question, could adopt a definite decision. Properly speaking the text proposed by the Netherlands representative did not differ in any way from the text issued by our Chairman and from outside the action of our Chairman corresponds with the wishes of the Netherlands member. Since the question was being considered in the Commission it was the Commission that should have passed a definite opinion or authorized the Chairman to issue a statement on that matter. Unfortunately our Chairman, General McCoy, has bypassed the Commission in this respect and issued a general statement without having informed the Commission in advance of this action, in other words he acted unilaterally in this respect. So one could say that on this concrete question General McCoy bypassed the Commission on this question. The Soviet delegation thinks that since the Chairman's action was a unilateral one it is insufficient and it would have been more correct and proper to have had a decision of the Commission on this question published.

GEN. MCCOY: What would the Ambassador like to have done about it?

MR. PANYUSHKIN: Mr. Chairman, there is hardly anything to be done at present; the statement has already been issued. I am trying simply to state the fact that you didn't consider it proper to consult the Commission after you had consulted with your Government, the more so that you said at the last meeting of the Commission that you would consult your Government on this matter and inform the Commission of such consultation. I simply want to state the fact

that between your statement at the last meeting and the action you have taken there is a contradiction, Mr. Chairman.

GEN. MCCOY: I have asked the Secretary General to get the policy of this Commission on meeting the press, and my remembrance— however, it's quite long ago the decision of the Commission was taken—is that the Chairman was authorized to speak for the Commission in a case when in his opinion it was warranted and I have to take the responsibility in that sense of course.

MR. PANYUSHKIN: That is right, Mr. Chairman, but the statement which you have just made this morning is in contravention with what you said at the last meeting.

GEN. MCCOY: Yes, I grant that to the Ambassador. I didn't bypass the Commission at all because I reported this morning my action, because after the meeting of the Commission last week I changed my mind and took the action that is before you and I now inform the Commission of what I have done. I think that as soon as I get the general action of this Commission on press matters you will see that I was acting within my responsibility as Chairman to meet the situation. Now I did change my mind after making the statement and it is in contradiction—I accept that—but at the next meeting, that is, at this meeting, I have put it before the Commission what I have done and my reasons.

It is not entirely a coincidence, as the Ambassador intimates, that the wording is that of the second part of the Netherlands statement before the Commission. I thought that it was such a good statement that I accepted it, especially as it had been accepted by the Commission and the Chinese representative and I think the Indian—

MR. BANERJI: No, Mr. Chairman.

GEN. MCCOY: Do I point the finger wrongly at you?

MR. BANERJI: Yes, Mr. Chairman.

GEN. MCCOY: Well, I go to the Chinese representative then. I think he stated that that second part he was agreeable to, so that the two countries that were concerned about this matter before the Commission both agreed. So I accepted their agreement and I thought myself it was a very good statement and I made it on my responsibility as Chairman of the Commission. Now it's before you to either concur with my statement or disapprove it.

MR. DARIDAN: Mr. Chairman—

GEN. MCCOY: Before I recognize the French representative - have you got that paper?

At its 10th meeting on the 23rd of April 1946 the Steering Committee unanimously approved the following amendment to the press policy of the Commission as contained in FEC-005:

"After each Commission meeting the Chairman is authorized to hold a press conference to supplement the press release for such meeting".

That's what I based my action on. That was an action of the Steering Committee which was formally approved by the Commission.

MR. PANYUSHKIN: Mr. Chairman, I agree with you that such a decision exists that the Chairman of the Commission is authorized to make statements to the press on decisions of the Commission, but the result of your action was that you deprived the Commission itself of its right to consider the final solution of this question. The fact that you made your statement for good motives is confirmed by the Chinese and Netherlands representatives, but the fact that I want to state is that you deprived the Commission of acting on this question to adopt a certain decision upon which you could have made your statement to the press.

Mr. Chairman, I would like to repeat that I have spoken here only for the reason of drawing your attention to this fact. I want to state the fact that your action took precedence before

the action that could have been taken by the Commission itself. Of course, I'm in favor of deciding questions quickly but such haste is not always acceptable for all questions.

MR. DAVIDAN: Mr. Chairman, at the last meeting I was about to place before the Commission a proposal quite identical to that which the British representative made but he was much quicker than I. Moreover, I don't remember that there was any objection raised against his proposal. This proposal as a whole quite conformed to the point of view of the French delegation, which is that it wouldn't be advisable for the Commission as a whole to give a ^{polemic} statement to the press but that a statement be issued by the Chairman in the same way that he acted in the previous unfortunate occurrence. So the French delegation fully concurs with the action you took.

MR. REUCHLIN: Mr. Chairman, when the Soviet Ambassador was making his very clear statement a kind of uncomfortable feeling crept up on me, and that is that we might have been responsible for consequences which we hadn't foreseen. The Ambassador underlined the fact that your decision was taken unilaterally. Well I sincerely hope that the fact that you did not consult your Government may not result in the fact that we find your chair empty at the next meeting and be told that you have been sent on a summer holiday to Alaska.

MR. PANYUSHKIN: Mr. Chairman--

GEN. MCCOY: I will give you an opportunity to speak in a moment.

MR. PANYUSHKIN: Mr. Chairman, I did not hear the last part--

GEN. MCCOY: I now recognize the Chinese Ambassador.

DR. KOO: Mr. Chairman, I would like to say once more that we appreciate your action, as I did at the beginning of this discussion, your prompt action because in this case the newspaper articles had appeared already for some time and time was an important factor. The sooner action was taken to correct the wrong impression the better, especially as your statement corresponded completely with

the second paragraph of the Netherlands proposal, a proposal which my delegation asked at the last meeting be approved by the Commission. In this case I am of the opinion that your action was quite within the authority of the Chairman as you did once on the 30th of June, ¹⁹⁴⁷, if I recall, in issuing a statement once in correction of an article which appeared in "Newsweek" which I think unfairly—unjustifiably insinuated against the good faith and intentions of, I think it was, the Soviet delegation. If any action of the Commission is desired, personally I think it would be in order for the Commission to vote in approval indorsing your action. In that way it might meet the point raised by the Soviet Ambassador because in our view the statement you made was really word-for-word the statement which was proposed by the Netherlands delegation to be issued by the Commission which I myself supported and expressed a very earnest desire could be issued. The United Kingdom representative at the last meeting suggested, a suggestion with which I was in agreement, that the action might be either by the Commission or by the Chairman, and as you did it so promptly and as you duly reported I wish once more to express our appreciation of your action and to say that, if the Commission desires to express its view, the Commission might take a vote indorsing your action and approving your action. In this way perhaps the point raised by the Soviet Ambassador might be fully met.

GEN. MCCOY: Now, Mr. Ambassador.

MR. PANYUSHKIN: Since the action has already been taken I think it would be too late to have it indorsed. The fact has already been accomplished and it is hardly worthwhile to have any indorsement of it.

Mr. Chairman, I am sorry, I didn't quite get the words of the Netherlands representative. Could I ask the reporter to read the record of what he said?

GEN. MCCOY: They were put in your hands there.

MR. PANYUSHKIN: Not all--not the whole statement.

GEN. MCCOY: Well the Netherlands representative has, I understand, written out his statement and wishes to have that considered by the Soviet representative.

MR. PANYUSHKIN: Could you not have the reporter read his statement?

GEN. MCCOY: Well I could, but I don't think it is necessary since this is what the Netherlands representative wishes to put before the Commission.

MR. PANYUSHKIN: Mr. Chairman--

GEN. MCCOY: That was an informal remark that he apparently wishes to have corrected and put in the form before you.

MR. PANYUSHKIN: Mr. Chairman, we are here in an official meeting as official representatives and I would like to hear what the Netherlands representative has officially said.

GEN. MCCOY: Well I didn't hear it either--I don't know what he said, but I take it that he wishes to state to you what he has presented to you and I think that is before the Commission.

MR. REUCHLIN: Mr. Chairman, I am quite willing to, in short, repeat what I had in mind. It is that we so much appreciated your action and that the Soviet Ambassador underlined the fact it was taken unilaterally, we would have the consequences of your absence for some time; although I would think that absence in a northern country might be very agreeable at this time, we would certainly appreciate to have you all the time here. It was perhaps a flippant remark and therefore informal as you stated. That was actually what I said.

GEN. MCCOY: Well that, I assumed, as you say, was a flippant remark and for that reason I didn't care to make it a matter of record.

MR. PANYUSHKIN: It seems to me that these were not the words that were spoken before. Mr. Chairman, could you ask the reporter

to read out that particular passage?

GEN. MCCOY: Do you wish me to do that, Mr. Minister?

MR. REUCHLIN: I would be quite prepared to strike this off the record, Mr. Chairman.

GEN. MCCOY: If there is no objection on the part of the Commission, the remark, which I didn't understand, will be struck from the record.

MR. PANYUSHKIN: Mr. Chairman, I agree with you, but I wish to warn the Netherlands representative that before making any statement at this Commission one should think over what he is going to say.

Mr. Chairman, I also would like to draw your own attention to the fact that, by refusing my request to read out the record of that statement of the Netherlands representative, you sort of took the Netherlands representative under your protection.

GEN. MCCOY: Well I would be very glad to do that, as Chairman, only for the purposes of the general good. I don't think it's a part of the chairman to stir up trouble but allay trouble around this table where we usually meet in friendly conference, and for that reason I would hope that the Ambassador would forget the incident.

MR. REUCHLIN: Mr. Chairman, I am sorry that I cannot let this pass without saying something. I don't think that it is quite proper for a representative of another country to admonish another representative that he should think before he says anything. I am quite willing that what is in the record be printed and put before the Soviet Ambassador. Although I don't want it to be for the reasons which I have stated, I have no objection to putting it in the record and I have no objection that every word of it be given to the Soviet Ambassador. Then he surely will realize that I didn't make any statement which is either untrue or reflects on anything which it wasn't intended to.

GEN. MCCOY: I would assume that it was due to a misunderstanding, and if the Commission concurs I will consider the incident closed.

- ITEM 7 - a STATEMENT BY UNITED STATES REPRESENTATIVE OF THE FAR EASTERN COMMISSION ON REPARATIONS SHARES (FEC-278)
b REPORT OF COMMITTEE NO. 1 TO THE FAR EASTERN COMMISSION REGARDING DIVISION OF REPARATIONS SHARES (FEC-219/25, 219 series)

GEN. MCCOY: Item 7 is retained on the agenda.

- ITEM 8 - PORT AND SERVICE CHARGES ON FOREIGN VESSELS IN JAPAN (FEC-304/16; T-036, 304 series)

GEN. MCCOY: The same remark occurs to me as at the last meeting, that the paper which is now before the Steering Committee embodies this particular amendment or paper and that this will be held--continued to be held on the agenda until the paper itself comes from the Steering Committee. Is that agreeable to you, representing Australia?

MR. BULLOCK: Yes.

- ITEM 9 - OTHER BUSINESS

GEN. MCCOY: I have a statement from my Government referring to the applications of Pakistan and Burma for membership in the Far Eastern Commission:

"With reference to those applications, and in view of the fact that not all states on the Commission have as yet indicated their position on the proposal of the United States Government submitted to the Commission on May 20th that the machinery of the Far Eastern Commission be used as a means of polling the member governments, the representatives on the Commission voting in such case as representatives of their governments rather than as members of the Commission, I am authorized by my Government to recommend that the proposed procedure be so modified as to provide that the views of

each government be deposited with the Secretary General of the Far Eastern Commission either by its member on the Commission or by the head of its mission here in Washington through normal diplomatic channels. Upon the receipt of all the governmental views, the Secretary General will inform the Commission of the results. The Commission might then, if acceptance were unanimous, authorize the Chairman of the Secretary General of the Far Eastern Commission to issue an invitation to the applicant country."

That modification of the former suggestion for the convenience of handling this type of application will be circulated for your information and action.

Is there any other business to be considered by any member of the Commission? There seems to be none.

We stand adjourned, gentlemen.

(The meeting adjourned at 11:50 A.M.)

CONFIDENTIAL

FAR EASTERN COMMISSION

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Transcript of 117th Meeting of the Far Eastern Commission
Held in Main Conference Room, 2516 Massachusetts Avenue, N.W.
Thursday, July 29, 1948

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

CONFIDENTIAL

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Transcript of 117th Meeting of the Far Eastern Commission
Held in Main Conference Room, 2516 Massachusetts Avenue, N.W.
Thursday, July 29, 1948

Representatives Present

Major General Frank R. McCoy, Chairman	(United States)
Mr. H. W. Bullock	(Australia)
Mr. R. E. Collins	(Canada)
His Excellency Dr. V. K. Wellington Koo	(China)
Mr. J. Daridan	(France)
Mr. S. N. Banerji	(India)
Mr. O. Reuchlin	(Netherlands)
Mr. G. R. Powles	(New Zealand)
Mr. J. U. Jovellanos	(Philippines)
His Excellency Mr. A. S. Panyushkin	(U.S.S.R.)
Mr. H. A. Graves	(United Kingdom)

Secretary General

Mr. Nelson T. Johnson

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

(The 117th meeting of the Far Eastern Commission, 2516 Massachusetts Avenue, N.W., Washington, convened at 10:40 A.M., 29 July 1948, Major General Frank R. McCoy, Chairman.)

GEN. MCCOY: Gentlemen, good morning. We are all present this morning and we will proceed to our business for the day.

ITEM 1 - CORRECTION AND APPROVAL OF THE PROVISIONAL MINUTES OF THE 116th MEETING

GEN. MCCOY: The minutes of the previous meeting are open for your comment and correction.

MR. DARIDAN: Mr. Chairman, on page 3, the fourth paragraph, instead of "Rouen, France" it should be "Lyon, France".

GEN. MCCOY: Yes, that would be a great mistake.

DR. KOO: Mr. Chairman, on page 1, the last two lines should read: "The decision as to the individuals to be allowed to leave Japan under such a limitation would of course be left to the Supreme Commander after he had carefully screened them".

Then on page 2, the last paragraph but one, the last two lines should read: "...Japan would of course be left to the Supreme Commander within the limitations of whatever figure might be decided on by the Far Eastern Commission".

GEN. MCCOY: Are there any other comments, gentlemen? There seems to be none. The minutes will be made a matter of record in the usual procedure.

ITEM 2 - RESTITUTION OF LOOTED PROPERTY (FEC-011/49)

GEN. MCCOY: FEC-011/49 is a proposed policy decision on the restitution of looted property. It was approved by the Steering Committee at its meeting this week by an affirmative vote of 9 with 2 abstentions (the U.S.S.R. and the United States). It was the understanding of the Steering Committee that at a suitable time representatives would be invited to express their views on paragraph 10 of this proposal.

When I see anything on restitution, I at a glance feel personally very much interested and sympathetic with any policy paper on restitution. I hope that my colleagues will feel likewise in this case.

MR. GRAVES: Mr. Chairman, may I draw attention to a few minor typographical errors in the paper? On page 3, paragraph 10, the last sentence, I think it should read "that bilateral arrangements be drawn up...". There is a tautological "to" that has crept into several of the versions and is in here again. The word "to" should be struck out. And then on page 2 in paragraph 8, the ninth line from the bottom, the word "no" should be "not". The line reads "to SCAP up to but not exceeding..."

GEN. MCCOY: If there is no objection, the typographical and tautological errors called attention to will be ^{corrected} and will be subject to check.

In the consideration of the general paper, I refer to paragraph 10, if there is any more consideration that should be given that. This paper, of course, is a very complex one in many ways and has been receiving the earnest consideration of the Commission for a long time and apparently agreement has practically been reached on most of what might be called the old part of the paper. The United States representative on the Steering Committee, however, presented an amendment on the part of the United States

The original paragraph states that "No claims for the restitution of looted property should be lodged with the Supreme Commander for the Allied Powers after eight months from the issuance of a directive to the Supreme Commander for the Allied Powers...". The United States amendment proposed is to substitute "after November 17, 1948" in place of "after eight months from the issuance of the directive to SCAP". The object of the amendment was to ease the administrative and financial burden on SCAP by limiting the time for lodging claims for the restitution of looted property to eight months from the issuance of the United States interim directive dated March 17, 1948, and to which ten of the Far Eastern Commission states had agreed, instead of eight months from the issuance of a directive based on this pending policy paper.

Possibly for those representatives who were not present at the Steering Committee I might state for your information that the Chinese member opposed the United States amendment on the ground that China needed more time for lodging its restitution claims than the amendment would give. The Soviet member could not accept the United States amendment. The Indian member stated that logically the United States amendment was supportable but from a sense of justice to the looted countries it might be better to extend the terminal date possibly from November 17 to December 31. The Canadian member felt that he could accept any date agreeable to the other members of the Commission. The New Zealand member felt that he could accept any date acceptable to the looted countries. The Netherlands member suggested that the terminal date might be extended to December 31st as had already been suggested. The Australian member could accept the United States amendment if the other members of the Commission accepted it. The French member did not give any views on the subject, and the Philippine member had no objection to the United States amendment. The United Kingdom felt that the United States amendment seemed reasonable and he could

support it. Do I quote you correctly there, gentlemen, as having been on the Steering Committee? That rather gives the picture up to date and I'm prepared to make a motion to put the United States amendment before the Commission if there's no prior discussion on the general paper desired.

DR. KOO: Mr. Chairman, in regard to the period within which claims might be filed with SCAP for the restitution of property, the Commission will recall originally the Chinese delegation proposed a twelve-month period and it was in a spirit of compromise that it had accepted eight months to meet the opinion of a number of other members. The reason why my Government asks for a longer period is because of the fact that China was occupied by the enemy for a good number of years and a very large territory was under the military occupation of the enemy and a great deal of property had been looted. So in our case a longer time would afford a greater opportunity for us to benefit by this policy decision when adopted by the Commission. Because of that fact, which is somewhat perhaps particular and unique, that is to say, as regards the amount of known property looted and also the ^{extent} of enemy devastation, a longer period would meet really better with the views of my Government. Now, as I said, we had agreed to reduce it from twelve months to eight months; now if it is to be further reduced that would greatly restrict--reduce the opportunity for China to really avail itself fully of the policy decision for the restitution of property. So I would urge the Commission to consider that aspect of the special position in which China finds itself and to take a sympathetic view of the Chinese point of view.

GEN. MCCOY: Well, to clear the boards and get on with this important paper--I hope that we can get action today before we go on our little interlude in our regular meetings--I will, having in mind the statement of the Chinese Ambassador which applies to this particular amendment of the United States--I think the background

is familiar to all--make a motion in the same wording that this amendment was before the Steering Committee, that is, that this amendment will substitute "after November 17, 1948" in place of "after eight months from the issuance of the directive to SCAP", and I will read the proposed amendment itself, making the motion on behalf of the United States:

"No claims for the restitution of looted property should be lodged with the Supreme Commander for the Allied Powers after November 17, 1948; provided that after such terminal date, claims may, with the concurrence of the Supreme Commander for the Allied Powers, be lodged for property known to have been looted but not yet identified pursuant to the provisions of this paper; and provided also that adequate opportunity be given to representatives of looted countries both before and after such terminal date to inspect property known to have been looted but not yet identified."

Now that amendment is proposed by the United States to substitute "after November 17, 1948" in place of "after eight months from the issuance of a directive to the Supreme Commander for the Allied Powers giving effect to this policy decision", the object of the amendment being to ease the administrative and financial burden on SCAP by limiting the time for lodging claims for the restitution of looted property to eight months from the issuance of the United States interim directive on the restitution of looted property which was dated March 17, 1948. The Ambassador from China has given his reasons which have been before you also in the Steering Committee.

Are there any other remarks on this particular amendment now before the Commission for action?

MR. BULLOCK: Mr. Chairman, I could have accepted the United States amendment if there were no objection from the principally-looted countries. It is of course true that there is a great amount of logic in the United States amendment taking into account the fact

that an interim directive has already been issued, but since objections have been raised from one of the countries principally concerned I think, recognizing the great interest which the Chinese Government has in this question of restitution and the difficulties with which they are faced, my sympathies lie with the Chinese and I, therefore, would feel it necessary under the circumstances to vote against the United States amendment.

MR. GRAVES: Mr. Chairman, I shall vote for the amendment when it comes up but I don't want it to be regarded as acting contrary to the interests of China or any other looted country. It is merely from the point of view that certain facilities have been given to us; we recognize those facilities and we think it would be reasonable to support the amendment. But I would like to stress that there is no desire on our part to limit the time in which China particularly should have occasion to lodge their just claims.

MR. REUCHLIN: Mr. Chairman, when the United States proposal is put to the vote I will have to vote against. I think the Chinese Ambassador has made it very clear that it is reasonable, and extremely reasonable, to extend the period by some months actually. When we adopt this paper today, what would it mean? It would merely mean an extension of the period which now runs to the 17th of November with an extension of about four months only. I was under the impression it was eight months but actually it would be four months. I realize the administrative and financial burden which rests on the United States but I do feel that the demand of the Chinese representative is so reasonable that those four months really couldn't make very much difference. When in the Steering Committee I suggested the 31st of December, that was more made in my position as Chairman trying to reach a compromise than it was as a sort of Netherlands proposal. When the compromise failed I didn't press it, and I would, as I said in the beginning, strongly support the Chinese member's position and will vote against the United States amendment.

GEN. MCCOY: Are there any other comments on this amendment before calling for the ayes and nays?

MR. COLLINS: Mr. Chairman, my position is the same as on the Steering Committee. In view of our very small interest in this particular paper, we are willing to accept a majority decision as long as it is acceptable to the looted countries and I should consequently abstain on the vote.

MR. DARIDAN: Mr. Chairman, the French delegation is very sympathetic with the feeling expressed by the Chinese Ambassador and understands that the Chinese Government should be allowed some more time in order to complete their claims. On the other hand, we equally understand that SCAP is eager to wind up these matters as fast as possible. In view of the fact that so far as I know about all our claims pertaining to Japanese looting in Indo-China have already been lodged, I think I should be obliged to abstain from voting.

MR. JOVELLANOS: Mr. Chairman, my Government can accept either the eight-month period or the November 17, 1948 date and, therefore, if a vote is taken I shall abstain.

MR. POWLES: Mr. Chairman, I had been instructed to support whatever date was acceptable to the looted countries but as the looted countries are not of one mind in the matter I propose to abstain.

GEN. MCCOY: Are you ready for a vote, gentlemen, on this amendment? Will you call for the ayes and nays, Mr. Secretary General?

MR. BULLOCK: Against.

MR. COLLINS: Abstain.

DR. KOO: Against.

MR. DARIDAN: Abstain.

MR. BANERJI: Abstain.

MR. REUCHLIN: Against.

MR. POWLES: Abstain.

MR. JOVELLANOS: Abstain.

MR. PANYUSHKIN: Against.

MR. GRAVES: In favor.

GEN. MCCOY: In favor.

MR. JOHNSON: The tally, Mr. Chairman, is 2 in favor, 4 opposed, and 5 abstentions. The motion is lost because of no majority.

GEN. MCCOY: The original paper is now before you, gentlemen, and I will call for action. I would be very glad if there might be some other representative that would feel like making a motion on the original paper for a vote.

MR. GRAVES: Mr. Chairman, I move that the paper be adopted.

GEN. MCCOY: I second the motion although that is not necessary.

DR. KOO: Mr. Chairman, before you put the paper to a vote, may I make a brief statement.

The Chinese delegation is ready to vote for the paper. In accepting this paper, which was first brought up in the Steering Committee, without subparagraph 2 of paragraph 3 of the original Chinese proposed policy on the same subject, it was done with a great reluctance because my delegation attached great importance to that particular subparagraph relating to the salvage of ships in waters outside Japan. The acceptance by my delegation of the paper without that paragraph was done in a spirit of compromise and also in the hope that other delegations could also see the points of view of others. In the second place, I understand that the Steering Committee, at the last meeting, adopted a recommendation of its ad hoc subcommittee, among others on the subject of restitution of looted property, to the effect that subparagraph 2 of paragraph 3 of FEC-011/46 would be referred to Committee No. 1, which is the Committee on Reparations, for study with a view to the formulation of a separate policy on the subject contained therein, and that the unofficial subcommittee working paper con-

tained in Enclosure "B" of the document FEC-011/48 also would be referred to Committee No. 1 for information or if Committee No. 1 desires for consideration. Mr. Chairman, although this recommendation is now not before the Commission and it is not obligatory for members to supply the information as suggested by the working paper, I should like to express the hope that members would earnestly cooperate and a genuine effort be made to find a real solution for the question of ships sunk or damaged in non-Japanese waters.

GEN. MCCOY: I might add that the United States is agreeable to your suggestion and hopes very much that this reference to the working committee will find a more or less happy compromise on that important subject to you and to certain other countries involved.

This paper, although the United States would have liked to have had their amendment that has just been voted down in the paper, I might also add that the paper itself is acceptable to the United States in spite of that loss of the amendment.

Are you ready for a vote, gentlemen, on the basic paper, FEC-011/49? Will you please call for the ayes and nays, Mr. Secretary General?

MR. BULLOCK: For the paper, Mr. Chairman.

MR. COLLINS: In favor.

DR. KOO: In favor.

MR. DARIDAN: In favor.

MR. BANERJI: In favor.

MR. REUCHLIN: In favor.

MR. POWLES: In favor.

MR. JOVELLANOS: In favor.

MR. PANYUSHKIN: Abstain.

MR. GRAVES: In favor.

GEN. MCCOY: In favor.

MR. JOHNSON: Mr. Chairman, the vote is 10 for the paper and 1 abstention.

GEN. MCCOY: The Chairman declares the restitution paper adopted.

As the United States representative, I am requested by my Government to make a statement for the minutes.

"SCAP has advised the United States Government that, upon examination of stocks of gold and silver now in Japan and pertinent records, he has made a determination that certain gold and silver is of clearly-established Japanese ownership. He has placed this gold and silver, in accordance with the terms of FEC-032/26, paragraph 16 g, in a fund created as a means of acquiring foreign exchange to aid in financing Japanese production programs.

"The United States Government has reviewed and considers proper SCAP's finding and action in this matter. It is therefore the viewpoint of the United States Government that the provisions of FEC-011/49, which deal with the restitution of looted property found in Japan, will not affect in any way this gold and silver which SCAP has determined to be Japanese-owned, or any gold and silver which SCAP may in the future, in accordance with the terms of FEC-011/49, find to be Japanese-owned or the use of such gold and silver in connection with credits under the terms of FEC-032/26, paragraph 16 g."

DR. KOO: Mr. Chairman, I was very much interested in listening to the statement that you have just made for the record. Would it be possible for the United States delegation to supply some information to the Commission as to the precise amount of the gold and silver of which the ownership of the Japanese Government has been established and what proportion that gold and silver constitutes in relation to a total amount of the foreign exchange fund to which you referred?

GEN. MCCOY: I think that has been before the Commission in the discussion of the original paper, but I will verify and comply with your request as far as practicable.

ITEM 3 - INTERCHANGE OF PERSONS BETWEEN JAPAN AND OTHER COUNTRIES FOR CULTURAL PURPOSES (FEC-240/16)

GEN. MCCOY: This was approved and forwarded to the Commission by the Steering Committee on the 15th of June. The Soviet position is opposed, and the Australian, Chinese, and Philippine positions are reserved. Discussion at the last meeting centered on the Chinese suggestion that a limitation be placed on the number of individuals allowed to leave Japan.

May I ask if the positions stated are still of that same character or if there is any change of position on the part of those mentioned? I read that the Australian, Chinese, and Philippine positions were reserved and the Soviet position opposed. There seems to be no change this morning and possibly, in view of that fact that no action can be taken, we might leave it on the agenda and proceed to the rest of the agenda. Is there any objection? There seems to be none.

ITEM 4 - REPARATIONS REMOVALS: ACCESSORY FACILITIES, BUILDINGS, TECHNICAL DATA (FEC-299/5)

GEN. MCCOY: FEC-299/5 is a proposed policy decision approved by the Steering Committee by a vote of 7 to 3 with 1 abstention. The three not approving were Canada, the United Kingdom, and the United States; the one abstention was Australia.

There seems to be no action possible on that this morning.

ITEM 5 - LEVEL OF ECONOMIC LIFE IN JAPAN: POLICY TOWARDS JAPANESE INDUSTRY (FEC-242/32; -/33)

GEN. MCCOY: There is no change in this that I am aware of.

ITEM 6 - CIVIL AVIATION IN JAPAN (FEC-245/18; -/19)

GEN. MCCOY: Likewise. My Government has not yet given its position to its representative.

ITEM 7 - a STATEMENT BY THE UNITED STATES REPRESENTATIVE OF THE FAR EASTERN COMMISSION ON REPARATIONS SHARES (FEC-278)

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

GEN. MCCOY: Item 7 with its subparagraphs I would like to pass over for the moment. (See "Other Business" below.)

ITEM 8 - PORT AND SERVICE CHARGES ON FOREIGN VESSELS IN JAPAN (FEC-304/16; T-036, 304 series)

GEN. MCCOY: My position is like last week where we are waiting for the paper embodying the amendment from the Steering Committee.

ITEM 9 - APPLICATIONS OF PAKISTAN AND BURMA FOR ADMISSION TO THE FAR EASTERN COMMISSION (FEC-286/6; 286 series)

GEN. MCCOY: I will pass over this item, in view of its implications, to a special meeting that I would like to call after adjournment of the Commission meeting.

ITEM 10- OTHER BUSINESS

a. New Zealand Statement regarding Trials of Japanese War Criminals

MR. POWLES: Mr. Chairman, may I have your permission to make a statement on the question of the trials of Japanese war criminals?

"The New Zealand Government considers that a indefinite prolongation of the trials of the late Japanese war criminals may not serve any useful purpose and may on the contrary have the effect of producing a reaction in Japan adverse to the Allied cause. It is now merely three years since the surrender of Japan and the time has arrived to consider putting an end to such immediate consequences of defeat as the punishment of war criminals. The New Zealand Government, therefore, considers that it would be inadvisable to try any more Japanese for offenses known as Class "A" offenses, that is to say, offenses for the purpose of the trial of which the present international war crimes tribunal in Tokyo was constituted.

The unexpected length of the war trials now being held by that tribunal leaves one to conclude that any further trials of this nature might well last so long that there might be a grave danger of their becoming farcical or at least open to serious criticism. Consequently, the New Zealand Government believes that no further Class "A" trials should be held.

"The great majority of the minor war criminals have now been tried and punished. By minor war criminals is meant those persons who are liable to be charged with offenses under Class "B" and Class "C" of the war crimes policy decision. There may be isolated cases where important offenders in these classes have still to be found and brought to punishment. But on the whole the New Zealand Government believes that it is advisable to put a period on the trials of these offenses and to do so in such a way that every effort will be made to expedite present proceedings and investigations.

"It is the duty and the responsibility of all those governments associated with the prosecution of Japanese war criminals to make a decision on the question and the advantages of having a settled policy as to the termination of war crimes trials in connection with Japan are believed to be obvious. The New Zealand Government therefore feels that the time has come for the governments concerned to give careful consideration to this question and it accordingly submits this proposed policy paper as a basis for discussion of the subject in the Far Eastern Commission."

Now, Mr. Chairman, I have the proposed policy paper here with a sufficient number of copies, I think, for one for each representative, and perhaps I might suggest that the Secretariat would circulate it in due course during the recess and the Commission might refer the paper to the appropriate working committee, Committee No. 5.

GEN. MCCOY: You would like to have this referred to Committee No. 5?

MR. POWLES: Yes, sir.

GEN. MCCOY: With your statement?

(The New Zealand member indicated affirmation.)

GEN. MCCOY: If there is no objection, gentlemen, this statement and policy paper of the New Zealand representative will be referred to Committee No. 5 on War Criminals.

Is there any other business?

b. Chinese Remarks on Division of Reparations Shares

DR. KOO: Mr. Chairman, in connection with the subject of reparations shares, perhaps I should have asked your permission to make a statement when you brought up Item 7.

As the Commission knows, my Government attaches the greatest importance to an early settlement of the question of reparations shares. I know in the past extending over many months we all have tried to reach some kind of agreement and so far it has not been effected. But I would like to ask today whether our Chairman would be good enough to make a statement in the near future, perhaps at the next meeting of the Commission which I understand will be in the course of a month or so if this vacation schedule goes through without any special meeting being called, to give us, the Commission, some information as to whether any progress has been made. My Government understands that the difficulty of reaching agreement on this very important question has been due to the inability of one or two delegations to accept the shares proposed, shares which had been accepted by most other member governments. It would be of great interest to my Government, and I have been asked to make this request for a progress report, if the Chairman feels he would be good enough to do that in the near future, as I said, preferably at the next meeting which would be some weeks off.

GEN. MCCOY: Gentlemen, I will ask the representatives of member governments to remain in their seats after adjournment which I will now declare for the stated meeting.

(The meeting adjourned at 11:30 A.M.)

CONFIDENTIAL

FAR EASTERN COMMISSION

Transcript of 118th Meeting of the Far Eastern Commission

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

Thursday, September 9, 1948

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

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FAR EASTERN COMMISSION

Transcript of 118th Meeting of the Far Eastern Commission
Held in Main Conference Room, 2516 Massachusetts Avenue, N.W.
Thursday, September 9, 1948

Representatives Present

Major General Frank R. McCoy, Chairman	(United States)
His Excellency Mr. N. J. O. Makin	(Australia)
Mr. R. E. Collins	(Canada)
His Excellency Dr. V. K. Wellington Koo	(China)
Mr. J. Daridan	(France)
His Excellency Mr. Benegal Rama Rau	(India)
Dr. R. H. van Gulik	(Netherlands)
Mr. G. R. Powles	(New Zealand)
Mr. J. U. Jovellanos	(Philippines)
His Excellency Mr. A. S. Panyushkin	(U.S.S.R.)
Mr. H. A. Graves	(United Kingdom)

Secretary General

Mr. Nelson T. Johnson

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

(The 118th meeting of the Far Eastern Commission, 2516 Massachusetts Avenue, N.W., Washington, convened at 10:45 A.M., 9 September 1948, Major General Frank R. McCoy, Chairman.)

GEN. MCCOY: Good morning, gentlemen.

Before opening the session in our routine way, I would like to present to the Commission our new colleague, the Ambassador from India, and I have had the pleasure of greeting him myself and enjoying the beginning of what I hope will be a happy and long association with us. We are fortunate indeed that the Ambassador is already backgrounded from the Tokyo end and brings a point of view that will be very helpful in having sat in there as Chief of the Indian Mission in Tokyo.

Mr. Ambassador, I give you greeting and I know my colleagues will enjoy your association too. I hope that you will have time, which ambassadors so often don't, to sit in with our weekly sessions.

MR. RAMA RAU: Thank you, Mr. Chairman. It is a pleasure to be here.

GEN. MCCOY: The session is now open, gentlemen, and we will consider the minutes of the last meeting and ask for your comment and corrections.

I hope that you have had a refreshing experience this summer, which is rather rare for diplomats nowadays.

DR. KOO: Mr. Chairman, I have just one small revision to propose on page 2, the last paragraph, after the phrase "second subparagraph of paragraph 3" add these words: "of the original Chinese proposed policy paper". That is to make it clearer.

GEN. MCCOY: Are there any other corrections, gentlemen? There seem to be none. The correction that was requested by the Ambassador from China will be made. The minutes will be made a matter of the usual provisional record.

ITEM 2 - CHAIRMAN OF COMMITTEE NO. 5: WAR CRIMINALS (FEC-206/13)

GEN. MCCOY: The Steering Committee, at its meeting this week, approved the Secretary General's proposal that Mr. Yun-chu Yang, designated by the Chinese Ambassador to be the Chinese member of Committee No. 5, be elected chairman of that committee, vice Mr. Hsuan-tsui Liu. That is Committee No. 5 on War Criminals. If there is no objection, the recommendation of the Steering Committee will be approved by the Commission.

ITEM 3 - SECOND ANNUAL PUBLIC REPORT ON COMMISSION ACTIVITIES (FEC-316)

GEN. MCCOY: FEC-316 is a proposed second installment of the public report on the activities of the Far Eastern Commission (State Department Document 2888, September 1947) and covers developments from the 10th of July 1947 to the 1st of September 1948.

Last year, when the first public report was submitted to the Commission, the procedure was, as I remember it, discussed here in the Commission, and as a result of that the report was sent to the Steering Committee where they had a subcommittee consider the report and report back to that Steering Committee, and on its recommendation the report was published after considerable and pertinent consideration and corrections and changes made that brought it to the unanimous approval of the Commission. If there's no objection, I will follow that procedure in this case. It is so ordered, Mr. Secretary General.

ITEM 4 - TRAVEL OUTSIDE JAPAN OF JAPANESE COMMERCIAL REPRESENTATIVES (FEC-293/8)

GEN. MCCOY: This is a proposed policy decision approved on the 7th of September by the Steering Committee by an affirmative vote of 7. The Australian, Chinese, Philippine, and Soviet members abstained from voting and reserved their positions, the Soviet member expressly because of the Soviet amendments shown in

SC-293/7, which had not been accepted by the Steering Committee.

I have a statement on the subject of this paper from my Government in which my Government "points out that SCAP authorizes the travel of Japanese abroad only in order to further the attainment of the objectives of the occupation and that, as the information circulated periodically to the Commission fully discloses, SCAP limits the travel of such Japanese to stated periods and for prescribed purposes. Since such Japanese may not lawfully remain away from Japan for longer periods or for other purposes, I can state that SCAP, so far as it lies within his power, will not permit Japanese who have been permitted to travel abroad for such specified purposes and limited periods to remain abroad longer than necessary to accomplish the purpose for which they were permitted to leave Japan, without an extension by SCAP for the same or another authorized purpose." I think that covers the position of my Government on this paper in the sense that they have given due consideration to the queries and concern of other representatives in the working committee and the Steering Committee. This is before you for consideration now by the Commission and for any discussion that may be desired.

MR. MAKIN: Mr. Chairman, I would like to say, sir, that I would like to have an opportunity of being able to refer your own statement to my Government and to secure their instructions thereupon, as far as the attitude which we shall feel as proper for us to adopt in regard to this item, and under those circumstances, Mr. Chairman, I would be glad if it would be possible for me to have sufficient time to be able to do that.

GEN. MCCOY: Is that agreeable to the Commission? If so, it will be postponed to await instructions from governments.

ITEM 5 - INTERCHANGE OF PERSONS BETWEEN JAPAN AND OTHER COUNTRIES FOR CULTURAL PURPOSES (FEC-240/16)

GEN. MCCOY: Item 5 is a like paper having to do with the interchange of persons between Japan and other countries for cultural purposes. FEC-240/16 was approved and forwarded to the Commission by the Steering Committee on the 15th of June. The Soviet position is opposed and the Australian, Chinese, and Philippine positions are reserved. The last discussion on 22 July centered on a Chinese suggestion that a limitation be placed on the number of individuals allowed to leave Japan.

Possibly, in view of the like character of this paper and the fact that there is still a considerable number of reservations, it might be wise to postpone action or consideration of Item 5 until a future meeting. If there is no objection, we will pass to Item 6.

ITEM 6 - NORWEGIAN REQUEST FOR ACCESS TO TECHNICAL AND SCIENTIFIC INFORMATION IN JAPAN (FEC-315; FEC-280/9)

GEN. MCCOY: FEC-315 is a letter from the Charge d'affaires ad interim of the Norwegian Embassy received by the Secretary General and circulated for the consideration of the Commission. If the Commission approves, I suggest that this be referred to Committee No. 1 for due consideration. If there is no objection, that will be done.

- ITEM 7 - REPARATIONS REMOVALS: ACCESSORY FACILITIES, BUILDINGS, TECHNICAL DATA (FEC-299/5)
- ITEM 8 - LEVEL OF ECONOMIC LIFE IN JAPAN: POLICY TOWARDS JAPANESE INDUSTRY (FEC-242/32, FEC-242/33)
- ITEM 9 - CIVIL AVIATION IN JAPAN (FEC-245/18; FEC-245/19)
- ITEM 10- a STATEMENT BY THE UNITED STATES REPRESENTATIVE OF THE FAR EASTERN COMMISSION ON REPARATIONS SHARES (FEC-278)
- b REPORT OF COMMITTEE NO. 1 TO THE FAR EASTERN COMMISSION REGARDING DIVISION OF REPARATIONS SHARES (FEC-219/25, 219 series)

GEN. MCCOY: These important papers that we have had here before us for some time, Items 8, 8 and 10, are still before us for continued consideration which my Government is giving and not yet has furnished me with the opinion or position of the United States Government. So that I ask that these items be deferred for future consideration.

However, I feel that since the Commission is so vitally interested in these papers, I should give to you certain information that has come to me from my Government this morning in the way of information expressed in these words, that is:

"The United States Government is deeply appreciative of the interest of the members of the Commission in an early statement of its views in regard to the paper on Level of Economic Life in Japan. My Government has been giving the most intensive consideration to this paper. It feels that the subject of the paper is a matter of basic importance to the successful accomplishment of the objectives of the occupation in Japan and that it requires the most thorough consideration in the light of developments since the introduction of the original United States paper. My Government is not yet prepared to present its position on this paper nor to submit its views on the related paper on Policy toward Japanese Shipbuilding and Shipping or on the question of further removals under the Advance Transfer program, raised by several members

of this Commission.

"In view of the interest shared by all of the governments represented on the Far Eastern Commission in a settlement of these vital problems, the United States Government wishes to inform its colleagues on the Commission that it will endeavor to present its views on these matters as soon as possible. However, it may still be some time before it will be possible to submit its views."

Item 9, Civil Aviation in Japan, is in like situation for continued consideration, and I ask that it be continued for that purpose on the agenda.

ITEM 11 - PORT AND SERVICE CHARGES ON FOREIGN VESSELS IN JAPAN
(FEC-304/16; T-036, 304 series)

GEN. MCCOY: FEC-304/16 is a proposed policy decision approved by the Steering Committee on the 29th of June by a vote of 5 to 2. The United Kingdom and United States members opposed the paper and the Canadian, French, New Zealand, and Philippine members abstained. The substance of the proposal was also inserted as an amendment to the paper on Conduct of Trade (SC-273/13) which is still pending before the Steering Committee, and the United States representative requested postponement until the latter paper should be forwarded to the Commission.

That is the same case today although at the last meeting of the Steering Committee there was a step forward in the fact that the subcommittee that had been considering it reported to the Steering Committee and I anticipate that the inclusive paper now before the Steering Committee will be before the Commission very shortly.

DR. KOO: Mr. Chairman, in connection with this paper, I would like permission to make a few comments and submit the views of my Government if that would be in order.

This is a paper which has been on the agenda of the Commission for some time.

GEN. MCCOY: That is, this paper?

DR. KOO: The paper on Port and Service Charges, yes.

GEN. MCCOY: Yes.

DR. KOO: We understand that most members have agreed to the substance of this policy proposal or paper. The only question which stands in the way of its being considered for adoption is a separate policy, a procedural question as you have pointed out. There are some other members who think that since this policy has been incorporated in the paper on Conduct of Trade with Japan which will be taken up later by the Commission a separate policy on this

subject is not very necessary. But, Mr. Chairman, we feel that this fact need not preclude the Commission from adopting a separate policy on this question. So far as precedents are concerned in regard to procedure, the paper on Division of Reparations Shares, for example, is a case in point. The substance of that paper was a part of the Basic Post-Surrender Policy for Japan which was adopted later. In other words, the paper on Division of Reparations Shares was considered and adopted first without waiting for the consideration and adoption of the paper which was much more comprehensive on Basic Post-Surrender Policy for Japan.

In the first circular dealing with port and service charges on foreign vessels in Japan, Circular T-036, no distinction was drawn between vessels carrying reparations cargo and commercial cargo. Since the matter was brought to the attention of the Far Eastern Commission at its 99th meeting on March 25, 1948, a revised Circular No. 10 was issued on April 2 by SCAP, the circular shown in SC-304/15. This later circular provides that no charges are to be levied against ships handling reparations cargo and left out all mention about restitution cargo. In the absence of a Far Eastern Commission policy to meet the situation it means that the SCAP can continue to collect such charges on vessels engaged in the removals of restitution cargo, and we understand that such charges have been collected and are being collected on removals of restitution cargo. We feel that my country, for example, one of the looted countries, is thus subject to the obligation of paying port charges for restitution cargo.

In this connection it is to be pointed out also that there is a proposed policy on Replacement of Lost Cultural Objects now before Committee No. 1: Reparations. Although the total quantity of cultural objects subject to replacement may not be substantial-- it is difficult to say at this stage how substantial that will be--

we would like to make it clear that in our view the principle of exemption should also be applicable to vessels engaged in the removals of such cultural objects from Japan.

The main point I would like to bring up, Mr. Chairman, is that if possible this paper be taken up by the Commission without waiting for the paper on the Conduct of Trade to be brought up, because actually under the second directive issued by SCAP port and service charges are being collected on vessels carrying restitution and in our view restitution in a way has a better claim than reparations to be exempt from the payment of port and service charges for vessels carrying such goods. And without the Commission adopting a paper on this question, namely exemption of payment of port and service charges for vessels carrying such goods, SCAP will continue to collect port charges or service charges, and therefore we feel the sooner this paper is adopted the better it will be and the more promptly relief could be afforded to the looted countries who have been carrying restitution goods back to their countries from Japan.

I wonder if that suggestion could be considered and discussion and action be taken on this separate paper on port and service charges first without waiting for the other paper, namely on the Conduct of Trade with Japan?

GEN. MCCOY: Well I understand that the paper before the Steering Committee will probably receive action next week. Is that the case?

DR. BLAKESLEE: Well we are hopeful. It is before the Steering Committee for action next week.

GEN. MCCOY: The report of the subcommittee was at the last meeting, was it?

DR. BLAKESLEE: Yes.

GEN. MCCOY: It seems to me it would not delay the question.

I am not sure just yet what ought to be done about it and I would be very glad to discuss it with you in this sense: do you propose an amendment to this paper if it is considered at this time, this paper now before us?

DR. KOO: The paper on port and service charges?

GEN. MCCOY: Yes. Is it my understanding that you wish to amend it so that it will cover this point, or does this paper cover restitution cargoes?

DR. KOO: I understand it is covered and mentioned in this paper.

GEN. MCCOY: Mr. Powles, does the paper before the Steering Committee cover this point as does this, that is in the sense of not having any charges on restitution cargoes?

MR. POWLES: Well I really don't recollect the point very clearly, Mr. Chairman. I think it is covered in the Steering Committee paper in a more general way.

GEN. MCCOY: What is your remembrance, Mr. Graves?

MR. GRAVES: I haven't got the paper in front of me, Mr. Chairman, but I am looking at paragraph 5 of the cover page of the paper that we have before us and it says the Steering Committee agreed to incorporate the substance of the enclosed policy as an amendment to SC-273/13. So the Steering Committee has been under an obligation to consider this very point in the Steering Committee and it might be a disturbance of the mechanics of the operation if we now consider the paper that may have already gone through the process of investigation in the Steering Committee, and I was rather hoping that we could continue to await the marriage of these papers before dealing with this problem again. I think it might upset what has already been done in the Steering Committee, and the subcommittee did work very hard during the recess to get this before us at the earliest possible moment. I should very

much favor waiting one week, if the Commission would agree, so that we could see exactly what the Steering Committee has been able to do on this.

GEN. MCCOY: Is your representative on the Steering Committee here with you, Dr. Koo?

DR. KOO: Yes.

GEN. MCCOY: Possibly Dr. Tan can remember if this point is covered in the coming paper satisfactorily to China.

DR. TAN: Mr. Chairman, the point is covered but I think there is plenty of work to be done on the other paper, Conduct of Trade with Japan, yet, so my chief idea is that on account of the reasons which have been presented it is perhaps advisable to have this paper passed. The point is covered there in so far as restitution cargo is concerned, Mr. Chairman.

MR. POWLES: Mr. Chairman, the disputes in the Steering Committee on the paper relating to conduct of trade, particularly those which have been dealt with by the special ad hoc subcommittee that was set up, have not concerned this particular point relating to port charges at all. My impression is that that particular paragraph is almost accepted in the paper, and it would seem rather a pity that if the situation—I have no doubt it is—is as outlined by the Chinese Ambassador that aspect of the thing, which might possibly be accepted, should be held up because of disputes over other points in what is really a very comprehensive paper. I would like to suggest that possibly we might send this paper on port and service charges back to the Steering Committee for consideration at the Steering Committee's next meeting and if the Steering Committee then thinks fit, in view of this paper and the other one, it could then send it back to the Commission to be dealt with at our next meeting. It wouldn't involve any delay and it might perhaps solve some of the procedural problems which arise because of the fact that we have a paper in two different committees.

GEN. MCCOY: Would that be agreeable to you, Dr. Koo?

DR. KOO: Well, Mr. Chairman, that was just the point. In so far as the question of port and service charges on foreign vessels in Japan is concerned, all members, I understand, have agreed to the substance of the policy, a policy which contemplates exemption of restitution removals from the payment of these charges, and that is the policy proposed. Now, of course it is also included in the paper on Conduct of Trade with Japan, but we are afraid that that paper on the Conduct of Trade with Japan is so comprehensive--includes so many important aspects--that discussion of that paper and final action would take a good deal of time--would require a great deal of time and careful discussion--and it would be not only a pity but at the same time we feel not quite justifiable to my country, for example, which has been removing restitution goods from Japan, to continue to pay these charges although the principle of exemption has practically been agreed to by all members merely because it is incorporated as part of a much larger paper which would require a great deal more time to consider and act. Therefore, our view is that this question of port and service charges should be taken up separately as a separate paper by the Commission and acted on so that a decision can be arrived at and thereby, if it is favorable, which we have reason to believe it will be because all members have agreed to the substance, afford relief immediately to those countries which have been paying port and service charges in accordance with the second circular of SCAP.

GEN. MCCOY: What was the action of SCAP on this matter? Did your Mission object to the payment or ask to have it--

DR. KOO: No. Under the second circular only the reparations goods, I think, are expressly exempted from the payment of port and service charges. Because of that specific mention all other

removals are subject to the payment of these charges and these charges have been paid and are being paid still.

GEN. MCCOY: Under protest or just without any objection?

DR. KOO: Well our point of view has been brought to the attention of SCAP. Of course, SCAP in this case has no power to act unless there is a policy decision by the Far Eastern Commission. That is the reason why we are anxious that the Commission should take action on this question of policy.

GEN. MCCOY: I am informed that I can state on behalf of the United States Government that they are completely in sympathy with your statement and wishes in the matter and that, pending the procedure that we're now contemplating here, they will be glad to forward that statement to SCAP with your own statement, that is that they will forward your statement to SCAP with the statement that the United States Government is entirely in sympathy with it and that it will be included, it is hoped, in a policy paper soon to be sent him.

DR. KOO: I appreciate that, Mr. Chairman, but as I have just said I wonder whether that would have the effect of persuading SCAP to waive the payment of port and service charges on restitution goods pending action by the Commission?

GEN. MCCOY: Well we might pose that consideration to him.

DR. KOO: Well, if that is the object of this statement we will be prepared to wait for the outcome of that action.

GEN. MCCOY: That will be done by the State Department in forwarding your statement, so that I think that the interim will be covered satisfactorily in that way.

DR. KOO: I might add, Mr. Chairman, according to the wording of this circular, under paragraph 3 e, it says: "Commercial cargo is all cargo other than occupation and reparations cargo", so I suppose that a communication from the United States Government to

SCAP might make it desirable for SCAP to revise this particular sentence which would meet the Chinese point.

GEN. MCCOY: Well suppose you prepare your statement and we will try to get together on that subject informally, if there is no objection, so that the State Department can forward your statement with its approval and concurrence.

DR. KOO: A sort of proposed revision of this circular?

GEN. MCCOY: Well—your statement here before the Commission, because it's now before the Commission, and I'm simply suggesting an informal arrangement, subject to the approval of the Commission, on those lines.

Would there be any other country involved in that same thing?

DR. VAN GULIK: Mr. Chairman, also our delegation has a very keen interest in this matter and we feel in full agreement with the statement of the Chinese Ambassador here. We would also like very much to have this matter speedily regulated so that it will also facilitate measures to be taken by the various SCAP authorities concerned in this to know exactly what to do.

GEN. MCCOY: Well, if there is no objection on the part of the Commission, I, as Chairman, will consult with the Chinese and the other countries that may be interested in sending the discussion here to SCAP with the opinion or concurrence that I hope we can have from the United States Government as stated by me previously. And then we will go on with an endeavor to get before us as quickly as possible the trade paper now before the Steering Committee and which it is hoped can be voted on by the Steering Committee next week.

DR. KOO: Thank you, Mr. Chairman.

ITEM 12 - OTHER BUSINESS

GEN. MCCOY: Is there anything under Other Business, gentlemen, on your part?

DR. KOO: Mr. Chairman, there is one matter I regret to feel obliged to bring up again. I do so with a great deal of reluctance.

The Commission will recall that we had a good deal of discussion on the question of a leakage regarding the discussions in the Commission on the question of replacement of cultural objects, and I had hoped that the conciliatory attitude of a compromise formula which was offered by the Chairman would meet the situation. Unfortunately, since the issuance of that statement, which I understand did not appear at all in any of the American papers--a somewhat garbled version did appear in the Japanese papers--since that time the "Newsweek" has published an even more comprehensive article on the same subject entitled "Titters in Tokyo and FEC Tempest over Art, Leaks, and Looting". It's in the issue of August 16th. This was about half a month--fortnight after the issuance of your statement, Mr. Chairman. I am not going to read this article--I will send it to the Secretariat.

GEN. MCCOY: Yes. I can state that we have already been considering that for about three weeks. I have a considerable lack of information about it but do have the leakage, which is perfectly plain, and I will be glad to discuss with you.

DR. KOO: Well, Mr. Chairman, the contents of the article seem to indicate there has been a leakage somewhere and the leakage is rather of a serious character because the context shows that whoever wrote it seemed to have had either access to the papers or in close contact with someone in some quarters who are closely identified and closely associated with the work of the Commission. It stated the position of a number of delegations but emphasized particularly the viewpoint of those who are opposed to the paper

proposed by the Chinese delegation and practically ignoring the viewpoints of those who are in support of this paper, and that gives the impression, you see, which I had occasion to deplore very much in my previous interventions on this subject, that it is not only unfair to represent only a one-sided view of the question but it also conveys the impression, which is in no way justifiable, that the countries who are supporting this paper for replacement are embarked upon or of the intention of looting Japan, and this article seems to again emphasize that aspect of it.

Mr. Chairman, I do not know what concrete steps the Commission could take but the continued publication of such articles bearing upon confidential discussions in the Commission and at the same time misrepresenting the viewpoints of certain delegations which are vitally interested in this question is really most unfortunate, and I submit, Mr. Chairman, that the Commission should consider this question seriously and see whether some more effective action could not be taken to prevent a recurrence of this character in the future, a step which really is essential if we are to continue to discuss and take part with a full sense of freedom and liberty of expression which is so desirable for us in any discussion to arrive at agreement and a solution of any question.

DR. VAN GULIK: Mr. Chairman, I would like to state that the Netherlands delegation is in full agreement with the statement made by the Chinese Ambassador just now. As regards the article itself it is one of those articles about which one might say, "Less said; best mended". It is entirely distorted and gives a distorted view of the discussions here and of the positions of the governments concerned. It is written in a purposely nasty vein. ~~It is~~ Its nastiness is directed against our delegation and against me personally. Our past experience has shown that it is practically impossible to prevent such leaks. Now if it is not possible to

prevent such a leak it would be still more complicated to prevent a leak of this, which is a leak of a leak, and I am afraid that in the future we will have a leak of a leak of a leak, and so forth. As you have kindly said, Mr. Chairman, in the meantime you have made some investigations with regard to this particular article. So the only thing the Netherlands delegation wishes to state at this stage is that we would like to be placed on record here that since this unfortunate situation exists we can never be sure when we make a confidential statement here that some part of it will not appear in the press in some distorted form at some time or ~~not~~ other. We would like to be placed on record, Mr. Chairman, that we feel this situation considerably hampers our discussions here, and it might be possible that at some time in the future when some question is discussed here we will have to state at a certain moment that we cannot express our Government's opinion fully because we feel that by doing so we would risk being quoted in the press and being misquoted in the press which might embarrass our Government, and since it is our duty as representing our governments abroad to avoid by all means embarrassment to our Government it is not impossible that at some time in the future we might be placed in such a very unfortunate situation.

As to practical measures to be taken with regard to this particular article, Mr. Chairman, we are very grateful to you that you would--as you have just said, you have already made some investigations and we sincerely hope that they will produce results which may enable yourself, as Chairman of the Commission, to prevent such leaks in the future. This is our sincere hope, Mr. Chairman.

GEN. MCCOY: Well it is mine too. I must say it is a cause of great embarrassment to the Chairman and the American members and the Secretariat. We are continuing our effort to stop this leak which is a perfectly plain one in the sense that the article has been built up not on one leak but on, as you say, a number, and

all taken apparently from our own minutes. That is the unfortunate part because the minutes are all marked confidential. They are all distributed to supposedly responsible authorities and yet here is a case where this particular writer has had access evidently several times to the minutes of this Commission. I am very much concerned about it and I'm glad to have your expressions of concern also, which I fully sympathize with. For the moment I am not able to give you any more information other than it is a leak from our minutes. I have had them followed through. I don't know--we can't very well stop the minutes going to the sources they do. They are distributed, of course, to the members of the Commission, and I'm sure that no member of the Commission has been careless about them. But in looking over the distribution list I find they go to a great many different sources in my own Government and in Japan as well as to all the governments here concerned. I'm informed, and I have checked up on this, that on the cover sheet^{and}/on each succeeding page of the minutes in the upper lefthand corner there appears the notation "FEC-Confidential"; also on the cover sheet at the bottom of the page there appears the following:

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

The U.S.A. member of the Far Eastern Commission is bound equally with the other participating member governments to observe the restricted nature of the documents thus marked for the Commission's use. So that I'm not giving up hope but what I can stop this leak, and I am in the process of trying to do that. But that's the general picture in the sense of the responsibility of the Chairman and the Secretariat here. I am quite convinced that there is no leakage here or on the part of the representatives of the governments sitting with me, but where I can put the finger or how I'm still unable to

be informative. I will check up on the responsibility that we have and on the routine distribution to see if there is any way that we can safeguard ourselves in the future. It is a very unhappy situation in that sense. I had been rather happy over the fact that in the three years we have had so few--but in this case it comes home to roost in a sense because of the perfectly evident fact that this man has evidently seen at least three or four of our confidential minutes. Now, where and how they got to them I don't know as yet.

DR. VAN GULIK: Mr. Chairman, it might facilitate your investigation if you would agree with me that a study of these various leaks and articles would tend to show that they emanate from one and the same source.

GEN. MCCOY: Well I think that is evident already.

DR. VAN GULIK: So if that one leak is stopped that would be a considerable advantage. From a study of these articles one gets the impression it is a case of misguided zeal, that is, somebody who wishes at all costs to defend the United States policy, which is a very laudable tendency. But of course it could never be the intention of the United States to boost its own policies at the expense of the Allied nations, and this is, as I say, the writer of this article is a man with misguided zeal--he is overreaching himself in his zeal and he forgets that he acts contrary to the interests of the United States, which lie so near his heart, by trying to put in an unfavorable light the United States' allies and especially the members of this Commission who, under your wise guidance, are working together in such an agreeable way.

GEN. MCCOY: This is one of the trying things, of course, of official life. I'm the victim of it myself personally--not in this particular paper--but they get started on a line of criticism or suspicion. And I believe the newspapers speak of the "morgue" that they have in each one of these papers, and Dr. Koo will

probably remember when he and I were a good deal younger and more ubiquitous in our lives, that we were the victims of such type of articles when we were on the Litten Commission together and in consequence--of course, Dr. Koo is an old internationalist and knows, and no doubt he has been attacked many, many times, but I as an obscure army officer in my routine life was rather surprised that I should be accused of so many things--and in this process of a morgue this particular paper that started with an attack on me in Manchuria in 1932 has now built up a terrible morgue against me, so that whenever I appear in the public print they dig out this background of sinister performance and for a number of years every time the ~~pit~~ particular paper, which is a corresponding one to this time-- I don't think there is any villain that has ever appeared in time that is quite such a consistent one as I have been from their morgue, starting with this attack on me in Manchuria in 1932 and continuing since. Well it was very hard on my sensible nature at first--but I have just put it in my pipe and smoked it all these years and have never made any comeback or explanation or endeavor to have them change their attitude. I wouldn't recommend that to this Commission, but I give it just as a personal experience in dealing or in not dealing or in being the victim of the American press.

MR. DARIDAN: Mr. Chairman, the French delegation is very much concerned, of course, with the criticism of the press of the Chinese Ambassador and the Netherlands colleague, but of course we are all conversant and familiar with the difficulties met when an international organization tries to keep secret. Up to now we have found it easier to have papers distributed to a great many people. Of course it details the work but it also holds it up to leakage too. Maybe the Commission would like to have in mind the possibility of whether our papers should from now on be distributed in the same number or whether the distribution should be restricted. That is just a suggestion, Mr. Chairman.

GEN. MCCOY: Well I think it is a good suggestion for us to consider.

DR. KOO: Mr. Chairman, can we have some information from the Secretary General how extensively--widely--the restricted papers of the Commission are distributed? For example, approximately how many copies are sent out so that we could consider whether or not it would be feasible and possible, say, to reduce the number of distribution.

GEN. MCCOY: Yes. Well, I will have the Secretary General analyze and check up on the statistics and make a report to you at a later time his results of our work and consider the point that you and the French representative raised.

MR. PANYUSHKIN (through interpreter): Mr. Chairman, I would like to draw the attention of the members of the Far Eastern Commission to the fact that this leakage of confidential information of the Commission to the American press is not the first instance. I also should stress that the members of this Commission have been very patient while hearing the statements of the Chairman that the leakage would be stopped. During the last several months there have been three instances of this kind. I have in mind the first case when the position of the Soviet delegation concerning the armament of police was wrongly presented in the press as well as the position of the Soviet Government concerning the admittance of Pakistan as a member of the Far Eastern Commission. The second case I have in mind is the statement that was made by the Netherlands representative and the third case just today. It is characteristic to note that the leakage of this confidential information has in its purpose the misinformation of public opinion and it is also characteristic that these confidential materials are published in the American press and have as their purpose the misinformation of public opinion. I feel that the statement of the Chairman that this information is not given by the members of this Commission is

not justified and is not correct. I believe that the Chairman could not even think of the fact that some of the representatives could have given the information. I think that it would be absolutely incorrect that the Chairman should try to give the situation as his personal affair. It is impossible to abuse the patience of the members of the Commission. The Far Eastern Commission is an international organization and to consider the leakage of this information as your personal affair would be absolutely incorrect and not only incorrect but also bad for the Commission. The matter, of course, is not the fact of what quantity is being printed, Mr. Chairman. I would like to ask how long the Chairman shall be so patient and not pay attention to such bad facts. I think that the investigations should be carried out or the Chairman should give us concrete information why the leakages occur. There were given some ideas that it is impossible to give confidential information of these meetings and in particular this was said by the Netherlands representative. I think that this statement has certain ground, since we are not sure that at some future date the representatives with their papers would be scolded. The matters begin with a small affair, but if measures are not taken larger matters could arise. Therefore I ask the Chairman to investigate all the cases of the leakage of confidential information/^{which} have been used to misinform public opinion. That is all.

GEN. MCCOY: Well I hope the members of the Commission will continue to be concerned about this, and I will consider the statement. I am glad to have the statement of the Soviet Ambassador and I would be glad to have the Commission continue to concern itself with this important phase of our proceedings. I am not for the moment able to suggest myself anything more than I have outlined in the sense that I am trying my best to follow through and be able to give you some definite information when I get it. So far

I have not been able to inform you more than that as stated--the leakage is definitely one from our own minutes, but how, when and where it occurred I am still unable to state.

MR. PANYUSHKIN: Mr. Chairman, it is quite natural that without investigation it is impossible to state from where the leakage occurred. Therefore we ask you to investigate this matter and to report to the Commission.

GEN. MCCOY: I will do that. Is there any other suggestion from any other member?

There seems to be nothing further this morning. We will now stand adjourned.

(The meeting adjourned at 12:00 N.)

CONFIDENTIAL

FAR EASTERN COMMISSION

Transcript of 119th Meeting of the Far Eastern Commission

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

Thursday, September 16, 1948

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

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Transcript of 119th Meeting of the Far Eastern Commission
Held in Main Conference Room, 2516 Massachusetts Avenue, N.W.
Thursday, September 16, 1948

Representatives Present

Major General Frank R. McCoy, Chairman	(United States)
His Excellency Mr. N. J. O. Makin	(Australia)
Mr. R. E. Collins	(Canada)
His Excellency Dr. V. K. Wellington Koo	(China)
Mr. J. Daridan	(France)
Mr. S. N. Banerji	(India)
Mr. O. Reuchlin	(Netherlands)
Mr. G. R. Powles	(New Zealand)
Mr. J. U. Jovellanos	(Philippines)
His Excellency Mr. A. S. Panyushkin	(U.S.S.R.)
Mr. H. A. Graves	(United Kingdom)

Secretary General

Mr. Nelson T. Johnson

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

(The 119th meeting of the Far Eastern Commission, 2516 Massachusetts Avenue, N.W., Washington, convened at 10:40 A.M., 16 September 1948, Major General Frank R. McCoy, Chairman.)

GEN. MCCOY: Good morning, gentlemen.

Before proceeding with the day's business, I would like to present a distinguished visitor who is to be Chief of the Netherlands Mission in Tokyo. I was hoping the Ambassador from your country (to Indian member) would be here too, who has also been chief of the Mission of India in Tokyo. I have asked Mr. Mow to sit in with us this morning. He's here enroute to Tokyo.

It's a pleasure to have you sit in with us.

ITEM 1 - CORRECTION AND APPROVAL OF THE PROVISIONAL MINUTES OF THE 118th MEETING

GEN. MCCOY: The minutes of the previous meeting, gentlemen, are before you for correction or suggestion.

The Secretary General will read certain corrections desired by the Soviet Ambassador.

MR. JOHNSON: On page 7, in line 6 of the second paragraph on that page attributed to Mr. Panyushkin, and at the end of the sentence after the word "press" insert the following words: "without the consent of the representatives". That would then read: "They could not be sure that their papers and statements would not become known to the press without the consent of the representatives".

In the third paragraph on that page attributed to Mr. Panyushkin, in the second line erase the words "this matter" and insert "the cases of illegal use of confidential Far Eastern Commission papers", and then between the word "results" and the word "to" insert "of the investigation". The whole paragraph will then read:

"Mr. Panyushkin once again requested the Chairman of the Far Eastern Commission to investigate the cases of illegal use

of confidential Far Eastern Commission papers and to report the results of the investigation to the members of the Commission."

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

DR. KOO: Mr. Chairman, I have a slight addition to propose on page 4 to the second paragraph. It says "but that the Supreme Commander." After the word "but" it should read: "but that he had been given to understand that the Supreme Commander had no power..."

GEN. MCCOY: Are there any other corrections? If there are no objections, these corrections will be made and checked by the respective representatives before being made a matter of record.

ITEM 2 - CHAIRMAN AND DEPUTY CHAIRMAN OF COMMITTEE NO. 1: REPARATIONS
(FEC-206/15)

GEN. MCCOY: Committee No. 1: Reparations, recommends that Mr. H. W. Bullock of Australia and Mr. G. J. Jobsis of Holland be elected Chairman and Deputy Chairman respectively, vice Messrs. Plimsoll and van Gulik, whom they succeed as Australian and Netherlands members of Committee No. 1. The Deputy Chairman of the Steering Committee approved the forwarding of this paper directly to the Commission.

If there is no objection on the part of members of the Commission, these recommendations will be concurred in by the Commission.

ITEM 3 - TRAVEL OUTSIDE JAPAN OF JAPANESE COMMERCIAL REPRESENTATIVES
(FEC-293/8, -/9)

GEN. MCCOY: FEC-293/8 is a proposed policy decision approved on the 7th of September by the Steering Committee by an affirmative vote of 7. The Australian, Chinese, Philippine, and Soviet members abstained from voting and reserved their positions. The Soviet member expressly abstained because the Soviet amendments shown in SC-293/7 had not been accepted by the Steering Committee. FEC-293/9

is a statement submitted by the United States representative on the 9th of September. Further consideration was postponed at the request of the Australian representative, to afford time to obtain his Government's instructions.

Is the Ambassador ready to reply on that?

MR. WAKIN: I am afraid not, Mr. Chairman. I have not as yet received advice from my Government upon the matter, and I would be very grateful if that matter could be further set aside for consideration at a later meeting.

GEN. MCCOY: If there is no objection, this will be continued on the agenda.

ITEM 4 - INTERCHANGE OF PERSONS BETWEEN JAPAN AND OTHER COUNTRIES FOR CULTURAL PURPOSES (FEC-240/16)

GEN. MCCOY: FEC-240/16 was approved and forwarded to the Commission by the Steering Committee on 15 June. The Soviet position is opposed and the Australian, Chinese, and Philippine positions are reserved. The last discussion, on 22 July, centered on a Chinese suggestion that a limitation be placed on the number of people allowed to leave Japan.

Is there any discussion desired on this paper this morning in view of the reservations of the Australian, Chinese, and Philippine representatives or on the part of the Soviet representative?

(No response).

GEN. MCCOY: There seem to be no reasons for further discussion this morning, and I ask that the paper be continued on the agenda.

ITEM 5 - BASIC POST-SURRENDER POLICY FOR JAPAN (FEC-014/9) AND
PRINCIPLES FOR JAPANESE TRADE UNIONS (FEC-045/5): ORAL
STATEMENT BY SOVIET REPRESENTATIVE

GEN. MCCOY: Mr. Ambassador, are you ready to make a statement?

MR. PANYUSHKIN (through interpreter): Mr. Chairman, the statement will be made in Russian and simultaneously the English translation will be distributed among the members. The English text of this statement is an unofficial translation. I think that with the help of the Secretariat of the Far Eastern Commission it will be possible to check this translation.

GEN. MCCOY: Yes. If you will pause a moment I will have these passed about.

(Unofficial copies of the following statement were distributed to representatives.)

MR. PANYUSHKIN: "On July 22, 1948, the Supreme Commander of the occupation troops in Japan, General MacArthur, without consultation with the Allied Council for Japan, sent to Prime Minister Ashida a letter which contained a demand that a full revision of the National Public Service Law, adopted by the session of the Japanese Diet on October 16, 1947, be undertaken immediately. In compliance with this letter the Japanese Government issued on July 31, 1948, a special order which acquired the force of law and was immediately put into effect. By this order the workers and employees of government enterprises and institutions were forbidden to bargain collectively and to resort to strikes. Simultaneously all previously concluded agreements were declared null and void.

"Immediately after the enforcement of this order the Japanese Government and the agencies of local authority launched a broad campaign of repressive measures against the workers and employees of government enterprises and institutions. Mass dismissals from work and numerous arrests of striking workers,

employees and leaders of trade unions were carried out. Thus, for example, according to the data of the Japanese Government published in the press, as of September 1, there were issued 915 orders for the arrest of workers and 400 persons were arrested.

"The said actions of the Supreme Commander and the Japanese Government were in violation of paragraph 10 of the Potsdam Declaration of July 26, 1945, as well as in violation of the policy decisions of the Far Eastern Commission FEC-045/5 'Principles for Japanese Trade Unions' of December 9, 1946, and FEC-014/9 'Basic Post-Surrender Policy for Japan' of June 20, 1947.

In view of this the Soviet representative on the Allied Council sent to the Supreme Commander on August 11 a letter in which he insisted that the directive of July 22, issued by SCAP to the Japanese Government, be revoked. However, no measures for the remedy of the situation followed on the part of the Supreme Commander. On August 27 the Soviet representative on the Allied Council requested the convocation of a special meeting of the Allied Council, which took place on August 28. At that meeting Major-General Kislenko submitted a recommendation to the Supreme Commander that the directive of July 22 issued by him to the Japanese Government as well as the order of the Japanese Government of July 31, be revoked and that the repressions against the workers and employees of the government enterprises and institutions be discontinued.

"Chairman of the Allied Council Mr. Sebald, who, as is known, expresses the opinion of the Supreme Commander, permitted himself at that meeting to make a distorted interpretation of the Far Eastern Commission decisions mentioned above. He asserted that the Far Eastern Commission decision FEC-045/5 concerning 'Principles for Japanese Trade Unions' allegedly

did not apply to the workers and employees of government enterprises and institutions and that therefore the prohibition of strikes and of the conclusion of collective agreements by workers and employees of government enterprises and institutions did not, allegedly, contradict Far Eastern Commission policy.

"In paragraph 10 of the Potsdam Declaration of July 26, 1945, it is said that '.....the Japanese Government shall remove all obstacles to the revival and strengthening of democratic tendencies among the Japanese people. Freedom of speech and religion and of thought, as well as respect for the fundamental human rights, shall be established'.

"In paragraph 2g, Part 1, of the Far Eastern Commission policy decision FEC-014/9 'Basic Post-Surrender Policy for Japan' it is said that the Japanese people 'shall be encouraged to form democratic and representative organizations'.

"Finally, in the Far Eastern Commission decision FEC-045/5 'Principles for Japanese Trade Unions' it is specifically provided that 'Japanese workers should be encouraged to form themselves into trade unions for the purpose of preserving and improving conditions of work, participating in industrial negotiations to this end, and otherwise assisting the legitimate trade union interests of workers, including organized participation in building up peaceful and democratic Japan' (paragraph 1); that 'trade unions should be encouraged to negotiate with the employers on behalf of their members regarding terms and conditions of employment' (paragraph 4); that 'no police or other government agencies should be employed in spying on workers, breaking strikes, or suppressing legitimate union activities' (paragraph 13).

"It is clear from the abovesaid that no exceptions in regard to the workers and employees of government enterprises

and institutions were made in the decisions mentioned above, and that the interpretation attached to these decisions by the Chairman of the Allied Council has no foundation whatsoever. The Soviet Delegation considers that the Far Eastern Commission cannot bypass such a gross violation by the Supreme Commander of the above-mentioned decisions.

"Based upon Article A-2, Part II, of the Terms of Reference of the Far Eastern Commission which provides for the Commission the right 'to review....any action taken by the Supreme Commander involving policy decisions within the jurisdiction of the Commission', the Soviet Delegation submits a proposal to adopt a policy decision of the following substance:

'1. In accordance with Article III-2 of the Terms of Reference of the Far Eastern Commission, the Supreme Commander should be requested to revoke his directive of July 22 and the ordinance of the Japanese Government of July 31 concerning the prohibition of strikes and collective bargaining for the workers and employees of government enterprises and institutions, as being contrary to the decisions of the Far Eastern Commission FEC-014/9 and FEC-045/5 and as violating the principles for democratization of Japan.

'2. Repressive measures against the workers and employees of government enterprises and institutions should be discontinued'."

That is all, Mr. Chairman. Thank you.

GEN. MCCOY: This matter, as you will note from both the statement of the Soviet Ambassador and also from recently-distributed paper from the Secretary of the Army, covers from respective points of view the case at issue. The statement of the Soviet representative is before you for your consideration and will be brought to the

attention of my Government for its consideration.

I would like to follow the statement of the Ambassador by reading the statement of the Secretary of the Army on this same subject in which the Secretary asserts that:

"General MacArthur's labor letter is not in conflict with Allied policy."

He states that:

"The Japanese Government was recently faced with widespread strike threats in Japan by government employees in the transportation and communication fields involving the possibility of a general strike against the government."

That is not only a strike against the Japanese Government but also involving a strike against the occupation of Japan by the Allied powers.

"General MacArthur dispatched a letter to the Japanese Premier on July 22, 1948, concerning the role and responsibility of public servants in a democracy. The recommendations made in General MacArthur's letter as we understand them do not in any way traverse or conflict with any labor or other policy adopted by the Far Eastern Commission or with any directive of the Government of the United States.

"The Japanese Government, following receipt of General MacArthur's letter, adopted an interim ordinance and is planning at the next session of the National Diet to introduce legislation relating to the rights of workers both in direct government employment and in employment in Japanese Government enterprises. The Department of the Army and other interested government agencies are currently reviewing the interim ordinance from the point of view of Allied policy and along with General MacArthur, the Supreme Commander, will closely scrutinize the proposed Japanese legislation to ensure that such legislation as may be adopted by the Japanese Diet

does not impair the basic objectives of occupation policy for the emergence of a democratic, stable and peace-loving Japanese nation and the development and operation of democratic trade unions."

That's the statement of the Secretary of the Army on this same subject.

Is there any discussion this morning on this general subject?

MR. MAKIN: Mr. Chairman, my Government has watched with considerable interest developments in Japan concerning labor relations in the Japanese public service and that interest is a continuing one. Our representative at the Allied Council has offered certain comments in that body as a desire to be constructive and to make available the experience in these matters which has developed in the British Commonwealth countries. I don't wish this morning to add anything further or to make any specific comments on the remarks of the Soviet member.

GEN. MCCOY: I call your attention to the fact that is emphasized by the Australian Ambassador, that this is a continuing and important subject both for us and for the Allied Council in Tokyo. There's nothing definite been done so far. It's under consideration both by the Governments here and also by the responsible commander in Japan and is a subject before the Japanese Diet for their action. So that there's apt to be differences of opinion all along the line and I hope that we can consider this will full understanding of the difficulties of the problem. We're constantly faced with them in every country and certainly in Japan it is of great importance at this time.

But, beside the legal problems involved both out there and here, there is a responsibility of the military commander in Japan that General MacArthur has wisely, I think, as a military man--

not as representing my Government--but it just occurs to me that there's a precarious occupation of a defeated country, and a responsible military commander naturally would be very lacking in his representing the Allied Powers if he permitted a defeated country to defeat the purposes of the occupation and destroy the fortunate peace and order that have been so remarkably kept there under his command.

Are there any further remarks on the subject this morning?

DR. KOO: Mr. Chairman, the Soviet statement obviously raises a very important question for the Commission to consider involving as it does on the one hand the right of trade unions and workers and on the other hand the responsibility of government to maintain peace and order. So my delegation would like to make a careful study of this whole statement before expressing its views. But, meanwhile, I wonder whether it would be possible for the Secretariat, for example, to obtain and circulate the text of a letter which SCAP--Supreme Commander--originally addressed to the Japanese Government and also the text of the special order issued by the Japanese Government in pursuance of the letter, and such other related, essential documents connected with this question. I think it would greatly facilitate study and consideration of this question if we could have that.

GEN. MCCOY: I thought it had been done, Mr. Ambassador.

MR. JOHNSON: That has been circulated.

DR. KOO: Both the order and the--

GEN. MCCOY: Here. This statement that I read from the Secretary of the Army was followed and accompanied by a copy of General MacArthur's letter as well as a statement recently made on this subject by Mr. Sebald, the political adviser and deputy to the Supreme Commander, before a special meeting of the Allied Council in Tokyo. That is complete in the sense of the statements made by the representatives out there of the Supreme Commander, but it

doesn't give that of the other members of the advisory council.

Are those what you have reference to perchance?

DR. KOO: Well, of course, so far as I am personally concerned, it must have escaped my attention, and if they have been sent I will have my staff look them up.

GEN. MCCOY: Yes. They were sent on September--let me see, the statement was made on September 2nd and (to Secretary General) you probably circulated it very shortly afterward? The Secretariat will consult with you and make sure.

MR. POWLES: Mr. Chairman, if my recollection is correct, the document that was circulated does not contain a copy of the interim order issued by the Japanese Government.

GEN. MCCOY: The ordinance to which the Soviet--

MR. POWLES: I don't think that is there. I think General MacArthur's letter is there but not the ordinance.

GEN. MCCOY: Let's see. Attached is a copy of General MacArthur's letter, yes. The ordinance itself is not there.

MR. POWLES: It would be helpful if we could have that before us. The Secretary General informs me that that has also been circulated.

MR. JOHNSON: The letter and the ordinance were circulated as MI (Memorandum of Information), ⁰⁰¹ ~~002~~ Enclosure 138 and Enclosure 139. Both have been circulated.

GEN. MCCOY: Well I am glad that we have been keeping you informed.

MR. JOHNSON: And we will consult with everyone to see if there is anything lacking and try to fill in any gaps, but we thought we had covered the subject.

MR. PANYUSHKIN: Mr. Chairman, I have a question. We have had the statement of the Secretary of the Army and the statement of Mr. Sebald and I would like to know whether you have the English text of the statement made by Major-General Kislenko? We are able to

give to the Commission the Russian text of this statement, but, perhaps, you have got the English translation of the statement. I think that it would be necessary to have also the statement made by Major-General Kislenko because the papers which were distributed here give the opinion only of one side, that is, the opinion of the United States Government. I think that the members of the Commission would be also interested in the position of the Soviet Government in this matter. Would it be possible for you to circulate to the members the text of the statement made by Major-General Kislenko?

GEN. MCCOY: It would, and we would be glad to have you furnish us with a copy or copies. The Secretary General informs me that the minutes of that particular meeting of the Council in Japan have not yet been received here, so we have not had the statement of the Soviet representative in that Council. But if the Soviet delegation will furnish us with that or any other information on the subject they will be circulated.

MR. PANYUSHKIN: And in what manner then has the statement by Mr. Sebald been received?

GEN. MCCOY: That was in the statement of the Secretary of the Army which was circulated to the Commission. That's all we have here.

MR. PANYUSHKIN: Then we are able to give you the Russian text of the statement. I hope that the Secretariat of the Far Eastern Commission will be able to arrange the translation of this text and have it circulated to the members of the Commission.

GEN. MCCOY: The Secretary General will do that.

MR. PANYUSHKIN: And now, Mr. Chairman, if you will permit me, without going into details, I would like to make some comments on the letter of Secretary Royall.

GEN. MCCOY: Yes.

MR. PANYUSHEIN: I would like to draw the attention of the members of the Commission to the inconsistency of the second paragraph of the letter and the fourth paragraph of this letter. The second sentence of the second paragraph:

"The recommendations made in General MacArthur's letter as we understand them do not in any way traverse or conflict with any labor or other policy adopted by the Far Eastern Commission or with any directive of the Government of the United States."

and in the fourth paragraph I would like to draw your attention to the words:

".....along with General MacArthur, the Supreme Commander, will closely scrutinize the proposed Japanese legislation to ensure that such legislation as may be adopted by the Japanese Diet does not impair the basic objectives of occupation policy for the emergence of a democratic, stable and peace-loving Japanese nation and the development and operation of democratic trade unions."

Now, comparing these two paragraphs, and, by the way, there is not a long distance between these two paragraphs, it is easy to note the inconsistency of these two statements. In the first place, it is that the recommendations made by General MacArthur did not conflict with the policy decisions of the Far Eastern Commission, and, in the second paragraph, it is said that it is necessary to ensure that the legislation that might be adopted by the Japanese Government should not impair the basic objectives of occupation policy. It means that the recommendations of General MacArthur might lead to the adoption by the Japanese Diet of such decree or law which would not be consistent with the objectives of the occupation. Even such a conclusion may be made that the Secretary of the Army himself is afraid that the recommendations might lead to not desired ends. I do not say now that the recommendations made by General MacArthur

are not correct and that they contradict the Potsdam Declaration and the policy decisions of the Far Eastern Commission.

I also would like to draw the attention of the members of this Commission to the statement just made by the Chairman that the decisions adopted by this Commission are a certain kind of law but that the Supreme Commander has certain responsibility. How should I understand this statement? Does it mean that the Far Eastern Commission may adopt certain decisions but the Supreme Commander might not follow them? The decisions which were given in my statement were directed towards the maintenance of order; they were made in the interests of the occupation; they were made for the purpose of the democratization of Japan, and by his letter General MacArthur went contrary to the decisions adopted by the Commission, and as a result of this letter disorders occurred in Japan. It is known that mass arrests of workers were carried out in Japan and the arrests of trade union leaders, government workers and employees. Thus the order which should have been in Japan in accordance with the policy decisions was violated by General MacArthur.

This is my preliminary statement concerning the letter of General Royall which was read by the Chairman and concerning some interpretations made by you. In the future I will make some further statements concerning this question. Thank you, Mr. Chairman.

GEN. MCCOY: Well, gentlemen, you have before you this whole problem which will be kept on the agenda for your further consideration, having in mind that we now have before us--while this is being considered in Japan in the Diet from the legal point of view and future possible laws in which the Secretary of the Army has stated both he and the Supreme Commander will scrutinize the proposed legislation very carefully so that the basic objectives of the occupation policy will be carried out. We will circulate in addition to these papers referred to by the Secretary of the Army the additional statement of the Soviet representative on the Allied Council and