

FEC-059

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FEC-062//



~~CONFIDENTIAL~~

FEC-059

10 May 1946

DOWNGRADED TO  
UNCLASSIFIED  
Copy No. 154

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS PROGRAM  
ARMY AND NAVY ARSENALS; AIRCRAFT INDUSTRY; LIGHT METALS  
INDUSTRY

(Reference: C1-001, C2-005)

Note by Secretary General

1. The enclosure, a proposed policy for interim reparations removals, as unanimously approved by COMMITTEE NO. 1: REPARATIONS at its fifteenth meeting, 9 May 1946, is forwarded herewith for the consideration of the FAR EASTERN COMMISSION.

2. The policy proposal set forth in the enclosure was originally referred by Committee No. 1 to Committee No. 2 for consideration and recommendation in connection with the question of the levy of economic life in Japan, and was subsequently approved by that Committee in Enclosure "B" of C2-005 dated 7 May 1946.

3. In accordance with paragraph 3 of FEC-043, the Deputy Chairman of the STEERING COMMITTEE in consultation with the Chairman of Committee No. 1: Reparations has decided to place the enclosure on the agenda of the Far Eastern Commission without its being considered by the Steering Committee.

4. 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 of the press.

NELSON T. JOHNSON  
Secretary General

FEC-059



E N C L O S U R EINTERIM REPARATIONS REMOVALS  
ARMY AND NAVY ARSENALS; AIRCRAFT INDUSTRY; LIGHT METALS  
INDUSTRY

The action specified below should be taken with respect to facilities identified in the three listed categories of Japanese industry. Such action, under the Interim Reparations Removable Program, should be taken without prejudice to further removals that may be ordered under a final reparations program.

1. Army and Navy Arsenals

(Definitions: "Plants and establishments owned and operated by the Japanese Army or Navy engaged in the development, production, maintenance, testing or storage of equipment of supplies for use in war or warlike purposes. (Arsenals as defined herein embraces a broad category of facilities distinguished by their ownership rather than by the nature of the operation and departs from the more usual connotation of ordnance manufacture.) Privately owned arsenals will be treated in a separate paper.")

a. All facilities within this category should be made available for claim, subject to the following limitations:

(1) Special purpose Machinery and Equipment

All machinery, equipment and accessories which by virtue of initial design, construction, or major structural change are, as individual items, special purpose in nature and functionally limited to use in connection with equipment or supplies for war or warlike purposes, should be held pending further instructions concerning their disposition.

(2) Shipyards

Shipbuilding and ship repair facilities should be disposed of in accordance with policy to be decided later.

(3) Non-armament Facilities

Those facilities which have been engaged in the production of such non-durable consumer goods as textiles, clothing, processed foods, and pharmaceuticals, should be left for disposal under the final reparations program, and not be made available for claim under the Interim Program Reparations Removal Program.



#### (4) Fertilizer and Fuel Facilities

Those facilities which can be readily used in the production of fertilizer and fuel, other than synthetic oil, should be left for disposal later and not be made available immediately for claim under the Interim Reparations Removal Program.

#### 2. Aircraft Industry

(Definitions: "Plants and establishments primarily engaged in the manufacture or assembly of finished aircraft, airframes, aircraft engines, and aircraft propellers, or in supplying fabricated materials, semi-finished, or finished parts, components, or accessories, (exclusive of arms and armaments, instruments and communication equipment) especially designed for incorporation in finished aircraft.")

a. All facilities in plants and establishments originally designed, constructed, and equipped, or converted through major change in the nature of installed machinery and equipment to serve in this category should be made available for claim.

b. Plants and establishments within this category, other than those covered in (a) above, the use of whose products by the aircraft industry represents merely a diversion during the war without major change in character of product from former peacetime civil consumption, or in the nature of installed machinery and equipment, should not be made available for claim pending Allied decision as to the final disposition of the industry with which they are normally associated.

#### 3. Light Metals Industry

(Definitions: "Plants and establishments primarily engaged in the production of alumina, primary or secondary aluminum and magnesium, and in the rolling, extruding, drawing, forging and casting of aluminum and magnesium and their alloys.")

a. All facilities identified within this category should be made available for claim, subject to the following limitations:

(1) No facilities engaged in remelting light metal scrap into secondary ingot should be made available for claim.



(2) In cement plants converted to produce alumina from clays or shales, only the equipment introduced to effect such conversion should be made available for claim.

(3) Sufficient rolling and drawing equipment should be retained to handle 15,000 metric tons per annum of fabricated aluminum. Such equipment should be of a general purpose character and can be obtained from any surplus available in other branches of the non-ferrous metals industry.



CONFIDENTIAL

COPY NO. \_\_\_\_\_

FEC 059/110 May 1946FAR EASTERN COMMISSIONREMOVAL OF FACILITIES FROM JAPAN FOR REPARATIONS--  
PRIORITY ACCORDING TO OWNERSHIP OR CONTROL  
(Reference C1-001)Note by the Secretary General

1. The enclosure, a proposed policy for the removal of facilities from Japan for reparations according to ownership or control, as unanimously approved by COMMITTEE NO. 1: REPARATIONS at its fifteenth meeting, 9 May 1946, is forwarded herewith for the consideration of the FAR EASTERN COMMISSION.

2. In accordance with paragraph 3 of FEC 043, the Deputy Chairman of the STEERING COMMITTEE in consultation with the Chairman of Committee No. 1: Reparations, has decided to place the enclosure on the agenda of the Far Eastern Commission without its being considered by the Steering Committee.

3. 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.

NELSON T. JOHNSON  
Secretary General

FEC 059/1



ENCLOSUREREMOVAL OF FACILITIES FROM JAPAN FOR REPARATIONS--  
PRIORITY ACCORDING TO OWNERSHIP OR CONTROL

Among the criteria to be employed in the selection of individual plants and items of equipment for removal from Japan as reparations should be the principle of reinforcing the occupation objective of dissolving large industrial and banking corporations which have exercised control over a great part of Japanese trade and industry.

The following interests, combinations, and concerns, which assisted in Japanese aggression, and their subsidiaries and affiliates, should be included with others which have been or may be designated: Mitsui; Mitsubishi; Sumitomo; Kuhara; Okura; Yasuda; Mori; Rikken; Nissan; Mangyo; and Nakajima.



FEC-059/2

16 May 1946

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS ARMY AND NAVY ARSENALS;  
AIRCRAFT INDUSTRY; LIGHT METALS INDUSTRY.  
(Reference: FEC-059)

Note by the Secretary General

1. FEC-059, a policy relating to an interim reparations removals program for army and navy arsenals, aircraft industry and light metals industry, was unanimously approved by the Far Eastern Commission at its eleventh meeting, 13 May 1946, with the following typographical corrections:

- a. Page 1, first paragraph, line 3: change spelling to "Removal."
- b. Page 1, paragraph 1, line three: change "of" to "or" between words "equipment" and "supplies"
- c. Page 1, paragraph 1, a, (3): delete "program" after "Interim."

2. The letter of transmittal of the Secretary General, forwarding this policy decision on behalf of the Far Eastern Commission to the Secretary of State of the United States Government in accordance with the Terms of Reference, is circulated herewith as an enclosure.

NELSON T. JOHNSON  
Secretary General

FEC-059/2



E N C L O S U R E

14 May 1946

The Honorable James F. Byrnes  
Secretary of State  
Washington, D. C.

My dear Mr. Secretary:

The Terms of Reference of the Far Eastern Commission provide that one of the functions of the Commission should be to "formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished."

It is further provided that when such decisions are made by the Far Eastern Commission, "The United States Government shall prepare directives in accordance with the policy decisions of the Commission and shall transmit them to the Supreme Commander through the appropriate United States Government agency."

At a meeting of the Far Eastern Commission held at 2516 Massachusetts Avenue, Northwest, Washington, D. C. on 13 May 1946 the enclosed policy decision was unanimously agreed to.

As Secretary-General of the Far Eastern Commission, I have been instructed to forward this decision to you on behalf of the Commission, in order that the appropriate directives may be prepared and transmitted to the Supreme Commander in accordance with the Terms of Reference.

Respectfully yours,

Nelson T. Johnson  
Secretary General



FEC-059/3

16 May 1946

FAR EASTERN COMMISSION

REMOVAL OF FACILITIES FROM JAPAN  
FOR REPARATIONS - PRIORITY ACCORDING TO  
OWNERSHIP OR CONTROL

(Reference FEC-059/1)

Note by the Secretary General

1. Enclosure A, a policy decision relating to the removal of facilities from Japan for reparations with priority according to ownership or control, was unanimously approved at the eleventh meeting, 13 May 1946, of the Far Eastern Commission.

2. The letter of transmittal of the Secretary General, forwarding this request on behalf of the Commission to the Secretary of State of the United States Government, in accordance with the Terms of Reference, is circulated here with as Enclosure "B".

NELSON T. JOHNSON  
Secretary General

FEC-059/3



ENCLOSURE "A"REMOVAL OF FACILITIES FROM JAPAN FOR REPARATIONS--PRIORITY ACCORDING TO OWNERSHIP OR CONTROL

Among the criteria to be employed in the selection of individual plants and items of equipment for removal from Japan as reparations should be the principle of reinforcing the occupation objective of dissolving large industrial and banking corporations which have exercised control over a great part of Japanese trade and industry.

The following interests, combinations, and concerns, which assisted in Japanese aggression, and their subsidiaries and affiliates, should be included with others which have been or may be designated: Mitsui; Mitsubishi; Sumitomo; Kuhara; Okura; Yasuda; Mori; Rikken; Nissan; Mangyo; and Nakajima.



ENCLOSURE "B"

14 May 1946

The Honorable James F. Byrnes  
Secretary of State  
Washington, D.C.

My dear Mr. Secretary:

The Terms of Reference of the Far Eastern Commission provide that one of the functions of the Commission should be to "formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished."

It is further provided that when such decisions are made by the Far Eastern Commission, "The United States Government shall prepare directives in accordance with the policy decisions of the Commission and shall transmit them to the Supreme Commander through the appropriate United States Government Agency."

At a meeting of the Far Eastern Commission held at 2516 Massachusetts Avenue, Northwest, Washington, D.C. on 13 May 1946 the enclosed policy decision was unanimously agreed to.

As Secretary General of the Far Eastern Commission, I have been instructed to forward this decision to you on behalf of the Commission, in order that the appropriate directives may be prepared and transmitted to the Supreme Commander in accordance with the Terms of Reference.

Respectfully yours,

Nelson T. Johnson  
Secretary General



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COPY NO. ~~111~~FEC-059/417 May 1946

UNCLASSIFIED

FAR EASTERN COMMISSIONINTERIM REPARATIONS REMOVALS--MACHINE TOOL-INDUSTRY;  
SULPHURIC ACID INDUSTRY; SHIBUILDING INDUSTRY

(Reference: SC 015; C1 001; C2 005)

Note by the Secretary General

1. The enclosure, a proposed policy for interim reparations removals, as unanimously approved by the Steering Committee at its fourteenth meeting, 21 May 1946, is forwarded herewith for the consideration of the Far Eastern Commission.

2. The policy proposal set forth in the enclosure was originally referred by Committee No. 1 to Committee No. 2 for consideration and recommendation in connection with the question of the level of economic life in Japan, and was subsequently approved by that Committee in enclosure "B" of C2 005 dated 7 May 1946.

3. 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.

NELSON T. JOHNSON  
Secretary General

FEC-059/4



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E N C L O S U R E

INTERIM REPARATIONS REMOVALS

MACHINE TOOL INDUSTRY; SULPHURIC ACID INDUSTRY;  
SHIPBUILDING INDUSTRY

The action specified below should be taken with respect to facilities identified in the three listed categories of Japanese industry. Such action, under the Interim Reparations Removal Program, should be taken without prejudice to further removals that may be ordered under a final reparations program.

1. Machine Tool Industry

(Definition: "Plants and establishments primarily engaged in the manufacture of non-portable, power-driven machines designed to shape metal by the progressive cutting away of stock in the form of chips or shavings, or by abrasive action.")

a. That portion of Japan's capacity for the production of machine tools that is in excess of a balanced type-size aggregate of 27,000 units annually, should be made available for claim.

2. Sulphuric Acid Industry

(Definition: "Plants and establishments primarily engaged in the production of sulphuric acid.")

a. That portion of Japan's capacity for the production of sulphuric acid that is in excess of 3.5 million metric tons annually, should be made available for claim. All facilities made available for claim should be of the contact process type, as distinguished from the lead chamber type, but should not include any contact plants, when they are serving as integral functional units in:

- (1) a non-ferrous metal smelting plant;
- (2) a fertilizer manufacturing establishment in which the contact process plant is not supported by a lead chamber plant of at least equivalent capacity.



CONFIDENTIAL3. Shipbuilding Industry

(Definition: "Shipyards, including all facilities, plants, and establishments located within their confines, primarily engaged in the building, repair, or maintenance of steel ships over 100 gross tons.") The term 'merchant shipping' when used in this report should be construed to include steel cargo and passenger vessels and tankers over 100 gross tons.

a. All facilities located in naval shipyards whether publicly or privately owned, that were originally organized or were converted through major change in the original structure or in the size and volume of installed machinery and equipment to build, service, or repair naval combat vessels or specialized naval auxiliary ships should be made available for claim under the Interim Reparations Removal Program subject to the following limitations:

Special Purpose Structures, Machinery, and Equipment

(1) All structures, machinery, equipment and accessories which by virtue of initial design, construction, or major structural change are, as individual items special purpose in nature and functionally limited to use for purposes of an exclusively military nature, should be held pending further instructions concerning their disposition.

(2) No facilities should be made available pending certification by the SCAP that they are not necessary for purposes of the occupation.

b. That portion of Japan's shipbuilding capacity, located in shipyards other than those covered in a above in excess of that necessary to build 150,000 gross tons of merchant shipping annually and to service and repair a merchant fleet aggregating 3.0 million gross tons, should be made available for claim subject to the following limitations:



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(1) No facilities should be made available for claim until such time as Japan's merchant fleet is restored to a level which, in the judgment of SCAP, is sufficient to meet the needs of the occupation.

(2) Two 20,000 ton drydocks should be retained for purposes of servicing foreign ships touching at Japanese ports.

Reference to 3.0 million tons should not in any way imply acceptance of this tonnage for the ultimate size of the Japanese merchant fleet.



FEC-059/5

27 May 1946

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS  
MACHINE TOOL INDUSTRY; SULPHURIC ACID INDUSTRY;  
SHIPBUILDING INDUSTRY  
(Reference: FEC-059/4)

Note by the Secretary General

1. The Far Eastern Commission, at its fourteenth meeting, 23 May 1946, unanimously approved a policy relative to Interim Reparations Removals: Machine Tool Industry, Sulphuric Acid Industry; shipbuilding Industry (FEC-059/4).

2. The letter of transmittal of the Secretary General, forwarding this policy decision on behalf of the Far Eastern Commission to the Secretary of State of the United States Government in accordance with the Terms of Reference, is circulated herewith as an enclosure.

NELSON T. JOHNSON  
SECRETARY GENERAL



ENCLOSURELETTER OF TRANSMITTAL

23 May 1946

The Honorable James F. Byrnes  
Secretary of State  
Washington, D. C.

My dear Mr. Secretary:

The Terms of Reference of the Far Eastern Commission provide that one of the functions of the Commission should be to "formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished."

It is further provided that when such decisions are made by the Far Eastern Commission, "The United States Government shall prepare directives in accordance with the policy decisions of the Commission and shall transmit them to the Supreme Commander through the appropriate United States Government agency."

At a meeting of the Far Eastern Commission held at 2516 Massachusetts Avenue, Northwest, Washington, D. C., on 23 May 1946 the enclosed policy decision relative to Interim Reparations Removals: Machine Tool Industry; Sulphuric Acid Industry; Ship Building Industry, was unanimously agreed to.

As Secretary General of the Far Eastern Commission, I have been instructed to forward this decision to you on behalf of the Commission, in order that the appropriate directives may be prepared and transmitted to the Supreme Commander in accordance with the Terms of Reference.

Respectfully yours,

Nelson T. Johnson  
Secretary General



~~CONFIDENTIAL~~

FEC-059/6

May 1946**DOWNGRADED TO  
UNCLASSIFIED**~~CONFIDENTIAL~~FAR EASTERN COMMISSIONINTERIM REPARATIONS REMOVALS  
BALL AND ROLLER BEARING INDUSTRY

(Reference: SC 015/1; CI 001; C2 005)

Note by the Secretary General

1. The enclosure, a proposed policy for interim reparations removals, unanimously approved at the fifteenth meeting, 28 May 1946, of the Steering Committee, is forwarded herewith for the consideration of the Far Eastern Commission.

3. 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.

NELSON T. JOHNSON  
Secretary General



ENCLOSURE

CONFIDENTIAL

INTERIM REPARATIONS REMOVALS  
BALL AND ROLLER BEARING INDUSTRY

The action specified below should be taken with respect to facilities identified in the following category of Japanese industry. This action, under the Interim Reparations Removal Program, should be taken without prejudice to further removals that may be ordered under a final reparations program.

1. Ball and Roller Bearing Industry

(Definition: "Plants and establishments primarily engaged in the manufacture or assembly of complete ball and roller bearings, or their major component parts, namely, balls, rollers, races, and cages".)

a. That portion of Japan's capacity for the production of ball and roller bearings that is in excess of 32.5 million yen (based on 1943-1944 average prices) per year, should be made available for claim. Facilities selected for removal should include all plants and establishments whose products are specifically adapted to use in aircraft or other war material.



FEC-059/7

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS  
BALL AND ROLLER BEARING INDUSTRY  
(Reference: FEC-059/6)

Note by the Secretary General

1. At its thirteenth meeting, 29 May 1946, the Far Eastern Commission unanimously approved FEC-059/6 Interim Reparations Removals: Ball and Roller Bearing Industry.

2. The letter of transmittal of the Secretary General, forwarding this policy decision on behalf of the Far Eastern Commission to the Secretary of State of the United States Government in accordance with the Terms of Reference, is circulated herewith as an enclosure.

NELSON T. JOHNSON  
Secretary General

FEC-059/7



ENCLOSURELETTER OF TRANSMITTAL

29 May 1946

The Honorable James F. Byrnes  
Secretary of State  
Washington, D. C.

My dear Mr. Secretary:

The Terms of Reference of the Far Eastern Commission provide that one of the functions of the Commission should be to "formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished."

It is further provided that when such decisions are made by the Far Eastern Commission, "The United States Government shall prepare directives in accordance with the policy decisions of the Commission and shall transmit them to the Supreme Commander through the appropriate United States Government agency."

At the thirteenth meeting of the Far Eastern Commission held at 2516 Massachusetts Avenue, Northwest, Washington, D. C. on 29 May 1946, the enclosed policy decision relative to Interim Reparations Removals: Ball and Roller Bearing Industry, was unanimously agreed to.

As Secretary General of the Far Eastern Commission, I have been instructed to forward this decision to you on behalf of the Commission, in order that the appropriate directives may be prepared and transmitted to the Supreme Commander in accordance with the Terms of Reference.

Respectfully yours,

Nelson T. Johnson  
Secretary General



FEC-059/8

3 June 1946

FAR EASTERN COMMISSION

REMOVAL OF FACILITIES FROM JAPAN FOR  
REPARATIONS--PRIORITY ACCORDING TO OWNERSHIP OR CONTROL

Note by the Secretary General

1. The enclosure, a United States directive to the Supreme Commander for the Allied Powers forwarding the statement of policy of the Far Eastern Commission on the removal of facilities from Japan for reparations--priority according to ownership or control, is circulated herewith for the information of the Commission.

2. This directive was forwarded to the Supreme Commander for the Allied Powers on 23 May 1946.

3. A certified copy of this U.S. directive to the Supreme Commander for the Allied Powers has been filed with the Commission in accordance with Section III, paragraph 4, of the Terms of Reference.

NELSON T. JOHNSON  
Secretary General

FEC-059/8



Serial No. 45

23 May 1946

E N C L O S U R EREMOVAL OF FACILITIES FROM JAPAN FOR  
REPARATIONS--PRIORITY ACCORDING TO OWNERSHIP OR CONTROL

The following directive, prepared by the Department of State to implement the policy adopted by the Far Eastern Commission on 13 May 1946 under the provisions of paragraph II, A, 1, of its terms of reference, has been received from the State, War and Navy Departments for transmission to you for guidance in accordance with paragraph III, 1, of those terms of reference:

DIRECTIVE ON REMOVAL OF FACILITIES FROM JAPAN FOR  
REPARATIONS--PRIORITY ACCORDING TO OWNERSHIP OR CONTROL

Among the criteria to be employed in the selection of individual plants and items of equipment for removal from Japan as reparations you will employ the principle of reinforcing the occupation objective of dissolving large industrial and banking corporations which have exercised control over a great part of Japanese trade and industry.

The following interests, combinations, and concerns, which assisted in Japanese aggression, and their subsidiaries and affiliates, should be included with others which have been or may be designated: Mitsui; Mitsubishi; Sumitomo; Kuhara; Okura; Yasuda; Mori; Rikken; Nissan; Mangyo; and Nakajima.



FEC-059/9

3 June 1946

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS--ARMY AND NAVY ARSINALS;  
AIRCRAFT INDUSTRY; LIGHT METALS INDUSTRY

Note by the Secretary General

1. The enclosure, a United States directive to the Supreme Commander for the Allied Powers forwarding the statement of policy of the Far Eastern Commission on interim reparations removals--army and navy arsenals, aircraft industry, light metals industry; is circulated herewith for the information of the Commission.

2. This directive was forwarded to the Supreme Commander for the Allied Powers on 23 May 1946.

3. A certified copy of this U.S. policy directive to the Supreme Commander for the Allied Powers has been filed with the Commission in accordance with Section III, paragraph 4, of the Terms of Reference.

NELSON T. JOHNSON  
Secretary General

FEC-059/9



E N C L O S U R ESerial No. 46

23 May 1946

INTERIM REPARATIONS REMOVALS; ARMY AND NAVY ARSENALS;  
AIRCRAFT INDUSTRY; LIGHT METALS INDUSTRY

The following directive, prepared by the Department of State to implement the policy adopted by the Far Eastern Commission on 13 May 1946 under the provisions of paragraph II, A, 1, of its terms of reference, has been received from the State, War, and Navy Departments for transmission to you for guidance in accordance with paragraph III, 1, of those terms of reference:

DIRECTIVE ON INTERIM REPARATIONS REMOVALS:  
ARMY AND NAVY ARSENALS; AIRCRAFT INDUSTRY; LIGHT METALS  
INDUSTRY

You will take the action specified below with respect to facilities identified in the 3 listed categories of Japanese industry. Such action, under the interim reparations removal program, should be taken without prejudice to further removals that may be ordered under a final reparations program.

1. ARMY AND NAVY ARSENALS

(Definitions: "Plants and establishments owned and operated by the Japanese Army or Navy engaged in the development, production, maintenance, testing, or storage of equipment or supplies for use in war or warlike purposes. ((Arsenals as defined herein embraces a broad category of facilities distinguished by their ownership rather than by the nature of the operation and departs from the more usual connotation of Ordnance manufacture.)) Privately owned arsenals will be treated in a separate paper.")

a. All facilities within this category should be made available for claim, subject to the following limitations:

(1) Special Purpose Machinery and Equipment

All machinery, equipment, and accessories which by virtue of initial design, construction, or major structural change are, as individual items, special purpose in nature and functionally limited to use in connection with equipment or supplies for war or warlike purposes, should be held pending further instructions concerning their disposition.



(2) Shipyards

Shipbuilding and ship repair facilities should be disposed of in accordance with policy to be decided later.

(3) Non-armorment Facilities

Those facilities which have been engaged in the production of such non-durable consumer goods as textiles, clothing, processed foods, and pharmaceuticals, should be left for disposal under the final reparations program, and not be made available for claim under the Interim Reparations Removal Program.

(4) Fertilizer and Fuel Facilities

Those facilities which can be readily used in the production of fertilizer and fuel, other than synthetic oil, should be left for disposal later and not be made available immediately for claim under the Interim Reparations Removal Program.

2. Aircraft Industry

(Definitions: "Plants and establishments primarily engaged in the manufacture or assembly of finished aircraft, airframes, aircraft engines, and aircraft propellers, or in supplying fabricated materials, semi-finished, or finished parts, components, or accessories, ((exclusive of arms and armaments, instruments and communication equipment)) especially designed for incorporation in finished aircraft.")

a. All facilities in plants and establishments originally designed, constructed, and equipped, or converted through major change in the nature of installed machinery and equipment to serve in this category should be made available for claim.

b. Plants and establishments within this category other than those covered in (a) above, the use of whose products by the aircraft industry represents merely a diversion during the war without major change in character of product from former peacetime civil consumption, or in the nature of installed machinery and equipment, should not be made available



for claim pending Allied decision as to the final disposition of the industry with which they are normally associated.

3. Light Metal Industry

(Definitions: "Plants and establishments primarily engaged in the production of alumina, primary or secondary aluminum and magnesium, and in the rolling, extruding, drawing, forging, and casting of aluminum and magnesium and their alloys.")

a. All facilities identified within this category should be made available for claim, subject to the following limitations:

(1) No facilities engaged in remelting light metal scrap into secondary ingot should be made available for claim.

(2) In cement plants converted to produce alumina from clays or shales, only the equipment introduced to effect such conversion should be made available for claim.

(3) Sufficient rolling and drawing equipment should be retained to handle 15,000 metric tons per annum of fabricated aluminum. Such equipment should be of a general purpose character and can be obtained from any surplus available in other branches of the non-ferrous Metals Industry.



~~CONFIDENTIAL~~

FEC-059/10

6 June 1946

CLASSIFICATION CHANGED	
TO	<u>Unclassified</u>
BY AUTHORITY OF	<u>FEC-059/35</u>
DATE	<u>4/24/52</u>
BY	-----

COPY NO. 107FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS:  
MACHINE TOOL INDUSTRY; SULPHURIC ACID INDUSTRY;  
SHIPBUILDING INDUSTRY

Note by the Secretary General

1. The enclosure, a United States directive to the Supreme Commander for the Allied Powers forwarding the statement of policy of the Far Eastern Commission on Interim Reparations Removals: Machine Tool Industry Sulphuric Acid Industry, and Shipbuilding Industry; is circulated herewith for the information of the Commission.
2. This directive was forwarded to the Supreme Commander for the Allied Powers on 26 May 1946.
3. A certified copy of this U.S. policy directive to the Supreme Commander for the Allied Powers has been filed with the Commission in accordance with Section III, paragraph 4, of the Terms of Reference.
4. The attention of all concerned is invited to the classification of this document which prohibits the dissemination of the information contained therein to any unauthorized persons or to the press.

NELSON T. JOHNSON  
 Secretary General

FEC-059/10



CONFIDENTIALSerial No. 48

26 May 1946

E N C L O S U R EINTERIM REPARATIONS REMOVALS:  
MACHINE TOOL INDUSTRY; SULPHURIC ACID INDUSTRY;  
SHIPBUILDING INDUSTRY

The following directive, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on 23 May 1946 under the provisions of paragraph II, A, 1, of its terms of reference, has been received from the State, War and Navy Departments for transmission to you for guidance in accordance with paragraph III, 1, of those terms of reference:

INTERIM REPARATIONS REMOVALS:  
MACHINE TOOL INDUSTRY; SULPHURIC ACID INDUSTRY;  
SHIPBUILDING INDUSTRY

You should take the action specified below with respect to facilities identified in the three listed categories of Japanese industry. Such action, under the interim reparations removal program should be taken without prejudice to further removals that may be ordered under a final reparations program.

1. Machine Tool Industry

(Definition: "Plants and establishments primarily engaged in the manufacture of non-portable, power-driven machines designed to shape metal by the progressive cutting away of stock in the form of chips or shavings, or by abrasive action.")

a. That portion of Japan's capacity for the production of machine tools that is in excess of a balanced type-size aggregate of 27,000 units annually, should be made available for claim.

2. Sulphuric Acid Industry

(Definition: "Plants and establishments primarily engaged in the production of sulphuric acid.")

a. That portion of Japan's capacity for the production of sulphuric acid that is in excess of 3.5 million metric tons annually, should be made available for claim. All facilities made available for claim should be of the contact process type, as



distinguished from the lead chamber type, but should not include any contact plants, when they are serving as integral functional units in:

- (1) a non-ferrous metal smelting plant;
- (2) a fertilizer manufacturing establishment in which the contact process plant is not supported by a lead chamber plant of at least equivalent capacity.

### 3. Shipbuilding Industry

(Definition: "Shipyards, including all facilities plants and establishments located within their confines, primarily engaged in the building, repair, or maintenance of steel ships over 100 gross tons.") The term "merchant shipping" when used in this report should be construed to include steel cargo and passenger vessels and tankers over 100 gross tons.

a. All facilities located in Naval shipyards whether publicly or privately owned, that were originally organized or were converted through major change in the original structure or in the size and volume of installed machinery and equipment to build, service, or repair Naval combat vessels or specialized Naval auxiliary ships should be made available for claim under the interim reparations removal program subject to the following limitations:

#### Special Purpose Structures, Machinery, and Equipment

(1) All structures, machinery, equipment and accessories which by virtue of initial design, construction, or major structural change are, as individual items special purpose in nature and functionally limited to use for purposes of an exclusively military nature, should be held pending further instructions concerning their disposition.

(2) No facilities should be made available pending certification by SCAP that they are not necessary for purposes of the occupation.

b. That portion of Japan's shipbuilding capacity, located in shipyards other than those covered in subparagraph a above in excess of that necessary to build 150,000 gross tons or merchant shipping annually and to service and repair a



merchant fleet aggregating 3.0 million gross tons, should be made available for claim subject to the following limitations:

(1) No facilities should be made available for claim until such time as Japan's merchant fleet is restored to a level which, in the judgment of SCAP, is sufficient to meet the needs of the occupation.

(2) Two each 20,000 ton drydocks should be retained for purposes of servicing foreign ships touching at Japanese ports.

Reference to 3.0 million tons should not in any way imply acceptance of this tonnage for the ultimate size of the Japanese merchant fleet.



FEC-059/11

13 June 1946

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS FOR JAPAN

(Reference: CI-001)

Note by the Secretary General

1. The enclosure, a proposal relative to interim reparations removals for Japan, submitted by the Philippine Representative, is circulated herewith for the information of the Far Eastern Commission and is referred to COMMITTEE NO. 1: REPARATIONS for consideration.

2. The industries mentioned in the enclosure are in addition to those in CI-001 Interim Reparations Removals Program for Japan.

3. The Philippine Representative requests early consideration of the enclosure.

NELSON T. JOHNSON  
Secretary General

FEC-059/11



E N C L O S U R EINTERIM REPARATIONS REMOVALS FOR JAPAN

The Delegate of the Commonwealth of the Philippines to the Far Eastern Commission has noted with interest the contents of document #01/001 entitled Interim Reparations Removal Program for Japan. He has received instructions from his Government to invite the members of the Commission to a consideration of the following industries, which the above paper does not seem to cover, with a view to determining in each case the availability of facilities for reparations removal purposes:

1. Agricultural Machinery and Equipment
2. Asbestos Cement plant
3. Cement Plant
4. Chinaware and Wall Tile Plant
5. Chemical Fertilizer Manufacture
6. Cotton Goods Manufacture
7. Glass Bottle Plant
8. Hydro-Electric Plant
9. Jute Processing Equipment and Machinery
10. Laboratory Equipment and supplies
11. Machinery and Equipment for Fishery  
Production and Canning
12. Oil Refining Machinery
13. Fiber Decorticators
14. Machinery for the Manufacture of  
Fishing Nets
15. Machinery for the Manufacture of  
Straw Hats
16. Machinery for the Manufacture of  
Slippers
17. Hand Looms for Home Use
18. Paper Manufacture
19. Rayon Textile Plants and Equipment
20. Salt Production Machinery
21. Vegetable Oil Extraction Plant
22. Vegetable Oil Processing Plant
23. Sawmill and Veneer Plant

In regard to the iron and steel industry the Government of the Commonwealth of the Philippines would be interested to see the survey and analysis extended to include the rolling processes.

In the metal industries the Government of the Commonwealth of the Philippines takes special interest in copper smelting and ferro-alloy manufacturing.



FEC-059/12

11 June 1946

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS:  
BALL AND ROLLER BEARING INDUSTRY

Note by the Secretary General

1. The enclosure, a United States directive to the Supreme Commander for the Allied Powers forwarding the statement of policy of the Far Eastern Commission on interim reparations removals--ball and roller bearing industry, is circulated herewith for the information of the Commission.

2. This directive was forwarded to the Supreme Commander for the Allied Powers on 2 June 1946.

3. A certified copy of this United States policy directive to the Supreme Commander for the Allied Powers has been filed with the Commission in accordance with Section III, paragraph 4, of the Terms of Reference.

NELSON T. JOHNSON  
Secretary General

FEC-059/12



Serial No. 50

E N C L O S U R E

2 June 1946

INTERIM REPARATIONS REMOVALS: BALL AND  
ROLLER BEARING INDUSTRY

The following directive, prepared by the Department of State to implement the policy adopted by the Far Eastern Commission on 29 May 1946 under the provisions of paragraph II, A, 1, of its terms of reference, has been received from the State, War and Navy Departments for transmission to you for guidance in accordance with paragraph III, 1, of those terms of reference:

DIRECTIVE ON INTERIM REPARATIONS REMOVALS:  
BALL AND ROLLER BEARING INDUSTRY

You will take the action specified below with respect to facilities identified in the following category of Japanese industry. Such action, under the interim reparations removal program, will be taken without prejudice to further removals that may be ordered under a final reparations program.

1. Ball and Roller Bearing Industry

(Definition: "Plants and establishments primarily engaged in the manufacture or assembly of complete ball and roller bearings, or their major component parts, namely, balls, rollers, races, and cages".)

a. That portion of Japan's capacity for the production of ball and roller bearings that is in excess of 32.5 million yen (based on 1943-1944 average prices) per year, should be made available for claim. Facilities selected for removal should include all plants and establishments whose products are specifically adapted to use in aircraft or other war material.



FEC-059/1311 June 1946FAR EASTERN COMMISSIONINTERIM REPARATIONS REMOVALS:  
IRON AND STEEL INDUSTRY; THERMAL ELECTRIC  
POWER; SODA ASH, CHLORINE, AND CAUSTIC SODA  
INDUSTRY

(Reference: CI-001; CI-001/3; SC-015/3)

Note by the Secretary General

1. The enclosure, a proposed policy relative to interim reparations removals, unanimously approved by the Steering Committee, at its seventeenth meeting, 11 June 1946, is forwarded herewith for the consideration of the Far Eastern Commission.

2. It will be noted that paragraph 1 of the enclosure states that a supplementary paper will treat with the subject of "rolling mills". This subject is now being considered by COMMITTEE NO. 1: REPARATIONS.

NELSON T. JOHNSON  
Secretary General

FEC-059/13



E N C L O S U R EINTERIM REPARATIONS REMOVALS:  
IRON AND STEEL INDUSTRY; THERMAL ELECTRIC POWER;  
SODA ASH, CHLORINE, AND CAUSTIC SODA INDUSTRY1. Iron and Steel Industry

(Definition: "Plants and establishments primarily engaged in the production of pig iron or steel ingot".)

a. That portion of Japan's capacity for the production of steel ingot that is in excess of 3.5 million metric tons annually should be made available immediately for claim. In selecting plants for removal first consideration should be given to electric furnace capacity, which should be reduced to an aggregate of 100,000 metric tons annual capacity, made up as far as possible of furnaces of individual charge capacity of  $1\frac{1}{2}$  tons or less. No Bessemer steel capacity should be removed.

b. That portion of Japan's capacity for the production of pig iron that is in excess of 2.0 million metric tons annually should be made available immediately for claim.

Plants, and establishments engaged in the process of rolling will be treated in a supplementary paper.

2. Thermal Electric Power

(Definition: "Plants and establishments primarily engaged in the production of electric energy through the use of fuel (coal) as the basic energy source".)

a. That portion of Japan's thermal electric generating capacity that is in excess of her requirements after the reduction of her industrial capacity in accordance with the remainder of this program (tentatively estimated at capacity in excess of 2.1 million kw.) should be made available for claim subject to the following limitations:

(1) In undertaking removals giving effect to this program, the Supreme Commander for the Allied Powers should give special attention to the interrelation of hydro- and thermal electric capacities, and should retain



facilities, including stand-by equipment, necessary to ensure at all seasons the distribution of sufficient electric power to satisfy demands as they may be manifested in each supply area after completion of the other phases of the interim program.

(2) If, in the course of effecting these removals, the Supreme Commander for the Allied Powers should find that thermal electric capacity reduced to 2.1 million kw. would not be adequate to meet Japan's requirements as modified by the reduced industrial demand consequent upon completion of the other phases of the interim program, he should so advise the Far Eastern Commission and should state to what total capacity Japan's thermal electric generating plants can be reduced without violating the considerations set out in (1) above .

3. Soda Ash, Chlorine, and Caustic Soda Industry

(Definition: "Plants and establishments primarily engaged in the production of soda ash (sodium carbonate), chlorine, and caustic soda (sodium hydroxide).")

a. That portion of Japan's capacity for the production of chlorine and caustic soda in electrolytic plants which is in excess of about 75,000 metric tons of chlorine and about 82,500 metric tons of caustic soda, should be made available for claim.

b. That portion of Japan's capacity for the production of soda ash that is in excess of 630,000 metric tons, should be made available for claim. Removal of this excess soda ash capacity should be accomplished by seizure of one large modern soda ash plant, together with its integrated facilities for conversion of soda ash to caustic soda.



FEC-059/14

14 June 1946

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS:  
IRON AND STEEL INDUSTRY; THERMAL ELECTRIC POWER;  
SODA ASH, CHLORINE, AND CAUSTIC SODA INDUSTRY.  
(Reference: FEC-059/13; SC-015/3; CI-001; CI-001/3)

Note by the Secretary General

1. Enclosure "A", a decision of policy relative to interim reparations removals, was unanimously approved by the Far Eastern Commission at its fifteenth meeting, 12 June 1946.

2. The letter of transmittal of the Secretary General, forwarding this decision on behalf of the Far Eastern Commission to the Secretary of State of the United States Government in accordance with the Terms of Reference, is circulated herewith as Enclosure "B".

NELSON T. JOHNSON  
Secretary General

FEC-059/14



ENCLOSURE "A"INTERIM REPARATIONS REMOVALS:  
IRON AND STEEL INDUSTRY; THERMAL ELECTRIC POWER;  
SODA ASH, CHLORINE, AND CAUSTIC SODA INDUSTRY1. Iron and Steel Industry.

(Definition: "Plants and establishments primarily engaged in the production of pig iron or steel ingot".)

a. That portion of Japan's capacity for the production of steel ingot that is in excess of 3.5 million metric tons annually should be made available immediately for claim. In selecting plants for removal first consideration should be given to electric furnace capacity, which should be reduced to an aggregate of 100,000 metric tons annual capacity made up as far as possible of furnaces of individual charge capacity of 1-1/2 tons or less. No Bessemer steel capacity should be removed.

b. That portion of Japan's capacity for the production of pig iron that is in excess of 2.0 million metric tons annually should be made available immediately for claim.

Plants and establishments engaged in the process of rolling will be treated in a supplementary paper.

2. Thermal Electric Power.

(Definition: "Plants and establishments primarily engaged in the production of electric energy through the use of fuel (coal) as the basic energy source".)

a. That portion of Japan's thermal electric generating capacity that is in excess of her requirements after the reduction of her industrial capacity in accordance with the remainder of this program (tentatively estimated at capacity in excess of 2.1 million kw.) should be made available for claim subject to the following limitations:

(1) In undertaking removals giving effect to this program, the Supreme Commander for the Allied Powers should give special attention to the interrelation of



hydro and thermal electric capacities, and should retain facilities, including stand-by equipment, necessary to ensure at all seasons the distribution of sufficient electric power to satisfy demands as they may be manifested in each supply area after completion of the other phases of the interim program.

(2) If, in the course of effecting these removals, the Supreme Commander for the Allied Powers should find that thermal electric capacity reduced to 2.1 million kw. would not be adequate to meet Japan's requirements as modified by the reduced industrial demand consequent upon completion of the other phases of the interim program he should so advise the Far Eastern Commission and should state to what total capacity Japan's thermal electric generating plants can be reduced without violating the consideration set out in (1) above.

3. Soda Ash, Chlorine, and Caustic Soda Industry.

(Definition: "Plants and establishments primarily engaged in the production of soda ash (sodium carbonate), chlorine, and caustic soda (sodium hydroxide).")

a. That portion of Japan's capacity for the production of chlorine and caustic soda in electrolytic plants which is in excess of about 75,000 metric tons of chlorine and about 82,500 metric tons of caustic soda, should be made available for claim.

b. That portion of Japan's capacity for the production of soda ash that is in excess of 630,000 metric tons, should be made available for claim. Removal of this excess soda ash capacity should be accomplished by seizure of one large modern soda ash plant, together with its integrated facilities for conversion of soda ash to caustic soda.



ENCLOSURE "B"LETTER OF TRANSMITTAL

12 June 1946

The Honorable James F. Byrnes  
Secretary of State  
Washington, D. C.

My dear Mr. Secretary:

The Terms of Reference of the Far Eastern Commission provide that one of the functions of the Commission should be to "formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished."

It is further provided that when such decisions are made by the Far Eastern Commission, "The United States Government shall prepare directives in accordance with the policy decisions of the Commission and shall transmit them to the Supreme Commander through the appropriate United States Government agency."

At the fifteenth meeting of the Far Eastern Commission held at 2516 Massachusetts Avenue, Northwest, Washington, D. C. on 12 June 1946, the enclosed policy decision relative to Interim Reparations Removals: Iron and Steel Industry; Thermal Electric Power; Soda Ash, Chlorine, and Caustic Soda Industry, was unanimously approved.

As Secretary General of the Far Eastern Commission, I have been instructed to forward this decision to you on behalf of the Commission, in order that the appropriate directives may be prepared and transmitted to the Supreme Commander in accordance with the Terms of Reference.

Respectfully yours,

Nelson T. Johnson  
Secretary General



FEC 059/15

18 June 1946

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS:  
PRIVATELY OWNED MUNITIONS PLANTS

(Reference: SC 015/2; C1 001/2)

Note by the Secretary General

1. The enclosure, a proposed policy relative to interim reparations removals of privately owned munitions plants, unanimously approved by the Steering Committee at its eighteenth meeting, 18 June 1946, is forwarded herewith for the consideration of the Far Eastern Commission.

NELSON T. JOHNSON  
Secretary General

FEC 059/15



E N C L O S U R EINTERIM REPARATIONS REMOVALS:  
PRIVATELY OWNED MUNITIONS PLANTSPrivately-owned Munitions Plants

(Definition: Privately-owned plants and establishments primarily engaged in manufacture of weapons, missiles, ammunition, and military explosives.)

All facilities within this category that were originally organized for munitions production, or were converted to munitions production through such major change in the volume and character of their equipment as to render them unsuitable for reconversion to peace-time purposes, should be made available for claim, subject to the following limitation:

a. Special Purpose Machinery and Equipment

All machinery, equipment, and accessories, which by virtue of initial design, construction, or major structural change, are, as individual items, special purpose in nature and functionally limited to use in connection with the manufacture of equipment or supplies for war or warlike purposes, should be held pending further instructions concerning their disposition.



FEC-059/16

21 June 1946

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS:  
PRIVATELY OWNED MUNITIONS PLANTS

(Reference: FEC-059/15; SC-015/2; CI-001/2)

Note by the Secretary General

1. FEC-059/15, a policy decision relating to interim reparations removals, was unanimously approved by the Far Eastern Commission at its sixteenth meeting, 20 June 1946.

2. The letter of transmittal of the Secretary General, forwarding this policy decision on behalf of the Far Eastern Commission to the Secretary of State of the United States Government in accordance with the Terms of Reference, is circulated herewith as an enclosure.

NELSON T. JOHNSON  
Secretary General

FEC-059/16



ENCLOSURELETTER OF TRANSMITTAL

20 June 1946

The Honorable James F. Byrnes  
Secretary of State  
Washington, D. C.

My Dear Mr. Secretary:

The Terms of Reference of the Far Eastern Commission provide that one of the functions of the Commission should be to "formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished."

It is further provided that when such decisions are made by the Far Eastern Commission, "The United States Government shall prepare directives in accordance with the policy decisions of the Commission and shall transmit them to the Supreme Commander through the appropriate United States Government agency."

At the sixteenth meeting of the Far Eastern Commission held at 2516 Massachusetts Avenue, Northwest, Washington, D. C., on 20 June 1946, the enclosed policy decision relative to Interim Reparations Removals: Privately Owned Munitions Plants, was unanimously approved.

As Secretary General of the Far Eastern Commission, I have been instructed to forward this decision to you on behalf of the Commission, in order that the appropriate directives may be prepared and transmitted to the Supreme Commander in accordance with the Terms of Reference.

Respectfully yours,

Nelson T. Johnson  
Secretary General



FEC-059/17

26 June 1946

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS: IRON AND STEEL INDUSTRY,  
THERMAL ELECTRIC POWER; SODA ASH, CHLORINE,  
AND CAUSTIC SODA INDUSTRY.

Note by the Secretary General

1. The enclosure, a United States directive to the Supreme Commander for the Allied Powers forwarding the statement of policy of the Far Eastern Commission on interim reparations removals: iron and steel industry; thermal electric power; soda ash, chlorine, and caustic soda industry; is circulated herewith for the information of the Commission.

2. This directive was forwarded to the Supreme Commander for the Allied Powers on 15 June 1946.

3. A certified copy of the United States directive to the Supreme Commander for the Allied Powers has been filed with the Commission in accordance with Section III, paragraph 4, of the Terms of Reference.

NELSON T. JOHNSON  
Secretary General

FEC-059/17



E N C L O S U R ESerial No. 52

15 June 1946

INTERIM REPARATIONS REMOVALS: IRON AND STEEL INDUSTRY: THERMAL  
ELECTRIC POWER: SODA ASH, CHLORINE, AND  
CAUSTIC SODA INDUSTRY

The following directive, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on 12 June 1946 under the provisions of Paragraph II, A, 1, of its terms of reference, has been received from the State, War and Navy Departments for transmission to you for guidance in accordance with Paragraph III, 1, of those terms of reference.

DIRECTIVE REGARDING INTERIM REPARATIONS REMOVALS:  
IRON AND STEEL INDUSTRY: THERMAL ELECTRIC POWER:  
SODA ASH, CHLORINE, AND CAUSTIC SODA INDUSTRY.1. Iron and Steel Industry

(Definition: "Plants and establishments primarily engaged in the production of pig iron or steel ingot.")

a. That portion of Japan's capacity for the production of steel ingot that is in excess of 3.5 million metric tons annually will be made available immediately for claim. In selecting plants for removal first consideration will be given to electric furnace capacity, which will be reduced to an aggregate of 100,000 metric tons annual capacity made up as far as possible of furnaces of individual charge capacity of 1-1/2 tons or less. No Bessemer steel capacity will be removed.

b. That portion of Japan's capacity for the production of pig iron that is in excess of 2.0 million metric tons annually will be made available immediately for claim.

Plants and establishments engaged in the process of rolling will be treated in a supplementary paper.

2. Thermal Electric Power

(Definition: "Plants and establishments primarily engaged in the production of electric energy through the use of fuel (coal as the basic energy source.")

a. That portion of Japan's thermal electric generating



capacity that is in excess of her requirements after the reduction of her industrial capacity in accordance with the remainder of this program (tentatively estimated at capacity in excess of 2.1 million kw.) will be made available for claim subject to the following limitations:

(1) In undertaking removals giving effect to this program, you will give special attention to the interrelation of hydro and thermal electric capacities, and will retain facilities, including stand-by equipment, necessary to ensure at all seasons the distribution of sufficient electric power to satisfy demands as they may be manifested in each supply area after completion of the other phases of the interim program.

(2) If, in the course of effecting these removals, you should find that thermal electric capacity reduced to 2.1 million kw. will not be adequate to meet Japan's requirements as modified by the reduced industrial demand consequent upon completion of the other phases of the interim program, you will so advise the Far Eastern Commission and will state to what total capacity Japan's thermal electric generating plants can be reduced without violating the considerations set out in (1) above.

3. Soda Ash, Chlorine, and Caustic Soda Industry

(Definition: "Plants and establishments primarily engaged in the production of soda ash (sodium carbonate), chlorine, and caustic soda (sodium hydroxide).")

a. That portion of Japan's capacity for the production of chlorine and caustic soda in electrolytic plants which is in excess of about 75,000 metric tons of chlorine and about 82,500 metric tons of caustic soda, will be made available for claim.

b. That portion of Japan's capacity for the production of soda ash that is in excess of 630,000 metric tons, will be made available for claim. Removal of this excess soda ash capacity will be accomplished by seizure of one large modern soda ash plant, together with its integrated facilities for conversion of soda ash to caustic soda."



FEC 059/18

3 July 1946

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS:  
PRIVATELY OWNED MUNITIONS PLANTS

Note by the Secretary General

1. The enclosure, a United States directive to the Supreme Commander for the Allied Powers forwarding the statement of policy of the Far Eastern Commission on interim reparations removals: privately owned munitions plants, is circulated herewith for the information of the Commission.

2. This directive was forwarded to the Supreme Commander for the Allied Powers on 25 June 1946.

3. A certified copy of the United States directive to the Supreme Commander for the Allied Powers has been filed with the Commission in accordance with Section III, paragraph 4, of the Terms of Reference.

NELSON T. JOHNSON  
Secretary General

FEC 059/18



Serial No. 53E N C L O S U R E

25 June 1946

INTERIM REPARATIONS REMOVALS:  
PRIVATELY OWNED MUNITIONS PLANTS

The following directive, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on 20 June 1946 under the provisions of paragraph II, A, 1, of its terms of reference, has been received from the State, War and Navy Departments for transmission to you for guidance in accordance with paragraph III, 1, of these terms of reference:

INTERIM REPARATIONS REMOVALS: PRIVATELY OWNED MUNITIONS  
PLANTSPrivately-Owned Munitions Plants

(Definition: "Privately-owned plants and establishments primarily engaged in manufacture of weapons, missiles, ammunition, and military explosives.")

All facilities within this category that were originally organized for Munitions production, or were converted to Munitions production through such major change in the volume and character of their equipment as to render them unsuitable for reconversion to peace-time purposes, will be made available for claim, subject to the following limitation:

Special Purpose Machinery and Equipment

All machinery, equipment, and accessories, which by virtue of initial design, construction, or major structural change, are, as individual items, special purpose in nature and functionally limited to use in connection with the manufacture of equipment or supplies for war or warlike purposes, will be held pending further instructions concerning their disposition.



FEC 059/19

22 July 1946

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVAL PROGRAM FOR JAPAN

(Reference: FEC 059/11)

Note by the Secretary General

1. The enclosure, a proposal relative to the interim reparations removal program for Japan, submitted by the Philippine Representative, is circulated herewith for the information of the Far Eastern Commission and is referred to COMMITTEE NO. 1: REPARATIONS.

2. This proposal supplements the proposal circulated on 13 June 1946 (FEC 059/11).

NELSON T. JOHNSON  
Secretary General

FEC 059/19



E N C L O S U R EINTERIM REPARATIONS REMOVAL  
PROGRAM FOR JAPAN

The Delegate of the Philippines to the Far Eastern Commission has noted with interest the contents of document Cl-001 entitled Interim Reparations Removal Program for Japan. In addition to the industries enumerated in his note to the Far Eastern Commission dated June 10, he has received instructions from his Government to invite the members of the Commission to a consideration of the industries enumerated below, with a view to determining in each case the availability of facilities for reparations removal purposes:

24. Agricultural Machinery and Implements
25. Jute Processing Equipment
26. Laboratory Equipment, Supplies and Materials
27. Machinery and Equipment for a Brewhouse
28. Rolling Stock and Railroad Equipment
29. Sawmill Plants
30. Veneer Plants

In regard to the laboratory materials and equipment (No. 26 above) the Government of the Philippines would be interested to see the survey and analysis extended to include livestock, poultry and seeds and would like to emphasize the importance of these items in view of the fact that during the war nearly all of the breeding animals, poultry, valuable seeds and planting materials were destroyed beyond repair.



FEC 059/20

8 October 1946

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS:  
STEEL ROLLING INDUSTRY

(Reference: SC 015/8; SC 015/5; C1 001/5; C1 001/8; C2 005/4)

Note by the Secretary General

1. The enclosure, a proposal for Interim Reparations Removals relative to the Steel Rolling Industry, approved by the Steering Committee at its thirty-third meeting, 8 October 1946, is forwarded herewith for the consideration of the Far Eastern Commission.

2. The United States member reserved his position on the enclosure.

3. In accordance with paragraph 3 of FEC 067/3, the Steering Committee recommends that the enclosure be released for the press after being received by the Supreme Commander for the Allied Powers.

NELSON T. JOHNSON  
Secretary General



E N C L O S U R EINTERIM REPARATIONS REMOVALS:  
STEEL ROLLING INDUSTRY

(Definition: Plants and establishments engaged in producing basic steel shapes, such as rails, rods, bars, tubes, plates, strips, sheets, and structural shapes, by rolling, drawing and extruding steel ingots.)

That portion of Japan's steel rolling capacity in excess of that required to produce a balanced annual output of 2,775,000 metric tons of rolled steel products should be made immediately available as reparations.



E N C L O S U R EINTERIM REPARATIONS REMOVALS:  
SYNTHETIC OIL AND SYNTHETIC RUBBER INDUSTRIES

The action specified below should be taken with respect to facilities identified in the following categories of Japanese industry. Such action, under the Interim Reparations Removals Program, should be taken without prejudice to further removals that may be ordered under a final reparations program.

1. Synthetic Oil Industry

(Definition: These plants and establishments both government and privately owned, engaged in the manufacture of petroleum products from coal, whether by high-pressure hydrogenation, the Fischer-Tropsch hydro-carbon synthesis, or low temperature carbonization).

a. All facilities identified within this category should be made available for claim, subject to the following reservations:

(1) Any plant designated as suitable for actual or potential conversion to the manufacture of sulphate of ammonia for fertilizers should be retained in operation until the supply of fixed nitrogen from other sources becomes adequate.

2. Synthetic Rubber Industry

(Definition: Plants and establishments engaged in the production of synthetic rubber).

a. All facilities which have been engaged in the production of synthetic rubber should be made available for claim.



FEC-059/21

20 August 1946

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS:  
SYNTHETIC OIL AND SYNTHETIC RUBBER INDUSTRIES  
(Reference: C1-001/4; C2-005/1; SC-015/4)

Note by the Secretary General

1. The enclosure, sections 2 and 3 of a United Kingdom proposal for interim reparations removals (C1-001/4), approved by the Steering Committee at its twenty-sixth meeting, 20 August 1946, is forwarded herewith for the consideration of the Far Eastern Commission. The United States member of the Steering Committee reserved his position on the document.

2. The other proposal contained in C1-001/4 relative to oil refining and storage is receiving further consideration by Sub Committee No. 2: Level of Economic Life of Committee No. 2: Economic and Financial Affairs and will be dealt with in a later paper.

3. The Steering Committee unanimously agreed that the enclosure be release to the press after receipt by the Supreme Commander for the Allied Powers of a communication from the United States Government relative to this policy decision.

NELSON T. JOHNSON  
Secretary General

FEC-059/21



FEC 059/22

16 September 1946

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS:  
SYNTHETIC OIL AND SYNTHETIC RUBBER INDUSTRIES

Note by the Secretary General

1. FEC 059/21 a policy decision relating to interim reparations removals was unanimously approved by the Far Eastern Commission at its twenty-fifth meeting, 12 September 1946.

2. The letter of transmittal of the Secretary General, forwarding this policy decision on behalf of the Far Eastern to the Secretary of State of the United States Government in accordance with the Terms of Reference, is circulated herewith as an enclosure.

NELSON T. JOHNSON  
Secretary General



E N C L O S U R ELETTER OF TRANSMITTAL

13 September 1946

The Honorable William L. Clayton  
Acting Secretary of State.  
Washington, D. C.

My dear Mr. Secretary:

The Terms of Reference of the Far Eastern Commission provide that one of the functions of the Commission should be to "formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished."

It is further provided that when such decisions are made by the Far Eastern Commission, "The United States Government shall prepare directives in accordance with the policy decisions of the Commission and shall transmit them to the Supreme Commander through the appropriate United States Government agency".

At the twenty-fifth meeting of the Far Eastern Commission held at 2516 Massachusetts Avenue, Northwest, Washington, D. C., on 12 September 1946, the enclosed policy decision relative to Interim Reparations Removals: Synthetic Oil and Synthetic Rubber Industries was unanimously approved.

As Secretary General of the Far Eastern Commission, I have been instructed to forward this decision to you on behalf of the Commission, in order that the appropriate directives may be prepared and transmitted to the Supreme Commander in accordance with the Terms of Reference.

In adopting the enclosed policy decision, the Commission agreed that it should be released to the press forty-eight hours after its receipt in Tokyo, so as to give the Supreme Commander time to provide for simultaneous release if he so desires. I would appreciate it if you could make arrangements to notify me when the enclosed policy decision has been received in Tokyo.

Because of the intention of not releasing the enclosure to the press until it has been received in Tokyo, the Commission would appreciate it if appropriate arrangements might be made to preserve the necessary security in the transmission of this message.

Sincerely yours,

Nelson t. Johnson  
Secretary General



FEC 059/23

4 October 1946

FAR EASTERN COMMISSION

INTERIN REPARATIONS REMOVALS:  
SYNTHETIC OIL AND SYNTHETIC RUBBER INDUSTRIES

Note by the Secretary General

1. The enclosure, a United States directive to the Supreme Commander for the Allied Powers forwarding the statement of policy of the Far Eastern Commission on Interim Reparations Removals: Synthetic Oil and Synthetic Rubber Industries, is circulated herewith for the information of the Commission.

2. This directive was forwarded to the Supreme Commander for the Allied Powers on 18 September 1946.

3. A certified copy of the United States directive to the Supreme Commander for the Allied Powers has been filed with the Commission in accordance with Section III, paragraph 4, of the Terms of Reference.

NELSON T. JOHNSON  
Secretary General

FEC 059/23



Serial No. 59

E N C L O S U R E

18 September 1946

INTERIM REPARATIONS REMOVALS:  
SYNTHETIC OIL AND SYNTHETIC RUBBER INDUSTRIES

The following directive, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on 12 September 1946 under the provisions of paragraph II,A,1, of its terms of reference, has been received from the State, War, and Navy Departments for transmission to you for your guidance in accordance with paragraph, III, 1, of those terms of reference:

The action specified below should be taken with respect to facilities identified in the following categories of Japanese industry. Such action, under the interim reparations removals program, should be taken without prejudice to further removals that may be ordered under a final reparations program.

1. Synthetic oil industry

(Definition: Those plants and establishments, both government and privately owned, engaged in the manufacture of petroleum products from coal, whether by high-pressure hydrogenation, the Fischer-Tropsch hydrocarbon synthesis, or low temperature carbonization).

a. All facilities identified within this category should be made available for claim, subject to the following reservation:

(1) Any plant designated as suitable for actual or potential conversion to the manufacture of sulphate of ammonia for fertilizers should be retained in operation until the supply of fixed nitrogen from other sources becomes adequate.

2. Synthetic rubber industry.

(Definition: Plants and establishments engaged in the production of synthetic rubber).

a. All facilities which have been engaged in the production of synthetic rubber should be made available for claim.



FEC 059/24

8 October 1946

FAR EASTERN COMMISSION

REPARATIONS REMOVALS: ACCESSORY PLANTS AND FACILITIES

(Reference: CI 001/12; CI 001/14; CI 001/15; SC 015/7)

Note by the Secretary General

1. The enclosure, a proposed policy relative to Interim Reparations Removals of Accessory Plants and Facilities, unanimously approved by the Steering Committee at its thirty-third meeting, 8 October 1946, is forwarded herewith for the consideration of the Far Eastern Commission.

2. In accordance with paragraph 3 of FEC 067/3, the Steering Committee recommends that the enclosure be released for the press after being received by the Supreme Commander for the Allied Powers.

NELSON T. JOHNSON  
Secretary General

FEC 059/24



E N C L O S U R EREPARATIONS REMOVALS: ACCESSORY PLANTS AND FACILITIES

Within categories of industrial capacity declared available for removal as reparations, specific plants and establishments designated for transfer to claimants should include those auxiliary facilities which operate as an integral part of the plant or establishment and whose output or use serves directly and is necessary to the operation of the primary capacity of such specific plant or establishment to be removed, except where such auxiliary facilities are themselves covered by separate reparations removal programs or retention programs. All technical and operational information, records and data for such plants and establishments should also be included.



FEC-059/25

25 October 1946

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS:  
STEEL ROLLING INDUSTRY

(Reference: FEC-059/20;  
SC-015/8; SC-015/5)

Note by the Secretary General

1. Enclosure "A", a proposed revision of FEC-059/20, Interim Reparations Removals: Steel Rolling Industry, submitted by the United States Representative, is circulated herewith for the consideration of the Far Eastern Commission.

2. A statement of reasons for the revision is circulated herewith as Enclosure "B".

NELSON T. JOHNSON  
Secretary General

FEC-059/25



ENCLOSURE "A"INTERIM REPARATIONS REMOVALS:  
STEEL ROLLING INDUSTRY

(Definition: Plants and establishments engaged in producing basic steel shapes, such as rails, rods, bars, tubes, plates, strips, sheets, and structural shapes, by rolling, drawing and extruding steel ingots.)

That portion of Japan's steel rolling capacity in excess of that required to produce a balanced annual output of 2,775,000 3,000,000 metric tons of rolled steel products should be made immediately available as reparations.



ENCLOSURE "B"STATEMENT BY THE UNITED STATES MEMBER ON THE UNITED STATES POSITION WITH RESPECT TO FEC-059/20, "INTERIM REPARATIONS REMOVALS; STEEL ROLLING CAPACITY."

FEC-059/20 proposes interim reparations removals of Japanese steel rolling capacity which is in excess of 2,775,000 m.t. annually. The United States Government recommends that this figure be placed temporarily at 3,000,000 m.t.

The United States position on this matter is based on the needs of the occupation as disclosed in a recent communication from the Supreme Commander for the Allied Powers; on the interest of claimant nations in the type of equipment which would ultimately be made available for reparation under an interim removals program; and on the general principles by which interim removal decisions have been reached in the Far Eastern Commission.

The communication in question from the Supreme Commander for the Allied Powers states that the current coal shortage makes it necessary to operate a longer number of rolling mills integrated with electric steel furnaces than will be required when the coal situation improves - which he estimates to be six to nine months hence. He further states that reduction of steel rolling capacity to 2,775,000 m.t. at this time would leave him the alternative of designating for removal rolling capacity integrated with electric furnaces, the operation of which is needed due to lack of coal; or designating for removal rolling capacity integrated with open hearth furnaces now idle due to lack of coal, some of which rolling capacity would not otherwise be designated for removal as reparations. The first alternative would involve a decision contrary to the Supreme Commander for the Allied Powers' estimates of the needs of the occupation; and the second would appear to be contrary to the best interests of claimant countries.

It is realized that FEC-059/17 provides with respect to interim removals of steel ingot capacity: "In selecting plants for removal first consideration will be given to electric furnace capacity, which will be reduced to an aggregate of 100,000 metric tons annual capacity made up as far as possible of furnaces of



individual charge capacity of 1 1/2 tons or less." The Commission has been aware that full implementation of this provision has been delayed for the very reason that now impels the Supreme Commander for the Allied Powers to recommend retention for a brief period of 3,000,000 m.t. steel rolling capacity some of which is integrated with such electric furnaces.

This temporary technical difficulty was not adequately foreseen at the time that interim reparations removals iron and steel capacity were under consideration by the Far Eastern Commission, nor at the time that recommendations were first made with respect to interim removals of steel rolling capacity. On the contrary, in determining levels for interim removals the Far Eastern Commission has generally followed the principle of removing only "obvious excess" capacity. For this reason it was not deemed necessary to include in the various Far Eastern Commission papers dealing with interim reparations the usual provision exempting removals of particular facilities so long as their retention was determined by the Supreme Commander for the Allied Powers to be necessary to meet the needs of the occupation. However there were two important cases where doubt existed as to whether or not there was any "obvious excess" capacity, specifically in relation to the needs of the occupation. These were shipbuilding and thermal electric power. In both cases specific cognizance was taken of the priority which must be given to the needs of the occupation before removals as reparations can be effected.

In the opinion of the United States Government, the Supreme Commander for the Allied Powers' estimate of the needs of the occupation with respect to currently usable steel rolling capacity indicates no presently available "obvious excess" capacity below 3,000,000 m.t. To adopt a lower figure at the moment would be to ignore both this fact and the further fact that the decision of the Far Eastern Commission (as contained in paragraph 1a of FEC-059/17) with respect to removals of all electric steel furnace capacity in excess of 100,000 m.t. would be at variance with the Supreme Commander for the Allied Powers' present estimate of the temporary needs of the occupation is such removals were

FEC-059/25



to be effected prior to the termination of the acute coal shortage and the consequent feasibility of increasing production from non-electric furnaces in order to compensate for such removals. It is suggested therefore, that the appropriate solution to what is obviously a short-term technical difficulty would be to take no action which would multiply that difficulty, as the adoption of 2,775,000 m.t. of steel rolling capacity would do; but on the contrary, to remove the entire difficulty through appropriate amendment to paragraph 1a of FEC-059/17 to provide temporary exemption of removals of electric steel furnace capacity consistent with the needs of the occupation.



FEC 059/26

28 October 1946

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS:  
STEEL ROLLING INDUSTRY

(Reference: FEC 059/20; FEC 059/25)

Note by the Secretary General

The Far Eastern Commission at its thirty-first meeting, 24 October 1946, referred FEC 059/20, Interim Reparations Removals: Steel Rolling Industry, to COMMITTEE NO. 1: REPARATIONS for consideration in conjunction with the United States proposed amendments (FEC 059/25).

NELSON T. JOHNSON  
Secretary General

FEC 059/26



RESTRICTED

FEC-059/27

19 November 1946

FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS:  
STEEL ROLLING INDUSTRY

(Reference: FEC-059/20; /25; SC-015/9)

Note by the Secretary General

1. The enclosure, a proposal for Interim Reparations Removals relative to the Steel Rolling Industry approved by Committee No. 1: Reparations at its forty-ninth meeting, 18 November 1946, is forwarded herewith for the consideration of the STEERING COMMITTEE.
2. The United States member reserved his position on the enclosure.
3. The Far Eastern Commission at its thirty-first meeting, 24 October 1946, referred FEC-059/20, Interim Reparations Removals: Steel Rolling Industry, to COMMITTEE NO. 1: REPARATIONS for consideration in conjunction with the United States proposed amendments (FEC-059/25). Instead of revising FEC-059/20, Committee No. 1 preferred to leave it unaltered and adopt a separate policy regarding the Temporary Retention of Electric Steel Furnaces (SC-015/9).
4. In accordance with paragraph 3 of FEC-067/3, Committee No. 1 recommends that the enclosure be released for the press after being received by the Supreme Commander for the Allied Powers.
5. 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.

NELSON T. JOHNSON  
Secretary General

FEC-059/27



RESTRICTEDE N C L O S U R EINTERIM REPARATIONS REMOVALS:  
STEEL ROLLING INDUSTRY

(Definition: Plants and establishments engaged in producing basic steel shapes, such as rails, rods, bars, tubes, plates, strips, sheets, and structural shapes, by rolling, drawing and extruding steel ingots.)

That portion of Japan's steel rolling capacity in excess of that required to produce a balanced annual output of 2,775,000 metric tons of rolled steel products should be made immediately available as reparations.



RESTRICTED

FEC-059/28

22 November 1946

FAR EASTERN COMMISSION

REPARATIONS REMOVALS: ACCESSORY PLANTS AND FACILITIES  
(Reference: FEC-059/24)

Note by the Secretary General

1. The Far Eastern Commission at its thirty-fifth meeting, 21 November 1946, referred FEC-059/24, Reparations Removals: Accessory Plants and Facilities back to COMMITTEE NO. 1: REPARATIONS for reconsideration.

2. 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.

NELSON T. JOHNSON  
Secretary General

FEC-059/28



FEC-059/29RESTRICTEDFEC-059/293 December 1946FAR EASTERN COMMISSIONINTERIM REPARATIONS REMOVALS: STEEL ROLLING INDUSTRY  
(References: FEC-059/20; /25;/27; SC-015/9)Note by the Secretary General

1. The enclosure, a proposal for Interim Reparations Removals relative to the Steel Rolling Industry unanimously approved by the Steering Committee at its forty-second meeting, 3 December 1946, is forwarded herewith for the consideration of the Far Eastern Commission.

2. In accordance with paragraph 3 of FEC-067/3, Committee No. 1 recommends that the enclosure be released for the press after being received by the Supreme Commander for the Allied Powers.

NELSON T. JOHNSON  
Secretary General

FEC-059/29



RESTRICTEDE N C L O S U R EINTERIM REPARATIONS REMOVALS: STEEL ROLLING INDUSTRY

(Definition: Plants and establishments engaged in producing basic steel shapes, such as rails, rods, bars, tubes, plates, strips, sheets, and structural shapes, by rolling, drawing and extruding steel ingots.)

That portion of Japan's steel rolling capacity in excess of that required to produce a balanced annual output of 2,775,000 metric tons of rolled steel products should be made immediately available as reparations.



FEC-059/30FEC-059/303 December 1946FAR EASTERN COMMISSIONINTERIM REPARATIONS REMOVALS: TEMPORARY RETENTION OF  
ELECTRIC STEEL FURNACES  
(Reference: FEC-059/20; SC-C15/9; C1-001/16)Note by the Secretary General

1. The enclosure, a proposed policy for the Temporary Retention of Electric Steel Furnaces designated for removal under the Interim Reparations Removal Program, unanimously approved by the Steering Committee at its forty-second meeting, 3 December 1946, is forwarded herewith for the consideration of the Far Eastern Commission.

2. In accordance with paragraph 3 of FEC-067/3, Committee No. 1 recommends that the enclosure be released for the press after being received by the Supreme Commander for the Allied Powers.

NELSON T. JOHNSON  
Secretary General

FEC-059/30



ENCLOSUREINTERIM REPARATIONS REMOVALS: TEMPORARY RETENTION OF  
ELECTRIC STEEL FURNACES

In view of the current coal shortage in Japan, electric steel furnaces in excess of the 100,000 metric tons annual capacity referred to in FEC-059/13, together with the rolling mill capacity integrated with such electric furnaces, may be retained in Japan up to 30 June 1947 to a maximum of an additional 300,000 metric tons annual capacity.

If before 30 June 1947 it should be the opinion of the Supreme Commander for the Allied Powers that, in order to meet the needs of the occupation, an extension of the period is necessary, he should furnish the Far Eastern Commission with a statement of his reasons so that a review of the position may be made.

The above policy should not postpone the designation of these facilities under the interim reparations removal program.



RESTRICTEDE N C L O S U R ELETTER OF TRANSMITTAL

6 December 1946

The Honorable Dean Acheson  
Acting Secretary of State  
Washington, D. C.

My dear Mr. Secretary:

The Terms of Reference of the Far Eastern Commission provide that one of the functions of the Commission should be to "formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished.

It is further provided that when such decisions are made by the Far Eastern Commission, "The United States Government shall prepare directives in accordance with the policy decisions of the Commission and shall transmit them to the Supreme Commander through the appropriate United States Government agency."

At the thirty-sixth meeting of the Far Eastern Commission held at 2516 Massachusetts Avenue, Northwest, Washington, D. C., on 6 December 1946, the enclosed policy decision relative to Interim Reparations Removals: Temporary Retention of Electric Steel Furnaces was unanimously approved.

As Secretary General of the Far Eastern Commission, I have been instructed to forward this decision to you on behalf of the Commission, in order that the appropriate directives may be prepared and transmitted to the Supreme Commander in accordance with the Terms of Reference.

In adopting the enclosed policy decision, the Commission agreed that it should be released to the press forty-eight hours after its receipt in Tokyo, so as to give the Supreme Commander time to provide for simultaneous release if he so desires. I would appreciate it if you could make arrangements to notify me when the enclosed policy decision has been received in Tokyo.

Because of the intention of not releasing the enclosure to the press until it has been received in Tokyo, the Commission would appreciate it if appropriate arrangements might be made to preserve the necessary security in the transmission of this message.

Sincerely yours,

/s/ Nelson T. Johnson  
Secretary General



FEC -059/31RESTRICTEDFEC-059/316 December 1946FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS: TEMPORARY  
RETENTION OF ELECTRIC STEEL FURNACES  
(Reference: FEC-059/25; FEC-059/30; SC-015/9;  
CI-001/16.

Note by the Secretary General

1. FEC-059/30, a policy decision relative to the Temporary Retention of Electric Steel Furnaces designated for removal under the Interim Reparations Removal Program, was unanimously approved by the Far Eastern Commission at its thirty-sixth meeting, 6 December 1946.
2. The letter of transmittal of the Secretary General, forwarding this policy decision on behalf of the Far Eastern Commission to the Secretary of State of the United States Government in accordance with the Terms of Reference, is circulated herewith as an enclosure.

NELSON T. JOHNSON  
Secretary General

FEC-059/31



FEC-059/32RESTRICTEDFEC-059/329 December 1946FAR EASTERN COMMISSIONINTERIM REPARATIONS REMOVALS: STEEL ROLLING INDUSTRY  
(References: FEC-059/20; /25; /27; SC-015/9)Note by the Secretary General

1. FEC-059/29, a policy decision for Interim Reparations Removals relative to the Steel Rolling Industry was unanimously approved by the Far Eastern Commission at its thirty-sixth meeting, 6 December 1946.
2. The letter of transmittal of the Secretary General, forwarding this policy decision in behalf of the Far Eastern Commission to the Secretary of State of the United States Government in accordance with the Terms of Reference, is circulated herewith as an enclosure.

NELSON T. JOHNSON  
Secretary General

FEC-059/32



RESTRICTEDE N C L O S U R ELETTER OF TRANSMITTAL

6 December 1946

The Honorable Dean Acheson  
Acting Secretary of State  
Washington, D. C.

My dear Mr. Secretary:

The Terms of Reference of the Far Eastern Commission provide that one of the functions of the Commission should be to "formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished."

It is further provided that when such decisions are made by the Far Eastern Commission, "The United States Government shall prepare directives in accordance with the policy decisions of the Commission and shall transmit them to the Supreme Commander through the appropriate United States Government agency."

At the thirty-sixth meeting of the Far Eastern Commission held at 2516 Massachusetts Avenue, Northwest, Washington, D.C., on 6 December 1946, the enclosed policy decision, relative to Interim Reparations Removals: Steel Rolling Industry, was unanimously approved.

As Secretary General of the Far Eastern Commission, I have been instructed to forward this decision to you on behalf of the Commission, in order that the appropriate directives may be prepared and transmitted to the Supreme Commander in accordance with the Terms of Reference.

In adopting the enclosed policy decision, the Commission agreed that it should be released to the press forty-eight hours after its receipt in Tokyo, so as to give the Supreme Commander time to provide for simultaneous release if he so desires. I would appreciate it if you could make arrangements to notify me when the enclosed policy decision has been received in Tokyo.

Because of the intention of not releasing the enclosure to the press until it has been received in Tokyo, the Commission would appreciate it if appropriate arrangements might be made to preserve the necessary security in the transmission of this message.

Sincerely yours,

Nelson T. Johnson  
Secretary General



COPY NO.	TO <u>174</u> <u>Unclassified</u>	<u>CONFIDENTIAL</u>
	BY AUTHORITY OF <u>FEC-059/33</u>	<u>FEC-059/33</u>
<u>FEC-059/33</u>	<u>4/24/81</u> DATE	<u>30 December 1946</u>
	BY <u>FAR EASTERN COMMISSION</u>	

INTERIM REPARATIONS REMOVALS:  
STEEL ROLLING INDUSTRY  
 (Reference: FEC-059/29)

Note by the Secretary General

1. The enclosure, a United States directive to the Supreme Commander for the Allied Powers forwarding the statement of policy at the Far Eastern Commission relative to interim reparations removals in the steel rolling industry, is circulated herewith for the information of the Far Eastern Commission.
2. This directive was forwarded to the Supreme Commander for the Allied Powers on 14 December 1946 and received by him in Japan 16 December 1946.
3. A certified copy of the United States directive to the Supreme Commander for the Allied Powers has been filed with the Commission in accordance with Section III, paragraph 4, of the Terms of Reference.
4. 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.

NELSON T. JOHNSON  
 Secretary General

FEC-059/33



CONFIDENTIALE N C L O S U R ESerial No. 6413 December 1946INTERIM REPARATIONS REMOVALS:  
STEEL ROLLING INDUSTRY

The following directive, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on 6 December 1946 under the provisions of paragraph II, A, 1, of its terms of reference, has been received from the State, War, and Navy Departments for transmission to you for your guidance in accordance with paragraph III, 1, of those terms of reference:

Steel Rolling Industry

(Definition: "Plants and establishments engaged in producing basic steel shapes, such as rails, rods, bars, tubes, plates, strips, sheets, and structural shapes, by rolling, drawing and extruding steel ingots".)

"That portion of Japan's steel rolling capacity in excess of that required to produce a balanced annual output of 2,775,000 metric tons of rolled steel products should be made immediately available as reparations."

FEC-059/33



FEC-059/34

CLASSIFICATION CHANGED	
TO	<u>Unclassified</u>
BY AUTHORITY OF	<u>FEC-059/37</u>
	<u>Hwb</u> DATE
BY	<u>FAR-EASTERN COMMISSION</u>

RESTRICTEDFEC-059/3430 December 1946

INTERIM REPARATIONS REMOVALS:  
TEMPORARY RETENTION OF ELECTRIC STEEL FURNACES  
(References: FEC-059/30)

Note by the Secretary General

1. The enclosure, a United States directive to the Supreme Commander for the Allied Powers forwarding the statement of policy of the Far Eastern Commission relative to the temporary retention of electric steel furnaces under the interim reparations removals program, is circulated herewith for the information of the Far Eastern Commission.

2. This directive was forwarded to the Supreme Commander for the Allied Powers on 15 December 1946 and received by him in Japan 16 December 1946.

3. A certified copy of the United States directive to the Supreme Commander for the Allied Powers has been filed with the Commission in accordance with Section III, paragraph 4, of the Terms of Reference.

NELSON T. JOHNSON  
Secretary General

FEC-059/34



E N C L O S U R ERESTRICTEDSerial No. 6513 December 1946INTERIM REPARATIONS REMOVALS:  
TEMPORARY RETENTION OF ELECTRIC STEEL FURNACES

The following directive, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on 6 December 1946 under the provisions of paragraph II, A, 1, of its terms of reference, has been received from the State, War, and Navy Departments for transmission to you for guidance in accordance with paragraph III, 1, of those terms of reference:

"In view of the current coal shortage in Japan, electric steel furnaces in excess of the 100,000 metric tons annual capacity referred to in FEC-059/13 (policy decision of 12 June 1946, relative to interim reparations removals: Iron and Steel Industry; Thermal Electric Power; Soda Ash, Chlorine and Caustic Soda Industry)\*, together with the rolling mill capacity integrated with such electric furnaces, may be retained in Japan up to 30 June 1947 to a maximum of an additional 300,000 metric tons annual capacity.

"If before 30 June 1947 it should be the opinion of the Supreme Commander for the Allied Powers that, in order to meet the needs of the occupation, an extension of the period is necessary, he should furnish the Far Eastern Commission with a statement of his reasons so that a review of the position may be made.

"The above policy should not postpone the designation of these facilities under the interim reparations removal program."

\* Serial No. 52(FEC-059/17)



FEC-059/35FEC-059/3524 April 1951FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS: MACHINE TOOL INDUSTRY; SULPHURIC ACID INDUSTRY;  
SHIPBUILDING INDUSTRY  
Directive Serial No. 48  
(Reference: FEC-059/10)

Note by the Secretary General

1. In order to facilitate handling of records FEC-059/10 (6 June 1946), a U. S. directive to SCAP regarding interim reparations removals in the machine tool, sulphuric acid and shipbuilding industries, is from this date graded to UNCLASSIFIED.
2. FEC-059/4, the Far Eastern Commission policy decision upon which this directive was based, was declassified and released to the press.
3. All holders of FEC-059/10 are requested to make the appropriate change in their copies of this document.

NELSON T. JOHNSON  
Secretary General

FEC-059/35



FEC-059/36FEC-059/3624 April 1951FAR EASTERN COMMISSION

INTERIM REPARATIONS REMOVALS: STEEL ROLLING INDUSTRY  
Directive Serial No. 64  
(Reference: FEC-059/33)

Note by the Secretary General

1. In order to facilitate handling of records FEC-059/33 (30 December 1946), a U. S. directive to SCAP regarding interim reparations removals in the steel rolling industry, is from this date graded to UNCLASSIFIED.

2. FEC-059/29, the Far Eastern Commission policy decision upon which this directive was based, was declassified and released to the press 18 December 1946.

3. All holders of FEC-059/33 are requested to make the appropriate change in their copies of this document.

NELSON T. JOHNSON  
Secretary General

FEC-059/36



FEC-059/37FEC-059/3724 April 1951FAR EASTERN COMMISSIONINTERIM REPARATIONS REMOVALS: TEMPORARY RETENTION  
OF ELECTRIC STEEL FURNACES  
Directive Serial No. 65  
(Reference: FEC-059/34)Note by the Secretary General

1. In order to facilitate handling of records FEC-059/34 (30 December 1946), a U. S. directive to SCAP regarding temporary retention of electric steel furnaces in the interim reparations removals program, is from this date graded to UNCLASSIFIED.

2. FEC-059/30, the Far Eastern Commission policy decision upon which this directive was based, was declassified and released to the press 18 December 1946.

3. All holders of FEC-059/34 are requested to make the appropriate change in their copies of this document.

NELSON T. JOHNSON  
Secretary General

FEC-059/37



2 April 1947

MEMORANDUM FOR: Mr. Barnett

Subject : Summary of Commission Negotiations on Sources of Japanese Imports (FEC-060 series) and Destination of Japanese Exports (FEC-032 series)

1. Following our conversation yesterday and the agreement of Mr. Gross to have General Hilldring raise with Sir George Sanson the question of getting British approval to revisions in the imports and exports papers covering the subject of pre-war patterns of trade, I have prepared the following information of recent discussions within the Steering Committee on this subject for use by General Hilldring in talking to Sir George.

2. Although the papers on imports and exports are different papers and each covers a somewhat different situation, the difficulty in each case has arisen over the inclusion of reference to pre-war patterns of trade. In the case of Japanese imports, the first paper introduced into the Steering Committee was FEC-060/4. This paper stated in part that "in determining the sources of imports into Japan of commodities in world short supply due consideration should be given to the needs of countries other than Japan in addition to the factors (price, terms of purchase other than price, etc.) mentioned in paragraph 1." The paper further went on to state, however, that "in procurement of commodities in world surplus . . . consideration should also be given to such other relevant factors as the interests of all members of the United Nations, including any new trade situations or demands arising in post-war circumstances and the pre-war patterns of trade." The inclusion of "pre-war patterns of trade" as one of the other relevant factors to be taken into consideration was done at the request of the United Kingdom and Indian members, but was opposed vigorously by the Soviet member.

3. The Steering Committee referred the issue to an ad hoc subcommittee, which reported back with an amendment devised by the subcommittee on a personal basis. This amendment involved the insertion of an additional clause after the reference to "pre-war patterns of trade" as follows: "provided that the pre-war patterns of trade for the commodities concerned do not conflict with the interests of members of the United Nations arising out of the new trade situations or the demands occurring in post-war circumstances" (FEC-060/6). This amendment was made at the request of the Soviet member and met with objection from the United Kingdom and Indian members. The issue was again referred, therefore, to the ad hoc subcommittee.

4. The ad hoc subcommittee approved on a personal basis a draft proposed by the United Kingdom member, which involved a rephrasing of the paper as follows: "Commodities which are in world surplus and which are required for import into Japan shall be purchased from the countries which offer supplies of them. In determining from which countries supplies



- 2 -

shall be obtained, the extent to which countries sold the commodities in question before the war shall be taken into account" (FEC-060/8). The Soviet member later stated that this revision was so unacceptable that the representative on the Commission refused to forward it to his Government.

5. A further meeting of the subcommittee returned to the original wording and replaced the amendment set forth in paragraph 3 above with an amendment reading as follows: "so long as the pre-war patterns of trade reflect current economic interests of the countries concerned", which was again accepted on a personal basis for reference to governments. The Soviet member reported at a later meeting that this amendment would be acceptable to his Government provided the words "and are not in conflict with the interests of other countries members of the FEC" was added. The United Kingdom had not received instructions on the basic amendment but stated that the addition proposed by the Soviet member was quite unacceptable. The paper has been retained on the Steering Committee agenda pending receipt of United Kingdom instructions on the amendments set forth in FEC-060/10.

6. The situation with respect to the paper on exports has been virtually identical throughout the whole discussion. The original paper submitted to the Steering Committee was FEC-032/14, which included a statement as follows: "In determining the destinations of exports from Japan of commodities in world short supply . . . consideration should be given to the interests of all members of the United Nations. Proper consideration should be given to the factors mentioned in paragraph 1 and also to other factors, including the requirements of countries for the commodities concerned, any new situations or demands arising in post-war circumstances, and the pre-war patterns of trade." After reference to a subcommittee FEC-032/14 was amended with the inclusion of a proviso similar to the one set out in paragraph 3 above (FEC-032/16). This was unacceptable to the United Kingdom member, and further reference to a subcommittee produced a United Kingdom proposal for a revision of the whole paper including the following wording: "Commodities which are in world short supply and which are available for export from Japan shall be distributed among the countries demanding them according to their needs. In assessing the needs of these countries account should be taken of the extent to which they purchased the commodities in question from Japan before the war." This wording the Soviet member refused to accept, and further revisions of the paper followed the same pattern as set forth in paragraph 5 above for the paper on imports.

Samuel S. Stratton

FEC:SSStratton:mr



CONFIDENTIALCOPY NO. 138FEC 06014 May 1946FAR EASTERN COMMISSIONPROPOSED POLICY ON SOURCES OF JAPANESE IMPORTSNote by the Secretary General

1. The enclosure, a United States proposal of policy on sources of Japanese imports, submitted by the United States Representative, is circulated herewith for the information of the Far Eastern Commission and is referred to COMMITTEE NO. 2: ECONOMIC AND FINANCIAL AFFAIRS.

2. The proposed Terms of Reference of the Inter-Allied Trade Board are set forth in C2-001/1.

3. 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.

NELSON T. JOHNSON  
Secretary General

FEC 060



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E N C L O S U R E

PROPOSED POLICY ON SOURCES OF JAPANESE IMPORTS

1. Except for commodities subject to formal international allocation, the primary objective in selection of the source of an import will be to minimize the cost and difficulty of procurement. Factors to be taken into account are price, terms of purchase other than price, and assurance of meeting scheduled requirements.
2. In determining the sources of imports to Japan of commodities in world short supply due consideration should be given by the proper authorities to the needs of countries other than Japan. Commodities currently subject to allocation by the combined Boards or similar committees and their successors (hereinafter referred to as the Allocating Authorities) will be procured by the appropriate governments in cooperation with such Allocating Authority. The Allocating Authority will be fully apprized by the appropriate governments not only of the needs of Japan, but also those of other countries which are members of the Far Eastern Commission, but not members of the Allocating Authority. In the case of commodities not subject to allocation, the Inter-Allied Trade Board will provide opportunity for consultation as to proper source of the commodity with any interested member of the Far Eastern Commission.
3. In procurement of commodities in world surplus or in procurement of any commodity whose export to Japan is of substantial commercial importance to a member of the Far Eastern Commission, due consideration should be given to the pre-war trade patterns and to current distribution and price of available supplies.



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a. When current excess stocks suitable for Japanese use are available in more than one market and the terms offered by alternative sources are similar, quotas should be fairly allocated among the sources of supply on the basis of imports during a previous representative period, account being taken in so far as practicable of any special factors which may have affected or which currently may be affecting the trade in the commodity concerned.

b. Procurement of Japanese imports shall be in accordance when necessary with the terms of applicable international commodity agreements covering commodities in question.

4. This statement of proposed policy will in no way be permitted to jeopardize the fulfillment of United States responsibilities for the prevention of such widespread disease or civil unrest as would endanger the occupying forces or interfere with military operations.

DISCUSSION

In determining the source of Japanese imports two major issues arise; fair allocation to Japan or commodities in world short supply, and the establishment of equitable sharing of Japanese market opportunities for commodities in world surplus.

The first objective can best be obtained through the mechanism of an "Allocating Authority" where one exists. Special circumstances governing procurement for Japan or the peculiar needs of any member of the FEC can be brought to the attention of the "Allocating Authority". Where no "Allocating Authority" exists the same type of determination must be made.



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It is not possible to establish precise standards for all commodities since the circumstances cannot be foreseen fully, but the requirement for consultation protects the interest of all members of the Far Eastern Commission.

Procurement of commodities in world surplus must take due account of the long-run commercial interests of all the nations represented on the Far Eastern Commission while; at the same time, utilizing those supplies which are readily available at low prices. Where all customary suppliers have surplus stocks and offer similar terms, It would be expected that pre-war proportion of imports would be an important factor in determining distribution. Normally the base period used in establishing quotas will be sufficiently long to be representative of trade movements and should exclude years in which special barter arrangements distorted normal trade patterns. However, in some instances, wartime changes in trade pattern or shifts in Japanese requirements might make reconstitution of pre-war trade sources impossible or in appropriate. It is anticipated that future international commodity agreements will cover commodities also important as Japanese imports. Japanese requirements may, in some cases be taken into account in developing such agreements.



CONFIDENTIALCOPY NO. 120FEC-060/11 July 1946FAR EASTERN COMMISSIONPROPOSED POLICY ON SOURCES OF JAPANESE IMPORTS

(Reference FEC-060)

Note by the Secretary General

1. The enclosure, a revised draft of the proposed policy on sources of Japanese imports (see FEC-060), was approved by Sub-Committee No. 1: Immediate Import - Export Program of Committee No. 2: Economic and Financial Affairs subject to a U. S. reservation that the procuring agents should be indicated in the second sentence of paragraph 2. The document is circulated herewith for the consideration of COMMITTEE NO. 2: ECONOMIC AND FINANCIAL AFFAIRS.

2. 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.

NELSON T. JOHNSON  
Secretary General

FEC-060/1



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ENCLOSURE

PROPOSED POLICY ON SOURCES OF JAPANESE IMPORTS

1. Except for commodities subject to formal international allocation, the primary objective in selection of the source of an import will be to minimize the cost and difficulty of procurement. Factors to be taken into account are price, terms of purchase other than price, and assurance of meeting scheduled requirements.

2. In determining the sources of imports to Japan of commodities in world short supply due consideration should be given by the proper authorities to the needs of countries other than Japan. Commodities currently subject to allocation by the combined Boards or similar committees and their successors (hereinafter referred to as the Allocating Authorities) will be procured with due regard to the recommendations of such Allocating Authority. The appropriate governments will keep the Allocating Authority fully apprized of the needs of Japan and of other countries, which are members of the Far Eastern Commission but not members of the Allocating Authority. In the case of commodities not subject to allocation, the Inter-Allied Trade Board will provide opportunity for consultation as to proper source of the commodity with any interested member of the Far Eastern Commission.

3. In procurement of commodities in world surplus or in procurement of any commodity whose export to Japan is of substantial commercial importance to a member of the Far Eastern Commission, due consideration should be given to the pre-war trade patterns and to current distribution and price of available supplies.



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a. When current excess stocks suitable for Japanese use are available in more than one market and the terms offered by alternative sources are similar, quotas should be fairly allocated among the sources of supply on the basis of imports during a previous representative period, account being taken in so far as practicable of any special factors which may have affected or which currently may be affecting the trade in the commodity concerned.

b. Procurement of Japanese imports shall be in accordance with the terms of applicable international commodity agreements covering commodities in question.

4. This statement of proposed policy will in no way be permitted to jeopardize the fulfillment of United States responsibilities for the prevention of such widespread disease or civil unrest as would endanger the occupying forces or interfere with military operations.



FEC-060/2RESTRICTEDFEC-060/224 December 1946FAR EASTERN COMMISSION

THE SOURCES OF JAPANESE IMPORTS  
(References: FEC-060; FEC-060/1; SC-031/1;  
C2-017/4, /7, /11)

Note by the Secretary General

1. The enclosure, a revision of the proposed policy on Sources of Japanese Imports, approved by Committee No. 2: Economic and Financial Affairs at its fortieth meeting, 23 December 1946, is forwarded herewith for the consideration of the STEERING COMMITTEE.

2. The Soviet and Indian members reserved their positions on the enclosure.

3. At its forty-first meeting, 26 November 1946, the Steering Committee referred SC-031/4 back to Committee No. 2 for further consideration in the light of a proposed United States and Soviet amendment (C2-017/7).

4. In accordance with paragraph 3 of FEC-067/3, Committee No. 2 recommends that the enclosure be released for the press after being received by the Supreme Commander for the Allied Powers.

NELSON T. JOHNSON  
Secretary General

FEC-060/2



RESTRICTEDE N C L O S U R ETHE SOURCES OF JAPANESE IMPORTS

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

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

3. In procurement of commodities in world surplus or in procurement of any commodity whose export to Japan is of substantial commercial importance to a member of the Far Eastern Commission, consideration should be given to the interests of all members of the Far Eastern Commission. Proper consideration should be given to the factors mentioned in paragraph one and also to other factors including the pre-war patterns of trade. Taking into account the foregoing principles, the Inter-Allied Trade Board may recommend individual treatment for different types of imports.

4. This statement of proposed policy will in no way be permitted to jeopardize the fulfillment of United States responsibilities for the prevention of such widespread disease or civil unrest as would endanger the occupying forces or interfere with military operations.



FEC-060/3RESTRICTEDFEC-060/331 December 1946FAR EASTERN COMMISSIONTHE SOURCES OF JAPANESE IMPORTS  
(Reference: FEC-060/2)Note by the Secretary General

1. The enclosure, an amendment to the proposed policy on Sources of Japanese Imports (FEC-060/2), submitted by the Canadian member of the Steering Committee is circulated herewith for the information of the Far Eastern Commission and is referred to COMMITTEE NO. 2: ECONOMIC AND FINANCIAL AFFAIRS for consideration.

2. The Steering Committee at its forty-fifth meeting, 31 December 1946, unanimously agreed to refer FEC-060/2, The Sources of Japanese Imports, back to COMMITTEE NO. 2: ECONOMIC AND FINANCIAL AFFAIRS for reconsideration in the light of this amendment.

NELSON F. JOHNSON  
Secretary General

FEC-060/3