Japanese Government has acquired for land reform purposes, about 541,000 cho.

With regard to the question of land being transferred to tenants, it should be recalled that when the government has purchased the land, the tenant who is on the land at the time of the purchase and who will, in many instances and with some adjustment perhaps in the location of some of the tracts to be cultivated, be the successor to the ownership of the land, remains on the land and in many instances the transfer of the land to him will be a legal formality.

with regard to the statement attributed to me, if the statement refers to the attempts of the Japanese Government to implement land reform by alerting the courts, the public procurators and the police to the need for punishing illegal acts of eviction by tenants—eviction of tenants by landlords, and other similar illegal acts. The Japanese Government probably did do that, and we think it is highly proper that both acts took place. We are aware that there are now, and have been in the past, a number of instances in which the landlords have sought by illegal means to obtain land rightfully farmed by tenants to resort to violence. We think that those are incidents to any program of the scope of the Japanese land reform program. We propose to implement, and I am sure the Japanese Government proposes to implement, in every way, strong enforcement of the law to the end that such offenders will be punished within the law.

THE CHAIRMAN: I was very much interested in the SOVIET MEMBER's assertion that this land reform program in Japan, this two-year program, was being unduly prolonged in its implementation. I think it would be of interest to all of us, by way of comparison, if DR. HEWES would enlighten us in regard to the difficulties encountered and the time consumed in the initiation and institution of land reform programs in other parts of the world.

MR. BALL: MR. CHAIRMAN, may I interject a word here?
THE CHAIRMAN: Surely.

MR. BALL: I assume that what your purpose is, is that a comparison should be made of land reform, a comparison of land reform in the Soviet Union and Japan. May I suggest that we don't go any further into that. We are not being constructive by doing that. Such a comparison is only apt to aggravate any misunderstandings which may already exist between the Allies today. I would suggest that we confine our discussion here at this meeting to land reform programs in Japan.

THE CHAIRMAN: I quite agree with you, MR. BALL, that so far there hasn't been very much that is constructive come out of this meeting, but the information that DR. HEWES has, from the notes I have on it, in regard to programs in other countries, will, I am sure, cause no offense to anyone. It does mention plans for land reform in Great Britain and various other countries, and I think the Soviet Union is mentioned once, but if you have objection to it--

MR. BALL: I do.

THE CHAIRMAN: Since the program in Japan is asserted to have been unduly prolonged, I think it would be a good idea to compare this with the difficulties elsewhere encountered in pushing forward any reform of this nature.

MR. BALL: What I feel, MR. CHAIRMAN, is that we can examine the difficulties the Soviet has experienced, then we can go on to analyze the difficulties the Chinese Government has experienced. There might even be difficulties in the United States of America about which we would have opinions,—perhaps opinions which we would think would be quite illuminating in the light of our problem here. Of course, MR. CHAIRMAN, it is for this Council to decide, and if the Council feels it is

entitled to a survey, well and good. But to quote an old saying, "Analogy is not analysis" and I think our job in this Council is to study the situation in Japan, rather than to rove around the world, making interesting comparisons with situations in other countries.

THE CHAIRMAN: MR. BALL, I think in anticipating what DR. HEWES planned to say, you proceeded on an assumption that isn't correct--

MR. BALL: Well--

THE CHAIRMAN: Whereas--if I may finish my comment--the only suggestion of any question of international disharmony is the one you have raised. There is nothing in this paper, or the notes I have, as I say, that has any suggestion of that sort. And, I might also mention this. It was another Member of the Council who put the subject on the Agenda, and that Member has said that our program is unduly prolonged. There must be some measure of comparison in his mind to say that it is unduly prolonged.

MR. BALL: I am very sorry, MR. CHAIRMAN, if my assumption was mistaken. It was built on my experience of this Council over the last sixteen months.

THE CHAIRMAN: I, for one, would be very happy to avoid a good many of the discussions we have had here in this Council.

But if the Members of the Council wish to use, or mis-use the Council, as a springboard for making allegations against Occupation programs, not for the purpose of giving constructive advice but for other purposes, we have to sit here and discuss them.

The Council is what the Members make of it. Now, this particular paper, or set of notes--I do not wish to urge that it be read to the Council if the Council does not wish to hear it. It is very general. It starts out with Great Britain's various plans for land reform proposed in the Nineteenth Century and goes on

various countries. Of course what we are particularly proud of here is that the program in Japan is going forward without many of those difficulties. There has been no widespread violence or bloodshed, no terrorist activities, no repressions, there has been no liquidation of peasants or landlords. The peasant stays on the land, the products continue to be grown, the farming continues, there has been no resettlement of farm families, no seizure of farm products or personal belongings, no confiscation of land without compensation. I think it is one of the really great accomplishments of the Occupation and one of which all of the Allies can be proud.

Now, if any Member of the Council has any constructive advice or suggestions or recommendations to make to the SUPREME COMMANDER by which this program can be improved, we shall all be very glad to have them.

MR. BALL: MR. CHAIRMAN, if I may just say one more word.

I hope nothing I have said would imply that I was critical of the work being done by the officers in SCAP who are directly concerned with this Land Reform program. I am quite sure they are carrying out their work with complete sincerity and skill and are doing very distinguished work indeed. If anything I have said appears to be critical, it isn't because, as I have said before, that SCAP is doing so little, but because SCAP claims so much. In saying that this program was going along very well indeed, I do feel that you were a little optimistic. It seems, as I said at the meeting a month ago when this subject was brought up for discussion, it is too early yet to be confident that this program will be a success.

THE CHAIRMAN: I think as far as it has gone to date, and according to plan, it has gone very well indeed. Certainly by

comparison with the historical record in other places, which you do not wish to hear about -- (Laughter)

MR. BALL: I know what you are going to say --

THE CHAIRMAN: Suppose, merely for the sake of the record, we table this paper and enter it in the minutes, and dispense with going over the facts. I am sure you will find that there is no question raised there to cause international disharmony.

* * *

In view of the history of land reform in other countries, there is every prospect that the land reform program presently in process of implementation in Japan will be successful. There is a general tendency to minimize the difficulties which are inherent in land reform and advantage should be taken of the vast amount of experience gained in other countries which have attempted land reform.

The fundamental objective of land reform is the equitable division of agricultural land among the people who work such land. This objective is at once humanitarian and economic in that the tenant is given secure tenure, and as a landowner will be enabled, as a result of the reform, to produce at least as large an amount of product as in the past.

Land reform plans have a long history and include many dark chapters. From the year 1800, for almost a century, the North American continent, with its large areas of free land, provided ample scope for many assorted schemes for agrarian reform. In almost every case, however, these projects were hasty and ill-considered, with the result that they either failed or were eventually converted into business enterprises. The lack of success of these schemes teaches the need for technical knowledge, sound planning, and evolutionary process in effecting agrarian reform.

In Great Britain various plans for land reform were proposed during the Nineteenth Century. Thus, in 1885, a land purchase act was passed for Ireland in accordance with which tenants received fairly easy credit terms to cover land purchases. This reform eventually showed good progress but was accompanied by great agitation, unrest, and much violence. The essence of the problem was proven to be not only the transfer of title to land, but the multiplication of numerous small farms and their inhabitants. The original law was amended in 1903, 1909, 1918, 1920, and 1921.

Since 1892 Denmark has consistently attempted to improve the condition of rural tenants and under the provisions of the Land Purchase Act of 1918, over 100,000 tenancies were converted to freeholds by 1928.

Mexico has had extensive experience in land reform. This experience began in 1910 with an agrarian revolt; land reform legislation was passed in 1915; and in 1917 a new constitution confirmed a policy of equalitarian land holding. Yet, it was not until 1934 that the land reform measures were effectively implemented and although great strides have been made, the program is not yet complete.

After World War I, land reform became a burning political issue in Germany, Czechoslovakia, Roumania, Hungary, the Soviet Union, Finland, Italy, Yugoslavia, and Spain and land reform programs were inaugurated in all these countries.

Finland, in 1918, provided state loans for peasants who desired to buy land, yet until 1922, little progress was made and not until 1934 had the number of leaseholders who became freeholders increased to 65,000.

Hungary undertook to implement land reform in 1920, the program was actually started in June 1921, and continued until

September 1926. During the space of five years 1,590,000 acres were assigned to new owners and the proportion of plowland in small holdings was increased by about 11 per cent. In the earlier stages of the program, however, over 2,000,000 acres remained uncultivated because of uncertainty and fear on the part of landlords.

Spanish land reform, as late: as 1933, encountered peculiar technical difficulties, one of which was the problem of regrouping tiny, scattered parcels into sound economic units. The problem in Spain was at once economic, social and technical.

Roumanian land reform was started in 1907 and by 1923 had accounted for the transfer of some 304,000 hectares.

From the above brief examples of difficulties encountered in various land reform plans throughout the world, it is apparent that over-simplified political land reform schemes frequently encounter difficult unforeseen problems and result in radical amendment and revamping of the original plan; land reform has by now created a fairly extensive body of scientific knowledge and planning techniques; and finally, land reform is closely connected with the problem of allocation of natural resources for maximum welfare of the inhabitants of any particular country. It is also evident that land reform is an evolutionary process which requires time and experience. Successful land reform programs have resulted from a willingness to make ready adjustments and from a tenacious spirit of carrying out soundly developed plans.

LIEUTENANT GENERAL DEREVYANKO: MR. CHAIRMAN, in my opinion it is not necessary to deal with the comparative review proposed by you which has no direct bearing upon the question on the Agenda today.

THE CHAIRMAN: I did not raise the question of comparison. LIEUTENANT GENERAL DEREVYANKO: In connection with MR. CHAIRMAN's remarks and those of MR. HEWES, I would like to say a few words. In the remarks made by MR. CHAIRMAN and by MR. HEWES, I was not able to find any argument or any figure which refuted the statements that I have made. Therefore, I once more confirm the appraisal given by me of the progress of the implementation of the Rural Land Reform in Japan, and I see no necessity in adding anything or changing the statement that I have made at today's meeting. As for the purpose of placing the subject on the Agenda, this purpose is self-evident in the statement I have made, but so long as MR. CHAIRMAN raised the question of purpose of placing the subject on the Agenda, I will say a few words about this purpose. The purpose of placing this subject on the Agenda was to show on the basis of wellgrounded facts and figures that the implementation of the Rural Land Reform in Japan is quite unsatisfactory. I was a little bit surprised when I heard MR. CHAIRMAN supposing that there was a time when I confirmed or admired the Rural Land Reform in Japan. I believe MR. CHAIRMAN remembers that at all meetings on which the issues connected with Rural Land Reform were discussed, I always gave my opinion that I considered the reform as being insufficient and having a halfway character. But even this halfway reform is being implemented quite unsatisfactorily. I would like to call attention to the fact that though a sufficiently long period of time has elapsed, we haven't received so far any information as to the plan of purchase of land and

of reselling of land to the peasants. In view of all said above, I would like to repeat my recommendation to the SUPREME COMMANDER to the effect that the necessary measures to put an end to the opposition to the implementation of the Rural Land Reform on the part of landowners should be taken, and that there should be taken measures providing for the timely and exact realization of this law. That is all, MR. CHAIRMAN.

THE CHAIRMAN: I believe the question of the program for reselling of land to peasants is quite clearly written into the law. However, we seem to have very different definitions as to what are facts. I don't know whether we could say that this meeting has been a "halfway" meeting, but it certainly has been prolonged and unsatisfactory. I suggest that, if nothing constructive is to come out of it, we adjourn.

MR. BALL: Might I suggest, MR. CHAIRMAN, that perhaps GENERAL SHANG would like to say something.

GENERAL SHANG: I have no comments.

THE CHAIRMAN: Let us adjourn.

(The meeting adjourned at 1116 hours.)

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SUMMARY OF RECOMMENDATIONS AND SUGGESTIONS FOR SCAP

ITEM I - "The Progress of the Implementation of the Rural Land Reform of 1946."

LIEUTENANT GENERAL DEREVYANKO made the following recommendations:

- 1. That necessary measures be taken to end the opposition by landowners to the implementation of the Rural Land Reform Law.
- 2. That measures be taken to provide for the timely and exact realization of this law.

END

E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050 DECLASSIFIED ACTION COPY OFFICE DIVISION OF MUNICATIONS AND OF STATE TELEGRAPH BRANCHESSAGE CENTER INCOMING TELEGRAM Office of 1947 JUL 29 FAR EASTERN AFFAIRS JUL 3 1 1947 DEPARTMENT OF ST DIRECTOR Department of State PLAIN Control 9172 15 Rec'd July 29, 1947 Action: EUR 8:58 a.m. Info : 3/3 FROM: A-A A-H Secretary of State FE 000 4112, Twenty-ninth CIG ESP In response written inquiry re arranging for dispatch FC of further parliamentary delegation to Japan during DC/R aummer recess Mayhew, Undersecretary Freign Office, 9 made following statement in Commons 28th. Arrangements are already being made for a visit of a delegation of four or five members who will arrive in Japan towards the end of September for a visit of ten to fourteen days". Sent Department. Department please pass Tokyo.

CLARK

MRM: ERA

HOTE: Repeated to Tokyo 7-29-47, 9:50 a.m. TEM

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· Boolosuro No. 1 to despatch to 1808 g. July 3/11949 from the Bebassy at Landon, England. (

PAPER:

NE:18 CHRONICLE

NUI BER:

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DATE:

ABROAD with BARTLETT

Hon. Occupation

TOKIO (by mail). IN the old days the Japanese would bow as they passed the Imperial Palace. Those days have gone, possibly for ever, and the members of the Imperial family are having the time of their lives.

They can now mix with other human beings, not, it is true, as equals, but without very much Germany. He ordered the newsmore fuss and bother than surround members of the British Royal Family. And those Japanese who still like bowin to somebody must at times be tempted to transfer their loyalty to General Mac-Arthur.

Well might they do so, for the energy with which he and his staff are seeking to put Japan on her feet again almost equals that with which they set about her destruction.

THE care shown for the people's welfare and education might make many of the victor nations jealous. The number and variety of injections and inoculations from which the Japanese are benefiting are bewildering.

This generosity towards a defeated enemy is not of course due to any love for the Japanese, although the Americans are exceptionally poor haters.

It is due to three arguments. First, the sooner the country is on its feet again the sooner the American taxpayer will be rid of the burden of some £80,000,000 which the occupation is now costing him.

Second, a democratic Government in Tokio will be damned from the start unless its economic difficulties can be reduced.

Third. the Americans have

been so disappointed by the poor returns for all the money they have poured into China that they now prefer to build up their ex-enemy as the Far Eastern bastion against Communism.

FOR the first two of these reasons General MacArthur from the first day of the occupation adopted a policy radically different from that followed in papers, the schools and the business executives to carry on. By degrees the important people have been "screened" and the schoolbooks have been rewritten.

In Germany the machinery of education and production came to a standstill until non-Nazis could be found to start it up again; in Japan the machinery has been kept in running order even at the risk of leaving dangerous men for far too long in power.

The MacArthur method has obvious dangers, but it aims at avoiding much of that economic misery which is the worst enemy of democracy. I would say without much hesitation that so far it has proved the better method of the two.

Whether it will continue to do so is a very different matter. The Americans suffer more than most people from home-sickness and a desire for quick results. These, combined, may lead all too easily to an epidemic of wishful thinking and unfortunate action.

CENERAL MACARTHUR is a tall man with a fine profile and a uniform of more or less his own design, on which he wears no medal ribbon and no badge of rank. Had I to guess his profession I should have placed him rather as a tragedian than as a soldier.

He is a better talker than a listener, and his loyalty towards his war-time staff has led him to appoint some men in control of Japan who are more likely to tell him what he wants to hear which is that the Japanese have undergone a profound and lasting change—than to risk his anger by reminding him how slow a business it is to change the character of a nation.

THE Supreme Commander of the Allied Powers is a man with a burning sense of mission. He talks so enthusiastically about the development of Christianity and democracy among the Japanese that in self-protection one has to remember how often missionaries have believed conversion to be complete when they have persuaded little coloured

boys and girls to wear clothes. One has to remember that the Japanese have never before been encouraged to think for themselves and that many of the workers interpret democracy as the right to labour conditions which may lead to violent reaction as soon as military control is withdrawn.

One has to remember that industrialists who disapproved less of the megalomania of the militarists than of their methods have an experience of Western ideas which enables them better than any other Japanese to get on good terms with their conquerors. One has to remember how easily the Germans after the first

World War exchanged the freedoms of their democratic constitution for the servitude of National Socialism.

Had the Allies, and the Americans in particular, been prepared to occupy Japan for at least a generation, then one might predict with some confidence that the changes in the people would be deep and lasting.

Until the occupation troops have gone and reparation figures have been fixed no manufacturer will readily spend money on new plant and no Government can cope with inflation.

A S long as the occupation lasts economic conditions are likely to deteriorate. Americans are naturally distressed because they have to bring in an increasing quantity of food to keep the Japanese alive.

But the Japanese are also distressed because so much of their exiguous supply of materials is diverted from reconstruction to the provision of comforts for the American troops.

Such expenditure on unproductive work has two consequences which sadly lessen the effects of General MacArthur's passionate desire to convert the Japanese to the American conception of democracy-it encourages inflation and it discourages appreciation of what is an exceptionally benevolent military occupation.

The claims made on General MacArthur's behalf are often so exaggerated that the observer is apt to underestimate the real The Japanese achievements. people have not in two years forgotten their many centuries of unthinking obedience. They have not yet become democrats even though it pays them to profess democratic theories.

LTHOUGH it should be relatively easy to control any war party in a country so dependent upon shipping and imports, a strong reactionary movement is to be expected as soon as the military occupation comes to an end.

Journalists who emphasise these facts are themselves sometimes subjected to the most undemocratic pressure by members of General MacArthur's staff.

But such considerations should not obscure the fact that an enthusiastic and able team of Americans, inspired by a very remarkable leader, has provided the Japanese with a far better chance of becoming an acceptable and useful member of the community of nations than the four major Allies have given to Germany.

One set of experts claims that a more drastic political purge should have been administered to Japan while the American Army is here to see that it is swallowed. Another set claims that the dose of democracy is already more than Japan can stomach without incurring the most dangerous

indigestion. Faced by these experts at variance all the visitor can do is to reflect hopefully that-to change the metaphors-the machinery of democracy is now installed if the Japanese want to use it, and that a lot of Japanese already have a vested interest in its maintenance and use.

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Prologues No. 1 to despatch No/808 of July 3/1947

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