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matters even where it has become evident that maximum international support cannot be readily achieved. At the same time in order to preserve the broad field of executive discretion which SCAP enjoys and to avoid involving the FEC any more than necessary, use of the interim directive must be kept to a minimum. SCAP has been encouraged to make greater use of his executive authority, asking where necessary for the U.S. Government's views with respect to interpretation of previous directives. SCAP is kept currently and fully informed of U.S. policy.

4. SCAP

It is U.S. policy that SCAP should be formally maintained in all his existing rights and powers, that there should be a speeding up in the process of transferring responsibility to the Japanese Government, and that SCAP should take steps to reduce the scope of his operations as rapidly as possible, with a corresponding reduction in personnel, to a point where his mission and that of his staff will consist largely of general supervisory observation of the activities of the Japanese Government and of contact with the latter at high levels on questions of broad governmental policy.

With

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With the aid of a large staff SCAP has control over almost all aspects of Japanese political and economic life. This has naturally placed the Japanese Government in a subservient position in all echelons to the occupational authorities. There appears to be a complacency and satisfaction with existing arrangements. There is little evidence available at this time that U.S. policy has been implemented by any substantial reduction in administrative personnel or any major step taken to turn over greater responsibility and initiative to the Japanese Government or to change the basic role of the occupation to one of supervision at a high level. The occupational staff appears to be too small to carry out its attempts to govern but is too large for a role of supervision.

5. Allied Council for Japan

This agency has reached the point where it is ineffective, except for occasional Soviet propaganda purposes.

IV. Conclusion: Implementation of U.S. Policy

1. Far Eastern Commission

a. Restrictions on U.S. Action

Unilateral termination of the FEC is barred by the terms of reference of the Commission which provide that it shall cease to function only when a decision to that effect is

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is taken by the concurrence of at least a majority of all the representatives including the U.S., U.K., USSR, and China.

b. Possible U.S. Action

(1) The U.S. could seek to obtain through diplomatic channels agreement of a majority of FEC countries to a "realistic" approach toward further control of Japan and agreement that, with the exception of action on those few remaining items directly related to the fulfillment by Japan of its obligations under the Terms of Surrender, the role of the FEC will be predominantly one of review of existing policy. An announced U.S. position to this end would undoubtedly have a definite limiting effect on the future activity of the FEC.

(2) The U.S. could actively oppose both through diplomatic channels and in the Commission the further introduction of any subjects not clearly within the purview of the Commission. The U.S. could also contribute to the FEC reaching a state of atrophy by urging that fewer Commission meetings be held.

(3) As a practical measure, the U.S. could contribute to the diminution of the activities of the FEC by withdrawing its exclusive financial support for the Secretariat and its present headquarters in the former Japanese Embassy. Such a step would be undignified and unnecessarily

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unnecessarily irritating to other countries unless taken as part of a firm program to terminate the entire regime of control.

2. SCAP

a. Restrictions on U.S. Action

International agreement to the dissolution of the office of SCAP would be necessary as it was established with the express or tacit approval of the Allied Powers in the Pacific War. Furthermore, the position and authority of the Supreme Commander is recognized in the Instrument of Surrender, the Moscow Agreements, and the FEC Basic-Post Surrender Policy.

In view of his international status, SCAP is not bound to carry out U.S. policy except as the U.S. Government issues interim directives. However, the terms of reference of the FEC provide that directives dealing with fundamental changes in the regime of control can be issued only following consultation and attainment of agreement in the FEC, In his capacity as a U.S. officer, General MacArthur can, of course, implement U.S. policy which does not conflict with FEC directives and which is short of a "fundamental change" in the regime of control.

b. Possible

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b. Possible U.S. Action

(1) The U.S. Government could attempt to obtain more positive implementation by SCAP of U.S. policy with a view to reducing the role of the occupational authorities to one of general supervisory observation.

(2) The United States could take positive steps, short of a "fundamental change" to diminish the size and dominant position of the occupational authorities in Japan. Such steps might be inter alia:

(a) The occupation forces could be withdrawn to remote but strategically located sections of Japan and become entirely self-supporting and supplied by sea and truck transport.

(b) Military Government teams could be withdrawn from the cities and their activities curtailed.

(c) The "Supreme Commander" could designate a civilian deputy for political and economic affairs who, with a small staff, would replace the present personnel of GHQ.

3. Allied Council for Japan

a. Restrictions on U.S. Action

As the Allied Council is an adjunct of the FEC, international agreement would be necessary for its dissolution.

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dissolution. There is no provision in its Terms of Reference for its termination, but it presumably would be dissolved at the same time that agreement is reached to terminate the FEC or SCAP.

b. Possible U.S. Action

No particular problem is involved as the agency has reached the point where it is ineffective.

The occasional use of the agency for a propaganda outlet by the Soviets is in part offset by the informational activities of SCAP.

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Department of State

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Supreme Commander for the Allied Powers,

Tokyo,
329 Info: Army Chief of Staff,

For Acting Political Adviser,

SUBJ is Summary Steering COMITE MTG, JUL 5, 1949.

Trade-Marks, Trade Names and Marking of Merchandise in JAP (SC 332/9)

SC 332/9 referred back to Steering COMITE by COMM on JUN 30 for recommendation with particular attention to be given to US amendment that last sentence PARA 6 be deleted. UK, FR and Indian members were without INSTRs on US proposal. Further consideration postponed.

Fishing and Aquatic Industries in JAP (SC-271/19)

Summary developments contained in W-91108, JUL 6, 1949.

JAP Assets in Neutral Countries (SC 295/6)

CHI member inquired as to accuracy of US statement at last MTG that CHI was one of trustees for JAP DIPL and CON property in SPAN in view fact that CHI had no official relations with SPAN. Subsequently, CHI member was informed by US that it was understood by US that in 1945 CHI had asked US to act for it in SPAN.

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CS/A (Japan)

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CONSULATE GENERAL
~~EMBASSY~~ OF THE
UNITED STATES OF AMERICA

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No. 94 Peiping, China, July 14, 1949

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DEPARTMENT OF STATE
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1949 JUL 20 AM 9 17
DIVISION OF
REPUBLIC OF CHINA BRANCH

SUBJECT: Transmittal of Newspaper Articles.

DIVISION OF CHINESE AFFAIRS
AUG 2 1949
DEPARTMENT OF STATE

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

1/ I have the honor to refer to this Consulate General's despatch No. 83 of July 9, 1949, and to enclose in translation an article by CHEN Han-Po (陳翰伯) - "American Cancellation of Japanese Reparations" - which appeared in the HSIN MIN PAO, July 6, 1949.

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Ch'en deals at great length with the supposed American legerdemain re certain stipulations of the Potsdam Agreement showing in detail how the Pauley, Striver and Draper proposals were, in effect "attempts to cancel reparations and to restore Japanese munitions industries in their entirety."

The author finally remarks that with abrogation of its own 'Provisional Reparations Plan', the "mad ambition of American imperialism has been all the more nakedly exposed before us".

2/ There is also enclosed as constituting additional publicity along the same general line a copy (in abridged translation) of an article published in the TA CHUNG JIH PAO (Masses Daily, Peiping) of July 6, 1949 under the title "The United States Protects the Revival of the Japanese Power of Aggression". It will be noted that this article likewise refers to the Potsdam Declaration and alleges that not one Japanese war criminal from the Zaibatsu plutocracy had been punished. American occupation authorities, it was alleged, were preserving the Japanese plutocrats in order to achieve control by American monopolistic capital over Japan, and through the use of American raw materials and Japanese cheap labor obtain high profits in the markets of Southeast Asia, Europe and South America. Japanese aggressive forces were being used again, Japan was being re-armed, and specifically, the Japanese

Army

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Army had been rebuilt by General MacArthur and there had been formed the "Maritime Peace Preservation Bureau" for revival of the Japanese Navy. The Japanese people in the meantime were being suppressed and enslaved by "the American and Japanese reactionaries". The article contended, in closing, that the so-called Japanese reactionaries had already become the principal agents of American aggression in Asia, that Japan was being completely transformed into the Far Eastern arsenal of American imperialism, to be the military base for a new war. The security of the Far East --- and in the first instance of China -- was thereby threatened.

Respectfully yours,

O. Edmund Clubb
American Consul General

Enclosure: att'
1. Article by Chen Han-Po published in the Hsin Min Pao, July 6, 1949
2. Article published in Ta Chung Jih Pao of July 6, 1949.

File No. 350
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Original and hectograph to Department.
Copy to Embassy, Nanking.
Copy to Office of Embassy, Canton.
Copy to Consulate General, Shanghai.
Copy to Consulate General, Tientsin.

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Enclosure No. 1 to Despatch No. 94 dated July 14, 1949, from American Consulate General, Peiping on subject of " Transmittal of Newspaper Articles"

(TRANSLATION)

Article published in HSIN MIN PAO (New People's Daily), Peiping
July 6, 1949
Translated: July 6, 1949
Translated by: GD
Checked by: PWM

AMERICAN CANCELLATION OF JAPANESE REPARATIONS

by
Ch'en Han-po

(NCNA Peiping despatch, July 5) -- The Potsdam Declaration on Japan published on July 26, 1945, stipulated: "Japan shall be allowed to preserve those industries which will maintain her economic needs and commodities to pay reparations, excluding, however, those industries which may enable Japan to rearm and conduct war." It was definitely fixed in the basic policy for Japan published by the Far Eastern Commission on June 20, 1947, that "only those industries which maintain for Japan a democratic economy and commodities for reparations shall be allowed to develop, while the existence of industries which will enable Japan to rearm shall be absolutely prohibited." On August 14, 1947, the Far Eastern Commission passed a resolution on the reduction of Japanese munitions industry potential, specifically stipulating the following principles regarding the problem of Japanese reparations: "All basic and secondary war industries shall be allocated for reparations."

The above-mentioned Declaration, policy and resolution explicitly dictated that Japan must pay indemnities and that all Japanese war industries shall be dismantled and allocated for reparations. But all the actions taken by America on the problem of Japanese reparations during the past four years entirely contradicted the principles set forth above.

The first American project on the problem of Japanese reparations is that of the Pauley proposal ... which is not only too lenient but also preserves part of the Japanese war industry under the category of important industries... Then in August 1946, SCAP under MacArthur designated 1,090 factories as reparations in accordance with the program for dismantling provisional reparations passed by the Far Eastern Committee. In April 1947, the American Government unilaterally ordered MacArthur to allocate 30% of the above designated factories as advanced reparations for China (the Kuomintang Government at that time), the Philippines, Holland and Britain. But very soon MacArthur cut the total number of 1,090 factories designated by himself for reparations to 934. The total number of 447 airplane factories, which were formerly designated to be dismantled,

was cut to

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was cut to 334 ... The total number of private munitions factories to be dismantled was formerly set at 273 but later cut down to 235. By the beginning of 1948, the total number of factories designated for reparations was further reduced to 845 ..MacArthur approved at the same time that 500 out of the 845 factories should be entrusted to the Japanese for operation at their original sites. This was tantamount to writing off 500 more factories from reparations ... As a matter of fact, up to this very moment, only 18 factories were dismantled for reparations.

In 1947, a delegation led by Striker, an advisor (?) to the United States Department of War and general president of the Mai-ke-lu (transliteration) Company, visited Japan three times. The objective of investigation of this delegation was enlarged to include a survey of the industrial potential of Japan, the industrial equipment needed by Japan in her economic rehabilitation and all industrial resources which might serve as war reparations commodities. Striker published an anti-reparations discourse under the heading "Revenge means waste". He maintained that reparations would impede the economic rehabilitation of Japan and therefore proposed the giving up of reparations. In February 1948, the United States Department of War published a report on an estimate of Japanese industrial reparations (which is generally called the Striker proposal) and set the total sum of reparations at 412,040,000 American dollars. In comparison with the sum stipulated by Pauley, this showed a reduction of 70% ...

Then came the Draper proposal surpassing all its predecessors the essence of which was a modification to attempt to cancel reparations and to preserve and restore Japanese munitions industries in their entirety. Draper was an under-secretary of the War Department ... He maintained that the total of Japanese reparations should be reduced to US$165,000,000. The essentials of this proposal maintain: (1) That SCAP under MacArthur may freely dispose reparations concerning Japanese munitions industries ... (2) That the label of Japanese industry "shall be allowed to freely develop under the condition that it does not engage in munitions industries", though actually it is just such munitions industries which may "freely develop" ... It was proposed (3) that America should extend loans to Japan, that the Asiatic countries should resume trade with Japan and that China should supply Japan with raw materials. This is to build a regime like a golden pyramid of "American capital, Japanese industry and Chinese agriculture." (4) All war booty which is now in the hands of the Soviet Union and China should be regarded as formal reparations. The Draper proposal simply uses every pretext to enable Japan not to pay indemnities and to preserve her munitions industry ...

Recently, the American government went one step farther and openly declared the abrogation of the "Provisional Reparations Plan" which was drafted by itself. Fundamentally, this was an attempt to cancel all reparations and to intensify the resumption of the Japanese war industries. The mad ambition of American imperialism has been all the more nakedly exposed before us. (Abridged translation)

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Enclosure No. 2 to Despatch No. 94 dated July 14, 1949, from American Consulate General, Peiping on subject of " Transmittal of Newspaper Articles"

(TRANSLATION)

Article published in TA CHUNG JIH PAO (Masses Daily), Peiping, July 6, 1949
Translated: July 6, 1949
Translated by: GD
Checked by: PWM

US PROTECTS REVIVAL JAPANESE POWER OF AGGRESSION

(NCNA, Peiping despatch, July 15) -- On the occasion when the Chinese people are commemorating the 12th anniversary of the war of resistance against Japan, they cannot but take a grave view of the Japanese situation. With American support, defeated Japan not only did not thoroughly exterminate militarism and realize democratization in accordance with the Potsdam Declaration for Japan and the various international agreement; on the contrary, the Japanese aggressive forces have come back again and become a threat once more to world peace in the Far East.

...

(1) Japanese Aggressive Forces Preserved As Tools for American Monopolistic Capital

As everybody knows, Mitsui, Mitsubishi, Sumitomo, Yasuda, Aikawa and Nakajima are Japanese Zaibatsu families who once constituted the foundation of Japanese militarism and were the ringleaders of aggression against China. In accordance with the Potsdam Declaration, the power of these Zaibatsu should be exterminated once and for all; but, with American protection not one war criminal in the capacity of a Japanese plutocrat was punished. Japanese financial activities at present are still concentrated in the hands of a few plutocrats and banks ...

Why should the American occupation authorities preserve the Japanese plutocrats? Their objective has been the realization of control over Japan by American monopolistic capital and is a further step in taking over the Far Eastern market. Today, American monopolistic capital is already controlling Japan's economic arteries. For example, the American Ford Motor Car Company is already in control of the Japanese automobile industry and the American Standard Oil Company of the Japanese petroleum industry. The American Standard Oil Company has already seized more than one-half of the Mitsubishi stocks and General Motors 45% of the Mitsui stocks. American monopolistic capital has already reduced Japan to (the status of) a Far East sub-office of its own.

At the same time, the American monopolistic capital has shipped large stock of cotton and other raw materials to Japan (constituting over 90% of the total Japanese imports) where they are to be made into commodities by cheap Japanese labor power and be ordered to be shipped (and sold to countries in South-east Asia, Europe and South America. In this way America may acquire

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acquire extraordinarily high profit ...

(2) Japanese Aggressive Forces Being Used Again

...Under the four year control by America, in addition to preserving the reactionary "imperial system", American authorities have protected and set free Japanese war criminals ... The current Yoshida cabinet in Japan is a cabinet of war criminals. Yoshida's name appeared high on the list of the first batch of Japanese war criminals accounced by the War Criminals Investigation Committee of the Chinese Liberated Areas. Among the arch war criminals who had been arrested, with the exception of a few who were sentenced to death by the International Tribune under the pressure of world public opinion, most of the rest were arbitrarily released by MacArthur ... In January of this year, through the conspiracy between MacArthur and Chiang Kai-shek, Neiji Okamura and 260 others who constitute the arch war criminals of Japanese aggression against China were released and repatriated to Japan.

(3) Japan Being Rearmed

To begin with, Americanhas fairly integrally preserved and restored the Japanese war industry ... After making a trip to Japan last December, the American Hoffman delegation proposed a concrete program for rebuilding and enlarging the Japanese steel and air industry ... On May 12 of this year, the American government further announced the abrogation of the Japanese provisional reparation project published by MacArthur himself ...

Secondly, under the pretext of expanding the Japanese police force, MacArthur has rebuilt the Japanese army. He has permitted the formation of the "Maritime Peace Preservation Bureau" to rebuild the Japanese navy. At the same time he is energetically training air forces for the Japanese aggressors... The former Japanese naval base at Yokosuka has now become the best equipped US naval headquarters in the Far East ...

(4) Suppression and Enslavement of Japanese People

With a view to sweeping the way clear for her imperialistic policy, America has been cruelly suppressing the democratic movement in Japan ... Under MacArthur's instigation, the Japanese Diet passed the new labor law and other reactionary bills ... The American and Japanese reactionaries are joining hands in cruelly sqeezing and exploiting the Japanese masses. It is estimated that there will be a total of 13,000,000 unemployed within the year in Japan. The life of the Japanese peasants was extraordinarily poor ...

America delayed the conclusion of a peace treaty for Japan again and again. Her objective has been the utilization of a protracted occupation of Japan to enforce a perpetual regime of enslavement of the Japanese people. Facing the joint attack and suppression of MacArthur and the Japanese reactionaries, the political

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the political consciousness of the Japanese working class and the multitude of the Japanese people is being enhanced with each passing day. They have realized that their interests are identical with those of the working class and the multitude of the peoples of the world. They have realized that Japan will achieve real democracy only after she has shaken off the enslavement of the American and Japanese reactionaries ...

(5) Japanese Reactionary Forces Already Becoming Confederate of American Imperialistic Aggression

As a result of the support given by the American imperialism to the Japanese reactionaries during the past four years, the Japanese reactionaries have already become the principal agents of the American aggression in Asia, especially against China. Japan has already conducted aggressive activities in Asia- especially in China - in many fields... Japanese war criminal Neiji Okamura, the former Commander-in-Chief of the Japanese Expeditionary Forces in China, was once advisor to Chiang Kai-shek and directly commanded military operations of the Kuomintang bandit troops. In July 1947, America sent to Formosa two ships of Japanese "special immigrants", among them there was Hasegawa, war criminal and the former Japanese Viceroy for Formosa ... In March 1947, MacArthur sent Hashishiro Horiuchi, the former Japanese Consul General in Shanghai, to serve as an advisor for T.V. Soong as well as to assist in the exploitation of Hainan Island by America and Chiang Kai-shek. At the same time, large groups of Japanese officers and soldiers directly participated in the anti-people's war launched by Chiang Kai-shek.

From the simple and quite incomplete material cited above, it has already been adequately proved that under the control of America, Japan is being completely transformed into a "Far Eastern arsenal" of American imperialism and an important base to prepare for the advent of a new war. This seriously threatens the security of the Far East - primarily that of China.
(Abridged translation)

mv

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STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

Office of FAR EASTERN AFFAIRS 1 5 1949 DEPARTMENT OF STATE

TO : Mr. Allison

FROM : Mr. Stegmaier JLS (CS)

DATE: July 15, 1949

SUBJECT: Language and area study at Yale.

Our preliminary work on spoken Japanese during the summer session was highly rewarding. This solid beginning permitted a much easier transition to the study of characters than would have been the case otherwise. This should certainly be continued for all beginners.

During the winter session I often felt the load was weighted too heavily toward language study. In general the emphasis was 60% on language, 40% on miscellaneous background studies. A better distribution might have resulted if we had been thought of as area officers first and secondly as language specialists expected to perfect ourselves in that capacity after arrival at post. It would seem better to have spent only 50% or even less of our effort on language. In that case we could, for instance, have audited a general course on international relations and at the same time have done a good deal more on the anthropology, politics, etc. of our own and neighboring areas. We would also have had more time to listen to visiting lecturers. At Yale, for example, there was a very stimulating evening seminar in which Eric Fromm interpreted individual and group behavior patterns in two fast-changing Caribbean societies. Such a discussion would be most valuable to any foreign service officer going to an area of social ferment. However, the four of us who were studying Japanese just didn't have the time for it.

Language study can be continued with great profit at the post. This is not equally true of work in related studies.

It seems a mistake for language and area officers not to make the best possible use of all pertinent educational opportunities available to them at the university.

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US Gov. after-study situation in 1/5-949
Japan, presented proposal to Far Eastern
Commission, calling upon members to
to take lead in encouraging prompt
acceptance by Japan of Sept proposals
responsibilities. FE/NA-WE-L/P-GA
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Acknowledges receipt July 13, 1949 re participation of Japan in International affairs

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Ambassade de France
aux Etats-Unis

Washington, le 15 juillet 1949

DIVISION OF
NORTHEAST ASIAN AFFAIRS
JUL 21 1949
DEPARTMENT OF STATE

D C/R
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AF/GB
NO 234

L'Ambassade de France aux Etats-Unis

présente ses compliments au Département d'Etat et a

l'honneur de lui accuser réception de sa note du

FE
13 juillet, relative à la participation du Japon

aux relations internationales.

L'Ambassade ne manquera pas de transmettre

le texte de cette note au Gouvernement français./.

L'Ambassade de France saisit l'occasion

de la présente note pour renouveler au Département

d'Etat les assurances de sa très haute considération.

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Département d'Etat,

Washington, D.C.

AMBASSADE DE FRANCE
REPUBLIQUE FRANÇAISE
WASHINGTON

DEPARTMENT OF STATE
JUL 18 1949
DIVISION OF
INTERNATIONAL CONFERENCES

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15 juillet 1949

AF/GB
NO 234

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de la présente note pour renouveler au Département

d'Etat les assurances de sa très haute considération.

Département d'Etat,

Washington, D.C.

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RMR

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON, D. C.

18 July 1949

DIVISION OF NORTHEAST ASIAN AFFAIRS
JUL 21 1949
DEPARTMENT OF STATE

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Office of FAR EASTERN AFFAIRS
20 1949
DIRECTOR
Department of State

Mr. W. Walton Butterworth
Director, Office of Far Eastern Affairs
Department of State
Washington, D.C.

Dear Mr. Butterworth:

This will acknowledge receipt of your letter of 8 July 1949 transmitting a proposed policy statement concerning the restoration of United Nations nationals' property in Japan.

I agree with you that our previous proposals in this matter were too detailed to be appropriate for a policy decision of this Government or the Far Eastern Commission. I am forwarding the proposal and your analysis to the Supreme Commander for comment. When General MacArthur's comments have been received, I will advise you.

Sincerely yours,

ROBERT R. WEST
Deputy to
Assistant Secretary of the Army

RM/R
Central
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Authority NND 760035
By CD/SR NARS, Date 22 AUG 1975

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DIVISION OF NORTHEAST ASIAN AFFAIRS

JUL 19 1949

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Rec'd July 18, 1949
12:15 p .m.

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DIVISION OF CHINESE AFFAIRS
JUL 19 1949
DEPARTMENT OF STATE

Office of FAR EASTERN AFFAIRS
JUL 19 1949
DEPUTY DIRECTOR
Department of State

FROM: Canton

TO: Secretary of State

NO: CANTEL 768, July 18, 8 p.m.

On question Jap admission ITU conferences TELCAN 392, June 28, Foreign Office has informed us Chinese Govt will support US Govt at August session ITU Administrative Council on admission to future ITU conference of Jap Govt delegations directly representing it.

Foreign Office holds however Jap participation in international relations is still FEC policy matter and Chinese Govt support this instance due "technical nature" ITU conference. Foreign Office advises accession this US Govt request does not affect Chinese Govt position re Jap participation other international activities.

Full text Foreign Office views follows by pouch.

Action Assigned to NA CLARK

Action Taken No action required

Date of Action July 19, '49

Action Office Symbol NA

Name of Officer A. Denning

Direction to DC/R Info.

BB:ECW

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STANDARD FORM NO. 64

DC/R

Office Memorandum • UNITED STATES GOVERNMENT

TO : NA - Mr. Bishop
Attention: Mr. Lory

DATE: July 19, 1949

FROM : SY - D. L. Nicholson JWB

SUBJECT: Nisei Progressives, Los Angeles, California

DIVISION OF NORTHEAST ASIAN AFFAIRS
JUL 20 1949
DEPARTMENT OF STATE

~~CONFIDENTIAL~~

This Division has been informed by another agency of the government that an organization known as the Nisei Progressives held a meeting on April 28, 1949 at 2723 Eagle Avenue, Los Angeles, California for the purpose of hearing a report from one James Oda, recently returned from Japan. According to the advance notice, Oda is a "former Civil Service employee . . . attached to General MacArthur's SCAP headquarters in Tokyo for the past two years . . . M/S in Military Intelligence during the last war and was assigned to the Pacific Theater . . . before the war he helped to organize the AFL Retail Clerks Union; also active in the Nisei Young Democrats."

"Oda's opening remarks were to the effect that we in America have no idea of the true situation in Japan under the 'American Imperialist Occupation Force.' He compared the situation of information published in American newspapers with propaganda pictures about the Japanese occupation of Manchuria published in Japanese newspapers before the last war, stating that just as the Japanese had not been aware of the atrocities perpetrated by their own forces in China, neither do Americans know how their occupation forces are held in contempt and regarded with distrust and hatred in Japan at the present time. Oda stated that during the Sino-Japanese conflict he had often said, 'Yes, I am Japanese but I am American-Japanese and have no sympathy with the aims and objectives of present-day Japan.' Now, he added, he feels that he must say, 'Yes, I am an American; but I am not a war-monger or a fascist, and have no sympathy with the imperialist aims and objectives of our American occupation forces.'

"Oda divided his speech into three main subjects -- (1) Economy, (2) Peace Moves, and (3) Politics. Under Economy he stated that Japan is living in a 'black market economy' operating on three levels -- although he indicated that there could be no hard and fast line of demarcation between the levels. At the first, and least important level the common people would take anything that they could buy and then keep it till they could resell it at a profit. The GI who sold items he purchased from his Post Exchange fell into this class, too, according Oda. He likened this to a free economy simply because the item was purchased legally in the first place.

"The second level involved getting something for nothing (whether by theft or by reason of the official position of the party involved) and then

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By CD/GR NARS, Date 22 AUG 1975

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and then selling it on the black market--or to black market dealers--at a profit. In this respect Oda stated that many GI's had stolen thousands of dollars worth of goods from government warehouses, and then in order to cover the losses had set fire to the warehouses. Oda left the impression that this was quite common, and cited an example of a warehouse that had burned to the ground two or three times at six month intervals. Oda also implicated Japanese officials of railroads by claiming that they often arranged for the transportation of black market goods by rail from one spot to another when permission had been denied the dealer by the occupation forces.

"At the third, and top level, were leading Japanese industrialists and American occupation officials. Oda stated that much of the cotton yardage finding its way to the black market was good yardage that had been declared 'inferior' by occupation inspectors, hence available for sale to Japanese dealers who turned their purchase over to the black market. The balance of the 'approved' yardage was sold through the rationing plan to the Japanese, but was entirely inadequate to meet their needs. The implication was that black market dealers paid high bribes to have yardage declared 'defective' or 'inferior' by occupation inspectors. According to Oda, such arrangements are the rule rather than the exception. Oda also stated that one of the biggest operations in the black market came from the allocation of priorities of supplies to Japan's basic industries with the declared purpose of rebuilding them as soon as possible. These supplies of steel, lumber, cement, machine tools, etc., according to Oda, often find their way to the black market at enormous prices since there is no other source for them. Lax inspection of progress by occupation forces prevents them frommaking any accurate appraisal of how much of the priority material is being used for reconstruction and how much is being resold in the black market.

"Under this heading, but related to it only as an indication of how occupation forces were spreading 'American Economic Imperialism', Oda stated that 'It is common knowledge in Japan that MacArthur has purchased a considerable interest in leading Japanese and Philippine industries.' Again Oda's implication was that MacArthur would do nothing that would tend to hurt big industry, hence his own interests.

"With regard to peace moves in Japan, Oda stated that the occupation forces were giving unmistakable evidence that the United States is making

preparations for

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preparations for war, citing the 'fact' that one of the largest air fields in Hokkaido is being refurbished and placed in operating condition with hangar facilities being reconditioned, runways lengthened, and in other ways already sufficient to handle the largest commercial planes being used today. Oda also stated that two or three of the Japanese naval bases--which he did not name--are being reconditioned, and that the Japanese assume these are being prepared for possible use in case of armed conflict with Russia.

"Oda implied that the American occupation forces do not really wish to have the Japanese make overtures of their own to other 'peace-loving nations'. In support of this statement he pointed out MacArthur's action in refusing passports to fifteen Japanese delegates to the recent World Congress of the Partisans of Peace held in Paris, France.

"Oda did not dwell on the political situation in Japan. He stated that the Communist Party now has some thirty-five seats in the Japanese Diet, but that the trend was toward pro-communism rather than away from it. In part Oda credited this feeling to the recent and overwhelming victories of 'the people's army of liberation' in China, and the failure there of a capitalist economic structure to survive the test of years of protracted stress. Oda stated as axiomatic the belief that 'capitalism can never put a nation that has been ravaged by the effects of modern war back on its feet.' He added that many people are turning to communism as a protest against the sight of large industrialists making a fat profit out of the business of national reconstruction while 'hunger still stalks the land'. Communists, too, are the only Japanese group who boldly speak out against the occupation forces, according to Oda, and this is having a strong effect on young Japanese who tend to accept any political organization with a clear-cut plan in preference to the obviously muddled thinking of those who would retain the capitalist structure at any cost.

"Oda stated that the Japanese are 'maintaining close contact with the workers' movement in Rumania, Bulgaria, Italy, France, and Russia'; but that there is very little contact with the workers of the United States, which fact he deplored greatly.

"Asked whether he felt that the workers of Japan would participate in a war with Russia, Oda backed down and countered by saying he thought that the workers would be opposed to a war with Russia, but that should one come between the United States and Russia he thought they would continue to work for the cause of peace in any way they could."

The Nisei Progressives is an organization reported to have 114 active members with membership being drawn largely from former members of the Los Angeles Nisei for Wallace Committee.

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740.00119 CONTROL (JAPAN)/7-1949

Supreme Commander for the Allied Powers,

Tokyo,

343

Info: Army Chief of Staff.

For Acting Political Adviser.

MTG FEC JUL 7 cancelled. FOL is Summary Steering COMITE MTG, JUL 12, 1949.

Trade-Marks, Trade Names and Marking of Merchandise in JAP (FEC 332/9)

UK member stated he CLD not support US amendment to delete second sentence PARA 6. US amendment adopted by vote of 5 in favor (AUSTRAL, CANAD, NETH, PHIL, US) to 1 opposed (NZ) with 5 abstentions. FEC 332/9 approved and forwarded to COMM by vote of 7 in favor (AUSTRAL, CANAD, CHI, NETH, PHIL, UK, US) with 4 abstentions.

Fishing and Aquatic Industries in JAP (SC 271/22)

US member stated that so many questions and queries had been raised during the past few weeks RE various parts of paper that US had deemed it advisable to consult SCAP and WLD prefer postpone discussion. COMITE agreed to retain item on agenda until US member had further INSTRs.

ACHESON

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

Office of FAR EASTERN AFFAIRS JUL 28 1949 MINISTER DEPARTMENT OF STATE

SECRET

Office of the U. S. Political Adviser
for Japan

Tokyo, July 19, 1949.

Mr. Hamilton
FE
NA files

Dear Max:

The attachments are self-explanatory and may be of some interest. We have often discussed here various possible means of getting away from the somewhat farcical and ludicrous character of an unbroken succession of discussionless and meaningless meetings of the Allied Council, and I thought it might be worth while to put some of our thoughts on paper.

The General's reaction was more or less what we expected, and we will now presumably continue as we did in the past unless Bill Sebald brings back some new ideas from the Department.

Sincerely yours,

Cloyce K. Huston

Max W. Bishop, Esquire,
Chief, Division of Northeast Asian Affairs,
Department of State,
Washington, D. C.

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MEMORANDUM

Tokyo, July 11, 1949.

FOR: FILES

I saw the Supreme Commander this morning to discuss the attached memorandum of July 9, 1949 entitled "Present Inactivity of the Allied Council for Japan".

The Supreme Commander spoke at great length on this subject, going back to the beginnings of the Occupation and giving the history of the original Far Eastern Advisory Commission and its transformation into the Far Eastern Commission---Allied Council arrangement. He also narrated the various stages in the development of the Allied Council, the nature and tone of the discussions as the various representatives adopted the policy of speaking critically and nationalistically and the eventual paralysis of the Council as a constructive organ by reason of the attitude of its various members. General MacArthur spoke of his later attempts to revive the usefulness of the Council, pointing out that they had always ended in failure and that the Council could now place the blame nowhere except on itself for its present lack of dignity and self-respect. He said that the United States Member was free from any blame in this regard.

In the light of the past history of the Council, and his own experience and observations in trying to make it a useful instrument, General MacArthur said that he saw no hope for success in a fresh attempt to revive the usefulness of the Council on any kind of satisfactory basis. He likewise felt that any attempt to reach an agreement on a formula whereby meetings could be considered as having been held without requiring the physical presence of the members would be doomed to failure because of the certainty that such a procedure would be contested by one or more members of the Council as not fulfilling the requirement in the Terms of Reference for fortnightly meetings. He felt that Mr. Sebald would upon his return possibly have some information with respect to the Department's attitude regarding the Council.

General MacArthur spoke appreciatively of the content of the attached memorandum, saying that it represented a reasonable and logical assessment of the problem, but that his own experience and knowledge of the Council had lead him to the conviction that nothing could be done in this regard.

Cloyce K. Huston

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July 9, 1949.

MEMORANDUM FOR: Supreme Commander

SUBJECT: Present Inactivity of the Allied Council for Japan.

Twenty-five of the 26 regular meetings of the Allied Council for Japan held during the past year---one special meeting was called during this period---have been entirely pro forma, with no items on the agenda, no discussion and no purpose served other than to fulfil the Moscow Conference stipulation that the Council "shall meet not less often than once every two weeks".

The Supreme Commander found it expedient over a year ago to instruct his Deputy as Chairman of the Council to discontinue the practice of introducing subjects for discussion in the Council, as the attitude of certain Members, notedly the Soviet, and the acrimonious tone of the debates had destroyed all hope of being able to evoke helpful and constructive discussions by the Members or to provide useful support to the Supreme Commander in dealing with the many difficult problems and promoting progress in the democratization of Japan. This situation has now continued over so long a period, however, that there is a danger that the Council will become a laughingstock and that the Soviet Member will seize upon its inanition as a basis of attack on the Supreme Commander for failing to utilize the Council in its consultative and advisory capacity, or charge the United States with failure to act in concert with the other Powers in the conduct of the Allied Occupation. Question accordingly arises as to whether a stage may not now have been reached in which it would be desirable to attempt to revive the usefulness of the Council, or at least to disguise its lack of usefulness by a show of activity.

It is perhaps useful to have in mind in connection with the foregoing considerations the prospect that there may become established in China during the coming months a government which will be essentially communist in character, that the United States and other powers may exchange representatives with this new government, and that such a government would as a consequence expect to place its representative on the Allied Council, thus giving Soviet interests two places at a council table where only four can sit. The Soviet and communist representatives might in such an eventuality discover new uses for the Council as a sounding board and begin placing items on the agenda with a view to making critical and unfriendly attack on the Supreme Commander and the Occupation. Before such a stage is reached, it might be desirable either to elevate the Council to a stage of revived activity or to reduce it even further rather than to leave it

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in its present state as an instrument lying at hand unused but available for such purposes as Soviet and communist interests may find useful. It would perhaps be more profitable from the point of view of United States interests to have any revival of Allied Council activity come as a result of American rather than Soviet initiative.

Having in mind the foregoing considerations, the Terms of Reference for the Allied Council, and the history of its activities, particularly during the past year, four possible courses of action with respect to the Council's future activity are here noted:

1. Continuation of present policy and status of virtual inactivity.

2. Abolition of the Council by agreement of the interested Powers.

3. Establishment and recognition of the principle that, when no items have been placed on the agenda (by 10:a.m. on the Friday before a regular Wednesday meeting) and no Member desires to initiate discussion of a procedural matter, the meeting will be considered as having been held without actually requiring the physical presence of the Members. Minutes for such meetings might be made to read:

"no items having been placed on the agenda and no Member having wished to take up any procedural matters, there was no discussion and no business transacted at the ___th meeting of the Allied Council for Japan on_____ ___, 1949."

Should an item be placed on the agenda in due form or should a Member give notice up to within one-half hour of the time scheduled for a meeting indicating his intention to take up a procedural matter, the meeting would, of course, be held and attended in a normal manner.

4. The occasional placing on the agenda by the Supreme Commander's Deputy (as Chairman and United States Member) of subjects susceptible of calm, instructive, and possibly constructive discussion.

The fourth of the foregoing suggested courses of action, i.e., the occasional placing on the agenda of the Allied Council for Japan by the United States Member (and Chairman) of subject susceptible of calm, instructive, and constructive discussion is hereby recommended. The chief hazard would, of course, exist in the possibility of fresh attempts by the Soviet Member to exploit any such opportunity for propaganda purposes

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by indulging in inflamatory statements. It is believed, however, that the acts of the Supreme Commander and the policies pursued by the Occupation are such that they can be readily and effectively defended on all counts and that the sum total of propaganda effect would be heavily favorable to the interests of the Occupation.

In general, desirable subjects would probably be found to lie in the larger field of Japanese interests in which this Headquarters has developed principles and programs, and which, when discussed in the public forum of the Allied Council and reported in the Japanese press, would be instructive to the Japanese public and convincing of SCAP defense of Japanese interests. Suggestive of the type of subject which it is recommended that the United States Member be authorized to introduce are the following: membership in the International Telecommunication Union; foreign trade; Japanese representation abroad; repatriation.

If the Supreme Commander should approve the foregoing recommendation, authorization is requested for his Deputy to place on the agenda of the meeting to be held on July 20 the subject "Japanese Participation in International Organizations". This would provide a most useful opportunity to put forward the SCAP and United States position on this important question. (It would also offer the best means of taking effective action on the State Department's telegram no. 295 of June 28 (copy attached), which asks USPOLAD to consult with appropriate SCAP officials regarding the means of impressing certain points upon the Japanese Government and people, "directly or indirectly and by whatever means considered appropriate and effective for maximum benefit United States interests".)

An outline showing the general lines which might be followed in the presentation of the United States position on the question of Japanese participation in international relations is attached hereto.

Cloyce K. Huston

Attachments:
1. State Department telegram no. 295, June 28.

2. Outline of proposed discussion.

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COPY

Outline of Proposed Statement to be Made by
the United States Member at
Meeting on 20 July 1949 on the Subject of
"Japanese Participation in International Relations"

The following is a general statement giving the broad lines of the presentation to be made to the Allied Council by the United States Member regarding Japanese participation in international relations in the event that he should be authorized by the Supreme Commander to place this subject on the agenda.

It is now over three and a half years since Japan surrendered and the Allied Powers began the process of establishing conditions in Japan which would lead finally to the restoration of that country to a normal status in the family of nations. This is the pattern envisaged in the Potsdam Declaration and the Basic Post Surrender Policy for Japan which was approved by the Far Eastern Commission on June 19, 1947. The latter document states in part that one of the objectives to which policies for the post-surrender period for Japan should conform is "to bring about the earliest possible establishment of a democratic and peaceful government which will carry out its international responsibilities, respect the rights of other states, and support the objectives of the United Nations".

It is important from the point of view of developing responsible government under the Occupation that Japan should be given increasing direction of its own affairs in the international field as well as in the domestic field. That this process should develop under the supervision of the Occupation has obvious advantages in developing a healthy international outlook among the Japanese and in averting the confusion that might well arise from any abrupt removal of current restrictions after a peace treaty. The immediate resumption by Japan of some international responsibilities in such fields as trade promotion, citizenship and property problems, cultural relations, and technical and scientific arrangements and exchanges would provide a substantial contribution to the economic recovery of Japan.

The Supreme Commander and the United States Government have taken the lead in encouraging increased participation by Japan in international relations. On April 21, 1949, the United States proposed in the Far Eastern Commission the adoption of a decision of policy which would broaden Japan's international activity. The delegation for Japan at the recent conference in Paris of the International Telecommunication Union was accredited by the Japanese

Government

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Government with the approval of the Supreme Commander, pursuant to Japanese accession as a member to the Union's Convention, likewise with the Supreme Commander's approval. The United States took the lead at the Conference in proposing that Japan's right to full participation as a member be recognized. (Full enumeration of international meetings, including FAO, ILO, conference on conventions of war, Red Cross, Olympics, at which Japanese have attended as either observers, advisers, or members, to be included.)

The several proposals made by the United States have met with considerable opposition both in the Far Eastern Commission and in the International Telecommunication Union. The United States will, however, continue to press for greater international activity on the part of Japan and has made known to the Supreme Commander its view that increased international activity by Japan will contribute to Japan's democratization and economic recovery and is in full accord with the objectives of the Allied Powers as stated in the Basic Post Surrender Policy for Japan approved by the Far Eastern Commission.

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Rec'd July 20, 1949
3:29 p.m.

Date of Action 7/21

Action Office Symbol ca

Name of officer

Direction to DC/R

DIVISION OF CHINESE AFFAIRS JUL 21 1949 DEPARTMENT OF STATE

FROM: Nanking

TO: Secretary of State

NO: 1564, July 20

Nanking press July 5-12 carries following articles re US Japan policy:

July 5: Official HSIN HUA JIH PAO and HSIN MIN PAO feature as lead article indignation of local residents to US fostering of Japan. With Nanking massacre still fresh in their minds, papers state, residents determined to oppose, with their lives if necessary, rearmament of Japan by US imperialists.

July 6: Same papers highlight telegram to Mao, Chu Teh by 3000 representatives who attended July 5 meeting to commemorate July 7. Telegram mentioned US fostering of Japan and inability to forget Nanking massacre, demanded early signing of Jap peace treaty, stipulated treaty must have participation, concurrence of USSR and "new China".

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July 7: Press prominently features on second page series of articles written by local labor groups under headline "vehemently oppose US fostering of Japan; advocate early signing of peace treaty. Articles stress demand for participation of "New China" in peace treaty, review former Jap atrocities in Nanking, states US dream of fostering Japan will be smashed. HSIN HUA JIH PAO carries special article by Chen Han-po entitled "US cancellation of Jap reparations". Article avers US efforts now turning Japan into its F.E. arsenal, threatening world peace and rendering it impossible to revive Jap peace industries and realization of democracy.

July 8:

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July 8: Press reiterates speeches contained Peiping telegram 1141, July 8, repeated Nanking 812, Shanghai 770, Canton USPOLAD unnumbered.

July 9: HSIN MIN PAO features articles entitled "MacArthur's open dictatorial rule over Japan." According to paper, MacArthur July 4 statement hinted at outlawing of Jap Communist Party; workers are now launching movement to oppose government's large-scale retrenchment plan; US authorities in Yokusuka further suppressed Japanese laborers by forcing them to fill out forms giving personal data, swear they do not belong to Communist Party.

July 10: Press carries NCNA Peiping July 8 release of UP Tokyo despatch entitled "Japanese Communists accuse reactionaries of murder of Shiyama."

July 12: HSIN MIN PAO headlines on front page Japanese Communist Party statement vis-a-vis peace treaty advocating use of Potsdam agreement as basis for treaty demanding punishment of war criminals, eradication of potential war strength, unlimited development of peace industries and complete independence. Statement also accuses Yoshida Cabinet as main obstacle to realization of above aims as it favors prolonged occupation.

Repeated Shanghai and Canton unnumbered, Tokyo 35.

STUART

WMH:GMC

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

to OCI for action

Office of the United States
Political Adviser for Japan

Tokyo, July 20, 1949.

DIVISION OF NORTHEAST ASIA AFFAIRS
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Subject: Japanese Translations of Basic Documents Relating to the Occupation.

The Chargé d'Affaires ad interim has the honor to enclose three copies each of two volumes of a series being prepared by the Japanese Government containing basic documents relating to the occupation of Japan together with a Japanese translation of each document. The first volume contains documents relating to the surrender of Japan and the definition of Allied policy for the occupation. The second volume contains documents relating to political, military, and cultural matters, and consists primarily of directives issued by Headquarters to the Japanese Government. The third and fourth volumes, which will complete the series, will relate to economic matters.

1/ 2/

These documents are considered useful not only because they contain Japanese translations but also because they classify by subject important policy statements.

Enclosures: all

1. Three copies of Documents concerning the Allied Occupation and Control of Japan, Volume I, Basic Documents, Division of Special Records, Foreign Office, Japanese Government, January 1949.
2. Three copies of Documents concerning the Allied Occupation and Control of Japan, Volume II, Political, Military and Cultural, March 1949.

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

DIVISION OF
NORTHEAST ASIAN AFFAIRS
JUL 28 1949
DEPARTMENT OF STATE

Tokyo, July 21, 1949.

PERSONAL and
CONFIDENTIAL

Office of
FAR EASTERN AFFAIRS
JUL 29 1949
DIRECTOR
Department of State

Dear John:

I thought you might be interested in the attached copy of a memorandum to the Chief of Staff. We do not take these things too seriously, and as a matter of fact we have been getting fairly good breaks most of the time, but I do not like to let an incident like this pass without doing something about it. General Almond received the memorandum very well, said that I had been placed purely as a member of the Commander in Chief's staff, and indicated his readiness to receive our suggestions for a better solution to the problem.

The longer I am here and the more I learn of the past story, the more convinced I am that it was both unwise and unnecessary to allow our Mission here to fall into such a low estate.

I have a letter from Max saying he is no longer in NA. Bill should be back on Saturday and I am anxious to hear all the gossip.

With best regards,

Sincerely yours,

Cloyce K. Huston

Enclosure:

Copy of memorandum to
the Chief of Staff.

John M. Allison, Esquire,
Deputy Director,
Office of Far Eastern Affairs,
Department of State,
Washington, D.C.

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JUL 29 1949

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COPY

MEMORANDUM

(Good presentation mg.

For: The Chief of Staff

From: Mr. Huston

I am obliged to request your attention to the question of the position given the senior representative of the State Department in Japan at functions of a military character, with particular reference to the place assigned to me as a member of the reviewing party at the review of Occupation forces held at the Palace Plaza yesterday morning.

I am sure that you could not personally have been aware of this particular detail among the many others requiring your attention in making this occasion the success it obviously was, but reference to the reviewing stand plan will show that I was not only placed far below the entire diplomatic group, including the most junior of the Acting Chiefs of Mission, but was given an inferior position among the military ranks as well for which I can find no justification.

Please do not consider that I look upon occurrences of this kind as constituting an intended humiliation or deliberate derogation of the State Department or its representatives; I am sure that you personally would have no such intention and am well aware of how easily such errors can arise from pure inadvertence or the fact that the persons directly responsible for handling such arrangements are inadequately informed. You will understand, however, that my responsibilities do not permit me, even if I were personally so inclined, to accept a position at official ceremonies flagrantly inferior to that to which I am properly entitled, particularly at a function having international character or where diplomatic representatives of other countries are present in their official capacity.

Recognizing the difficulties and problems involved in coordinating the military with the diplomatic protocols, particularly under Occupation conditions, I hope you will agree that it would be desirable, if possible, to find means of avoiding possible misunderstandings on any similar occasions in the future, perhaps through advance consultations on an ad hoc basis or by the adoption of an official Occupation protocol. The latter suggestion would possibly have the greater merit by reason of its assurance of the uniformity which has been lacking in the past, when State Department officials have sometimes been appropriately placed and at others have not been so placed. You may be sure that I and my colleagues will be glad to cooperate in this regard.

Cloyce K. Huston

Tokyo, July 5, 1949.

(Good Protocol) 2-21-47

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

ACTION
is assigned to
FE

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

UNITED STATES POLITICAL ADVISER

FOR JAPAN

Tokyo, July 22, 1949.

No. 477

SECRET (For Department Use Only)

Subject: Launching of Program to Effect Relaxation of Occupation Controls in Japan.

The Honorable
The Secretary of State,
Washington.

Sir:

With reference to my despatches nos. 298 and 391 of May 10 and June 16, 1949 on the above subject, I have the honor to enclose herewith five copies of Staff Memorandum No. 28 dated July 16, 1949, which directs certain changes in standing Occupation instructions designed to further the current program of relaxing Occupation controls.

In harmony with the aims expressed by General MacARTHUR in his Constitution Day speech of May 2, 1949, the attached Memorandum sets forth the intention to permit and encourage the Japanese Government to exercise the normal powers of government in matters of domestic administration, and directs the chiefs of all general and special staff sections to survey existing Occupation directives and the essentiality of current Occupation missions with a view both to effecting a general relaxation of controls and to releasing military personnel for combat training. It constitutes, in effect, an official statement of the aims and purposes set forth in the two staff meetings previously reported.

I understand that considerable thought and some effort are being devoted to the possibilities of reducing personnel in the Military Government (now Civil Affairs) teams, a particularly difficult problem because of general dependence upon these groups in carrying out rice and tax collections.

Respectfully yours,

Cloyce K. Huston
Chargé d'Affaires ad interim

Enclosure:
Five copies Staff Memorandum
No. 28 dated July 16, 1949.

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CKHuston:cgf

In triplicate to the Department

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Enclosure to Tokyo's No. 477, July 22, 1949.

Restricted

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
AND
FAR EAST COMMAND

AG 300.6 (15 Jun 49)GC

APO 500
16 July 1949

STAFF MEMORANDUM)
:
NO.....28)

(SCAP & FEC)

INSTRUCTIONS CONCERNING CHANGES 7 TO OI 5

1. Paragraph 3x(1) and (2), Occupation Instructions 5, General Headquarters, Supreme Commander for the Allied Powers, 1 January 1948, has been revised by Changes 7 to Occupation Instructions 5 and are reproduced below:

"(1) The Japanese government and its agencies will generally be permitted and encouraged to exercise the normal powers of government in matters of domestic administration. The Supreme Commander for the Allied Powers retains the authority to take direct action in the event of the unwillingness or failure of the Japanese authorities to act effectively. The issuance of orders to, or the direct operation or supervision of, any Japanese governmental agencies by subordinate commanders will not be undertaken except as specifically authorized by the Supreme Commander for the Allied Powers. Removal and appointment of officials will likewise be done by the responsible Japanese agency.

(2) Recognizing the related facts that (a) JAPAN has been completely demilitarized, (b) the social and political reformation of JAPAN has reached a stage permitting assumption by the Japanese government of increasing obligations in its advancement toward economic rehabilitation and stabilization, (c) the necessity for extensive surveillance and execution by the occupation of many special missions relating to social, cultural and economic development of JAPAN no longer exists, and (d) the character of the occupation has gradually changed from the stern rigidity of a military occupation to the friendly guidance of a protective force, henceforth the Occupation Forces will:

(a) Continue to advance the transition as rapidly as the Japanese government is able to assume the attending autonomous responsibility.

(b) Indoctrinate occupation personnel in an attitude of friendly interest and guidance toward indigenous peoples in the conduct of occupation missions, an attitude that is reflective of the democratic ideal and avoids any arrogance indicative of unnecessary military coercion.

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(c) Avoid interference with the Japanese government in the performance of its functions.

(d) Exercise only that surveillance consistent with the foregoing attitude towards the Japanese government and people and which is necessary to keep all echelons informed of current trends and conditions in the interest of insuring the security of the Occupation Forces and attainment of occupation objectives.

(e) In consonance with the foregoing, reappraise critically and continuously the methods whereby occupation missions are accomplished, with a view to reducing to the permissible minimum distractive deterrents to effective military training."

2. Changes 7 to Occupation Instructions 5 constitutes a revision of occupation policy of far-reaching significance and will be adhered to hereafter by all General Headquarters personnel engaged in duties incident to the occupation of Japan.

3. The chiefs of all general and special staff sections will:

a. Initiate without delay a survey and analysis of outstanding occupation directives with a view to rescinding or revising at the earliest possible date those that are determined to be in conflict with the foregoing policy.

b. Reappraise continuously the essentiality of current occupation missions with a view toward recommending, to the Supreme Commander for the Allied Powers, appropriate reductions to the maximum extent permissible, returning United States military forces released thereby to their primary mission of attainment of a high state of combat efficiency at the earliest date.

BY COMMAND OF GENERAL MacARTHUR:

EDWARD M. ALMOND,
Major General, General Staff Corps,
Chief of Staff.

OFFICIAL:

R. M. LEVY,
Colonel, AGD,
Adjutant General.

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Enclosure to Tokyo's No. 477, July 22, 1949.

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Enclosure to Tokyo's No. 477, July 22, 1949.

Restricted

GENERAL HEADQUARTERS
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FAR EAST COMMAND

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Enclosure to Tokyo's No. 477, July 22, 1949.

Restricted

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
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Adjutant General.

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SEP 19 1949

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

Office of the United States
Political Adviser for Japan

Tokyo, July 22, 1949.

740.00119 Control (Japan)/7-2249

G DIVISION OF
NORTHEAST ASIAN AFFAIRS
AUG - 3 1949
DEPARTMENT OF STATE

No. 476

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Subject: Use of Occupation Troops in Civil Disorders.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to enclose five copies of Staff Memorandum No. 29 issued on July 16, 1949, by General Headquarters, stating that Occupation troops will intervene in civil disorders only if the disorder is directed at the Occupation forces or Occupation installations, or if the Supreme Commander directs intervention.

Headquarters officials say that the enclosed Staff Memorandum prescribes no new policy for the use of Occupation troops in civil disturbances but is intended to inform all Occupation units of Headquarters regulations regarding use of troops in the case of civil disorder. A staff memorandum on this subject was considered desirable because of a recent disturbance in Hiroshima in which units from the British Commonwealth Occupation Force were called out to be prepared to intervene in a demonstration by workers striking at a steel plant. No order had been given by the Supreme Commander in this instance nor was Occupation security threatened but a local Military Government official had advised that legally Occupation troops could be used to intervene in such a disturbance. General Headquarters officials state that although legally Occupation troops could be used in such a situation, it is not the policy of the Supreme Commander to permit their use to intervene in ordinary civil disturbances. Issuance of the enclosed Staff Memorandum appears timely in view of the rumored "labor offensive" in Japan during the summer months.

Respectfully yours,

Cloyce K. Huston
Chargé d'Affaires ad interim

Enclosure:

Five copies of Staff Memorandum No. 29 dated July 16, 1949.

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

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United States Political Adviser
for Japan

Tokyo, July 25, 1949.

DIVISION OF
NORTHEAST ASIAN AFFAIRS
AUG - 3 1949
DEPARTMENT OF STATE

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Subject: Ninety-first Meeting of the Allied Council for Japan, July 20, 1949.

The Acting Political Adviser has the honor to refer to this Mission's despatch no. 447 of July 9, 1949, and to previous correspondence in regard to meetings of the Allied Council for Japan, and to forward as enclosures five copies each of the Agenda and Corrected Verbatim Minutes of the ninety-first meeting of the Council held on July 20, 1949.

As there were neither procedural nor official matters on the Agenda, there was no discussion and the meeting adjourned after approval of the minutes of the ninetieth meeting.

gwm

Enclosures: att.

1. Five copies of Agenda, Ninety-first Meeting of the Allied Council for Japan, July 20, 1949.

2. Five copies of Corrected Verbatim Minutes, Ninety-first Meeting of the Allied Council for Japan, July 20, 1949.

310

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cc: American Embassy, London.
American Embassy, Nanking.
American Embassy, Moscow.
American Embassy, Canberra.
American Embassy, New Delhi.
American Embassy, Wellington.

Parchment Mat to the Department.

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91-720

AGENDA

for the

NINETY-FIRST MEETING

ALLIED COUNCIL FOR JAPAN

To be held in the Meiji Building, Tokyo,
Wednesday, 20 July 1949, at 1000 Hours

I APPROVAL OF THE CORRECTED VERBATIM MINUTES OF THE NINETIETH MEETING (1 Session, numbered 90-706).

II PROCEDURAL MATTERS

None held over or submitted as subjects for this Agenda.

III OFFICIAL MATTERS

None held over or submitted as subjects for this Agenda.

By Direction of the Chairman:

Thos. G. Dobyns

THOS. G. DOBYNS
Colonel, U.S.A.
Secretary-General

15 July 1949

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

CORRECTED

VERBATIM MINUTES

of the

NINETY-FIRST MEETING

ALLIED COUNCIL FOR JAPAN

Meiji Building, Tokyo, Wednesday, 20 July 1949, at 1000 Hours

MEMBERS PRESENT

Mr. Cloyce K. Huston, Chairman pro tempore and representative of the Member for the United States

Lieutenant General Chu Shih-ming, Member for China.

The Honorable Patrick Shaw, Member representing jointly the United Kingdom, Australia, New Zealand and India

Lieutenant General Kuzma N. Derevyanko, Member for the Union of Soviet Socialist Republics

SECRETARY-GENERAL

Colonel Thos. G. Dobyns

Office of the Secretariat
Allied Council for Japan
20 July 1949

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

THE CHAIRMAN: The meeting will please come to order.

The Corrected Verbatim Minutes of the Ninetieth Meeting have been circulated among the Members and in the absence of objection (Pause) are approved.

Are there any procedural matters? (Pause)

There are no official items on the agenda today; that would appear to conclude the business of the meeting.

The meeting is adjourned.

(The meeting adjourned at 1001 hours.)

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

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15 July 1949

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Office of FAR EASTERN AFFAIRS AUG 2 1949 Department of State

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

PERSONAL and
TOP SECRET

Tokyo, July 26, 1949.

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Dear Walt:

Having arrived in Yokohama during the morning of July 23, I later telephoned for an appointment with General MacArthur. His Aide set the time at 6:00 p.m., but called later and said that the General would like to see me at 1:15 p.m., if convenient. I accordingly called on the General and spent approximately two hours with him. You will undoubtedly be interested in some of the main points of this conversation---both from the viewpoint of what I told the General and with regard to his comments.

First of all, I extended the Secretary's personal greetings to the General and said that I had conveyed the latter's invitation to the Secretary for a visit to Japan, that the Secretary said this would be most difficult but, if possible, would like to make such a visit this fall. General MacArthur said that he appreciated how difficult it is for the Secretary to leave Washington but he hopes that the visit can eventuate, as United States prestige in Japan would be raised immeasurably and public opinion in the entire Far East would react favorably towards such an important visit.

The General asked me regarding the general attitude of the Department towards the Occupation. I told the General that my principal reaction could be summed up in a few words, namely, that the Department is highly disappointed at the apparent failure of SCAP to implement the various provisions of United States foreign policy as set forth in NSC 13/3. For example, I said, everyone feels that the Occupation should stop attempting to operate the Japanese Government; that there are too many Americans concerned with the minutiae of government; and that it is high time that the Occupation be placed solely on a policy level with an attendant radical reduction in the number of personnel involved.

The General said that he has already given instructions regarding reduction in personnel and that approximately one thousand people

The Honorable
W. Walton Butterworth,
Assistant Secretary for
Far Eastern Affairs,
Department of State,
Washington.

DC/R 74 Doc ---- Box ----

FILED DEC 1 2 1956

Top Secret File (Japan) 7-2649

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

people will be off the rolls by the end of fiscal year 1951. I said that in my opinion this is not enough to satisfy Washington. The General then asked what the people in the State Department think would be a reasonable number with which to carry on the Occupation. I said, "About 200." After a moment's reflection the General said that he saw no reason why the civilian end of the Occupation could not be carried on by 200 people, provided such personnel were of sufficiently high caliber and competence to act and operate on a policy level. He said it took almost two and one-half years to obtain a financial expert of Mr. Dodge's standing and he therefore wondered how many years it would take before he could have sufficient experts capable of formulating and making policy decisions. He admitted that there might be "some water which could be squeezed out of the Headquarters" but, all in all, he felt that with present directives (especially the nine-point economic program) it would be impossible radically to reduce personnel at the present time. He is, however, continuing his efforts wherever possible to cut down and to take the Occupation out of operating procedures.

With regard to the purge, the General said that he could not understand why Washington insists that he act contrary to the FEC policy decision on this subject. I explained to him the reasons, but his attitude convinced me that the time was inopportune to press the subject. (I made a mental note to return to this subject when I discuss my letter to him written in the Department--- this letter was not mentioned.)

It was at this point that I casually mentioned the Siamese gold problem and the probability that a communication of some sort on this subject would be received shortly. I have already covered this aspect of our conversation in my letter of July 25.

I told the General that one thought in the Department is along the line of establishing a civilian deputy under the Supreme Commander, with broad powers separate and distinct from the military. The general immediately asked, "who would this gem of a person be?" I said that Joe Dodge's name had been mentioned but the General said he was convinced in his own mind that Dodge would not accept. In any event, he said that he would not be party to an arrangement whereby he, General MacArthur, would be expected to sit idly by and let someone else run the Occupation for him. He then spoke at length and with some bitterness on the difficulties which he has had in keeping high-caliber people on the job here. He mentioned several names, including Dodge, as examples of what happens: the experts come to Japan, recommend a plan which is set in motion, and

then

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then promptly depart for the United States, leaving SCAP to hold the bag. He said that the present difficult economic situation in Japan is the direct result of Dodge's recommendations and that Dodge should be here to provide further guidance and direction. In other words, the experts should see it through, for two years if necessary.

With regard to the impact of the Occupation upon the Japanese people, the General said that his statement of May 3, 1949, has set the pattern for a rapid return to the Japanese of many functions previously directly controlled by the Occupation. He said that wherever possible, jurisdiction is being returned to the Japanese and that in consequence, more and more authority is being assumed by the Japanese Government. He felt, however, that it could not be Washington's desire that United States troop strength in Japan be further reduced and he is accordingly working on the premise that the Eighth Army should gradually revert to a tactical force in garrison status. He pointed out the complex problem which faces United States policy in Japan by demanding on the one hand that the impact of the Occupation be minimized, and on the other, that strategic protection be given to United States interests in the Far East.

General MacArthur apparently still feels that a treaty of peace should be negotiated at the earliest possible moment with the proviso, however, that United States troops remain here until such time when their withdrawal becomes feasible. He realizes the dilemma in which we would be placed were such a decision to be made, but hopes that efforts towards a peace treaty will continue, especially as he feels that we are losing the good will of the Japanese by seemingly holding out against a treaty.

On the matter of sufficiency of Japanese police forces, the General said that the military have been ordered to refrain from interference in all cases, except when a situation has patently grown out of hand. He believes that the Japanese police forces have been vastly improved in discipline and morale and are fully capable of handling problems which would normally fall to a police force. He thinks it unreasonable to expect the Japanese police to act as a constabulary as obviously they are not armed beyond pistols nor trained as troops.

The General asked me whether consideration is being given to a change in the regime of control of Japan. I replied that I was unable to discover any definitive thought on this subject; that people in the Department realize and appreciate the excellent job

which

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

which he has done in Japan, and that, barring a treaty of peace, I very much doubted that the regime of control would be changed. On the other hand, I said that the Department is strongly of the view that SCAP, being an officer of the United States appointed by the President, is subject to orders from the United States Government, and could be replaced by the President without great difficulty. The General took exception to this view on the ground that the Moscow Agreement specifically states that he is the sole executive authority for the Allied Powers and that appointment of a new SCAP would be subject to agreement among the major Allied Powers. I said that his view does not conform with that held by the policy makers in Washington. I closed this part of the discussion by recounting a rumor which I had heard on fairly good authority regarding the acceptance of General Clay's resignation by the President, presumably because of his failure to carry out United States policy. This interested the General greatly and later when I accompanied him to his car he said that the Clay resignation was a most interesting bit of news. I particularly stressed to the General the fact that my information was based on a casual conversation and that I could not, of course, vouch for it. The General said he believes the story and that it makes sense in the light of other factors.

I told the General that I was greatly impressed by the earnestness with which all levels in the Department strive to meet and reconcile SCAP's views with realities of the situation in Washington. I assured him that when his views are received they are given most careful study and consideration by everyone concerned although at times it is impossible to adopt his views in toto and that compromise solutions are often the only possible ones consistent with practicality.

The General seemed to be genuinely glad to welcome me back to Japan and invited me to come to see him as often as I wish if there are any other matters that I would like to bring to his attention. He said that he is desirous of doing everything possible to assist in carrying out United States foreign policy. When I suggested to him that one school of thought in the Department of the Army felt that the State Department alone should formulate all policy (except purely military matters) for Japan, the General said that such an arrangement would be an improvement over the present confusing procedure.

In summary, it is my conclusion that the General is prepared to go along with the Department's policies in most cases. He still

feels

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feels strongly about the purge (probably as a result of Whitney's advice), but even on this subject I have hopes of some ameliora-tion. In my meeting with him I sensed a new willingness to "play ball", an attitude which contrasts favorably with his former criticisms of the Department, particularly of the working levels. While the battle is far from won, I was also impressed in a later conversation by the attitude of Major General E. M. Almond, Chief of Staff, regarding efforts being made to cut down Occupation con-trols, reduce personnel, eliminate evidences of military overlord-ship, and in general to meeting the underlying philosophy of NSC 13/3. I will keep you advised from time to time of progress made in this connection by personal letters or appropriate official communications.

Sincerely yours,

Bill.

W. J. Sebald

PERSONAL and
TOP SECRET

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

6 DIVISION OF NORTHEAST ASIAN AFFAIRS
AUG 8 1949
DEPARTMENT OF STATE

Office of the United States Political Adviser for Japan

Tokyo, July 26, 1949.

No. 491

UNCLASSIFIED

identic notes sent to the 4 Govts as requested.
identic letters sent to 8 Japanese language newspapers in the US (+ Hawaii)
mg hdl 8/11/49.

REC'D AUG 2

ACTION FE

INFO DCR DS L OLI ARA PD

c

Subject: Notification from the Japanese Government concerning Direct Communication with Persons Abroad on Matters of Nationality and Personal Status.

XR 894.012

DEPARTMENT OF STATE OFFICE OF AMERICAN REPUBLIC AFFAIRS AUG 16 1949 HHS AD ED

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer to this Mission's despatch no. 404 of June 21, 1949, transmitting instructions to the Japanese Government authorizing the latter to communicate with persons abroad in regard to personal status. In this connection there is enclosed a copy of a memorandum of July 16, 1949, from the Ministry of Foreign Affairs of the Japanese Government to General Headquarters requesting that certain governments including the United States Government be notified that such communications are now being undertaken by Japan.

The enclosed memorandum contains a brief statement of the procedure to be followed by persons communicating with the Japanese Government and states that explanatory pamphlets are being sent directly to Japanese associations and individuals abroad.

The good offices of the Department, if no objection is perceived, in making the information contained in the enclosed memorandum available to concerned residents of the United States as well as to the Governments of Argentina, Cuba, Colombia, and Venezuela, would be appreciated. This Mission is also transmitting the information contained in the enclosure directly to the Canadian Liaison Mission in Japan and to the American Embassy in Siam.

Respectfully yours,

W. J. Sebald

Enclosure:
Copy of memorandum dated July 16, 1949, from Ministry of Foreign Affairs, Japanese Government, to General Headquarters.

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Parchment mat to Department.
UNCLASSIFIED

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FILED AUG 26 1949

FAP

ACTION COPY RETURN TO DC/R FILES WITHIN 14 DAYS, WITH A NOTATION OF ACTION TAKEN.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

Enclosure to Despatch No. 491 dated July 26, 1949, from United States Political Adviser for Japan, Tokyo, subject: "Notification from the Japanese Government concerning Direct Communication with Persons Abroad on Matters of Nationality and Personal Status".

COPY

JAPANESE GOVERNMENT
Ministry of Foreign Affairs
Liaison Bureau

TO: GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS.

FROM: Ministry of Foreign Affairs.

SUBJECT: Request to Notify the Governments Concerned of the Direct Communications between Japanese Government and Japanese Residents Abroad on Matters of Nationality and Personal Status.

FOM No. 371(CJ) 16 July 1949

1. Reference is made to the following SCAP memoranda:

a. AG 091(28 Jan 46)GS, SCAPIN 677, 29 January 1946, subject: Governmental and Administrative Separation of Certain Outlying Areas from Japan.

b. AG 311.1(9 Jun 49)DS, SCAPIN 2015, 9 June 1949, subject: Communications between Japanese Government and Persons Abroad in regard to Personal Status.

2. In accordance with SCAP memorandum under reference 1b, a way has been opened for direct communications between the Japanese Government and Japanese nationals or former Japanese nationals residing in foreign countries in regard to the matters of their nationality and personal status. In this connection, it is requested that good offices of the General Headquarters, Supreme Commander for the Allied Powers, be used in order that the following information may be made known to Japanese residents in countries other than those where there exist the Representatives of Japanese Interests, especially the continental U.S., Canada, Cuba, Colombia, Venezuela, and Argentina.

According to a newspaper report (The Jiji Shimbun, 6 June 1949), the government of Thailand seems to have recently given official recognition to the right of residence of some 1,000 Japanese who still remain in that country. If that is actually the case, the Japanese residents in that country will be duly entitled, under SCAP memorandum referenced in 1b, to direct communications with Japanese Government concerning matters of their nationality and personal status. It is

hoped,

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hoped, therefore, that the General Headquarters be good enough to make inquiries into the authenticity of the news and, if it is true, to take necessary steps to inform the Japanese residents there of the following.

(a.) The Japanese Ministry of Foreign Affairs, having been authorized by the General Headquarters, Supreme Commander for the Allied Powers, (SCAPIN 2015, June 9, 1949), will henceforth receive all notification and other papers under the Nationality and the Personal Status Law, and all papers of legal procedure of Japanese residents in foreign countries. The Japanese residents abroad are requested to mail to the Ministry of Foreign Affairs, Tokyo, all such papers, including those overdue from past years, addressed to the head of city, ward, town or village, or any other central or local Japanese Government organ concerned.

The Ministry of Foreign Affairs will forward these notifications and papers to their respective destinations. In case they are found irregular or incorrect in contents or form, the senders will be so notified. The Ministry of Foreign Affairs will answer by mail all inquiries relating to nationality and personal status.

(b.) Under the new Constitution of Japan, the provisions relating to the matters of relatives and succession in the Civil Code, and Family Registration Law have been drastically revised as from January 1, 1948. The Nationality Law has also been partly amended.

Japanese residents abroad must conform to these new laws. Explanatory pamphlets of the forms of notification and registration under the new laws are being forwarded to Representative of Japanese Interests as well as to Japanese associations and individuals abroad.

(c.) Persons who have obtained certificates of registration from the authorities concerned of the country where they reside are directed to send copies of the same together with notification properly made out under the new law.

(d.) There might have been quite a number of such notifications, as had been sent from the Americas, between April 1941 and the war's end, and had never reached the family register offices in Japan because of the hazards of transmission in those days. Some notifications, which were entrusted to returning Japanese officials, might have been lost or destroyed in the disasters attending the war. Accordingly, a person who submitted notifications during the period between March 1, 1941, and August 31, 1945, is advised to re-submit notifications, stating in addition the date of his original notification and, in the case of a person coming under 3 above, attaching copies of certificates concerned. Notifications of Japanese residents in Argentina are all safely preserved in that country, and no re-submission is required.

e. No

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e. No re-submission is required, as to the birth or death the notification of which was already submitted to Representatives of Japanese Interests after the war's end.

FOR THE MINISTER:

/s/ Eiji Wajima
(Eiji Wajima)
Director, Bureau of Control,
Ministry of Foreign Affairs.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

Sent to Cuban Embassy

740.00119 CONTROL (JAPAN)/7-2649

MEMORANDUM

896.017 XR

The Department of State has been requested by the Supreme Commander for the Allied Powers, on behalf of the Japanese Government, to transmit to the Government of Cuba certain information, enclosed herewith, concerning the procedure to be followed by Japanese nationals residing abroad in communicating with the Japanese Government on matters of nationality and personal status.

The good offices of the Government of Cuba in making this information available to concerned Japanese residents in Cuba would be appreciated.

Enclosure:

As stated.

AUG 19 1949 P.M.

Department of State,

Washington August 22, 1949.

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CRB: 62

CS/H

740.00119 Control (Japan)/7-2649

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

Sent to Venezuelan Embassy

MEMORANDUM

The Department of State has been requested by the Supreme Commander for the Allied Powers, on behalf of the Japanese Government, to transmit to the Government of Venezuela certain information, enclosed herewith, concerning the procedure to be followed by Japanese nationals residing abroad in communicating with the Japanese Government on matters of nationality and personal status.

The good offices of the Government of Venezuela in making this information available to concerned Japanese residents in Venezuela would be appreciated.

Enclosure:

1 cc

As stated.

CR

AUG 19 1949 P M

Department of State,

Washington, August 22, 1949

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

Sent to Argentine Embassy

740.0011 CONTROL (JAPAN)/7-2649

MEMORANDUM

The Department of State has been requested by the Supreme Commander for the Allied Powers, on behalf of the Japanese Government, to transmit to the Government of Argentina certain information, enclosed herewith, concerning the procedure to be followed by Japanese nationals residing abroad in communicating with the Japanese Government on matters of nationality and personal status.

2

896.014 XR

The good offices of the Government of Argentina in making this information available to concerned Japanese residents in Argentina would be appreciated.

Enclosure:

2 CR
1 As stated.

AUG 19 1949 P.M.

Department of State,

Washington, August 22, 1949.

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Form DS-14
6-21-45

DEPARTMENT OF STATE
WASHINGTON

INTERDEPARTMENTAL REFERENCE

DATE 1/26/49

RESPECTFULLY REFERRED TO

FE - Mr Allison

RE:

WRITER ☐ HAS ☐ HAS NOT BEEN INFORMED
OF THIS REFERENCE

COMMENTS:

John:

Jim had this
thing for a long
time but didn't get
around to putting it
on paper until
today.

J

SIGNATURE

DIVISION

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

STANDARD FORM NO. 64

CONFIDENTIAL

Office Memorandum • UNITED STATES GOVERNMENT

TO : FE - Mr. Allison

FROM : POS/J - Mr. Schuler

DATE: 26 July 1949

Office of FAR EASTERN AFFAIRS 27 1949 DIRECTOR Department of State

SUBJECT: Stationing of Japan officers in Pacific Posts

If we are to have a positive, dynamic policy in the Far East, it goes without saying that one of the conditions precedent to carrying out such a policy successfully is an understanding of that policy by the other nations with interests in the Pacific area. One facet of that policy of particular importance is our position with respect to Japan. At the present time we endeavor through the Far Eastern Commission (though less and less effectively as time goes on) and through our missions abroad to bring about such understanding. We have in the past and still do at present, assign an officer with Far Eastern experience (generally of Japan background) to the mission in London. Developments in British Commonwealth relations indicate, however, that London no longer calls the tune on foreign policy questions relating to the Pacific area, and that Australia and New Zealand not only are increasingly asserting their independence of view but even determine the Commonwealth's position which has been often needlessly critical of our Japan policy.

More than a decade ago, as you will recall, as Japan moved southward into Asia the Department perceived the wisdom of stationing officers with training in Japanese affairs in areas where Japanese influence was penetrating. Thus, for example, Japanese affairs officers were stationed at Manila and Australia long before Pearl Harbor. I venture to suggest that the time may have arrived to inaugurate a similar step although for different reasons and under different circumstances and station in such places as Canberra and Wellington officers versed in Japanese affairs for the purpose of explaining our policy with respect to Japan. I can think of numerous instances in the past year when informal conversations between such officers and their counterparts in the Foreign offices of Australia and New Zealand might have avoided many difficulties, however minor, with our small Pacific neighbors and indeed would have brought about a greater concert of opinion between them, the United Kingdom, and ourselves on our Japan policy. Moreover, intelligent reporting by Japan-trained officers sensitive to Japanese developments would have given the Department a clearer picture of local attitudes. Whether we have a treaty or not, much groundwork must be done in the coming months to allay the suspicion and misunderstanding which have grown up in the mind of our Pacific allies. That job must be done primarily at the capitals of these countries and can best be done in my judgment by men familiar with Japan and our policy towards it. Even if we succeed in removing some of the restrictions on Japan's participation in international relations prior to a peace treaty the Japanese will find it difficult initially to sell their own cause and we must do it for them, when it is our cause, wherever we can. The assignment of Japan officers to other Pacific area countries affords one method of accomplishing this.

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CONFIDENTIAL

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

Congress of the United States

House of Representatives

Washington, D.C.

July 28 1949

Mr. Charles E. Saltzman
Asst. Sec'y. for Occupied Areas
State Department

Sir:

The attached communication is sent for your consideration. Please investigate the statements contained therein and forward me the necessary information for reply, returning the enclosed correspondence with your answer.

Yours truly,

M. C.

16-2494

FILED
AUG 8 1949
DEPARTMENT OF STATE
DIVISION OF NORTHEAST ASIAN AFFAIRS
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COPY

July 25, 1949

The Hon. Clement J. Zablocki
House Office Building
Washington, D.C.

Dear Clem:

I take this opportunity to write to you about a problem that has caused a considerable amount of difficulty to me. It concerns itself with the present restrictions that are enforced against the importation of American books into Japan.

As you may or may not know in connection with my work here at Bruce, I have been responsible for foreign sales, export and import. One of the biggest hurdles and obstacles I have run into is my inability to find a way of getting our Catholic books into Japan. I know very well that the Protestants through the French embassy have found a way to get their publications into Japan. I know of no American publisher who has succeeded in doing the same thing except on very technical publications which might be used in connection with the Army of Occupation work.

In correspondence that I have had from quite a few priests in the Missions there, I have had very definite comments that there was a certain amount of discrimination against Catholic publications. I have no way of finding out whether this is true, and I wonder whether you can help me on this score. In addition to the French books I have mentioned herein, I know that the British are also succeeding in importing publications into Japan. I don't know how they get away with it, but I sure would like the answer.

Anything you can do will be appreciated.

Very truly yours,

THE BRUCE PUBLISHING COMPANY

/s/ R. P. Stack

Foreign Sales

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

AUG 4 1949

In reply refer to
NA 740.0019
CONTROL (JAPAN)/7-2849

My dear Mr. Zablocki:

Your letter of July 28 to former Assistant Secretary Saltzman, enclosing a letter from Mr. R. P. Stock of the Bruce Publishing Company on the subject of the importation of American books into Japan, is being referred to the Reorientation Branch of the Office of the Assistant Secretary of the Army for reply. The Reorientation Branch, which is responsible for policies governing the import of literary materials into Japan, has been asked to reply to your letter as soon as possible.

In accordance with your request, I am returning Mr. Stock's letter herewith.

Sincerely yours,

Ernest A. Gross
Assistant Secretary

Enclosure:

✓As stated.

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The Honorable
Clement J. Zablocki,
House of Representatives.

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8/3/49

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AUG 4 1949 P M.

740.0019 CONTROL (JAPAN)/7-2849

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

AUG 4 1949

In reply refer to
NA 740.00119
CONTROL (JAPAN)/7-2849

My dear Mr. West:

The enclosed correspondence is self-explanatory. It will be very much appreciated if the Reorientation Branch could prepare a reply for Mr. Zablocki as soon as possible.

Sincerely yours,

Niles W. Bond
Acting Chief
Division of Northeast
Asian Affairs

Enclosures:

√1. Letter from The Bruce Publishing Company dated July 25, 1949.
√2. Reply from Department of State.

CR

AUG 3 1949 P.M.

Mr. Robert West,
Deputy to Assistant Secretary
of the Army,
Department of the Army.

FE:NA:MGreen:db
8/3/49

740.00119 CONTROL (JAPAN)
/7-2849
CS/J

740.00119 Control (Japan)/7-2849

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

740.00119 Control (Japan)/7-2849

No. 501

Office of the U. S. Political Adviser
for Japan

RESTRICTED
(For Department Use Only)

Tokyo, July 28, 1949.

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INFO DCR OLI

DIVISION OF NORTHEAST ASIAN AFFAIRS
AUG - 4 1949
DEPARTMENT OF STATE

Subject: Relaxation of Occupation Controls in Japan.

The Acting Political Adviser has the honor to transmit herewith the text of an order issued by the Supreme Commander to the Commanding General of the Eighth Army on July 25, 1949, regarding the reorganization of Civil Affairs (formerly Military Government) activities.

It will be noted that this order, perhaps the most concrete and far-reaching step so far taken in the program of relaxing Occupation controls and returning military personnel to combat training, calls for the gradual reduction and final elimination of the Prefectural Civil Affairs Teams by November 30, 1949, and the transfer of responsibility of Civil Affairs operations from the Commanding General of the Eighth Army to a new Civil Affairs Section of General Headquarters, SCAP, as of December 31, 1949. The regional and district teams will continue to be maintained at approximately their present authorized strength.

Enclosure:
Text of Order to Commanding General, Eighth Army regarding Reorganization of Civil Affairs Activities.

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(For Dept.Use Only)

Enclosure to Despatch no. 501 dated July 28, 1949 from the Office of the U. S. Political Adviser for Japan, Tokyo, entitled: "Relaxation of Occupation Controls in Japan".

(Copy)

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 520 (25 Jul 49) SGS 25 July 1949

SUBJECT: Reorganization of Civil Affairs Activities

TO : Commanding General
Eighth Army
APO 343

1. In keeping with the changing aspects of the Occupation, there will be a gradual reduction in strength of the Prefectural Civil Affairs Teams, culminating in complete discontinuance by 30 November 1949, thus leaving in the field only the Regional and the Hokkaido District Civil Affairs Teams. To this end it is desired that the Commanding General, Eighth Army:

a. Effective at once, commence the reduction in strength of the prefectural teams.

b. Maintain the regional and district teams at approximately their present authorized strengths and utilize DACs to the maximum extent possible. In the usual case, military personnel assigned to a regional or district team will be limited to the Chief of the team, his deputy, and a minimum number of enlisted men for administrative purposes (see Paragraph 3, below). The authorized strength of these teams may be varied, at your discretion, to conform to their respective tasks.

c. By 31 December 1949, discontinue the Civil Affairs Section of Headquarters, Eighth Army and I and IX Corps.

d. Select from the Civil Affairs Section, Eighth Army, the military and civilian personnel to staff the Civil Affairs Section, General Headquarters, Supreme Commander for the Allied Powers, which is to be organized prior to 31 December 1949. The specific personnel requirements for this section will be transmitted later.

2. Effective 31 December 1949, the Commanding General, Eighth Army, will be relieved of responsibility for Civil Affairs operations, at which time the Supreme Commander for the Allied Powers will assume command of the Regional Civil Affairs Teams. The regional teams will be attached to the Eighth Army for logistic support, administration, discipline, and court-martial jurisdiction.

3. In the

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3. In the past, the Civil Affairs Teams ~~have~~ provided local transportation for, and have generally facilitated the movement of, SCAP staff personnel on official business in their respective prefectures. With the discontinuance of the prefectural teams, the only remaining U. S. Army agencies in certain prefectures will be the CIC detachments, which normally are not in a position to assume this task. A survey is now being made to determine specific requirements in the various prefectures. It is contemplated that a minimum number of enlisted men (not to exceed four in any prefecture) will be made available for this duty. These men will be assigned to the regional teams but will be attached to the CIC teams at their respective stations for administration and discipline. Further details respecting their selection, assignments and functions will be issued later.

BY COMMAND OF GENERAL MacARTHUR:

A. J. REHE
Major, AGD
Asst Adj Gen

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

DIVISION OF
NORTHEAST ASIAN AFFAIRS
AUG - 5 1949
DEPARTMENT OF STATE

United States Political Adviser
for Japan

Tokyo, July 28, 1949.

No. 500

RESTRICTED

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AUG 2

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Subject: Japanese Request for Official Documents in Diplomatic and Consular Offices Abroad.

DIVISION OF
PROTECTIVE SERVICES
AUG 10 1949
DEPARTMENT OF STATE

The Honorable
Secretary of State,
Washington.

Sir:

I have the honor to refer to this Mission's despatch no. 404 of June 21, 1949, transmitting copies of directives issued by Headquarters here to the Japanese Government authorizing the latter to communicate with persons abroad in regard to the personal status problems of Japanese nationals. The Japanese Government has now requested the assistance of General Headquarters in its efforts to obtain papers filed by Japanese nationals with Japanese diplomatic and consular offices abroad before the outbreak of war as well as those submitted during the war to these offices and representatives of the protecting powers. Enclosed is a copy of a memorandum dated July 15, 1949, from the Japanese Foreign Office containing the above request.

It is the understanding of this Mission that in accordance with the JCS directive no. 14 of October 13, 1945, Japanese diplomatic and consular archives and property have been turned over to representatives of the United States, United Kingdom, Union of Soviet Socialist Republics, France, and China; by SCAPIN 189 of October 25, 1945, the Japanese Government was directed to facilitate the implementation of JCS directive no. 14. In this connection reference is also made to Far Eastern Commission document SC--295/6 of March 22, 1949, regarding Japanese assets in neutral countries; paragraph 4 of this document states that in the course of consultations concerning Japanese assets in neutral countries, due regard should be had to any existing arrangements concerning Japanese diplomatic and consular property and archives.

Officials of the Foreign Office state that many applications were made by Japanese abroad to diplomatic and consular offices before and during the war in regard to personal status and that many of these were not forwarded to Japan. In order to dispose of the rights of these persons and others concerned, it is necessary that all relevant documents be made available to the Foreign Office for consideration.

The Department's

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RETURN TO DC/R FILES WITHIN 14 DAYS, WITH A NOTATION OF ACTION TAKEN.

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740.0011 Control (Japan) 7-2849
CS/HL

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

The Department's good offices in obtaining and forwarding documents relating to personal status now held in the custody of the Allied Powers, or in advising this Mission in the premises, would be appreciated.

Respectfully yours,

For

W. J. Sebald

Enclosure:

Copy of memorandum dated July 15, 1949, from the Japanese Foreign Office.

S 301

RBFinn:gmd

Parchment Mat to the Department

RESTRICTED

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

Enclosure to Despatch No. 500 dated July 28, 1949, from the Office of the United States Political Adviser for Japan, Tokyo, on the subject " Japanese Request for Official Documents in Diplomatic and Consular Office Abroad".

RESTRICTED

(C O P Y)

JAPANESE GOVERNMENT

MINISTRY OF FOREIGN AFFAIRS

LIAISON BUREAU

TO : GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS.

FROM : Ministry of Foreign Affairs.

SUBJECT: Request for Good Offices for the Return of Notifications Concerning Matters of Nationality and Personal Status of Japanese Residents Abroad, in the Custody of Allied Powers.

15 July 1949

FOM No. 362(CJ)

1. Reference is made to the following SCAP memoranda:

a. SCAPIN 189, 25 October 1945, subject: Transfer of Custody of Diplomatic and Consular Property and Archives.

b. AG 311.1(9 Jun 49)DS, SCAPIN 2015, 9 June 1949, subject: Communications between Japanese Government and Persons Abroad in regard to Personal Status.

2. For the purpose of processing the cases covered by SCAP memorandum as referred to in reference 1b, the Japanese Government wishes to make further request to the General Headquarters, Supreme Commander for the Allied Powers, to be so kind as to take necessary action to make available to the Japanese Government such papers as had been filed by Japanese nationals with the Japanese diplomatic and consular offices abroad before the outbreak of the War, as well as those which were submitted by them during the war to the Representatives of Japanese Interests and which subsequently were transferred to the authorities of the Allied Powers under SCAP memorandum as referred to in reference 1a.

FOR THE MINISTER:

s/ Eiji Wajima

t/ (Eiji Wajima)
Director, Bureau of Control,
Ministry of Foreign Affairs.

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Mrs Reeves

RESTRICTED

AUG 29 1949

AIR MAIL

No. 202

To the

Office of the Acting United States

Political Adviser for Japan,

Tokyo.

The Secretary of State refers to the Acting Political Adviser's despatch no. 500, July 28, 1949 requesting the Department to use its good offices in obtaining for the Japanese Foreign Office all documents pertaining to personal status problems of Japanese nationals which are a part of those Japanese diplomatic and consular archives presently held under joint trusteeship in various countries throughout the world.

The Department feels that all Japanese diplomatic and consular archives should remain where they are until such a time as authorized Japanese consular officers can take possession of them. For the following reasons it is felt that it is not feasible to issue any instructions in connection with the Political Adviser's request:

1. The proposed undertaking is in itself prodigious and it promises too few tangible results.

2. In most trusteeship countries where there are Japanese archives they have been crated and stored away for safekeeping. In some cases these archives are stored in private warehouses and in other cases in the basements or upper floors of buildings used by the various trustees. To assemble these archives and to attempt to extract specific material from them would entail considerable physical labor, and in addition there would be a language difficulty as it is assumed that most of the documents are written in the Japanese language.

3. The Department's records indicate that many American Embassies sharing in trusteeship arrangements reported after these arrangements were put into effect that there were never any Japanese archives in existence in the countries where these Embassies are situated or that the Japanese previously destroyed their archives. Quite a number of other Embassies reported archives of little consequence.

An alternative

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An alternative to the action proposed in despatch no. 500 has already been suggested by the Japanese Foreign Ministry. Reference in this connection is made to its memorandum of July 16, 1949 a copy of which was transmitted to the Department under cover of the Political Adviser's despatch no. 491 of July 26, 1949. In this memorandum the Japanese Foreign Ministry advises its nationals in North and South America who attempted to file documents with the Japanese Government between March 1941 and August 1945 to resubmit these documents. This indicates the Japanese Government is willing to recognize resubmitted documents from its nationals in countries where there are trusteeship arrangements and countries where there are not. There are trusteeship arrangements in all but one of the South American countries but the only one in North America is in Mexico. Similarly there are no trusteeship arrangements in Cuba, Haiti and the other Central American countries.

With further reference to the Japanese Foreign Ministry's memorandum, it is noted that Japanese nationals in Argentina, a country where there is a trusteeship, are excepted from resubmitting their documents since it is stated that Japanese diplomatic and consular files there are safely preserved. The Department fails to understand why the Japanese Foreign Ministry makes this exception unless it was assumed that as a consequence of a favorable reply to the despatch under reference, any documents in Argentina would be made available to it. This is not the case and the sense of this instruction applies to Argentina as well as to all other countries where there is a trusteeship. However, if it will be of assistance to the Supreme Commander, the Department, through the American mission at Buenos Aires is willing to publicize the Foreign Ministry's instructions that Japanese nationals should resubmit their personal documents.

It is also thought that the Swedish mission at Tokyo may be able to furnish the Supreme Commander with information concerning any Japanese citizenship papers which may be in the possession of those Swedish missions in certain countries performing consular services for Japanese nationals. It is assumed that this matter already has been coordinated to some extent with the Swedish diplomatic mission since despatch no. 491 requests the Department to take steps to publicize the contents of the Japanese Memorandum only in those Latin American countries where representatives of the Swedish Government do not perform services for Japanese nationals.

A true copy of the signed original

CON:DS:DO'Brien:jfm 8/18,24/49 FE

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

United States Political Adviser
for Japan

Tokyo, July 28, 1949.

REC'D
AUG 2

No. 503

ACTION
OLI(3encls)

UNCLASSIFIED

INFO
DCR
FE ENC

m

Subject: Establishment of Military Joint Committee, General Headquarters, Far East Command.

XR
890.20

The Acting Political Adviser has the honor to enclose five copies of Staff Memorandum No. 32 of July 20, 1949, issued by General Headquarters, Far East Command, authorizing the establishment of a joint committee consisting of the Chiefs of Staff of the various military branches in the Far East Command to facilitate dissemination of approved command policy and to formulate plans for joint emergency action.

Enclosure:
Five copies of Staff
Memorandum No. 32.

DEPARTMENT OF STATE
RECEIVED
AUG 4 1949
OFFICE OF LIBRARIES
AND INTELLIGENCE ACQUISITION.

gwm

S 420

RBFinn:gmd

Action Assigned Carroll

Action Taken None

Date of Action 4 Aug 49

Action Office Symbol 1 AD

Name of Officer Carroll

Direction to DC/R File

Parchment Mat to the Department.

ANCH	CIA	AIR FORCE	ARMY	NAVY	FE	

UNCLASSIFIED

740.00119 CONTROL (JAPAN)/7-2849

FILED
AUG 15 1949

FAP

ACTION COPY RETURN TO DC/R FILES WITHIN 14 DAYS, WITH A NOTATION OF ACTION TAKEN.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
AND
FAR EAST COMMAND

APO 500
20 July 1949

AG 334 (20 Jul 49)GC-P

STAFF MEMORANDUM)
: (FEC)
NO.....32)

ESTABLISHMENT OF THE JOINT COMMITTEE

1. In furtherance of the continuing purpose of this Unified Command to integrate to the maximum practicable degree the assigned Army, Navy, and Air Force components into a cohesive team, there is hereby established The Joint Committee, General Headquarters, Far East Command. Hereinafter, and henceforth in all intracommand communications this Committee shall be referred to by the short title The Joint Committee.

2. The primary functions of The Joint Committee are to:

a. Assist the Chief of Staff, Far East Command, in the coordination of interservice matters.

b. Facilitate the dissemination of approved command policy as it pertains to Army, Navy, and Air Force current operations, and to expedite the formulation and review of plans for the joint emergency employment of forces available or prospectively available to the Commander-in-Chief, Far East.

3. The Joint Committee will consist of the Chief of Staff, Far East Command, who is designated as Chairman; Army, Navy, and Air Force members; and such ex-officio members as may be designated.

a. The Deputy Chief of Staff, Far East Command, is designated as the Deputy Chairman and Army member of The Joint Committee.

b. The Chief of Staff, United States Naval Forces, Far East, is designated as the Navy member of The Joint Committee.

c. The Chief of Staff, Far East Air Forces, is designated as the Air Force member of The Joint Committee.

4. The formation and functions of this Joint Committee in no way alter or is the Committee a substitute for the frequent coordinating conferences held by the Commander-in-Chief, Far East, with the commanders of the major component services of the command.

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(SM 32)

5. The Joint Committee will meet on the first Monday in each month and on such additional occasions as may be announced by the Chairman. The Chairman will announce the time and place of meetings. The Joint Committee will establish its internal organization and rules of procedure.

BY COMMAND OF GENERAL MacARTHUR:

EDWARD M. ALMOND,
Major General, General Staff Corps,
Chief of Staff.

OFFICIAL:

R. M. LEVY,
Colonel, AGD,
Adjutant General.

AUG 12 1949

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FORM DS-322
7-1-48

OUTGOING TELEGRAM

INDICATE-
Collect
Charge Department
Charge to

Department of State

CONFIDENTIAL
CLASSIFICATION

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CONTROL
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JULY 29 194
FOR DC/T USE ONLY

SUPREME COMMANDER FOR THE ALLIED POWERS

TOKYO
367
INFO ARMY CHIEF OF STAFF

FOR ACTING POLITICAL ADVISER

SUBJ Summary Steering COMITE MTG July 26, 1949.

Fishing and Aquatic Industries in JAP (SC-271/22).

US member submitted FOL amendment to supersede US position as expressed in US statement of May 24, 1949: that all of PARA 2b after word QTE FEC UNQTE in fifth line be deleted and replaced with FOL: QTE asserts a direct concern in respect to fishing or other commercial aquatic activities. SCAP will attempt to secure consent of such country to an agreement reasonably calculated to benefit the JAP economy and to protect the legitimate interests of such country. UNQTE.

CHI member stated he could not accept US amendment restore fishing area near CHI coast. Indian and PHIL members expressed sympathy with CHI position. SOV member took position expansion fishing area SHLD be left to competence FEC. CHI proposal to leave US amendment on agenda in order enable COMITE have further discussion defeated by vote 3 to 2. US amendment accepted by vote 7 in favor, 3 opposed (CHI, PHIL, USSR) and 1 abstention (India).

RE US

740.00119 CONTROL (JAPAN)/7-2949

740.00119 Control (Japan)/7-2949

CS/H

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FORM DS-322
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RE US amendment to add new PARA 5 providing that nothing in this paper shall be interpreted to apply to JAP whaling activities UNQTE, AUSTRAL member took position that once whaling was mentioned conservation measures provided for in PARA 4 might be interpreted as not applying to whaling industry. UK, Indian and NZ members suggested that in place of US amendment FOL understanding might be read into minutes: QTE This policy is without prejudice to position of the several members of the FEC RE JAP whaling which is deemed to be a separate question. UNQTE. FR member indicated agreement this proposal. US member agreed refer matter his GOVT. Discussion US amendment PARA 1b postponed.

Japanese Assets in Neutral Countries (SC-295/6). No discussion.

RE CHI query concerning CHI trusteeship JAP DIPL and consular property in Spain, US member pointed out that it appears CHI not one of trustees, but at one time it was proposed CHI, through US, ~~would~~ would be a trustee; but that after some negot~~iation~~ it was decided this ~~would~~ would not be advisable solution.

Acheson
(M.L.B.)
ACHESON

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FE:NA:ALDunning/pm
7/29/49

CR -2-

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JUL 29 1949 P M.

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DEPARTMENT OF THE ARMY
OFFICE, ASSISTANT SECRETARY
WASHINGTON, D. C.

DC/R

OFFICE OF
FAR EASTERN AFFAIRS
AUG 3 1949
DIRECTOR
DEPARTMENT OF STATE

1 August 1949

DIVISION OF
NORTHEAST ASIAN AFFAIRS
AUG - 3 1949
DEPARTMENT OF STATE

Mr. W. Walton Butterworth
Director for Far Eastern Affairs
Department of State
Washington 25, D. C.

Dear Mr. Butterworth:

Mr. West is out of town for a few days and, in his absence and behalf, I wish to acknowledge receipt of your letter of 25 July, enclosing a copy of Mr. Warren S. Thompson's letter to Mr. Robert Fearey of your staff.

YK
894.1221

894.1221/C-2049
cont 1(J)/5-1149

Mr. West, I know, will read Mr. Thompson's letter with interest and will be very appreciative of your thoughtfulness in making it available to him.

Reg - Over population

Respectfully,

Lowell R. Eklund

LOWELL R. EKLUND
Major, General Staff Corps

188761

DOR NE Unit

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AUSTRALIAN EMBASSY
WASHINGTON, D. C.

ACTION
SEP 1 1949

6 DIVISION OF
NORTHEAST ASIAN AFFAIRS
AUG - 3 1949
DEPARTMENT OF STATE

1 August 1949

No. 296/49

FE ~~CPD~~
OFD ~~EUR~~
~~SOV~~
DC/R

The Australian Ambassador presents his compliments to the Honourable the Secretary of State, and has the honour to refer to the State Department Note of 8 February 1949 concerning payment of indigenous personnel in Japan.

The Australian Government has now decided after full consideration that for the sake of uniformity, the SCAP directives concerning payment of indigenous personnel in Japan should be accepted by the British Commonwealth Occupation Force.

The Australian Government has decided further, however, that the directives should only be implemented as from 1 April 1949 in view of the following facts

(a) The principle and procedure outlined were laid down without direct consultation with the British Commonwealth Occupation Force

(b) Directive AG 248 was received on 12 July 1948, to take effect on 1 August, which allowed insufficient time for its implementation

(c) Although SCAP was aware of acute administrative difficulties which confronted the British Commonwealth Occupation Force at that time and discussions were commenced in August 1948, no final decision was given to the proposals put forward by the British Commonwealth Occupation Force until February 1949.

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DEPARTMENT OF STATE
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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

SEP 1 1949

Excellency:

I have the honor to refer to your note of August 1, 1949, stating that the Australian Government has now decided that the SCAP directive of July, 1948, concerning payment of indigenous personnel in Japan should be accepted by the British Commonwealth Occupation Force.

The United States Government welcomes the fact that a uniform scale of payment for indigenous servants is now being observed by both the United States and British Commonwealth forces in Japan. It is a matter of regret, however, that the Australian Government, ~~for reasons with which the United States Government cannot agree,~~ has not found it possible to implement this directive as from the date when it became effective, August 1, 1948.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

His Excellency
The Honorable
Norman J. O. Makin,
Ambassador of Australia.

DOR - NE Unit
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AUG 31 1949

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FE

Cleared with BC Mrs. Ellison

740.00119 Control (Japan)/8-1549 CS/H

740.00119 CONTROL (JAPAN) 8-949 changed by RL: MJG

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

United States Political Adviser
for Japan

Tokyo, August 2, 1949.

No objection
DIVISION OF
NORTHEAST ASIAN AFFAIRS
AUG 19 1949
DEPARTMENT OF STATE

REC'D
AUG 10

No. 515

ACTION

CONFIDENTIAL

INFO
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Subject: Reaction to United States Policy of Supporting Japanese Participation in International Relationships.

The Honorable
Secretary of State,
Washington

Sir:

I have the honor to refer to the Department's telegram No. 295 of June 28, 1949, suggesting that the Japanese Government and people be made aware, by whatever means were considered appropriate and effective, of various specific instances of active United States support for the resumption of participation by Japan in international relationships to which certain other nations are in opposition.

The Japanese Government is well aware of the situation, having been kept informed by informal conversations between members of this Mission and officials of the Foreign Office regarding the progress of events as regards Japanese membership in the International Telecommunication Union and as regards the proposal which the United States submitted to the Far Eastern Commission in FEC 339. On numerous occasions officials of the Japanese Government have expressed their appreciation for the position being taken by the United States and their understanding of the nature of the obstacles being encountered.

The question of bringing the matter to the attention of the Japanese people in general is complicated by the fact that the information reflects unfavorably, at least indirectly, upon other FEC nations whose interests in the Occupation are represented by the Supreme Commander for the Allied Powers. Although the theory that this Headquarters acts on behalf of all FEC Governments and hence would be expected not to make any statements unfavorable to such Governments has become less than legal fiction so far as Russia is concerned, it is still given weight as regards other FEC members. This Mission, in its capacity as the Diplomatic Section of the Headquarters, must therefore keep such considerations in mind and does not easily find means and occasions to express views of the United States Government which might be considered as carrying reflection against other FEC nations. On July 14, 1949, however, Mr. Huston gave an address at ceremonies commemorating Perry's landing in Japan, speaking in the capacity of Charge d'Affaires ad interim of this Mission and not as Acting Chief of the Diplomatic Section, which afforded an opportunity to give publicity

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publicity to the views of the United States in the matter of Japanese international relations. The text of his remarks was enclosed with the Mission's despatch no. 462 of July 15, 1949.

Mr. Huston's address was quoted at length in several of the local newspapers on the following day, but received no editorial comment. It should be noted, however, that the Japanese newspapers are prohibited from printing editorials which are critical of any of the Allied Powers, and they have been doubly careful in this regard since the termination of pre-censorship. The fact that it would have been difficult to comment upon Mr. Huston's speech without criticizing other FEC nations, at least by implication, probably explains why the newspapers preferred to limit themselves to direct quotations from the speech.

Diplomatic representatives of both the United Kingdom and the Netherlands took occasion to discuss the speech. Mr. Pink, Acting Head of the United Kingdom Liaison Mission in Japan, called upon Mr. Huston for the particular purpose. Although it first appeared that he intended to take strong exception to the views expressed in the speech, upon being satisfied by scrutiny of the complete text that the more pointed criticisms were directed against the Soviet Union and its satellites only, he appeared wholly satisfied and then went on to discuss informally the various aspects of the problem. The views he expressed in the ensuing discussion followed the same line of legalistic objections to the United States proposal as have been stated by the United Kingdom representative in the Far Eastern Commission. In conclusion, Mr. Pink asserted that all efforts should be directed toward the conclusion of a peace treaty with Japan and not toward a series of steps which would allow the Occupation to drift in the direction of a state of quasi-peace. Such remarks are in conformity with the views expressed on various occasions by other local representatives of the British Commonwealth and tend to confirm the feeling that the Commonwealth is deliberately adopting a policy of obstructing any United States proposal which might lessen the urgency for a peace treaty. Several months ago a member of the Canadian Liaison Mission in Japan remarked to a member of this Mission that Canada and other FEC members could never hope to have any influence in Japanese affairs until a peace treaty was signed.

In contrast with the views expressed by Mr. Pink, the Counselor of the Netherlands Mission in Japan took occasion during a call on Mr. Huston the following day to speak very favorably of the viewpoint expressed in the July 14 address and to indicate his wholehearted concurrence therewith. A number of Occupation officials have also indicated vigorous support of these views.

This Mission will continue to take every opportunity of bringing the position of the United States to the Attention of the Japanese people. At the present time the United States has a large reservoir of good will among the Japanese in general, which is increased by such policies as that supporting Japan's resumption of international relations. It would be a mistake, however, to overestimate the quality of

pro-American

CONFIDENTIAL

NOTE: RETYPED AUGUST 17, 1949. glm

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

pro-American sentiment in Japan. Together with a great deal of sincere good will toward the United States there also exists, especially among certain elements of Japanese leaders, a belief that the United States is supporting Japan for no altruistic reasons but only as a pawn in the furthering of United States interests, and a cynical acceptance on that basis of United States help and support. From these elements the United States can expecte no lasting good will, but only a facile cooperation, so long as it is believed that such course will best advance their plans for Japan, and a readiness to exploit to this and any political differences or rivalries among the Allies.

Respectfully yours,

W. J. Sebald

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Parchment Mat to the Department.

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NOTE: DISTRIBUTION WAS DELAYED DUE TO IMPROPER PREPARATION ON THE ORIGINAL MASTER. DCR AUGUST 17, 1949. glm

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

STANDARD FORM NO. 64

Dispo 914 Tokyo 7-6-48

Office Memorandum • UNITED STATES GOVERNMENT

TO : NA - Mr. Allison and
NA - Mrs. Dunning

FROM : NA - Mr. Herndon

DATE: August 2, 1948

SUBJECT: Attached.

USPOLAD forwards copy of a directive issued to Japanese Government (SCAPIN 1911 of June 19, 1948) which clarifies certain questions connected with the land reform, and SCAPIN 1845/1 of February 18, 1948, paragraph 2 of which defines axis nationals to whom land reform program does not apply at present.

HQ officials estimate approximately 5000 cho of land are owned by non-residents of Japan as follows: Japanese nationals 3000; axis nationals, 1,000; persons having Japanese and American nationality, 450; neutral nationals, Koreans, etc., the remainder.

SCAPIN 1911 partially clarifies the question of the degree to which the Japanese Government may apply the land reform program to UN nationals. The question of compensating absentee owners has not yet been settled. It has been generally agreed that UN nationals should be exempted, at least until a foreign exchange rate for the yen has been established. The issue of applying provisions of the land reform law to the property of domestic religious orders is still unresolved even though such lands were deemed subject to the land reform in a letter from the SC, dated March 4, 1947 to the CG, US 8th Army. USPOLAD feels that exemption of these lands from the land reform would play into the hands of the Communists. Disproportionately large land holding of church authorities might engender a greater resentment on the part of the peasantry in a non-Christian oriental country than it has even in the Western world.

The land reform program will be applied to Japanese nationals in Japan and abroad including those possessing dual nationality. USPOLAD considers this provision significant in that it applies to persons in the U.S. possessing both American and Japanese nationality. The provisions of SCAPIN 1911 will not be applied to land owned by UN nationals or persons outside Japan until October 1948. It is hoped that preliminary problems of interpretation will have been settled by then even though several important ones will probably remain.

Action has been transferred to ED.

Northeast Asian Affairs Division

NA:RMHerndon:lt

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This Document Must Be Returned to RM/R Central Files

740.0011 CONTROL (JAPAN)/8-248 CS/E

4 740.0011 Control (Japan) 8-248

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

STANDARD FORM NO. 64

SECRET

JD ~~FE~~ ~~JMA~~ ~~S/P~~ G

Office Memorandum • UNITED STATES GOVERNMENT

TO : NA - Mr. Bond

DATE: August 3, 1949

FROM : NA - M. Green

SUBJECT: Tokyo's 477 of July 22, 1949

On July 16, General MacArthur ordered all SCAP and FEC Staff Sections to give the Japanese Government greater autonomy in the conduct of its affairs. Specifically, occupation officials will no longer issue orders to, direct or supervise Japanese Government agencies except as specifically authorized by SCAP. Unnecessary military coercion is to be eschewed; an attitude of friendly interest and guidance to be observed. The chiefs of all FEC and SCAP Sections are (1) to survey outstanding occupation directives with a view to rescinding or revising those at variance with this new order; (2) to recommend reduction in occupation missions in order that military personnel so engaged may be placed as soon as possible on a combat footing.

Mr. Huston of POLAD comments that considerable thought is being given in GHQ to reducing the Military Government teams--a thorny problem in view of dependence upon these groups in carrying out rice and tax collections.

Comment

According to subsequent reports, the Military Government teams (numbering about 2000 men) will be liquidated over the next few months. It remains to be seen whether the more important and desirable step of markedly reducing GHQ will be taken. If it is, real progress will have been made toward NSC 13 objectives.

Suggest this be routed to FE and possibly S/P and G.

740.00119 Control (Japan)/8-349

POLICY PLANNING STAFF

AUG 5 1949

Department of State

Office of FAR EASTERN AFFAIRS AUG 4 - 1949 DIRECTOR Department of State

SECRET

FE:NA:MGreen:db

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

Office of the United States
Political Adviser for Japan

Tokyo, August 3, 1949.

740.00119 Control (Japan)/8-349

No. 520

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RESTRICTED (For Department use only)

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Subject: Press Release Announcing Reduction of Military Government Functions.

740.00119 Control (Japan)/7-2849

c

The Acting Political Adviser has the honor to refer to this Mission's despatch no. 501 of July 28, 1949, transmitting the text of an order issued on July 25, 1949, by the Supreme Commander to the Commanding General, Eighth Army, directing the reorganization of Civil Affairs (formerly Military Government) activities in Japan, and to enclose five copies of a press release issued by General Headquarters on July 28, 1949, announcing the change in Civil Affairs operations.

The enclosed press release states that the Civil Affairs Section of Eighth Army and the forty-five prefectural Civil Affairs Teams, consisting of about 3,000 persons, are to be gradually reduced and will be elminated by the end of this year. The seven regional and district Civil Affairs Teams are not affected by the present change. A small Civil Affairs Section will be established in General Headquarters in Tokyo, probably as a separate staff section with limited operational functions.

Enclosures:

Five copies of General Headquarters press release of July 28, 1949.

360/125.4

RBFinn:hh

Parchment mat to Department.

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ACTION COPY

RETURN TO DC/R FILES WITHIN 14 DAYS, WITH A NOTATION OF ACTION TAKEN.

DC/R 740.00119 CONTROL(JAPAN)/8-349
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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

Enclosure to Despatch No. 520 dated August 3, 1949, from USPOLAD, Tokyo, subject: "Press Release Announcing Reduction of Military Government Functions".

GENERAL HEADQUARTERS
FAR EAST COMMAND
Public Information Office

Immediate Release:

28 July 1949

ORDER GRADUAL REDUCTION OF CIVIL AFFAIRS TEAMS

A plan for the gradual reduction in the prefectural Civil Affairs Teams, culminating in the absorption of their duties and responsibilities by the seven Regional and the Hokkaido District Civil Affairs teams, was announced by General Headquarters, Supreme Commander for the Allied Powers, today.

Instructions have been issued to the Commanding General, Eighth Army, to initiate this change at once. The Regional and District Teams, which will be maintained at approximately their present authorized strengths, will be staffed to the extent feasible by DACs, with a minimum number of military personnel for administrative purposes.

The plan further provides for the discontinuance of the Civil Affairs Section of Eighth Army and the establishment of a small Civil Affairs Section in General Headquarters, Supreme Commander for the Allied Powers. This will take place prior to Dec. 31, 1949, when the Commanding General, Eighth Army, will be relieved of responsibility for Civil Affairs operations and command of the Regional Teams will be assumed by SCAP.

The Regional Teams will remain attached to Eighth Army for logistic support, administration, and discipline.

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

740.00119 Control/Japan/8-349

AIR MAIL

American Embassy
London, August 3, 1949

DIVISION OF NORTHEAST ASIAN AFFAIRS
AUG 15 1949
DEPARTMENT OF STATE

SECRET

No. 1276

Subject: Japan: British Views and Opinions

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The Honorable
The Secretary of State,
Washington

Sir:

I have the honor to refer to this Embassy's despatch No. 1158, of July 12, 1949, regarding British opinion, official and unofficial, concerning developments in Japan, and to report the following further developments.

OFFICIAL

There was little comment regarding Japan in the recent session of Parliament. What little there was had to do principally with trade agreements, indicating again the British preoccupation with the restoration of their foreign trade. On July 12 a question was asked of Sir Stafford Cripps "if he will guarantee that no dollar leakages have taken place as a result of the trade agreement with Japan." To this, Sir Stafford Cripps replied as follows: "It was agreed by the Supreme Commander for the Allied Powers that the sterling area should be reimbursed in dollars for any unprocessed goods sold to Japan which had cost dollars; and that except by special arrangement with us Japan would not resell goods obtained from the sterling area. There is no reason at all to suppose that these undertakings have not been fully carried out." The disclosure yesterday that the Sterling Area has had a net deficit of £30,000,000 in its trade with Japan during the life of the trade agreement which expired recently, undoubtedly would cause numerous questions in Parliament over this matter, but it happens that Parliament is in recess until October.

On July 13 Mr. Emrys Hughes (Labour) requested information regarding the trade agreement being negotiated between Western Germany and Japan. Mr. Hector McNeil (Minister of State) replied as follows: "A trade and payments agreement between Western Germany and Japan is being negotiated be means of exchange of correspondence between the control authorities in the respective

territories

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RETURN TO DC/R FILES WITHIN 14 DAYS, WITH A NOTATION OF ACTION TAKEN.

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territories through the medium of the United States Army Department in Washington. It is not anticipated that these negotiations will be concluded until some time in August. So far it has not been considered necessary to issue any special instructions to the British Military Governor in Western Germany with regard to these negotiations. I understand that the volume of trade will amount to approximately £3 million each way. I understand it is contemplated that textiles, textile machinery and some other machinery will be offered from Japan in exchange primarily for heavier machinery of a specialised kind which Germany is traditionally adapted to manufacture."

There have been no further developments in British official circles regarding a possible peace treaty with Japan. As the Department has been informed from time to time by this Embassy, the British are anxious that an early peace treaty with Japan be concluded (principally because the British are desirous of resuming normal trade relations with that country) and therefore the Foreign Office is willing to proceed with a peace conference, with the Soviets if possible but without them if necessary. There has been no further indication of British wishes regarding the terms of the peace treaty, but the British adhere to their original views that no controls should be exercised over Japan in the post-treaty period except those necessary for reasons of security.

UNOFFICIAL

Three responsible and thoughtful British journals have published editorials or articles regarding Japan in the past month. The London Times, on July 16, published an editorial reviewing the Russian charges against the Allied administration in Japan. It stated that "the United States, as the Power most actively concerned with the governance of Japan, is entitled to resent these Russian criticisms which are quite unjustified." The editorial proceeded to accuse the Prime Minister of Japan, Mr. Yoshida, of seeking to restrain the economic and political power of organized labour and to bring about a national revival designed to restore authority to those who abused it so disastrously before the war, and to point out that General MacArthur stands as a defence of the new democratic constitution against the attacks of reaction on one side and Communism on the other. The editorial then stated that the recent economic survey issued by the United Nations Economic Commission for Asia and the Far East shows that Japan is making considerable progress, despite the fact formidable difficulties remain to be overcome. "Nevertheless, there is a steady movement towards economic stability. The survey opportunely refutes the Russian charge that allied policy is bringing Japan to ruin."

The Manchester

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The Manchester Guardian (Liberal), on July 19, also published an editorial regarding Japan's difficult economic position. "The war in the Far East did not settle the Japanese problem." The editorial then brought out the fact which has been pointed out by this Embassy on several occasions in the past in the following statement: "In the past two or three years there has been the comforting thought that Japan is now an American problem and that it need cause no further trouble for the time being." It was then pointed out that this period is now ending and that the Japanese problem is likely to be with us (presumably the Western Powers) for the next generation and more. The editorial stated that cool consideration of the problem is difficult because of the illusion about the effects of the occupation of Japan. "Some Americans are apt to believe that modern Japanese history began with the occupation. The arrival of General MacArthur was the first year of the new era of 'democratized' Japan." The editorial proceeded on the usual British mildly-skeptical line about the democratization of Japan. It stated that the extent of change in Japan is not really as great as the Americans suppose and that it is hard in Japan to find any really fundamental changes in the underlying ideas and institutions of the country. Moreover, "if Japan builds up its economic strength again will it act differently from the way it acted in the past? Japan is at present wearing tattered clothes. But has the body or soul changed beneath the clothes? General MacArthur's often repeated belief in its spiritual metamorphosis must make many Japanese laugh." The editorial then discussed the complications produced as a result of the Communist victories in China and the effect of such victories upon the Japanese Communists. From there the editorial went into the question of a peace treaty with Japan. "A year ago Great Britain was anxious for an early peace settlement with Japan." But the editorial went on, "if a treaty were made now there would be more awkward problems to solve than there were last year. To whom, for example, should Formosa be made over? In a treaty America would presumably demand bases in Japan. It would be interesting to see whether this would exacerbate Japanese Nationalism and tilt its sympathies towards Russia, or whether Japan is so much afraid of Russia as to welcome tacitly a continuing American garrison."

In its issue of July 30, the London Economist published an article from its Tokyo correspondent entitled "Politics and Parties in Japan." The article was based largely on the following thesis: "In confusion, uncertainty and frustration, Japan's conservatives--honest and corrupt alike--are groping and intriguing for a new political front that will survive the Occupation and retain Japanese popular support." The article reviewed the efforts of Shigeru Yoshida, the Japanese Prime Minister, to appear to be "only the humble bricklayer obeying the instructions of the American architects and contractors" while at the same time being thoroughly in favor of the austerity

program

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program laid down by Mr. Joseph Dodge for the Japanese. The article stated that while Yoshida blandly nourishes the illusion that he is pro-British (in that he would favor Britain rather than the United States in a decision on Japanese policy), in actual fact his policy in such a situation would be governed pragmatically and solely by what he believed to be the best interests of Japan. The article proceeded to review the recent political history of Japan and the prospects of the Democrats and the Communists. Following the usual British line of genial but skeptical consideration of General MacArthur's oft-asserted statements regarding the conversion of the Japanese people to democracy the article stated: "But, fundamentally, the great mass of the Japanese people, despite General MacArthur's confident and ringing tributes to their new-found perspicacity, appear to remain as backward and sluggish politically as they were before the war. It may be an over-simplification to crystallise their political outlook in the immortal words of the disgruntled Hairy Ainu woman in Hokkaido--'What's the good of democracy if the people you vote for don't get in?'--but it would certainly be unwise, and even dangerous, to pretend that they already understand the fundamental responsibilities of adult franchise."

Respectfully yours,

For the Ambassador:

Erle R. Dickover
Counselor of Embassy

Parchment Mat to the Department
Copy to U.S. Political Adviser, SCAP, Tokyo

ERDickover/wg