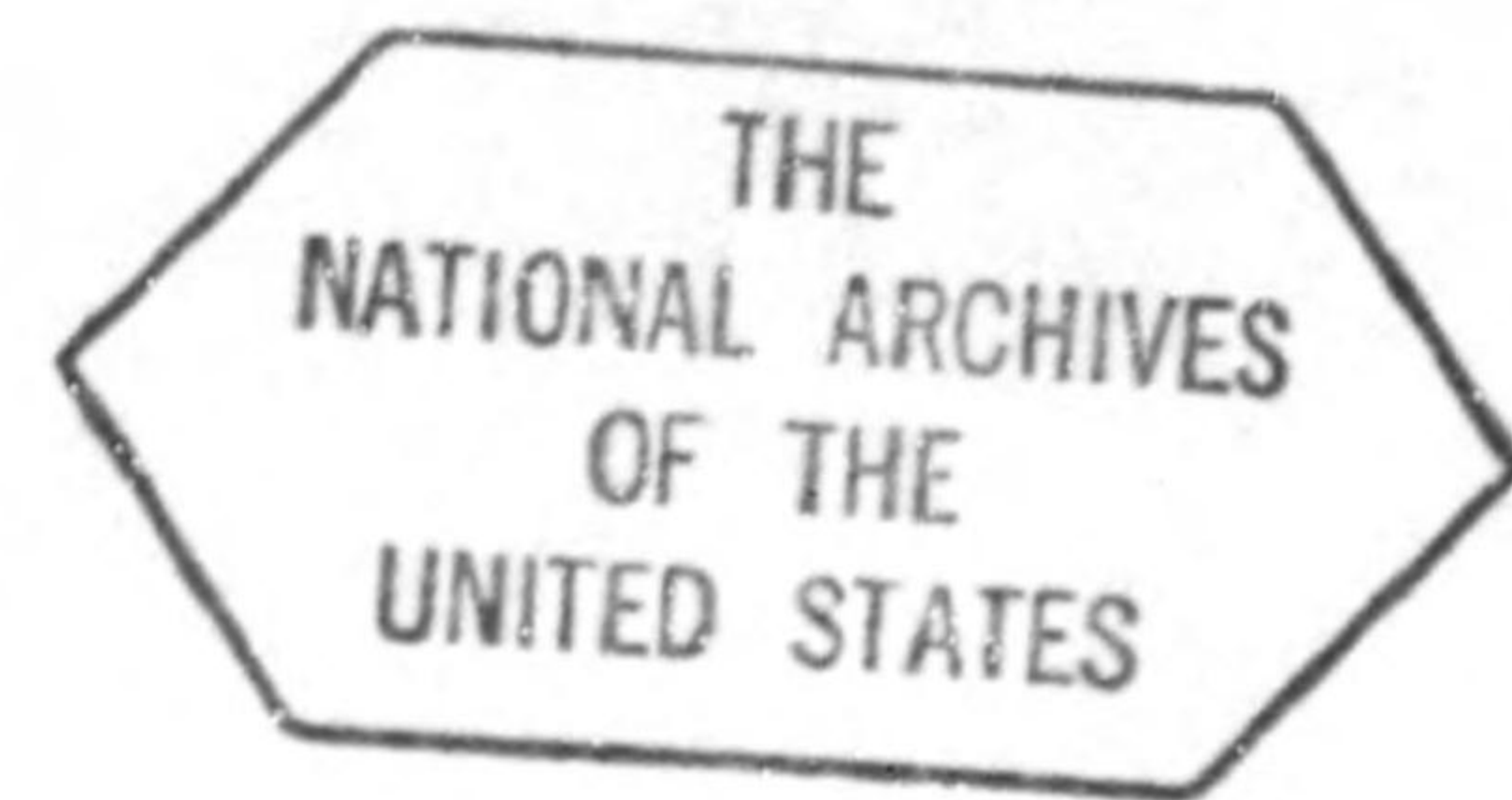


GHQ/SCAP Records(RG 331)
Description of contents



- (1) Box no. 2066
- (2) Folder title/number: (19)
Minutes of Far Eastern Commission Meetings

(3) Date: Mar. 1946 - Nov. 1949

(4) Subject:

Classification	Type of record
020.1	g

* (5) Item description and comment:

(6) Reproduction: Yes No

(7) Film no.

Sheet no.

LIST OF PAPERS

File under No. Minutes of FEC Meetings

SERIAL NUMBER	FROM-	DATE	TO-	SYNOPSIS
1.	MEETING NO. 3	14 Mar 46		Motion adopted to refer discussion of <u>Japanese General Election</u> to Committee No. 4.
2.	MEETING NO. 15	12 Jun 46		Statement: <u>U.S.S.R. representative on composition of the new Japanese Government.</u>
3.	MEETING NO. 51	27 Mar 47		<u>Policy for the Revision of the Japanese Educational System</u>
4.	MEETING NO. 74 (Appendix)	25 Sep 47		Discussion: <u>Purge Directives Dissolution of Zaibatsu</u>
5.	MEETING NO. 165	22 Sep 49		<u>Result of Purge in Economic & Financial Organizations.</u>
6.	MEETING 173	17 Nov 49		<u>Economic Deconcentration</u>

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FEC-CONFIDENTIAL
MINUTES, 173rd FEC Mtg.
17 November 1949

FAR EASTERN COMMISSION

Provisional Minutes of the 173rd Meeting of the Far Eastern Commission
Held in the Main Conference Room, 2516 Massachusetts Avenue, N. W.
Washington, D. C.
17 November 1949, 10:30 A. M.

REPRESENTATIVES PRESENT

- Major General Frank R. McCoy (United States) (Chairman)
- Mr. D. W. McNicol (Australia)
- His Excellency U So Nyun (Burma)
- Mr. R. E. Collins (Canada)
- His Excellency Dr. W. K. Lee (China)
- Mr. J. Daridan (France)
- Mr. P. Vaidyanathan (India)
- Mr. G. J. Jobsis (Netherlands)
- Mr. G. R. Laking (New Zealand)
- His Excellency Mr. M. A. H. Ispahani (Pakistan)
- Mr. F. Lozada (Republic of the Philippines)
- Mr. V. I. Bazykin (U.S.S.R.)
- Mr. H. A. Graves (United Kingdom)

SECRETARY GENERAL

Mr. Nelson T. Johnson

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

MINUTES 173rd FEC MEETING 17 Nov 1949

United States reply to Soviet inquiry regarding economic deconcentration. (FEC 342/2).

(FEC 342/2 attached to FEC Directive File)

Minutes, 173rd FEC Meeting
17 November 1949

17 November 1949

FAR EASTERN COMMISSION

SUMMARY OF MINUTES OF 173RD MEETING

Welcome to the Representatives of Burma and Pakistan

The Ambassadors of Burma and of Pakistan were welcomed to the Commission on the occasion of their first attendance as representatives of their respective governments.

ITEM 1 - CORRECTION AND APPROVAL OF THE PROVISIONAL MINUTES OF THE 172ND MEETING

Approved without correction.

ITEM 2 - a LEVEL OF ECONOMIC LIFE IN JAPAN: POLICY TOWARDS JAPANESE INDUSTRY (FEC-242/32; FEC-242/35, /37, /38, /39, /40, /41, /42)

b LEVEL OF ECONOMIC LIFE IN JAPAN: POLICY TOWARDS SHIPBUILDING AND SHIPPING (FEC-297/10)

ITEM 3 - JAPANESE REPARATIONS AND LEVEL OF INDUSTRY (FEC-340, /1, /2, /3, /4, /5, /6, /7, /8)

ITEM 4 - JAPANESE PARTICIPATION IN INTERNATIONAL RELATIONS (FEC-339, /2, /3, /5, /6, /7, /8, /9, /11, /12, /13)

ITEM 5 - JAPANESE MEMBERSHIP IN INTERNATIONAL CONVENTION OF TELECOMMUNICATIONS (FEC-334, /1, /2, /3, /4, /5, /6,)

No consideration of items 2 - 5.

ITEM 6 - LABOR POLICY IN JAPAN (FEC-318/20, /22, /24, /25, /26, /27, /28, /29)

U.S. statement submitted. (see FEC-318/30)

ITEM 7 - REPORT OF COMMITTEE NO. 1 TO THE FAR EASTERN COMMISSION REGARDING DIVISION OF REPARATIONS SHARES (FEC-219/25, 219 series)

ITEM 8 - REPARATIONS REMOVALS: ACCESSORY FACILITIES, BUILDINGS, TECHNICAL DATA (FEC-299/5; FEC-299/6, /7, /8, /9, /10)

ITEM 9 - ECONOMIC STABILIZATION IN JAPAN

No consideration of items 7 - 9.

ITEM 10 - OTHER BUSINESS

a U.S. Reply to Soviet Statement on Deconcentration.

U.S. representative announced that reply to Soviet statement (FEC-342/1) would be circulated (see FEC-342/2).

b Time of Next Meeting

Commission agreed to meet next on Wednesday, 30 November, 10:30 A.M.

Welcome to the Representatives of Burma and of Pakistan

1. The Ambassadors of Burma and of Pakistan were for the first time attending a meeting of the Far Eastern Commission, and remarks in connection with their welcome are reproduced verbatim as follows:
2. GENERAL McCOY (Chairman, United States): I have the pleasure to welcome to this roundtable the distinguished Ambassadors of Burma and of Pakistan. I know that you will be pleased to have them consider with us the problems that concern us all in the same spirit that we have had heretofore.
3. MR. McNICOL (Australia): Mr. Chairman, I should like to associate myself with the remarks made by you and, on behalf of the Australian Government, to say how pleased we are to have the representatives of Burma and of Pakistan sitting with us today on the Far Eastern Commission. The Australian Government is particularly happy to renew in the Far Eastern Commission the association it had with the Governments of Burma and of Pakistan at the Canberra Conference on the Japanese settlement in 1947. Members will recall that on that occasion not only were the British Commonwealth countries represented on the Far Eastern Commission invited to attend, but also representatives from Burma and from Pakistan, because these countries had also made a significant contribution to the defeat of Japan. The Australian Government therefore takes particular pleasure in the fact that the Governments of Burma and of Pakistan have now taken their rightful place in the Far Eastern Commission. Thank you, sir.
4. MR. LOZADA (Philippines): Mr. Chairman, on behalf of the Philippine Government I would like to salute and welcome to our midst the distinguished representatives of our two sister countries of Asia, Burma and Pakistan. There is no question as to their right to sit here with us and it is a matter of some regret that they could not have done so sooner. We feel sure that they will contribute greatly to the work of the Commission.
5. MR. JOBSIS (Netherlands): Mr. Chairman, on behalf of the Netherlands Government and also on behalf of the Indonesian Government, which is in status nascendi and will come into being within a matter of a few weeks, I welcome the Governments of Burma and of Pakistan to this table. Thank you.
6. MR. GRAVES (United Kingdom): Mr. Chairman, I should like to add a word of welcome also to our distinguished colleagues. It is a matter of great gratification to us that they have now been able to join the Far Eastern Commission.
7. MR. COLLINS (Canada): Mr. Chairman, I should also like to associate myself on behalf of my Government with the remarks which have just been made, and particularly with those of my Australian colleague. It is a personal pleasure for me again to be able to sit at the same table with the representatives of Burma and of Pakistan as I had a very small part in the Canberra Conference. This is a great pleasure today.
8. MR. DARIDAN (France): Mr. Chairman, on behalf of France I am glad to associate myself with the remarks that have just been made and know that the most distinguished representatives of Burma and of Pakistan will make a very great contribution to our deliberations.
9. DR. LEE (China): Mr. Chairman, I wish to associate myself with my distinguished colleagues in welcoming the Ambassador of Burma and the Ambassador of Pakistan to participate in the meetings from now on. I recall with particular satisfaction the fact that these two great countries cooperated closely with China in fighting the Japanese aggressor and contributed so much toward the defeat of Japan. I sincerely believe that their participation in the meetings of the Far Eastern Commission will contribute equally as much toward the satisfactory and just solution of the problems pending before us.

Welcome, et cetera (Cont'd)

10. MR. VAIDYANATHAN (India): Mr. Chairman, on behalf of the Government of India I take very great pleasure in welcoming the Ambassadors of Burma and of Pakistan to this roundtable. I know their presence here will contribute to the deliberations of the Far Eastern Commission.
11. MR. LAKING (New Zealand): Mr. Chairman, I need only say that my Government joins very warmly in the welcome that has been extended today to the countries of Burma and of Pakistan.
12. MR. BAZYKIN (U.S.S.R.): Mr. Chairman, the Soviet Government in its notes to the Ambassadors of Burma and of Pakistan expressed its agreement with their participation in the Far Eastern Commission. I also welcome, together with my other colleagues, the presence today of the Ambassadors of Burma and of Pakistan in the Far Eastern Commission.
13. GENERAL McCOY (Chairman, United States): Thank you very much, gentlemen. I think I would express thanks on behalf of our new colleagues to have such a warm welcome to our midst. They mustn't be under the impression, however, that we always agree so easily on other questions. But it's very heartwarming to have them agree so thoroughly in welcoming you.
14. MR. NYUN (Burma): Mr. Chairman, I have just come straight from the United Nations where I have been representing my country and I arrived here only this morning to take part in these proceedings. Having come from the United Nations I know what it is to have speeches inflicted on one and therefore I do not intend to inflict a speech on you. I just wish to say how happy we are in being with you. I note that we start off at least with an atmosphere of agreement.
15. I wish also to convey my country's and my Government's gratitude and gratification for being invited to take a seat with you here this morning. Ever since Burma attained her political independence on the 4th of January 1948 we have been trying to put our country on the map of the world and have shown our preparedness and willingness to contribute our share to the solution of international problems. Very soon after the attainment of our independence, in fact a few months after independence, and within a few weeks of our application, Burma was fortunate in being admitted to the United Nations. Since then we have sought admission to various organizations of international importance such as the International Labor Organization, and the like. But nothing, I can assure you, has pleased my Government more, nothing has made it feel happier, than to be associated with your work. Being the most devastated country if not in the world at any rate in the East, as a result of the last World War, we are naturally very anxious to be associated with your work, most of which I understand is completed. But we are very glad to be associated with you and we look forward to being associated with the peace treaty in which we are very much interested.
16. On behalf of my Government I offer to the Commission our whole-hearted cooperation in the task that lies before us.
17. MR. ISPAHANI (Pakistan): Mr. Chairman, I am most grateful to you and to the other members of the Commission for the cordial welcome you have given us on the occasion of Pakistan taking its seat at the table of the Far Eastern Commission. We are conscious of the privilege of serving on this distinguished body though we should not rightly be considered as newcomers. As part of former British India the territories which now constitute Pakistan were represented at this table ever since the inception of the Far Eastern Commission. The men of Pakistan fought throughout the world against the Japanese enemy, taking severe losses in men and material and forming a bastion where the threatened Japanese attack on India was finally halted and from where the final attack throwing back the invaders was eventually launched. We had hoped to be able to assist in the deliberations of the Far Eastern Commission a good deal earlier. Nevertheless we trust that we are not too late to prove ourselves useful members of this body.

Welcome, et cetera (Cont'd)

18. Mr. Chairman, I thank you once again and the members of the Commission for their very kind and warm words of welcome.

ITEM 1 - CORRECTION AND APPROVAL OF THE PROVISIONAL MINUTES OF THE 172nd MEETING

19. THE COMMISSION unanimously approved the minutes of its 172nd meeting without correction.

ITEMS 3 - 5 Inclusive:

20. No consideration.

ITEM 6 - LABOR POLICY IN JAPAN (FEC-318/20, FEC-318/22, FEC-318/24, FEC-318/25, FEC-318/26, FEC-318/27, FEC-318/28, FEC-318/29)

21. GENERAL McCOY (Chairman, US) submitted the following statement as a reply to the Soviet statement of 27 October (pp. 1 & 2, Minutes, 170th FEC Mtg.). (U. S. statement subsequently circulated as FEC-318/30).

22. "At the meeting of the Commission on October 27 the Soviet member reiterated his allegations that the labor policy which is being carried out by the United States occupation authorities and the Japanese Government is in contradiction to the Potsdam Declaration and the policy decisions of the Far Eastern Commission.

23. "I feel that I have already rebutted these charges of the Soviet member in my statement on July 14, 1949, which has been circulated as FEC-318/25.

24. "However, the Soviet member makes two further allegations in his recent statement. While it is not my intention to make a practice of answering charges of this nature, I would like to call the attention of the Commission to the following information:

25. "First, the Soviet member charges 'that by means of mass discharges of workers, the Japanese authorities are removing from enterprises or institutions first of all leaders and active members of trade unions'. In implementation of the economic stabilization program which calls for the rationalization of government employment in the interest of efficiency and economy, the Japanese Diet passed a law which established ceilings on the total personnel strength of the Japanese governmental agencies. Those ceilings required a reduction of some 20 per cent over-all, resulting in the release during the summer months of about 10 per cent of the personnel actually on the regular government payroll. In executing this program, factors such as employee's seniority, work record, efficiency, attendance and attitude toward his job were considered and weighed. Some of these persons may have been active union members, but that certainly was not the criterion for discharge.

26. "Secondly, the Soviet member stated that 'on September 17 the Japanese Government published a new decision according to which the workers of government and public utility enterprises and institutions are prohibited from engaging in political activities'. As I understand it no 'new decision' is involved at all. I assume that the Soviet member is referring to a rule, issued by the National Personnel Authority in September, which applies only to government workers and not to workers in public utility enterprises. This rule merely implements the provision of the National Public Service Law as enacted in 1947 and amended in 1948 which states that 'personnel shall not solicit nor receive, nor be in any matter concerned in soliciting or receiving, any subscription or other benefit for any political party of political purposes or engage in any political activity as defined by the rules of the Authority other than to exercise the right to vote'."

ITEMS 7 - 9 Inclusive:

27. No consideration.

ITEM 10- OTHER BUSINESS

a. United States Reply to Soviet Inquiry regarding Economic Deconcentration

28. GENERAL McCOY (Chairman, US) said that he had just received from his Government a reply to the Soviet inquiry (FEC-342/1) on economic deconcentration. He would have the United States reply circulated as soon as possible. (The United States reply was subsequently circulated as FEC-342/2).

b. Time of Next Meeting

29. GENERAL McCOY (Chairman, US) noted that Thursday, 24 November, the normal day for the next Commission meeting, fell on Thanksgiving Day, a United States holiday. He inquired as to the wishes of representatives concerning the scheduling of the next meeting.

30. MR. GRAVES (UK) noted that all representatives had learned with regret that General McCoy had felt obliged to submit his resignation as United States representative on the Commission to the President of the United States and that the President had felt that he had no option but to accede to General McCoy's private wishes for retirement. He was mentioning this in connection with the next meeting of the Commission because he had noted that the last day of General McCoy's chairmanship would fall on Wednesday, 30 November. He wondered whether the Commission might not now consider holding its next meeting on that date or on a date as close to it as would be convenient to all and therefore have a final meeting under General McCoy's guidance at a time close to the termination of his services. He requested that the views of representatives be sought on this suggestion.

31. MR. DARIDAN (France) associated himself with Mr. Graves' remarks.

32. DR. LEE (China) also associated himself with Mr. Graves' remarks and urged that the Chairman designate a date for another meeting to fall within the month of November.

33. MR. McNICOL (Australia) associated himself with Mr. Graves' suggestion and added that it would be most appropriate if the Commission could meet on 30 November, the last day of General McCoy's chairmanship.

34. It was agreed that the next meeting of the Commission should take place on 30 November, 1949, at 10:30 A.M.

35. There was no other business.

36. The meeting adjourned at 11:05 A.M.

FAR EASTERN COMMISSION

Provisional Minutes of the 165th Meeting of the Far Eastern Commission
Held in the Main Conference Room, 2516 Massachusetts Avenue, N. W.
Washington, D.C.
22 September 1949, 10:30 A. M.

REPRESENTATIVES PRESENT

Major General Frank R. McCoy (United States) (Chairman)
Mr. D. W. McNicol (Australia)
Mr. R. E. Collins (Canada)
His Excellency Dr. W. K. Lee (China)
Mr. J. Daridan (France)
Mr. P. Vaidyanathan (India)
Mr. O. Reuchlin (Netherlands)
Mr. G. R. Laking (New Zealand)
Mr. S. P. Lopez (Republic of the Philippines)
Mr. V. I. Bazykin (U.S.S.R.)
Mr. J. F. Ford (United Kingdom)

SECRETARY GENERAL

Mr. Nelson T. Johnson

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

MINUTES, 165th FEC MEETING

22 Sept 1949

Soviet Inquiry concerning the elimination of excessive concentration of economic power in Japan,
a. The result of the purge in economic and financial organizations.

(Referenced FEC 342/1 attached to FEC Directive file.)

Minutes, 165th FEC Meeting
22 September 1949

22 September 1949

FAR EASTERN COMMISSION

SUMMARY OF MINUTES OF 165TH MEETING

ITEM 1 - CORRECTION AND APPROVAL OF THE PROVISIONAL MINUTES OF THE 164TH MEETING

Corrected and approved. (p.1)

ITEM 2 - RESTITUTION OF LOOTED PROPERTY (FEC-011/55, FEC-011/51)

Philippine amendment to paragraph 8 of FEC-011/51 proposed (FEC-011/56). Discussion. Postponed. (pp. 1-3)

ITEM 3 - FISHING AND AQUATIC INDUSTRIES IN JAPAN (FEC-271/25)

Soviet statement and amendment, latter being subsequently circulated as FEC-271/26. Discussion. Postponed. (pp. 3-6)

ITEM 4 - a LEVEL OF ECONOMIC LIFE IN JAPAN: POLICY TOWARDS JAPANESE INDUSTRY (FEC-242/32; FEC-242/35, FEC-242/37, FEC-242/38)

b LEVEL OF ECONOMIC LIFE IN JAPAN: POLICY TOWARDS SHIPBUILDING AND SHIPPING (FEC-297/10)

U.S. representative presented FEC-242/39 as reply to Soviet statement shown in FEC-242/38. Soviet representative moved that provision of paragraph 9 b of FEC-084/21 be extended (motion circulated as FEC-084/23). Action postponed for one week. (pp. 6-7)

ITEM 5 - JAPANESE PARTICIPATION IN INTERNATIONAL RELATIONS (FEC-339, /2, /3, /5, /6, /7, /8, /9)

ITEM 6 - JAPANESE MEMBERSHIP IN INTERNATIONAL CONVENTION OF TELECOMMUNICATIONS (FEC-334, FEC-334/1, /2, /3, /4, /5, /6)

ITEM 7 - LABOR POLICY IN JAPAN (FEC-318/20, /22, /24, /25, /26, /27, /28, /29)

ITEM 8 - JAPANESE REPARATIONS AND LEVEL OF INDUSTRY (FEC-340, /1, /2, /3, /4, /6, /7)

ITEM 9 - REPORT OF COMMITTEE NO. 1 TO THE FAR EASTERN COMMISSION REGARDING DIVISION OF REPARATIONS SHARES (FEC-219/25, 219 series)

ITEM 10 - REPARATIONS REMOVALS: ACCESSORY FACILITIES, BUILDINGS, TECHNICAL DATA (FEC-299/5; FEC-299/6, /7, /8, /9, /10)

ITEM 11 - ECONOMIC STABILIZATION IN JAPAN

No consideration of above items.

ITEM 12 - OTHER BUSINESS

Soviet inquiry regarding economic deconcentration (circulated as FEC-342/1) (pp. 7-8).

ITEM 13 - PRESS RELEASE

None.

ITEM 1 - CORRECTION AND APPROVAL OF THE PROVISIONAL MINUTES OF THE 164th MEETING

1. THE COMMISSION unanimously approved the minutes of its 164th meeting with the following corrections:

Page 8, paragraph 59 - revise the sentence beginning in the second line as follows:

"During that time the Commission had had under consideration a number of extremely important questions including basic questions of economic policy, particularly the question of the levels of economic life in Japan and the question of labor policy in Japan."

In the sentence beginning in the fourteenth line, change the first word from "If" to "It".

ITEM 2 - RESTITUTION OF LOOTED PROPERTY (FEC-011/55, FEC-011/51)

2. GENERAL McCOY (Chairman, US) observed that FEC-011/55 consisted of a Philippine proposal to amend the date provided in the Commission's policy decision FEC-011/51 for the distribution of the proceeds from the secured funds of unidentified looted property from 1 October 1949 to 1 January 1950. The Philippine delegation had also proposed that, following the decision to extend the date in question, there be created an ad hoc subcommittee composed of representatives of the seven recipient states for the purpose of preparing a recommendation to the Commission regarding final disposition of the secured fund. He understood that since the introduction of the Philippine proposal at the last meeting, there had been an informal meeting of members of delegations of the seven recipient countries. He requested information about this meeting from one of the delegations which had been represented, and suggested Mr. Thresher of the United Kingdom delegation.
3. MR. THRESHER said that not only had the question of the date been discussed, but also the question of the procedure for dividing funds. Under the present policy decision it was provided that they be divided according to national reparations shares. However, there were, of course, no such shares and those attending the meeting had discussed the desirability of amending the policy decision in such a way as to permit representatives of the seven countries concerned to work out an agreement for the allocation of shares among themselves. A tentative draft had been discussed, but he understood that further consultation was required before it could be put forward as a proposal, although it might be that one of the delegations was prepared at this time to offer a proposal.
4. In reply to a further question from General McCoy as to the extension of the date of 1 October, MR. THRESHER said that a United States representative had attended the informal meeting for the purpose of providing information. He had informed the meeting that it was unlikely that the Supreme Commander could complete the process of liquidation in an orderly fashion before 1 April 1950. This date, therefore, had become the basis for discussion and various delegations had felt the need of securing instructions from their governments on it. MR. THRESHER said that the date was apparently a reasonable one, since the process of identifying loot had not yet been completed and since obviously the process of liquidation could not be carried out until the identification process had been completed. In fact, some time even beyond that required for the liquidation would be necessary, and it had therefore been the general feeling that the date of 1 April 1950 seemed reasonable.
5. MR. LOPEZ (Phil.) said that since the present expiration date was 1 October and since the Commission's next meeting would be on 29 September, only two days before the expiration date, and since, furthermore, he did not feel certain that a joint proposal would be offered by the informal group, he desired, in order to facilitate the work of the Commission, formally to propose that the last two sentences of paragraph 8 of FEC-011/51 be amended to read as follows (subsequently circulated as FEC-011/56):

Item 2 (Cont'd)

6. "The secured fund should finally be distributed among the countries herein specified in accordance with a schedule of shares to be agreed upon among themselves, payable in United States dollars or, at the discretion of the Supreme Commander for the Allied Powers, in foreign exchange acceptable to the recipient countries concerned. The secured fund shall be made available for distribution to the recipient country not later than 1 April 1950."
7. GENERAL McCOY (Chairman, US) said that he joined in the hope that the portion of the Philippine amendment relating to the expiration date could be acted upon favorably at the next meeting of the Commission.
8. DR. LEE (China) said that his delegation welcomed the attempt made by the Philippine delegation to expedite the attainment of an agreement on the problem. To obviate any possible misunderstanding, he thought that it should be noted that the informal meeting upon which Mr. Thresher had reported did not constitute a meeting of the ad hoc subcommittee which had been proposed by the Philippine representative in FEC-011/55. Such a subcommittee, of course, could only be created with the approval of the Commission.
9. DR. LEE said that two aspects of the subject confronted the Commission. The first was the problem of the method and procedure by which proceeds of the secured fund could be equitably and promptly distributed. The second aspect concerned the expiration date of 1 October. On the second question he felt that general agreement existed as to the desirability of extending the date beyond 1 October not only because the Commission had not yet reached agreement on division of the fund, but also because he had been informed that it was unlikely that SCAP could complete the process of liquidation in an orderly fashion before 1 April 1950. It would seem desirable therefore to agree, at the present meeting, if possible, that the date be moved back pending a thorough discussion of the method and means of dividing the proceeds of the fund.
10. DR. LEE said that in his opinion, any committee that might be set up to consider the division of the proceeds of the fund should include participation by a United States member, and indeed should be presided over by a United States member. He recalled that it had been extremely useful for a representative of the United States to attend the Restitution Advisory Committee at Tokyo. The work of that Committee had been greatly facilitated by the attendance of a representative of the principal occupying power. He hoped that if his suggestion were generally acceptable, a United States representative would preside over the next discussion of this subject, whether formal or informal.
11. GENERAL McCOY (Chairman, US) said that the United States was not concerned in the division of the proceeds of the fund beyond being helpful in whatever way it could. He repeated the hope that the Commission would be in a position to agree at its next meeting to the extension of the date of 1 October; it was likely that the problem of the method of dividing the proceeds of the fund would require more extended discussion.
12. MR. LOPEZ (Phil.) said that since the informal meeting had not succeeded in formulating a proposal on division of proceeds, he had thought it useful to combine a proposal on that point with a proposal on extension of the date, but he would agree that if the Commission could not reach an agreement by the next meeting on the method of distribution it should at least act on the question of the date.
13. MR. FORD (UK) said that he welcomed the introduction of the motion by the Philippine representative. He was prepared at this time to express

Item 2'(Cont'd)

support for the first portion of the motion, dealing with the distribution of shares of the secured fund. With regard to the extension of the date to 1 April 1950, he thought it likely that he would be able to agree, but that he would have to seek instructions on the point.

14. MR. DARIDAN (France) said that his position with regard to the extension of the date was similar to that of Mr. Ford; he would need instructions and would therefore wish to postpone action until the next meeting.

15. Without objection, further consideration of this subject was postponed.

ITEM 3 - FISHING AND AQUATIC INDUSTRIES IN JAPAN (FEC-271/25)

16. GENERAL McCOY (Chairman, US) said that FEC-271/25, a proposed policy decision which had been approved and forwarded by the Steering Committee at its meeting earlier in the week, was, in his opinion, an extremely important paper and would require considerable discussion. It might be useful, he thought, to call on the Chairman of the Steering Committee for some background information on the paper.

17. MR. REUCHLIN (Neth.) speaking as Chairman of the Steering Committee, said that the main difficulties in connection with the paper had centered on paragraph 2 b. In paragraph 2 a an area was specified in which the Japanese were to be allowed to fish and in paragraph 2 b the Supreme Commander was authorized to expand that area and to consult and obtain prior authorization from any member country whose interests were affected by such expansion. The paragraph had, in an earlier version, provided that if the Supreme Commander could not work out an arrangement with an interested power, the Far Eastern Commission should make a decision in the matter. That provision had been deleted and the United States had eventually proposed that final decision rest entirely with the Supreme Commander. Objections had been raised to that point of view, with some delegations feeling that the affected country should have the final decision. Difficulties had thus centered on the point of the locus of authority for permitting the expansion of the Japanese fishing area.

18. MR. REUCHLIN pointed out that the United States and Soviet Union, for different reasons, had voted against the proposed policy decision. The Chinese member of the Steering Committee had also voted against it, but MR. REUCHLIN was not clear as to the Chinese reasons for this vote. He assumed that the Chinese representative on the Commission would wish to make some comment as to these reasons.

19. In conclusion, MR. REUCHLIN said that the urgency of a policy decision on the present subject had been stressed for some time. He felt that all delegations were agreed that a decision should be reached as soon as possible.

20. MR. VAIDYANATHAN (India) said that he too remained uncertain as to the reasons for which the Chinese member of the Steering Committee had voted against the present proposal. DR. LEE (China) said that while he was not at present prepared to offer a detailed statement on the Chinese position, he would perhaps do so at an early meeting. For the present he would simply draw attention to the chief reasons for the Chinese vote against the proposal. In the first place, the Chinese vote had been cast not merely on the basis of what was contained in paragraph 2 b but also because

Item 3 (Cont'd)

of the formulation of paragraph 2 a. It would be recalled that for a substantial period of time there had been before the Steering Committee a text of paragraph 2 a upon which all delegations, including the United States delegation, were agreed. That text provided a western boundary of the Japanese fishing area which was not as close to the eastern coast of China as the one now provided in the paragraph. Only after the lapse of some time had the United States delegation said that because of an oversight, it had failed to note the exact location of the proposed western boundary and had proposed that it be shifted nearer to the eastern coast of China solely at the expense of Chinese maritime interests. The Chinese delegation had been unable to accept this change in the western boundary and to understand why the United States had insisted on this alteration.

21. With regard to the text of paragraph 2 b, DR. LEE recalled that several Chinese amendments had been proposed but had been rejected. Nevertheless, it was not this fact alone which had made the Chinese delegation unable to approve the text; it was rather the interpretation of paragraph 2 b by the United States Government as shown in its statement of understanding which had been offered in the Steering Committee (pp. 1-2, Minutes, 142nd Meeting) and which was contained in SC-271/16. To accept that understanding would mean that final decision on the extension of fishing areas would rest with the Supreme Commander whereas it was the Chinese opinion that final decision should rest with the Commission or prior authorization of the member country of the Far Eastern Commission which has a direct concern in the area in which an expansion would be made.

22. MR. BAZYKIN (USSR) presented the following statement:

23. "During the consideration of the proposed policy decision on Japanese fishing in Committee No. 2 and in the Steering Committee, the question of the principle of further extension of the Japanese fishing area has been subjected to a lengthy discussion.

24. "There is no doubt that all countries represented on the Far Eastern Commission are interested in this question which is of an extremely important political nature since it involves security problems. Throughout the whole period of discussions, the Soviet delegation proceed from the position that the question of further extension of the Japanese fishing area, as a question of policy, should be decided by the Far Eastern Commission. It should be noted that the majority of the delegations favored this principle, but it was not adopted because of the opposition against this principle on the part of the United States delegation which seeks to ensure that the question of further extension of the Japanese fishing area be fully left at the discretion of the Supreme Commander.

25. "The Soviet delegation has repeatedly stated that it cannot agree with handing this important question of policy over to the discretion of the Supreme Commander and that it would not be able to support the paper under consideration as a whole if the general principle of extending the Japanese fishing area by the decision of the Far Eastern Commission is not restored in the paper. The Soviet delegation states that its position on this question remains unchanged.

26. Proceeding from the above, the Soviet delegation submits for the consideration of the Commission an amendment to paragraph 2 b of FEC-271/25 and propose that this paragraph be worded as follows:

Item 3 (Cont'd)

27. 'No extension of Japanese fishing or other commercial aquatic activities beyond the foregoing area should be permitted without prior authorization by the Far Eastern Commission'."
28. (The amendment proposed in the last paragraph of the foregoing statement was subsequently circulated as FEC-271/26).
29. MR. BAZYKIN (USSR) said that he wished to draw the attention of the Commission to a press report which had appeared in the New York Times of 22 September 1949. According to this account, the Supreme Commander had granted fishing privileges to the Japanese in a greatly expanded area of the Pacific Ocean. The Commission had not been informed of any such action and he desired to inquire of the United States representative whether or not the report was true.
30. GENERAL McCOY (Chairman, US) said that he had heard nothing of the report. He would undertake to ascertain what basis the report had.
31. MR. McNICOL (Aus.) said that paragraph 5 of FEC-271/25 which provided "Nothing in this paper shall be interpreted to apply to Japanese whaling activities, which are regarded as a separate matter" was susceptible of the interpretation that the Japanese need not apply conservation measures to the whaling industry. Discussion had shown that members of the Commission would not so interpret the paragraph, but it would be understandable if the general public should draw such a conclusion from a reading of the paper. It seemed quite unnecessary to the Australian delegation that any specific reference to whaling be included in the paper. If it were the desire of the Commission that it be made clear that the proposal did not refer to whaling activities, it would be better, in the Australian opinion to include a statement of understanding to that effect in the record at the time of adoption of the policy decision. Such a statement of understanding could provide as follows: "This policy is without prejudice to a position of the several member countries of the Far Eastern Commission regarding Japanese whaling, which is deemed to be a separate question". Therefore, MR. McNICOL concluded, with the inclusion of paragraph 5 the proposal was not acceptable to his Government.
32. MR. LOPEZ (Phil.) said that his delegation had abstained from voting on the proposal in the Steering Committee because of paragraph 2 b. There seemed to his delegation to be a contradiction between the text of the paragraph and the interpretative statement made by the United States. The Philippine views on the proposed policy decision had been explained at the Steering Committee and it was hardly necessary to point out that they were the natural outcome of Philippine experience with Japanese fishing activities before the war and even as recently as the last few months. For example, in May 1949, thirteen Japanese fishermen using a motor launch of foreign registry had been caught in the vicinity of Itbayat and Mayadis of the Batanes Group in the northernmost part of the Philippine Archipelago. Therefore, the Philippine concern did not arise from speculative fears but from actual previous experience.
33. MR. LOPEZ said that his delegation could have accepted paragraph 2 b of the proposal had it been given what he considered the logical and natural interpretation. As it stood in the paper, his delegation had been inclined to regard it as affording every necessary safeguard for the security of the countries that might be affected. The safeguard would appear to exist in the clause, "The Supreme Commander for the Allied Powers may, subject to security considerations..." since the use of the word "may" would appear to make the Supreme Commander's power permissive and since the security considerations in question would be those of the member countries of the Far Eastern Commission and could not possibly be taken to refer to Japan. A further safeguard would seem to be provided in the last clause, "prior authorization shall be obtained by SCAP from such countries". Here the use of the word "shall" would certainly mean that the obtaining of authorization was mandatory on the Supreme Commander and that it would have

Item 3 (Cont'd)

to take place prior to the extension in which an interested country was concerned. Nevertheless, in spite of the apparent clarity of the paragraph, the United States statement made it evident that it was liable to misinterpretation.

34. MR. LOPEZ cited the penultimate sentence of the second paragraph of the United States statement which read, "In such an improbable, but yet possible, situation". This meant that if the Supreme Commander and the interested country could not agree then he would take action and that this action would be subject only to possible later review by the Far Eastern Commission. In the opinion of the Philippine delegation this cast an entirely different complexion on paragraph 2 b since, as he had explained, the paragraph standing alone would seem to provide, under any normal interpretation, the guarantees that many of the member countries had desired. Since the possibility had arisen that the paragraph would be understood differently than the Philippine delegation understood it, he would be obliged to refrain from giving any support to that paragraph.

35. DR. LEE (China) said that because of the complex nature of the proposed policy decision, it would perhaps be desirable to defer final action on it in order to afford time for further study. He would be grateful to the United States representative if, in the meantime, he could explain the reasons for the United States vote against the paper at the Steering Committee. It seemed to him that the United States delegation had succeeded in incorporating its position in the paper and yet had voted against it.

36. MR. BAZYKIN (USSR) recalled that at the last meeting of the Steering Committee (p. 2, Minutes, 153rd SC Mtg.) the Soviet member had inquired of the United States member concerning the text of a conservation program developed by the Supreme Commander and referred to in FEC-271/18, a State Department Press Release. Since the subject was now before the Commission, he wished at this time to remind the United States delegation of the outstanding inquiry.

37. GENERAL McCOY (Chairman, US) replied that the query had been referred to his Government and that information responsive to it would be submitted in the near future.

38. Without objection, further consideration of this subject was postponed.

ITEM 4 - a LEVEL OF ECONOMIC LIFE IN JAPAN: POLICY TOWARDS JAPANESE INDUSTRY
(FEC-242/32; FEC-242/35, FEC-242/37, FEC-242/38)

- b LEVEL OF ECONOMIC LIFE IN JAPAN: POLICY TOWARDS SHIPBUILDING AND SHIPPING (FEC-297/10)

39. GENERAL McCOY (Chairman, US) recalled that at the last meeting of the Commission the Soviet representative had presented FEC-242/38, noting that the provisions of FEC-084/21 on maximum productive capacity in war-supporting industries would expire on 1 October 1949 and that the Commission should, therefore, either adopt a new policy decision, or if this could not be done by 1 October, should extend the applicability of paragraph 9 b of FEC-084/21. He had been instructed to offer the following statement as a reply to the Soviet statement (United States statement subsequently circulated as FEC-242/39):

40. "At the last meeting of the Commission my Soviet colleague read a statement urging that, in view of the approach of the October 1, 1949, terminal date for the applicability of paragraph 9 b of FEC-084/21, Reduction of Japanese Industrial War Potential, the Far Eastern Commission should take policy action prescribing new maximum permissible levels of capacity in the industries named in that paragraph or, failing such action before October 1, should extend the period during which paragraph 9 b should continue to apply.

41. "I am authorized to state that in the view of my Government the Far Eastern Commission should not take any policy action which

Item 4 (Cont'd)

would have the effect of imposing limitations upon Japanese peaceful industrial capacity, nor should it extend the date in question. In my statement of May 12 on the general subject of Japanese industrial reparations I gave notice that my Government continued to respect the legally binding effect of Far Eastern Commission policy with respect to reduction of Japanese industrial war potential, including the provision contained in paragraph 9 b. The effect of paragraph 9 b, however, will lapse on October 1. There is no need, in our view, to renew or extend it. On May 12 I further announced that, in accordance with Far Eastern Commission policy direction, all specialized war-making industrial facilities in Japan had been destroyed by SCAP. So-called 'primary war facilities' have been impounded and, wherever feasible, converted to peaceful production. 'War-supporting industries' are, up to the practical limits of raw materials, credit and other availabilities and effective domestic and foreign demand, entirely devoted to peaceful productive activity.

42. "For the above reasons my Government perceives no advantage to the policy actions proposed by my Soviet colleague and, on the contrary, considers them inimical to the objective of Japanese peaceful economic revival."

43. MR. BAZYKIN (USSR) formally offered the following motion (subsequently circulated as FEC-084/23):

44. "The Far Eastern Commission decides as a matter of policy that the provisions of paragraph 9 b of the Far Eastern Commission policy decision 'Reduction of Japanese Industrial War Potential' (FEC-084/21) regarding productive capacity maxima in war-supporting industries are hereby extended until the adoption by the Far Eastern Commission of a decision on the level of economic life in Japan."

45. MR. VAIDYANATHAN (India) asked that action on the Soviet motion be postponed until the next meeting. That meeting, he pointed out, would still be in September, and he desired to seek instructions on the matter.

46. Without objection, further consideration of this subject was postponed, with the understanding that the Soviet motion would be put to a vote at the next meeting of the Commission.

ITEMS 5 - 11 Inclusive - No consideration.

ITEM 12- OTHER BUSINESS

a. Soviet Inquiry concerning the Elimination of Excessive Concentration of Economic Power in Japan

47. MR. BAZYKIN (USSR) presented the following inquiry (subsequently circulated as FEC-342/1):

48. "On August 3rd, 1949, SCAP Headquarters issued a statement to the effect that the dissolution of large industrial corporations and the elimination of excessive concentration of economic power in Japan had, allegedly, now been completed.

49. "In this connection the Soviet delegation considers it necessary that the Supreme Commander provide the Far Eastern Commission with information regarding the results of the implementation of the program for the dissolution of large industrial corporations and the elimination of excessive concentration of economic power in Japan.

50. "It is desirable that the following questions be clarified in the information:

1. What large industrial and banking corporations (Zaibatsu) have been dissolved?

Item 12 a (Cont'd) -

2. The aggregate capital of the dissolved companies placed at the disposal of the holding company liquidation commission?

3. The amount of shares already distributed and the principle upon which this distribution was based?

4. The amount and value of shares of the dissolved companies, acquired by foreigners and foreign companies; and specifically by which foreign companies?

5. Which foreign firms have already drawn up business contracts with Japanese companies?

6. How many large industrial and banking companies, included in the category of 'restricted' companies, were subjected to deconcentration in each branch of industry and the names of these companies?

7. The result of the purge in economic and financial organizations provided for in Part IV, paragraph 2 a, of the policy decision of the Far Eastern Commission FEC-014/9 'Basic Post-Surrender Policy for Japan'?

51. "Besides that, the Soviet delegation deems it desirable that the members of the Far Eastern Commission be provided with the full text of the report of the Deconcentration Review Board submitted to the Supreme Commander according to the 'New York Times' report of August 4, 1949."

52. GENERAL McCOY (Chairman, US) said that he would undertake to secure information responsive to the Soviet queries.

53. There was no other business.

54. The meeting adjourned at 11:55 A.M.

Extra Copy

RESTRICTED

7 April 1947

FAR EASTERN COMMISSION

CORRIGENDUM

TO

MINUTES OF FIFTY-FIRST MEETING

Note by the Secretary General

1. The Commission, at its fifty-second meeting, 3 April 1947, approved the minutes of its fifty-first meeting with the following change, requested by the Indian Representative:

Sentence beginning in the tenth line of the second paragraph on page 2 to read: "But it is a question of a people--I am going to the fundamentals--claiming a teaching to be religious."

2. All representatives are requested to note the above change in their copies of the minutes of the fifty-first meeting of the Commission.

NELSON T. JOHNSON
Secretary General

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FEC--RESTRICTED

APPENDIX - Minutes, 74th FEC Mtg.

FAR EASTERN COMMISSION

APPENDIX TO MINUTES, 74th FAR EASTERN COMMISSION MEETING

VERBATIM TRANSCRIPT OF REMARKS

BY MR. G. R. POWLES, NEW ZEALAND REPRESENTATIVE,

CONCERNING COMMONWEALTH CONFERENCE AT CANBERRA,

AUSTRALIA,

AT THE SEVENTY-FOURTH MEETING OF THE FAR EASTERN COMMISSION,

25 SEPTEMBER 1947

APPENDIX - Minutes 74th FEC MEETING 25 Sept 1947

Verbatim Transcript by Mr. G. R. Powles, New Zealand,
concerning Commonwealth Conference at Canberra.
Purge Directives, etc. discussed on pages 7 & 12 --
Dissolution of Zaibatsu discussed on page 8.

APPENDIX - MINUTES, 74th FEC MTG.

*return to
25*

APPENDIXTOMINUTES OF THE SEVENTY-FOURTH FEC MEETING, 25 SEPTEMBER 1947Remarks of Mr. G. R. Powles concerning recent Commonwealth
Conference at Canberra, Australia

GEN. McCOY: We have been very much interested in a conversation I had with Mr. Powles as to his recent visit to the Canberra Conference. It was so interesting to me that I asked him to talk to the Commission about it. I thought it would interest you all, and, if Colonel Powles will be so inclined this morning, I would like to hear him again and have a Commission record of his remarks.

MR. POWLES: Mr. Chairman, you will recall at the last meeting you asked me whether I had anything that I cared to say on the subject of the Canberra Conference. Your request took me by surprise and therefore, being naturally cautious and having no documents with me at the time, I merely declined and said that at that stage I had nothing to say. But I am happy now to be able to accept your invitation to say something about it, because I know that the subject matter of the Conference, that is to say, the peace settlement with Japan, is of very great concern to all our Governments and has become, I think, of great personal concern to all of us who sit around this table. We feel personally interested in what has been going on and what is going to happen.

PRESS COVERAGE

Also I think that the press coverage which, as far as I have been able to learn, was given the Canberra Conference in the papers here was not particularly adequate. Actually, the Conference had two public sessions; it had certain of its proceedings broadcast over the radio; after each daily session a press communique was issued; and this was followed at the conclusion of the conference by the issue of a further press report which summed up the work of the Conference. So that, from the point of view of the public in Australia the proceedings of the Conference were pretty well known, but, of course, what gets out of Australia depends entirely on the whim of the press men. I therefore think the Commission might find it useful if I did go into matters in some detail.

PURPOSE OF CONFERENCE - NATURE OF "AGREEMENTS"

I would like to make two introductory points before I go any further. The first is that the Conference was expressly held for the purpose of exchanging views. It wasn't held for the purpose of making any decisions or making any commitments at all. It was a conference held for the purpose of gathering information about the views of other countries relating to the subject under discussion. It did not make any decisions at all, and it was clear that Governments did not regard themselves in any way committed by the views they expressed at the Conference. This, of course, meant that on certain issues where views were exchanged which

were not in agreement there was not much further discussion which would lead to an agreement, and it also meant that on the much more frequent occasions when views were exchanged which were similar or in some cases identical that it became convenient to refer to the situation by using the expression "agree", although in view of what I have just said you will appreciate that "agree" is merely a term of convenience, not accuracy. So I hope that when I am referring to the proceedings of the Conference as I go on this morning, if I say that the Conference "agreed" to do this and the other, or "agreed" that such a thing should go in the treaty, you will understand that it wasn't a formal agreement at all; it was only just a convenient method of expressing the fact that those delegations who expressed a view on a particular point did express views which were similar or identical. My second introductory note is, of course, that I speak only for the New Zealand Government, and I don't have any authority or any call to speak on behalf of any of the other Governments that were represented at Canberra, and consequently what I say will necessarily be somewhat one-sided.

COMPOSITION AND AGENDA

Mr. Chairman, the Conference consisted of the following nations: Australia, Burma, Canada, India, New Zealand, Pakistan, South Africa, and the United Kingdom. The agenda of the Conference covered two main aspects. The first was the proceedings and machinery for making the peace settlement with Japan, including (a) the composition, (b) the level of representation, (c) the time, (d) the place, (e) the voting, (f) the timetable for the peace settlement procedure, and (g) the subsequent procedure. The second part of the Conference proceedings concerned the content of a possible or desirable Japanese peace treaty and this was covered under the following heads: the basic objectives of the settlement; the territorial provisions; disarmament and demilitarization; political provisions; economic and financial provisions; reparations; machinery for enforcement, including three subheads (a) the arrangements for the termination of the occupation, (b) the control organization, discussing its composition, manner of voting, place of meeting, executive action, and relation to the United Nations, and (c) the termination of the control arrangement; and the last item on the agenda was the form of the peace settlement—one instrument or two, the participation of Japan, the coming into force of the treaty, and the question of adherences. So you will see, Mr. Chairman, from the agenda that there was a very wide field to be covered and the Conference didn't last very long, with the result that, generally speaking, the Conference found itself unable to discuss questions of detail at all and confined itself to a discussion of matters of general principle.

PROPOSALS FOR LOCATION AND SECRETARIAT OF PEACE CONFERENCE

Now I think the best way for me to do it would be to go through the agenda item by item, but I am not going to weary you by going into too much detail. The first part of the agenda, you will remember, I said dealt with the peace settlement procedure, and the views expressed by most delegations were that the peace settlement machinery should be put into motion at an early date; that the primary treaty-making functions should rest with all the eleven Powers who are members of the Far Eastern Commission plus Pakistan, should she desire to become a member. It was thought that there would be a drafting conference in Washington—there seemed to be a general acceptance of the view that Washington was the most suitable place for the hard work of treaty-making to be done. Indeed, it seemed fairly obvious that some delegations had contemplated certain changes of hats taking place in Washington in the case of representatives who were members of Far Eastern Commission delegations who might be representatives at the peace conference, and I think

too, that there was a suggestion made by one delegation that it would be proper actually to hold the peace conference in this building, that is, the building where we are now, and to make use of the existing Secretariat facilities. That suggestion, however, was just put out and wasn't followed up. As to subsequent procedure, most views seemed to be that at a later stage in the development of the peace treaty all the belligerents against Japan should come into the formation of the peace treaty but in such a way that control over the actual contents of the peace treaty would not be lost by the Powers who were entrusted with the primary function of drawing the treaty.

VOTING PROCEDURE

As far as the voting procedure in the Conference is concerned, in spite of the fact that I am in the presence of four of the veto Powers, I don't think I could pass over this point without saying that most of the delegations at the Conference expressed a reluctance to agree to a system of voting at the peace conference in which any one power had a veto. The New Zealand view put forward was that a peace conference is not quite the same as an executive body; that in a peace conference any one of the participating nations has in effect a veto because you can't compel any nation to sign a peace treaty that it doesn't want to sign, with the result that, considering the initial fact that all nations have vetoes, it would be a more practical solution to abandon all the vetoes and get down to a consideration of the ordinary points of drafting and considering all the details without the hampering provisions of a veto in the voting procedure.

BASIC OBJECTIVES OF PEACE SETTLEMENT

On the question of the content of the treaty itself, the basic objectives for the peace settlement for Japan were recognized as being set down in the Potsdam Declaration and also in the Basic Policy of the Far Eastern Commission, particularly in its preamble and in its first section where it sets out the basic objectives for the occupation and control of Japan. I think this is a useful stage to say that the good work which had been done by the Far Eastern Commission was recognized and commented upon by many of the delegations at the Conference. It was interesting to note this, because, after all, in this body here we have done a lot of work but at the same time our light has been very much hidden under a bushel. We haven't had very much publicity, and it was interesting to note that the work that has been done was recognized as being sound, and as of being of very great assistance to the treaty makers.

Now, if one examines the Potsdam Declaration and the Far Eastern Commission's Basic Policy, one will appreciate that the Conference accepted the three main basic objectives of disarmament, democratization, and a reasonable peacetime economy, as being the ones which would dictate the nature of the peace settlement.

CONTENTS OF TREATY

The rest of the agenda concerned the actual contents of the treaty itself, and here I might say that there was a good deal of discussion time and again during the proceedings of the conference---not on the point of view as to whether a particular obligation which might be sought to be placed on the Japanese Government was desirable in itself, but whether the obligation was suitable or proper to be inserted in the peace treaty; and it was recognized that one of the most difficult things that the peace conference will have to determine is how to draw the line between those

things that we all agree are sound and proper and wise for the Japanese to do or for the Japanese Government to do, and those more specific and more readily enforceable obligations which are of the type to be inserted in a peace treaty. And that particular line of thought came up under every subsequent heading in the agenda.

REAFFIRMATION OF CAIRO, YALTA, POTSDAM

Now let me come to the territorial provisions in the treaty. It was recognized that the framework had been set already--that the Cairo, Yalta, and Potsdam Declarations, all of which were regarded as unreservedly binding, had fixed a territorial framework within which the peace settlement for Japan must be carried out. It was readily agreed that in the peace treaty, in order to acknowledge this framework, there must be a renunciation of Japanese rights in connection with the territories which are mentioned in those international agreements as being disposed of to other powers. But the question as to whether there should be any more than that in the Japanese peace treaty was regarded as one of very great difficulty. The question as to whether it would be proper to put in the Japanese peace treaty any detailed implementation of some of the provisions of the agreements relating to territories which were once Japanese but have now been disposed of to other powers is one which the peace conference will definitely have to consider. But there was no suggestion at Canberra that any of the nations concerned there had any firm views on the point. It was merely recognized that it would be a difficult problem and that the conference would have to consider it.

ENFORCEMENT OF TREATY PROVISIONS

Now, for the sake of convenience, I won't go right through the agenda but I'll jump to the question of the enforcement of the treaty, because the viewpoint was that the basic objectives and the territorial provisions, which are binding and have already been agreed to, do themselves lead inevitably to some restriction on Japan long after the treaty comes into force. But it was also realized that the content of the peace treaty itself would probably be influenced by the means which the nations desire to adopt to enforce the treaty, and, consequently, I would like to refer now to this question of means of enforcement.

It was recognized straight away that there were certain positive incentives that would move the Japanese to obey strictly the provisions of any treaty, and that these positive incentives were the Japanese desire to stand well with the world, and their desire progressively to achieve membership in international bodies and finally of the United Nations, and that a further positive incentive could be provided by a relaxation from time to time of restrictions which might be imposed on Japanese economic life from points of view of security. And it was recognized that there would have to be some form of control or supervisory organization set up to supervise the Japanese observance of the treaty.

NEW ZEALAND PLAN OF CONTROL

Now I should like to give you an outline of the New Zealand scheme as a sample of the methods of control that were discussed by the Conference. There were a number of schemes put forward, none of which differed very much in principle, although they differed in detail; and there wasn't much discussion of the respective merits of one scheme as against another--merely an indication that these were the matters which would have to be discussed in the peace conference. Consequently, if I give you the New Zealand scheme it will be an adequate sample, I think, of the line of thought.

The New Zealand scheme envisaged a representative body sitting in Tokyo having the function of supervising the Japanese observance of the treaty. This body probably could consist of the representatives of all powers who considered themselves primarily concerned with the question of security and who were prepared to accept the obligations of becoming a member of this body, and it was obviously thought that those powers would again be the powers who are represented on the Far Eastern Commission. This body would have the general function of supervising the Japanese observance of the treaty, and the specific duty of inspecting the observance of the disarmament and demilitarization provisions, it being considered that the latter was a particular task which simply must be carried out, for which purpose an inspectorial staff was envisaged. The supervisory body would have naval and air patrol forces at its disposal, perhaps based on nearby islands, but it would not be necessary for there to be any occupation of Japan proper after the peace treaty comes into force, unless it were felt from a technical point of view that these naval and air patrol forces, which were to be under the control of the supervisory body, could not adequately operate unless they had a base in Japan, in which case it might be necessary to occupy such a base. The supervisory body would have power to increase or to relax the economic restrictions imposed by the treaty. The supervisory body would—and this was regarded by New Zealand as being absolutely vital—have a very close relationship to the United Nations. It would be, in our view, an organ of the United Nations, and thus would be avoided a number of the difficulties which would arise in connection with the relationship between the supervisory body and other nations, and thus, too, would be left to the United Nations the ultimate problem of enforcement of peace in the Pacific—where that problem ultimately belongs. Japan's membership in the United Nations would also be a subject to be dealt with by the supervisory body—whether it would be necessary for the supervisory body actually to permit the Japanese to apply for membership in the United Nations, or whether it would be advisable to allow the Japanese to apply at any time they wished and merely ensure that the supervisory authority had the right to make a report to the United Nations on such application, were matters which would have to be carefully considered by the peace conference. There was at Canberra an identity of view in recognizing the importance of the Japanese application for membership at the United Nations, and the tremendous effect that that was likely to have on her and on the carrying out of the treaty. It was also realized that in some way or other the Powers responsible for the enforcement of the treaty would have to be permitted to express their views to the United Nations on the manner in which Japan was carrying out her obligations under the treaty. The New Zealand scheme envisaged the supervisory body remaining in existence for about twenty to twenty-five years, or perhaps until such time as the body itself determined that the Japanese were now fully responsible and democratic people and could be completely removed from control.

DISARMAMENT AND DEMILITARIZATION

The next item in the agenda was disarmament and demilitarization. Here it was recognized that we had one of the most important aspects of the whole matter. It was recognized that most of the disarmament had been done already, also most of the demilitarization. The Conference had before it the paper which is now in the Far Eastern Commission, FEC-017/7, (I think it is in the Steering Committee now) and thought that the principles in that paper were very sound, and that it was a good paper. But here it was most interesting to note that even at Canberra, where the representation was really on quite a high level it was impossible for even those high level delegates to discuss the disarmament of Japan without getting into an argument as to whether the Japanese police should have

pistols or machine guns. (Laughter). And there was quite an argument about that. I don't know what the conclusion was; I don't think there was any.

ADM. RAMISHVILI: Were you the initiator of this discussion?

MR. POWLES: No, I didn't initiate it, Admiral. It grew up of its own accord, which shows how one's mind naturally turns to it. It must be a very important matter.

NECESSITY FOR CIVILIAN COAST GUARD

There was one point made by some of the delegations which I think is worthwhile mentioning, and that was that this paper in the Far Eastern Commission omitted any reference to a civilian coast guard service, and it was thought that the Japanese will have to be allowed a civilian coast guard service, with much the same status as their civilian police, in order to allow them to exercise ordinary disciplinary control over their customs and over their fisheries within their territorial waters.

SCIENTIFIC RESEARCH BY JAPANESE

There was a good deal of discussion about the scientific aspects of disarmament, and there again there was a reflection of the two views one knows that are held—one view being that embodied in the present Far Eastern Commission policy, that, with reference to fundamental research into atomic energy, the Japanese must be prohibited, the other view being that you just simply can't prohibit people from doing fundamental research and that the only way to make sure that it is safe is to allow them to do it subject to conditions and make quite sure it is being brought out into the open. Those two views were expressed at the Conference and I came away just as wise on the subject as I was when I went there, which isn't wise at all. It was, of course, on the industrial side definitely agreed that there must be no armaments manufactured, no aircraft industry, and that there must be a long-term supervision of heavy industry.

REVIEW OF JAPANESE CONSTITUTION

In discussing the political provisions, reference was made to the Far Eastern Commission decision for review of the Constitution, and it was pointed out that some provision will have to be made for the implementation of that policy decision, and that whether it will be done by the Far Eastern Commission or by some other body will depend on the time factor, it generally being thought that the Far Eastern Commission will go out of existence when the peace treaty comes into force. It was also stated that the Constitution itself, the new Constitution, was an extremely good document and it would be worthwhile for the peace conference to consider inserting in the peace treaty a clause obligating the Japanese to maintain their Constitution subject to their own constitutional method of amending it. There was another view which thought that that went a bit far, and that all that was necessary was to put in the peace treaty some clauses relating to human rights.

APPROBATION FOR FEC TRADE UNION POLICY

There was a great approbation at the Conference of the Far Eastern Commission policy on trade unions, which was regarded as an extremely good document. The extent to which that policy ought to be inserted in the peace treaty again was a matter which there was no identity of view expressed. There was even no detailed view expressed. It was desired

quite clearly that something would have to be put in the peace treaty about trade unions, but exactly what should go in was a matter for consideration after the actual skeleton form of the peace treaty had been already fixed, and after one had cleared one's mind on the nature of the control of Japan that one was going to exercise and for how long one was going to exercise it.

FEC POLICY ON EDUCATION

Similarly, the Far Eastern Commission policy on education was referred to in satisfactory and complimentary terms, and there was a similar realization that it would be good to put it into the peace treaty. But would it be wise? I mean, is that the sort of obligation which ought to go into a peace treaty? Those questions came up, and one interesting remark was made that UNESCO might be able to assist the Japanese in the production of a democratic system of education very materially, and I think that is an idea we could have in mind.

PURGE DIRECTIVES, ETC.

It was definitely agreed that the provisions in the purge directives relating to ultra-nationalist societies, relating to special police and para-military organizations, and the provision of the directive relating to religious matters--the separation of Shintoism from the State--those provisions would have to be perpetuated in the peace treaty. The provision of the purge directive itself, which prevents the employment in official positions of ultra-nationalist people or people with a militaristic record, was recognized as a subject for consideration by the Conference--not necessarily from the point of view that the purge would have to be perpetuated for twenty-five years, because it was thought by more than one delegation that it is not going to be either wise or practical to keep in Japan for the next twenty-five years a body of men who were at one time extremely influential in the State but now have been purged of all official connection with it and therefore are very largely irresponsible but probably still influential, and it was thought that perhaps the supervisory body might be given some task or some duty to examine or reexamine the situation relating to certain purgees and allow them to come back to public life--the idea being that it is better that anything that these people are going to do should be done in the open rather than done under cover or underground where they have been driven by the present directive.

The question of treaties and the question of international relations, were also discussed, but I don't think I will weary you with that because time is getting on.

RECOGNITION OF MAGNITUDE OF ECONOMIC PROBLEMS

Then, under the economic and financial provisions section the Conference recognized the immense difficulty of these problems because of the detailed considerations involved and at the outset it refused to discuss or consider figures. I think that was very wise because it didn't have the time to do so. But, generally speaking, one could say that it seemed prepared to follow the line of approach which one can already see growing in the Far Eastern Commission, starting from the basic consideration that there must be no restrictions on the Japanese economy which are not wanted for security considerations. One then can see that the pattern that is being formed here in the Far Eastern Commission is to prohibit some industries altogether, to cut down the capacity of certain key industries, such as iron and oil, and to keep this capacity cut down for the period of control, to place import restrictions on certain basic raw materials, and to remove the excess war

capacity in a large number of other industries, but, subject to what I have already said to place the other industries under no long-term restriction. That seemed to be the general pattern which was in accordance with the views which were expressed by most of the delegates at Canberra, but it was made quite clear that the detailed working out of such a program would need a tremendous amount of discussion, and reference was made to the extremely valuable work which the Far Eastern Commission was in the process of doing in considering the levels of industries paper, and also to the valuable work done in the paper just finished. You will remember that industrial disarmament paper was passed by the Far Eastern Commission just a week or so before the Conference started. Although, as I say, there were no detailed views expressed because there was no time, it was clear that long-term control of Japanese industry was envisaged, with the fundamental principle that there must be no restrictions which are not warranted by security considerations.

DISSOLUTION OF ZAIBATSU

The Conference, however, did produce an identical expression of views on the subject of Zaibatsu dissolution program. It seemed to be the general view that, whatever else you put in the treaty under the economic section, and although there might be a lot of argument as to a number of the desirable things that could go in the treaty, one thing ought definitely go in, and that would be the perpetuation and continuation of the program for the dissolution of the Zaibatsu. The actual details or the merits of the present program which is underway in Japan were not discussed at all, and it was recognized that there were a lot of immense difficulties yet to be overcome, but it was thought that the principal objective of doing away with these concentrations of economic power must be implemented in the peace treaty.

There was discussion as to whether in the peace treaty anything should be inserted on the subject of land reform, or of commercial policy, or of economic equality, or access to raw materials, but there were doubts expressed, as I have mentioned before, as to how far the treaty should go in these respects.

REPARATIONS

Then reparations. Now, I think the Commission will be disappointed to hear that the Canberra Conference didn't discuss the allocation of shares at all. I wouldn't like to say it was too difficult for them, but I feel that taking the view they did that they had no time to consider questions of figures and detail they were probably wise in not even embarking on a discussion. It just simply wasn't discussed at all.

GEN. McCOY: Was there any hope expressed?

MR. POWLES: Well, I don't even know whether there was, sir. There was a feeling that most delegates felt a little bit nonplussed on the subject and preferred to say nothing. There were several statements made about the unhappy possibility of a substantial failure in the present reparations program, and there were also several statements made which indicated a marked reluctance to consider reparations from current production as a suitable alternative to the present program.

FORM OF TREATY

On the question of the form of the peace settlement, it was realized that the peace conference would have to determine whether there would be a single peace treaty which would contain within it the provisions relating to the long-term control of Japan and the obligations assumed by the nations

who were going to control Japan, or whether there should be a peace treaty of a more ordinary kind supplemented by a separate treaty between the control Powers. I could not discern whether there was a leaning in the expression of views either to one side or the other. I can only say that from the New Zealand point of view we expressed quite strongly the feeling that it should all be in one document in spite of the fact that it would probably be a precedent-making document. There never has been a peace treaty quite like that in the history of the world before, but we see no objection to that, and we see no reason why there shouldn't be one now, and we think that there are a number of advantages of having it in one document.

NO JAPANESE PARTICIPATION IN PEACE CONFERENCE

On the question of the participation of Japan in the peace conference it seemed quite clear to me that the delegations did not envisage at all any discussions with the Japanese nor would they have envisaged—as I notice in the reports from Japan recently—a strong delegation from Japan and headed by the prime minister, *et cetera*. It was, however, admitted that the Japanese were entitled to make representations to the conference on the subject matter of the peace treaty, but that there could be no suggestion whatever that we were bargaining with them nor could there be any discussion on the terms. They would be entitled to be heard but the decision must rest with the conference.

TIME OF TREATY'S COMING INTO EFFECT

As far as the coming into force of the treaty was concerned, it was felt that some arrangements might be made whereby it could come into force upon ratifications being deposited by a certain specified number or group of powers, and this would mean that the control machinery could come into force at an early date and the present system of control of Japan could at the same time be stopped. On that point it was made clear by more than one delegation that it would be most important for the control machinery of Japan to succeed from the administrative point of view to the machinery and the work which had been used and done by the Supreme Commander for the Allied Powers in Japan, including the records, method of approach, *et cetera*.

SUMMATION

Summing it up, Mr. Chairman, I think it could be fair to say that the Conference was single-minded in its search for security and permanent peace in the Pacific, and in its recognition of the basic framework within which that solution must be found. The deliberations of the Far Eastern Commission and agreements of Cairo, Yalta, and Potsdam have greatly simplified the problem, and this was recognized by the Conference. The result was that eight nations going out to this Conference in Australia, thinking quite independently, did and could produce closely similar approaches to the peace settlement, and I think with this experience I wouldn't be surprised to see, and I would hope to see, no fundamental difficulties at the peace conference itself.

Mr. Chairman, if anyone would like to ask me any questions, I would be happy to answer them. I hope I haven't taken too long in covering the field.

GEN. McCOY: You have not. It is a very clarifying series of statements and a very interesting one. I would hope that we can still have time to query Mr. Powles on any point that occurred to any member. It seems to me he has covered it pretty widely and fully, but I have a couple of questions which occurred to me—not important—but I would like to ask them just for my own interest possibly after the other delegates have had an opportunity to query him. Gentlemen, the round table is round.

PARTICIPATION OF BURMA AND PAKISTON

MR. REUCHLIN: Mr. Chairman, may I ask one question of Mr. Powles. Mr. Powles told us that the States of Pakistan and Burma both were represented in Canberra. Then he told us that it was envisaged that Pakistan should also become one of the Far Eastern Commission members. My question would be, was it discussed whether Burma should become one of the members?

GEN. McCOY: Was Burma represented?

MR. POWLES: Burma was represented at the Conference. The question of Burma becoming a member of the peace-making body wasn't adequately discussed for a rather curious reason. The Burmese minister of foreign affairs, who was due to arrive at the Conference, was held up by bad weather and didn't arrive with his delegation until the middle of the second day of the proceedings. On the first day, we had gone through this question of procedure, and it was stated by more than one delegation, when we were discussing the question of Pakistan, that the claims of Burma would have to be very carefully considered, but that was as far as it went. Burma just wasn't there at the time when the topic was discussed.

GEN. McCOY: And, of course, Burma has not yet been given formal Dominion status, has it?

MR. POWLES: No. Burma becomes an independent nation later this year.

JURISDICTION OF JAPANESE OVER FOREIGNERS

MR. REUCHLIN: And one last question, Mr. Chairman, if you will allow me. Was the question of the jurisdiction of Japanese police and Japanese courts over foreigners discussed at all after the peace treaty?

MR. POWLES: No, Mr. Chairman, that question was not discussed.

MR. LACOSTE: Mr. Chairman, I had thought of a similar question, only perhaps a little bit wider, and I was wondering whether it had been envisaged to have any clauses pertaining to what we generally call a consular establishment in the treaty; I mean, the status of foreigners in Japan, as far as the right of circulation and commerce jurisdiction and all connected questions. Was there anything said about that?

MR. POWLES: There was a document filed by one delegation, quite a comprehensive document, which made a number of suggestions—machinery clauses for the treaty including property rights and all that sort of thing, the treatment of aliens—and although the document was before the Conference it wasn't discussed. It didn't come up at all.

MR. LACOSTE: I imagine that is one of the questions that should be broached when we come to the drafting of the peace treaty.

MR. POWLES: Yes.

JAPANESE DIPLOMATIC RELATIONS

GEN. McCOY: That would involve also the reestablishment of freedom of Japan to reestablish diplomatic relations.

MR. LACOSTE: Yes, that would also have to be dealt with.

MR. POWLES: That particular point was discussed just briefly by more than one delegation. It was realized that it was a question for consideration whether Japan should be given, after the peace treaty comes into force, complete freedom to enter into diplomatic relations with any other nation who was willing to reciprocate with her, and it was recognized it would be very difficult to prevent it, even if one should want to prevent it.

PARTICIPATION OF SOUTH AFRICA

ADM. RAMISHVILI: Mr. Chairman, since there were countries not members of the Far Eastern Commission—Burma, South Africa—could Mr. Powles elaborate more on South Africa as in comparison with Burma?

MR. POWLES: South Africa was there because she was a member of the British Commonwealth, but she made no suggestion or no claim that she should be admitted as a member of the Far Eastern Commission or as one of the principal drafting powers in the peace conference.

MR. LACOSTE: I was wondering whether there had been any indication that South Africa had any particular interests in Japanese affairs.

MR. POWLES: I don't think that the occasion arose for South Africa to make any statement as to whether she was particularly interested or not.

LATIN-AMERICAN INTERESTS IN THE PACIFIC

GEN. McCOY: That brings up a point that has always seemed queer to me in our arrogating to ourselves in particular interest in the Pacific without ever any of the Latin-American countries that front on the Pacific being considered or even any part being taken by them in trying to be considered. Does anybody have any remembrance of any one of the Pacific countries of Latin-America ever bringing up the point? For instance, in this it has occurred to me often in the American line up here in the Pan-American Union, and in organizations like the Institute of Pacific Relations, which was very active for many years in conferences on the Pacific, I don't think they ever had any delegate from any one of the Pacific Powers in Latin-America. I have talked about it several times in conferences and round tables on the subject of the Pacific, but I never have found any interests there, at least in any of the conferences that I have sat in on. I just wondered if it ever occurred then if any Latin-American diplomats had ever brought up the subject as far as you know. Of course, they have had diplomatic representation in China for many years and in Japan heretofore, and it hasn't come up here in any of our considerations in the Far Eastern Commission.

It's not of any importance as far as we are concerned, but it has always interested me that they didn't show any interest themselves in the Pacific problems.

(To the New Zealand delegate) Do you have any trade at all with Chile or Peru? I mean, are there any ships trading direct?

MR. POWLES: No, no direct ships. We used to have casual contact with the Argentine, and still do from a trade point of view, but in a very limited way.

APPROVAL OF COMMISSION POLICIES

GEN. McCOY: Was there any consideration given to the over-all approval or adoption of any of the previous policy papers of the Far Eastern Commission in a blanket way? That is, very often that comes up when there is a

change of administration. I noticed that the United Kingdom, the last time we were discussing the Constitution, was very concerned about a statement as to the former code or the former trade relations or other previous laws or treaties being covered in a blanket form as to the future, and that would be particularly pertinent with regard to a great many of our policy papers. Of course, these interests you mentioned in certain policy papers will bring them up for that consideration, but I was just wondering if there were any thoughts expressed as to a blanket carrying-on of any background policy?

MR. POWLES: Yes, there was, and it was recognized as a problem for the draftsmen really to decide how it was to be done. But it appeared to be thought by some delegations, and I think quite rightly, that the obligations which have been imposed on the Japanese Government by the successive directives of General MacArthur, some of which of course have been issued on his own and some of which have been issued as a result of Far Eastern Commission policies would have to be perpetuated, but that it wouldn't be the policies themselves that you would perpetuate but you would have to perpetuate the obligations imposed on the Japanese Government by all of General MacArthur's directives which had anything in the nature of a long-term effect. It was also thought that it will be important to ensure that there is a provision in the peace treaty protecting against the victimization within Japan of any Japanese who have acted pursuant to occupation directives or who have cooperated with the occupation.

GEN. McCOY: There is one thing that occurred to me when you were talking about the purge policy. It seems to me that old Father Time will settle that, that is, the purge in effect had to do with men of considerable age, that is, there were no young men involved in it really. It was nearly all old men, so that it doesn't seem to me that we have to bother much about that.

MR. POWLES: I think, from a general point of view, we probably wouldn't, but there was expressed by one or two delegations the view that the peace conference would be wise to consider some provisions whereby exceptions could be made because, although it was recognized that a large number of them were old men, yet there are some of them who are not. Those who are not old men are probably the most dangerous or potentially dangerous, and it would be better from some points of view to arrange it so that they could come out into the open. But that's a thing one would have to discuss very carefully.

GEN. McCOY: Are there any other questions, gentlemen? There seem to be none.

The session is adjourned.

(Whereupon the meeting adjourned at 11:40 A.M.).

27 March 1947

FAR EASTERN COMMISSION

Minutes of the Fifty-first Meeting of the Far Eastern Commission
Held in the Main Conference Room, 2516 Massachusetts Avenue, N.W.,
Washington
27 March 1947, 10:30 A.M.

REPRESENTATIVES PRESENT

Maj. Gen. Frank R. McCoy (United States) (Chairman)
His Excellency N. J. O. Makin (Australia)
His Excellency Hume Wrong (Canada)
Dr. S. H. Tan (China)
His Excellency P. E. Naggiar (France)
His Excellency M. Asaf Ali (India)
Dr. A. D. A. de Kat Angelino (Netherlands)
Mr. G. R. Powles (New Zealand)
Mr. C. Coronel (Philippines)
Admiral S. S. Ramishvili (U.S.S.R.)
Mr. H. A. Graves (United Kingdom)

SECRETARY GENERAL

Mr. Nelson T. Johnson

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GENERAL McCOY opened the meeting at 10:30 A.M.

GENERAL McCOY, on behalf of all representatives, welcomed Mr. M. Asaf Ali, recently appointed as the first Ambassador of India to the United States, who was for the first time, representing his Government at a meeting of the Commission.

ITEM 1 - APPROVAL OF THE MINUTES OF THE 50TH MEETING

THE COMMISSION unanimously approved the minutes of its fiftieth meeting.

ITEM 2 - POLICY FOR THE REVISION OF THE JAPANESE EDUCATIONAL SYSTEM (FEC-092/1)

MR. ASAF ALI said that he had not had time to give adequate consideration to FEC-092/1, but that, if other representatives were prepared to approve the paper, he did not desire to cause delay.

GENERAL McCOY explained that some urgency was attached to approval of this policy decision because of the fact that the subject of educational reform was now before the Japanese Diet. He therefore declared a recess for the purpose of consultation between himself and Mr. Asaf Ali on the substance of the educational paper.

Following the recess, MR. ASAF ALI presented the following statement:

"Mr. Chairman, I am grateful to you for having allowed me this opportunity to discuss things in conference with you and your educational adviser on the subject. I would not like to take up the time of the Commission on this paper. I find that it is a most excellent paper, drafted by those who know the subject. They have taken all relevant questions into consideration and have dealt with them as well as they could in the circumstances. When I say in the circumstances I mean that Japan today represents, along with some of the others whose fate is being dealt with elsewhere, a country and a people who unfortunately were a little too excessive in their ambition. They were carrying out their ambition in a form which had become a menace to the world, which menace fortunately has now been conquered. And now we must be very concerned that that menace is not revived in any shape or form anywhere--not merely in Japan but elsewhere too. If the world is to preserve peace, and if humanity is to grow along lines of peaceful prosperity, then these tendencies have got to be restrained wherever they may be found. That is the object behind this paper and I am entirely in agreement with it. But there are one or two little points which have occurred to me after a superficial reading of this paper in the short time I have had at my disposal, and which I have mentioned to the Chairman. With the help of his advice my doubts have been more or less satisfied for the time being. But it is only relevant that I should mention these points to you now so that you may also bear in mind how my mind is moving.

"Now, if you look on page 1, paragraph 2, the opening sentence runs as follows: 'Those teachers and other educational officials whose record shows them to have been pronounced exponents of ultra-nationalistic, militaristic, or totalitarian ideas, should be forbidden to teach or

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'engage in other employment...' Please mark the word 'employment' there, '...or engage in other employment connected with education.' Now, supposing, for instance, little children are being taught in schools and some of these men are available for supplying, shall we say, milk to the children, which is possibly a connected activity. After all we must see that the children are brought up properly, and we supply them with milk. You know what the manpower shortage is like all over the world. Supposing these people can be employed in that particular activity, which will still be connected with education but not education itself. I want to know whether this will bar them. If so, I think we are drawing rather heavily upon our resources of manpower. That is one doubt. I don't know whether that doubt has been completely resolved, but I do not wish that little point to become a hindrance in the passage of this paper.

"Paragraph 7, relating to text books, curricula, and teaching methods, says: 'Teaching of ultra-nationalism, State Shintoism...should be eliminated from the educational system.' Now I fear that the expression 'State Shintoism' infringes a principle, a fundamental principle, not that I for one second desire Shintoism to be revived anywhere in that form, because, after all, militarist Shintoism has certainly proved a very dreadful thing as far as Japan is concerned. I have not the slightest doubt about it and nobody would like it to be revived in that form. But it is a question of a people. I am going to the fundamentals--claiming a teaching to be religious. Are we today sanctioning that principle? Are we telling anyone today that religion in any shape or form or in any particular form shall not become State religion anywhere? What about Christianity? There are certain countries where Christianity is a State religion. The United Kingdom has a form of Christianity as a State religion. Later on you may find it difficult, after having laid down a law or a principle like this, you may find it difficult to defend it. I am only warning you. That is about all. It is quite possible that somebody may come up afterwards and say no religion shall ever be taught anywhere as a State religion. Personally I may be quite prepared to subscribe to it because religion and State should never be confused. It is a wrong thing to do. But it is a point for you to consider. It is easy for us to lay down certain rules and fundamentals in a hurry and then find later on that they become halters around our necks. This is a doubt which I have expressed."

MR. MAKIN presented the following formal statement:

"The Far Eastern Commission has not laid down in any detail in paragraphs 16, 17, 18, and 19 of FEC-09a/1 how the Japanese educational system is to be decentralized. It has been felt that the Commission should do no more than lay down general policy, in order that the Supreme Commander will have the greatest possible degree of discretion in determining what is most suitable in the light of current circumstances. The Australian Government fully agrees with this, and has complete confidence in General MacArthur. However, the Australian Government would like to state formally its more detailed views, and to ask that these be sent to General MacArthur for his guidance in the degree and timing of decentralization, the Supreme Commander of course retaining full discretion as to the extent to which

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he follows these lines.

"It is believed that comprehensive educational reform is likely to be most effectively handled by a centralized Government department. Therefore decentralization of administration is not recommended for general policy planning, finance, appointment of teachers, conditions for teachers, provision of buildings, planning of educational standards, and the over-all conduct and planning of research programmes. However, the carrying out of details of administration should be decentralized. This decentralization might be accomplished most effectively by placing local administration of education under district superintendents of education, appointed by the Japanese Government, who should be educationalists of standing. It is believed that the schools and teachers should not be under the control of the prefectural administrations. In determining curricula, a central authority should make general suggestions for all subjects and should specify requirements of standards; however, within those limits, decentralization should occur, and is recommended particularly for social studies, biological sciences and vocational subjects in which local conditions should play an important role.

"It is not considered that the Japanese people, particularly in rural and remote areas, are yet fitted to undertake the responsibility of local supervision of education through educational committees or boards elected under local franchise. Nor is it considered that the teaching body as a whole is fitted to accept immediately the freedoms in determining curricula and teaching methods implied in a decentralized system. The process of decentralization should take place gradually over a period of some years and should keep pace with the progress of development of democratic thought among teachers and parents.

"Any sudden change-over from central control to complete decentralization might result in chaos, in giving too great control in remote districts to reactionary and ignorant elements of the population, and in making difficult the Supreme Commander's supervision and inspection of educational reform."

MR. JOHNSON suggested that the meaning of paragraph 23 on page 5 would be clarified by the following amendments in punctuation:

"Encouragement should be given to the formation and reorientation of educational associations, parent-teacher associations; and to assist in making the Japanese people aware of the significant changes in the direction of education in a democratic Japan; . Such groups should be encouraged to consider practical problems of education."

THE COMMISSION unanimously approved FEC-092/1 with the amendment suggested by Mr. Johnson, with the understanding that the statements presented by Mr. Asaf Ali and by Mr. Makin would be sent to the Supreme Commander for information, together with the directive based on the policy decision.

ITEM 3 - REPORT ON JAPANESE EXTERNAL ASSETS (FEC-072)

THE COMMISSION unanimously agreed to postpone further consideration of FEC-072.

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ITEM 4 - THE WORK OF THE COMMISSION (FEC-105/2, SC-049/2)

THE COMMISSION unanimously agreed to postpone further consideration of this subject.

ITEM 5 - OTHER BUSINESS

a. SUPPLY OF FOOD FOR CIVILIAN RELIEF IN JAPAN

MR. GRAVES said that, in accordance with the ruling of the Chairman at the last meeting (Minutes, 50th FEC meeting, page 1) the proposed policy decision on food (FEC-026/10) which had been favored by the majority of the Commission and the one (FEC-026/12 as amended by FEC-026/14) which had been favored by the United States Government had been removed from the agenda. He appreciated the difficulties, from the point of view of the United States Government, which had been raised by FEC-026/10, and he was therefore not proposing the reintroduction of that paper. However, he did desire to notify representatives of the strong likelihood that he would receive instructions from his Government which would require the submission of a new paper on the subject.

b. RELEASE TO PRESS OF COMMISSION POLICY DECISION ON REVIEW OF THE CONSTITUTION

MR. JOHNSON announced that, in accordance with the decision of the Commission taken at the last meeting (Minutes, 50th FEC Meeting, pp. 1-3), to release to the press the text of the policy decision on Provisions for the Review of a New Japanese Constitution (FEC-031/41), this text would be released at 6 P.M. Washington time, 27 March 1947.

c. SOVIET STATEMENT REGARDING REPARATIONS DELIVERIES

At the request of Admiral Ramishvili, MR. KOROBOCHKIN, speaking as the Soviet member of Committee No. 1: Reparations, presented the following formal statement:

"In accordance with the policies laid down by the Far Eastern Commission the Supreme Commander for the Allied Powers has selected as per the original reparations removal lists, agreed upon in June-August 1946, 1090 plants as subject to removal on account of reparations. However, as a consequence of several reconsiderations of such programs with reference to the groups of aircraft plants, arsenals, laboratories and other facilities, 156 plants were excluded therefrom in the same year, 1946.

"From the Supreme Commander's directives to the Japanese Government, available in the Far Eastern Commission, concerning the exclusion of facilities or their substitution it does not seem possible to judge by what motives and purposes the Supreme Commander was guided when issuing the said directives, nor is it possible to judge whether such exclusions and substitutions contribute to the degree of reduction of the Japanese industrial war potential or to the degree of security of the Allied Powers against a re-birth of Japanese aggression.

"In view of the above, it would be desirable to obtain from the Supreme Commander a detailed elucidation of the following:

a. The reasons and purposes of the exclusions undertaken by him from the original reparations removal lists of facilities in general, and of war industries in particular.

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b. More detailed information on all the facilities that have been excluded and on the newly-selected ones, of their nature from the viewpoint of the type of production in which they were engaged in war-time, of the degree of their damage and also the balance value of these facilities.

THE COMMISSION unanimously agreed that the foregoing statement should be circulated for the information of the Commission and referred to Committee No. 1: Reparations, for consideration (subsequently circulated as FEC-212).

ITEM 6 - PRESS RELEASE

THE COMMISSION unanimously agreed that a statement concerning the policy decision on Revision of the Japanese Educational System should be released to the press in the normal course.

The meeting adjourned at 11:50 A.M.

Minutes of
15th FEC Meeting

FAR EASTERN COMMISSION

Minutes of the Fifteenth Meeting of the Far Eastern
Commission, held in Main Conference Room, 2516
Massachusetts Avenue, N. W., Wednesday,
12 June 1946

REPRESENTATIVES PRESENT

- Major General Frank R. McCoy, Chairman, (U.S.)
- Major J. Plinsoll, (Australia)
- Mr. R. E. Collins, (Canada)
- Dr. Timothy T. Har, (China)
- His Excellency Paul Emile Naggiar, (France)
- Mr. R. R. Gaksena, (India)
- Dr. A. D. A. de Kat Angelino, (Netherlands)
- Mr. J. S. Reid, (New Zealand)
- Dr. Melquiades J. Camboa, (Philippines)
- Rear Admiral S.S. Ramishvili, (U.S.S.R.)
- Sir George Sansom, (United Kingdom)

SECRETARY GENERAL

Mr. Nelson T. Johnson

Minutes of 15th FEC MEETING 12 June 1946

Statement by U.S.S.R. representative on the
composition of the new Japanese Government --
includes "ourge" discussion. Motion carried to
refer FEC-070 to Committee No. 4.

(FEC-070/1, 2, & 3 for reference, attached
to FEC Directive file.)

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Minutes of Fifteenth Meeting of the Far Eastern Commission
Held in the Main Conference Room, 2518 Massachusetts Ave.,
N.W., Wednesday, 12 June 1946

GENERAL MCCOY opened the meeting at 10:00 A.M.

ITEM 1 - APPROVAL OF THE MINUTES OF THE FOURTEENTH MEETING

THE COMMISSION unanimously approved the minutes of its fourteenth meeting.

ITEM 2 - INTERIM REPARATION REMOVALS; IRON AND STEEL INDUSTRY; THERMAL ELECTRIC POWER; SODA ASH, CHLORINE, AND CAUSTIC SODA INDUSTRY (FEC-059/13)

MAJOR PLIMSOLL moved and MR. SAKSENA seconded the motion that FEC-059/13 be approved. The motion was carried unanimously.

ITEM 3 - POSTAL COMMUNICATION WITH JAPAN (FEC-071)

SIR GEORGE SANSON asked whether, if shipment of relief packages to Japan were permitted, Japan might be placed in a better position than other ex-enemy nations. At the request of General McCoy, MR. DICKOVER explained that shipment of relief parcels from the United States to both Japan and Germany had been authorized by the United States Congress.

MR. SAKSENA said that he assumed that the resumption of postal service meant two-way service. GENERAL MCCOY confirmed this interpretation.

THE COMMISSION unanimously agreed to take no action on FEC-071, and that the matter might be considered later at the request of any representative, in the light of additional information on the subject. The Secretary General was instructed to keep the Commission informed of developments.

ITEM 4 - STATEMENT BY THE U.S.S.R. REPRESENTATIVE ON THE COMPOSITION OF THE NEW JAPANESE GOVERNMENT (FEC 070)

SIR GEORGE SANSON said that it had been evident, during the stay of the Commission in Japan, that the Japanese Government was complying with the purge directive. He suggested that perhaps special circumstances had determined the retention of the three cabinet members named in FEC-070. This was a question, he said, upon which information might be sought from the Supreme Commander.

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GENERAL McCOY asked whether the matter of compliance with the purge directive had been considered by the Allied Council for Japan. MR. FARLEY replied that the minutes indicated that, at the request of a member of the Council, General Whitney had reported on the progress of the purge, but that the report had not contained mention of the three individuals listed in FEC-070.

DR. DE KAT said that the minutes of the second meeting of the Allied Council contained a statement by General Whitney to the effect that compliance with the purge directive would be completed by the end of June. He said that, in view of this statement, members of Committee No. 4 had decided not to discuss the matter further until after the Supreme Commander's report of full compliance at the end of June.

MR. SAKSENA said that two issues were raised by FEC-070:

(1) Whether or not the Supreme Commander was justified in bringing about any change in the Japanese Government without consultation with the Far Eastern Commission.

(2) Whether certain members of the Japanese Government should have been removed because of the purge directive.

With respect to the first point, he said that consultation by the Supreme Commander with the Commission was probably mandatory only in case the Supreme Commander should decide to institute large-scale changes in the personnel of the Japanese Government. Consultation was probably not necessary if gradual, evolutionary changes in the Government were taking place. With respect to the second point, he said a question of fact was involved, and the Supreme Commander might well be asked why he had allowed the individuals enumerated in FEC-070 to hold office.

MR. NAGGIAR said that he agreed in general with the views expressed by Mr. Saksena. He said that the question raised in FEC-070 necessarily led to a consideration of the fundamental problem of the powers and function of the Commission. Without asking instructions from his Government, he said, he was not prepared to speak directly to the Soviet proposals contained in

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the paper. He said, however, that since the Moscow Declaration had been drafted by the representatives of the United States, the United Kingdom and the Soviet Union, and had simply been accepted by the other seven member nations of the Far Eastern Commission, in his opinion the meaning of the Terms of Reference should be clarified by those three powers and not by the Far Eastern Commission.

GENERAL McCOY inquired of Mr. Naggiar whether, if the Far Eastern Commission acted on the basis of agreements in which the three powers concurred, an interpretation of the Terms of Reference would not thereby emerge. MR. NAGGIAR said that although an interpretation of the Terms of Reference could probably be obtained from such a procedure, he doubted that the three signatory Governments were in sufficient agreement to permit a large number of policy statements to emerge.

GENERAL McCOY pointed out that the Supreme Commander had timed the purge of individuals in the Japanese Government in such a way as to avoid the disruption that would have resulted had he ordered an immediate implementation of the purge directive.

MAJOR PLIMSOLL requested the Chairman to obtain information as to the Supreme Commander's reasons for permitting the three individuals named in FEC-070 to hold office. GENERAL McCOY said that he would undertake to obtain this information.

MR. NAGGIAR requested the Chairman to obtain from the United States Government a legal interpretation of the agreement reached at the Moscow Meeting of foreign Ministers. GENERAL McCOY said that he would undertake to obtain such a legal opinion. He said that he had delayed asking any formalized interpretation of the Terms of Reference until the Commission had reached a sufficient number of agreements to constitute a background of precedents and experience against which such a formalized opinion might be focused. He agreed with Mr. Naggiar that the time had probably come for such a formalized opinion to be sought.

MAJOR PLIMSOLL moved and MR. NAGGIAR seconded the motion to refer FEC-070 to Committee No. 4 for consideration. The motion was carried unanimously.

ADMIRAL RAMISHVILI asked whether the fact that FEC-070 had been accepted by the Commission and referred to Committee No. 4 for consideration constituted recognition by the Commission that the subject of the composition of the Japanese Government was within its jurisdiction. GENERAL McCOY replied that a decision as to the competence of the Commission to consider the composition of the Japanese Government could only emerge from due consideration of the matter and from the expression by the representatives of the views of their respective Governments. By referring the paper to Committee No. 4 for consideration, he said, the Commission could not bind the Committee to reach foregone conclusions.

MR. GAMBOA said that the Soviet proposals in FEC-070 should be considered by Committee No. 4, but that the questions raised by Mr. Naggiar should properly be considered by either the Steering Committee or the Commission itself. GENERAL McCOY said that discussion of the whole problem by Committee No. 4 and consequent reference to the Steering Committee, according to normal procedures, would facilitate the attainment of agreement by the Commission.

ITEM 5 - OTHER BUSINESS

ESS interpretation

a. LIAISON WITH SCAP

GENERAL McCOY presented Lieutenant Paul Elicher, USNR, who had just returned from Japan, where he had served on the staff of the Supreme Commander and had been a liaison officer for the Commission during its stay in Japan, and Dr. K. C. Leebriek, also just returned from Japan, who had been attached to the Office of the Political Advisor to the Supreme Commander.

b. ALTERNATE U.S. REPRESENTATIVE

GENERAL McCOY introduced Major General J. H. Hilldring, Assistant Secretary of State, who had been appointed as alternate United States Representative on the Commission.

c. NOMINATION OF ALLIED PERSONNEL FOR SERVICE WITH THE STAFF OF THE SUPREME COMMANDER FOR THE ALLIED POWERS (FEC-069)

MR. NAGGIAR referred to paragraph 1 of the enclosure to FEC-069 and asked whether all nominations of individuals for service on the

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staff of the Supreme Commander need be forwarded through the Chairman of the Commission. He said that the French mission in Tokyo had already been in direct consultation with the Supreme Commander regarding a French nominee for such service. SIR GEORGE SANSOM said that any Government having a mission in Japan might find it awkward to forward all nominations through the Chairman of the Commission.

GENERAL McCOY explained that FEC-069 was designed to facilitate such nominations from Washington, and particularly for Governments having no representation in Tokyo. In the case of Governments with missions in Japan, he said, there was no objection to the presentation of such nominations directly to the Supreme Commander.

ITEM 6 - PRESS RELEASE

THE COMMISSION unanimously approved the following Press Release:

"I. The Far Eastern Commission today approved unanimously a policy statement (text enclosed) on interim reparations removals in the iron and steel industry; thermal electric power; soda ash, chlorine, and caustic soda industries in Japan. This completes action by the Commission, for the purposes of interim removals, on all the industries enumerated in the Pauley Report to the President on the subject. The Committee on Reparations is considering recommendations with respect to interim removals from other industries which were not included in the Pauley Report, and these recommendations will be forwarded to the Commission as soon as agreements are reached in committee.

"II. Present at the meeting today was Major Gen. J. H. Hildring, Assistant Secretary of State, whom the Chairman introduced to the Commission as his alternate.

"The Secretary General announced that Mr. Donald G. Badger, of Australia, had arrived in Washington and had entered upon duty with the Secretariat as Economic Secretary. Mr. Badger is the first full-time member of the Secretariat to be supplied by a Government other than the United States.

"III. The Chairman also reported that among recent arrivals from Tokyo, who had reported for consultation with the Chairman, were Lieut. Paul H. Elicher, USNR and Dr. K. C. Leebrick. Lieut. Elicher served as liaison officer to the Commission during its stay in Japan. Dr. Leebrick was attached to Office of the Political Advisor to the Supreme Commander for the Allied Powers."

Minutes of
3rd FEC Meeting

COPY NO. _____

FAR EASTERN COMMISSION

Minutes of Third Meeting of the Far Eastern Commission,
Held in Main Conference Room, 2516 Massachusetts Avenue, N. W.,
Thursday, 14 March, 1946

REPRESENTATIVES PRESENT

- Major General Frank R. McCoy, Chairman (U. S.)
- His Excellency Sir Frederic Eggleston (Australia)
- His Excellency Lester B. Pearson (Canada)
- His Excellency Dr. Wei Tao-Ming (China)
- His Excellency Paul Emile Naggiar (France)
- The Honorable Sir Girja Shankar Bajpai (India)
- Dr. A. D. A. de Kat Angelino (Netherlands)
- Sir Carl Berendsen (New Zealand)
- Dr. Jose F. Imperial (Philippines)
- Mr. Nikolai V. Novikov (U. S. S. R.)
- Sir George Sansom (U. K.)

SECRETARY GENERAL

Mr. Nelson T. Johnson

Minutes 3rd FEC Mt'g.

Minutes of 3rd FEC MEETING

14 March 1946

Motion adopted to refer discussion of Japanese
General Election to Committee No. 4. Proposed date
of 15 January 1946 too premature because of the
SCAP purge directive of 4 January 1946.

(1)

ENCLOSURE

Minutes of Third Meeting of the Far Eastern Commission,
Held in Main Conference Room, 2516 Massachusetts Avenue, N. W.,
Thursday, 14 March 1946

GENERAL MCCOY called the meeting to order at 10:30 a.m.

ITEM 1 - APPROVAL OF MINUTES OF SECOND MEETING

THE COMMISSION approved the minutes of its second meeting.

ITEM 2 - JAPANESE GENERAL ELECTION (FEC-021)

GENERAL MCCOY asked Mr. Novikov, in his capacity as chairman of Committee No. 4, to report to the Commission on the discussion that had taken place in Committee No. 4 and had led to the recommendation that the question of the date of the Japanese general election be considered by the Commission.

MR. NOVIKOV said that in the discussion at the last meeting of Committee No. 4 doubt had been expressed as to the expediency of holding the general election as early as April 10, as presently scheduled.

MR. NOVIKOV said that, speaking in his capacity as representative of the Soviet Union, he thought it would be premature to hold elections before democratic forces in Japan had had time to develop significantly. It was the opinion of his Government, he said that the elections scheduled for April 10 did not conform completely to the common purpose of the Commission to strengthen democratic tendencies in Japan.

SIR CARL BERENDSEN said that he doubted the suitability of an early election for the four following reasons:

- (1) The process had only begun of trying to turn Japan from a feudalistic into a democratic nation. Early elections would give an overwhelming advantage to the reactionary parties.
- (2) The type of economic structure to be permitted in Japan still awaited the decision of the Commission. The problems of what industries were to be retained and reparations to be exacted should be settled before a general election.
- (3) The purge of reactionary elements which had been ordered by the Supreme Commander should be completed before a general election.
- (4) Repatriation of Japanese troops should be completed before a general election took place.

ITEM 2 - Contd.

In addition to the above reasons he said, the announcement of the new Constitution as a document approved by the Supreme Commander constituted a further argument against an early election. The Japanese electorate, in his opinion, could not possibly develop an intelligent opinion of this constitution between the time of its announcement and the date set for the election, particularly when the Supreme Commander had publicly approved the proposed constitution, and thereby given the present reactionary government an advantage. Whatever might be ambiguous in the terms of reference of the Commission, it was clear that matters of basic policy were within the purview of the Commission, and Sir Carl deemed the decision on a general election to be unquestionably a matter of basic policy.

SIR CARL BERENDSEN made the following motion:

"In existing circumstances the Far Eastern Commission is of the opinion that there should be a further postponement of the Japanese elections, but before further considering the matter, requests that a very early expression of the Supreme Commander's views be obtained through proper channels."

SIR GEORGE SANSOM expressed his personal agreement with the view of Sir Carl Berendsen. He said, however, that he was unable to say what the view of his Government might be without more information from the Supreme Commander.

DR. de KAT said that he favored Sir Carl's motion as to the request for an expression of views of the Supreme Commander, but he thought the Commission should refrain from an expression of opinion until after the views of the Supreme Commander had been obtained.

MR. NAGGIAR said the Commission should make known to the Supreme Commander its view that the general election should take place under such circumstances as would allow all democratic parties a fair chance in the election. The Commission, should not, however, concern itself with the detail of fixing an election date. The date was a question of execution of policy, he said, and was properly within the purview of General MacArthur and the Allied Council. DR. WEI agreed with Mr. Naggiar.

GENERAL MCCOY pointed out that under the present Japanese Constitution the date could not be sufficiently delayed to meet the points raised by Sir Carl Berendsen. Article XLV states:

"When the House of Representatives has been ordered to dissolve, Members shall be caused by Imperial Order to be newly elected, and the new House shall be convoked within five months from the day of dissolution."

He also said that the Diet could not finally adopt any Constitution without approval by the Commission.

At the request of the Chairman for background information, MR. NORMAN said that the question of a general election had first been raised by the Japanese late in 1945, without the sanction of the Supreme Commander and that they had proposed an election date of January 15, 1946. The Supreme Commander had regarded this date as premature, particularly since the purge directive of January 4 would have made the election a chaotic one.

SIR GIRJA BAJPAI agreed with Mr. Naggiar and Dr. Wei that the question of fixing a date was a detail but that the decision as to whether or not circumstances were right for a democratic election was a matter of policy for the Commission to consider. He said that the answer of the Supreme Commander should be obtained to the question of whether the time was appropriate for a democratic election even though the decision of the Supreme Commander on the fixing of a date might override the opinion of the Commission.

MR. PEARSON proposed a resolution to the effect that the Commission call the attention of the Supreme Commander to the essential requirement that all democratic parties have an opportunity to express their views in any election that might be held, and ask the Supreme Commander whether in his view this requirement could be met if the elections were held on the suggested date. If his answer should be in the affirmative, information should be requested from him as to the basis of his conclusion.

SIR GEORGE SANSOM moved that the entire discussion be referred to Committee No. 4 for study and recommendation to the

ITEM 2 - Contd.

Commission at its next meeting. The motion was adopted unanimously.

ITEM 3 - THE JAPANESE CONSTITUTION (FEC-023)

MR. NORMAN explained that the question which had arisen in the discussion at the meeting of Committee No. 3 had been whether or not the Supreme Commander's announcement approving the draft constitution was in accordance with the Moscow Declaration. Committee No. 3 had referred the whole question to the Commission for clarification on the power of the Commission to approve the constitution.

SIR FREDERIC EGGLESTON said the position should be asserted that any constitution proposed must be approved by the Commission. Further, since the Supreme Commander had approved the draft constitution without considering an alternative constitution, he proposed the following motion:

"The Far Eastern Commission desires that the Supreme Commander inform the Japanese people that his approval of the proposed Constitution put forward by Cabinet does not mean that any other acceptable draft would not meet with similar approval, and that it is hoped that the work of constitutional revision will proceed under democratic conditions of the fullest and most free discussion of all suggestions both among the people and in the Diet."

GENERAL MCCOY said that the Supreme Commander's approval was not binding. It was only personal approval, and the constitution would have to be considered by the Diet. However, General McCoy agreed with Sir Frederic that the Constitution should be considered by the Commission. He suggested that the Supreme Commander might be informed that a Committee was studying the constitution.

MR. NAGGIAR inquired whether the Commission should lay down a set of general principles to be followed in a proposed constitution, or whether it should concern itself with the details of drafting a desirable constitution. SIR GIRJA BAJPAI replied that Committee No. 3 might decide on how best to approach the question and present the result of its study for amendment or amplification by the Commission.

ITEM 3 - Contd.

THE COMMISSION agreed to refer the question of the new Japanese constitution to Committee No. 3 for study in the light of the foregoing discussion, together with Sir Frederic Eggleston's motion

ITEM 4 - VICE CHAIRMEN OF THE COMMISSION (FEC-018)

THE COMMISSION approved FEC-018.

ITEM 5 - SCHEDULE OF COMMITTEE MEETINGS (FEC-004/2)

MR. JOHNSON presented FEC-004/2 as a schedule subject to change at any time on the part of any committee. He added that the Secretariat would distribute a weekly schedule of meetings on Mondays.

THE COMMISSION approved FEC-004/2 as a provisional schedule of weekly committee meetings.

ITEM 6 - PROPOSED SUBJECT MATTER OF REPARATIONS COMMITTEE (FEC-004/3)

MR. NOVIKOV requested that FEC-004/3 be referred to the Steering Committee.

THE COMMISSION agreed to refer FEC-004/3 to the Steering Committee.

ITEM 7 - PROPOSED VOTING PROCEDURE IN COMMITTEES (FEC-022)

THE COMMISSION approved FEC-022.

ITEM 8 - TITLE OF COMMITTEE NO. 4 (FEC-004/4)

THE COMMISSION approved FEC-004/4.

ITEM 9 - PROPOSED PRESS RELEASE (FEC-005/1)

MR. NOVIKOV suggested that the paragraph under Committee No. 1 be amended to read as follows:

Seizure and disposition of Japanese overseas property and investments; goods and materials within Japan; Reparation of goods and materials; restitution of looted property; and related topics.

SIR FREDERIC EGGLESTON proposed that the sentence under Committee No. 6 be amended to read as follows:

Friendly aliens: Neutrals: Enemy nationals other than Japanese.

ITEM 9 - Contd.

THE COMMISSION approved FEC-005/1 as amended and instructed the Secretary General to include FEC-005/1, with the addition of the Chairman and Vice Chairmen of each Committee, in the press release covering the meeting.

ITEM 10 - COMMISSION AGENDA (FEC-004/5)

MR. NOVIKOV suggested that FEC-004/5 be referred to the Steering Committee.

THE COMMISSION referred FEC-004/5 to the Steering Committee.

ITEM 11 - OTHER BUSINESS

a. New Australian Delegate.

SIR FREDERIC EGGLESTON said that he was returning to Australia and that Lt. Gen. Sir John Lavarack would represent Australia on the Commission, with Major Plimsoll as alternate.

ITEM 12 - PRESS RELEASE

In accordance with instructions of the delegation the Secretary General released the following statement to the press: "At the third meeting of the Far Eastern Commission today it was agreed that the three vice chairmen of the Commission should be:

Mr. Andrei A. Gromyko (USSR)
Dr. Wei Tao-ming (China)
Lord Halifax (UK)

The order in which the vice chairmen should serve will be decided among them in consultation with the Chairman of the Far Eastern Commission.

Committee No. 1: Reparations

Chairman: Lt. General Sir John Lavarack (Australia)
Deputy Chairman: Mr. G. A. Ph. Weyer (Netherlands)

Reparation of goods and materials; restitution of looted property; and related topics.

Committee No. 2: Economic and Financial Affairs

Chairman: Sir George Sansom (United Kingdom)
Deputy Chairman: Mr. Kenneth Galbraith (United States)

Extent and character of Japanese industry, commerce and agriculture; necessary for a viable economy in Japan; measures necessary to establish such an economy; financial problems; and related topics.

ITEM 12 - Contd.

Committee No. 3: Constitutional and Legal Reform

Chairman: Sir Girja Bajpai (India)

Deputy Chairman: Mr. Herbert Norman (Canada)

The Emperor, Diet, Cabinet, local government, political parties, a Bill of Rights, machinery for drafting a new constitution, electoral system and reform of the policy system and related topics.

Committee No. 4: Strengthening of Democratic Tendencies

Chairman: Mr. Nikolai V. Novikov (USSR)

Deputy Chairman: Dr. T. T. Mar (China)

Establishment of freedom of speech, of religion and of thought, and respect for the fundamental human rights; positive policy for the reorientation of the Japanese; other measures to strengthen democratic tendencies and related topics.

Committee No. 5: War Criminals

Chairman: Dr. C. L. Hsia (China)

Deputy Chairman: Mr. Melquiades Gamboa (Philippines)

Identification, apprehension and trial of persons suspected of war crimes.

Committee No. 6: Aliens in Japan

Chairman: Mr. Francis Lacoste (France)

Deputy Chairman: Mr. F. C. Everson (United Kingdom)

Friendly aliens: Neutrals: Enemy nationals other than Japanese.

Meeting adjourned at 12:30 p.m.