

scientific research unnecessary restrictions which would be difficult to enforce and would have the effect of driving underground normal scientific activities. Japan should be permitted to engage in fundamental research and to apply the results of such research to the peaceful development of Japanese industry; but regular inspection should be carried out by highly qualified experts in each major subject to ensure compliance with the prohibition on applied research or developmental work that may have potential application to war purposes. Scientific personnel offending the control regulations should be prohibited from undertaking further research work and transferred to non-scientific activities, and where institutions as a whole offend, they should be closed.

Research in the field of atomic energy is a special case, and might best be made subject to the restrictions which it is hoped that the United Nations Atomic Energy Authority will enforce in all countries. If the Atomic Energy Authority has not been established prior to the conclusion of the Japanese peace treaty, certain special interim restrictions will have to be imposed on Japan by the peace treaty. These restrictions might take the form of a total prohibition of all research of either a fundamental or applied nature in the field of atomic energy (in accordance with the policy adopted by the Far Eastern Commission for the present period of control), or the prohibition only of all research or development as has for its purpose the production of fissionable atomic species in more than the minute quantities required for research purposes. It is not considered realistic or advisable to attempt to maintain for any length of time a complete prohibition of fundamental research into nuclear physics.

#### (c) INDUSTRIAL DISARMAMENT

A large proportion of Japan's industry was never used for peaceful production, and it is generally agreed that this excess productive capacity in Japan's heavy industries should be removed from Japan as a security measure and disposed of as reparations. Plans to effect this programme have already been extensively considered in the Far Eastern Commission and have New Zealand support.

If the demilitarization of Japan is to be effective, provision will have to be made in the peace treaty for the retention of controls over essential war supporting industries. These controls should be selective and bear upon the key industries only since their effectiveness will depend on the ease with which they can be enforced and would only be weakened by a scheme too comprehensive and ambitious. If these economic controls are confined to those necessary for security there is reasonable