

1947  
NEW ZEALAND

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# JAPANESE PEACE SETTLEMENT

REPORT ON  
BRITISH COMMONWEALTH CONFERENCE,  
CANBERRA, 26 AUGUST - 2 SEPTEMBER, 1947,  
AND COMMENTS AND PROPOSALS REGARDING  
NEW ZEALAND POLICY TOWARDS CERTAIN  
ISSUES OF THE JAPANESE PEACE SETTLEMENT

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*Presented to both Houses of the General Assembly by Leave*

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## I. THE BRITISH COMMONWEALTH CONFERENCE, CANBERRA

Eight British Commonwealth countries—Australia, Burma, Canada, India, New Zealand, Pakistan, South Africa, and the United Kingdom—met at Canberra between 26 August and 2 September, upon the invitation of the Australian Government, for a preliminary discussion of the main issues likely to arise in the drafting of the treaty of peace with Japan. The delegates of these countries were as follows :

*Australia* : Rt Hon. H. V. Evatt, Hon. J. J. Dedman, Hon. R. T. Pollard. *Burma* : Hon. Thakin Lun Baw. *Canada* : Hon. Brooke Claxton, Mr K. A. Greene. *India* : Sir Rama Rau, Sir Raghunath Paranjpye. *New Zealand* : Rt Hon. Peter Fraser, Mr J. G. Barclay. *Pakistan* : Mirza Mohammed Rafi. *South Africa* : Hon. Harry Lawrence. *United Kingdom* : Rt Hon. Viscount Addison, Rt Hon. Hector McNeil, Rt Hon. E. J. Williams.

Following the practice of previous British Commonwealth meetings the Canberra conference made no attempt to arrive at binding decisions ; but it demonstrated once again the value of a frank, informal, and provisional exchange of views upon subjects of common concern and great importance to the members of the Commonwealth. There was general agreement among the delegates upon most aspects of the Japanese peace settlement ; this agreement was the outcome not of any process of negotiation, but of similar viewpoints based upon the facts available to all members. That this wide measure of agreement emerged after the short period of a week, was, moreover, largely due to the nature of Commonwealth discussions, which involve no commitments, and to the frank but friendly atmosphere in which they always take place. These circumstances made it possible for all delegations to express, withdraw, or criticize viewpoints without fear of injuring susceptible national feelings.

Like all Commonwealth meetings, the Canberra Conference was characterized by a high sense of responsibility. This was due in very large measure to the fact that the countries represented had taken an active part in the great Allied effort which defeated Japan, and each was fully conscious of the need to share in the measures which will be incorporated in the treaty to keep Japan disarmed.

The Canberra Conference was the first Commonwealth meeting to be attended by independent India and Pakistan and by Burma. Delegates from the older members of the British Commonwealth derived much value from the views advanced by the representatives of these Eastern members of

the Commonwealth (especially when they concerned methods of dealing with westernized oriental Japan), and the meeting made abundantly clear the potentialities inherent in the Commonwealth for developing among Eastern and Western nations an understanding which might make an inestimable contribution to understanding on the full international scale. Indeed, each day's meetings provided evidence of the mission and the capacity of the British Commonwealth and Empire to demonstrate that nations of different race and colour, with different traditions and cultures, can share as freely co-operating equals in working out measures for securing world peace and greater human welfare.

It was appropriate, too, that the first meeting which India, Pakistan, and Burma attended with full status should also have been the first meeting of such a nature and importance to be held outside the United Kingdom. The choice of Canberra not only emphasized the vital importance of the Japanese peace settlement to the future security of the South Pacific Dominions, but the meetings were at the same time a daily reminder of the position of all members of the Commonwealth as autonomous communities, equal in status and in no way subordinate one to another, though freely associated as members of the British Commonwealth of Nations.

The Commonwealth has at its disposal some of the outstanding experts upon Far Eastern political and economic matters. Several of these were present at Canberra, and their expert knowledge was made available to delegates. The documentation and secretarial assistance provided by the Australian Government were of great value to the smooth running of the meeting, as indeed were the many other facilities and hospitality which they provided most generously. The Conference owed much to the outstanding capacity and wise chairmanship of the Australian Minister of External Affairs, Rt Hon. H. V. Evatt.

Except for the inaugural and final sessions, the Conference met privately, as is customary at British Commonwealth meetings, and it is therefore not possible, nor would it be fitting, to place in a public report the tentative and often personal views expressed by representatives from other countries except in so far as they have already received public expression. The general lines of opinion were summarized in the final Conference communique which stated:—

The exchanges of views which have taken place on various aspects of the occupation and the current situation in Japan and on the scope and character of the peace settlement have been of great value. The Conference has been held in pursuance of the

long-established practice of consultation within the Commonwealth on matters of interest to all its members. It was clear that each member retained its independence and freedom from commitment, but in addressing themselves to the problems before them, the delegates were animated by a common desire to secure a democratic and lasting peace settlement. Although, in accordance with practice at such Conferences, no formal decisions were taken, the discussions revealed a wide harmony of views among the nations of the British Commonwealth represented at the Conference.

The discussions made it appear that a close correspondence exists between the various views expressed at Canberra and those of the United States of America, as well as of the other powers primarily interested in the settlement.

The views of the interested Powers have already to a large extent found expression in certain key documents, notably the Potsdam Declaration and the basic policy decisions of the Far Eastern Commission, upon which eleven powers are represented. The acceptance of these two documents by eleven Powers encourages the hope among the delegations that agreement on the peace treaty itself may be reached speedily.

At an early stage of the Commonwealth talks the desire was expressed that a Peace Conference should be called without delay and begin on a policy-making governmental level, and that, on analogy with the Far Eastern Commission, all members of the United Nations that made a direct contribution towards winning the Pacific War should be represented, including the new dominion of Pakistan, which is expected to be admitted to the United Nations shortly. It was also thought that voting on matters of substance should be by two-thirds majority.

The territorial changes already proposed were examined, and the exchange of views indicated that the peace treaty should provide for the limitation of Japanese territory to the four main islands and such minor islands as the Peace Conference might determine.

Security against future aggression by Japan was a major concern of the Conference throughout all its discussions on all subjects. Delegates noted with satisfaction that General MacArthur and the forces under his command had already virtually completed the disarmament and demilitarization of Japan. The Conference therefore directed particular attention to ensuring that Japan would not be in a position to rearm or to recreate dangerous war potential. There was general acceptance of the view that encouragement should be given to the positive measures designed to bring about a democratic, peace-loving Japan which would have neither desire nor ability to menace other nations.

With regard to political provisions, the removal from office of militarists and dissolution of ultra-nationalistic societies was approved, and the opinion was expressed that steps should be taken to prevent their return. The peace treaty should provide for recognition and enforcement of fundamental human rights and freedom of association. The delegates paid particular attention to the development and protection of trade-unions as an essential element in encouraging democracy in Japan. Delegates noted with approval the principles underlying the new Japanese Constitution.

With regard to economic and financial provisions, it was felt that key war industries such as armament and aircraft manufacture and the production of strategic materials of an uneconomic character should be prohibited. Production and capacity in key industries which could form part of war potential should be limited to defined levels. These restrictions in the interests of security should be supplemented by control of Japanese imports. Any restrictions imposed on the Japanese economy should not go beyond what is demanded by considerations of military security.

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## II. COMMENTS AND PROPOSALS REGARDING NEW ZEALAND POLICY UPON CERTAIN ISSUES OF THE JAPANESE PEACE SETTLE- MENT

This section records certain issues of the Japanese peace settlement as they present themselves to the New Zealand delegation which attended the Canberra Conference, and sets out the broad lines which it is proposed that the New Zealand delegation should follow in the forthcoming international peace discussions. While this outline of policy, as modified by any discussions in Parliament, would guide the delegation, it can naturally not be considered final, because the views of other Pacific belligerents—and in particular the United States of America, whose part in the defeat of Japan and in the future control of Japan was and will be almost decisive—have not been definitively stated.

### 1. PRIMARY EMPHASIS ON SECURITY

New Zealand's primary interest in the Japanese settlement is security. We have no substantial investments in Japan to safeguard, and no desire to extract large reparations payments. We do not wish to cripple Japan's economy needlessly, and we do not wish to go out of our way to injure Japanese susceptibilities. But the history of Japanese preparations for aggression, the evidence that militarist projects won the almost unanimous support of Japanese politicians, businessmen, and workers (even though it is true that liberal elements existed in a most unpromising atmosphere), and the record of Japanese atrocities upon uniformed soldiers and defenceless civilians, make it imperative that our chief aim should be to support the imposition of the most rigorous security control upon Japan.

### 2. SECURITY AND DEMOCRACY

The two chief problems involved in ensuring that Japan has no chance of renewing her aggression are—

- (a) To remove from Japan the *physical means* of aggression ;
- (b) To remove the Japanese *will* to aggression.

It is not enough merely to disarm Japan physically. There could be no better guarantee of security than a spontaneous will to peace among Japanese policy-making circles. It is obvious, however, that in a defeated country such a condition must inevitably be hard to obtain, and even if obtained must be precarious. Moreover, although wise Allied policy towards Japan and the vitality of democracy elsewhere would have an important influence in strengthening democracy in Japan, we

would not be justified in basing policy on the belief that the will to peace (and hence our security objectives) can be secured by the mere insertion of "democratization" provisions in a peace treaty. The future of democracy and peaceful tendencies in Japan is still uncertain. In spite of the complete and apparently willing submission of the Japanese people to the occupation and the display of enthusiasm for democratic concepts, few competent observers are now prepared to be sure that this attitude indicates a change of any permanence. Moreover, positive democracy can not be imposed from outside; this way of thinking and feeling must be developed by the Japanese people themselves.

In short, the evidence suggests that it would be best to concentrate primarily on making a success of physical disarmament even while fully recognizing that repressive control will offer no final guarantee of security unless accompanied by positive measures of democratization and rehabilitation which will give to the Japanese the possibility of reasonable prosperity and the incentive to work towards replacing their old way of life and thought by a democratic system developed by themselves. Every effort should be made to ensure that the framework of physical disarmament and security controls is set in such a way as not to burden the prospective growth of democratic tendencies or to revitalize within Japan those forces responsible for her original career of aggression. Nevertheless, in cases of doubt the substance of physical disarmament should not be sacrificed for the shadow of hypothetical democratic reform.

### 3. THE FRAMEWORK OF PREVIOUS DECISIONS

The broad lines of the treaty have already been laid down by the Cairo, Yalta, and Potsdam Agreements.<sup>1</sup> In addition, many of the policy decisions of the eleven-nation Far Eastern Commission<sup>2</sup> though subject to change by the same nations at the Peace Conference, must be recognized as founded on a sound appreciation of the situation in Japan and therefore a reasonable and almost inevitable basis for the more permanent provisions of the treaty. Some of the orders of SCAP to the Japanese Government,<sup>3</sup> also, will require to be given some degree of permanence in the peace settlement. Certain basic objectives of the Allied Powers have already been laid down :—

(a) In the *Potsdam Declaration* of 26 July, 1945, it was laid down, among other things—

<sup>1</sup> See Appendix 2.

<sup>2</sup> A collection of these decisions is available for consultation.

<sup>3</sup> The more important of these Orders have been published by the Department of External Affairs in publication No. 29, "Select Documents on the Surrender and Control of Japan." A more complete collection is available for consultation.



That there must be eliminated for all time the authority and influence of those who have deceived and misled the people of Japan into embarking on world conquest ;

That until there is convincing proof that Japan's warmaking power is destroyed, points in Japanese territory, to be designated by the Allies, must be occupied ;

That the Japanese Government shall remove all obstacles to the revival and strengthening of the democratic tendencies among the Japanese people ; and

That Japan shall be permitted to maintain such industries as will sustain her economy and permit the exaction of just reparations in kind but not those which would enable her to re-arm for war.

(b) The *Basic Post-surrender Policy for Japan*,<sup>4</sup> adopted by the Far Eastern Commission on 19 June, 1947, represents an agreed amplification by the eleven nations of the rather vague terms of the Potsdam Declaration. It includes the following statement of ultimate objectives :—

The ultimate objectives in relation to Japan, to which policies for the post-surrender period for Japan should conform, are—

(a) To insure that Japan will not again become a menace to the peace and security of the world.

(b) To bring about the earliest possible establishment of a democratic and peaceful government which will carry out its international responsibilities, respect the rights of other States, and support the objectives of the United Nations. Such government in Japan should be established in accordance with the freely expressed will of the Japanese people.

These objectives will be achieved by the following principal means :—

(a) Japan's sovereignty will be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku, and such minor outlying islands as may be determined.

(b) Japan will be completely disarmed and demilitarized. The authority of the militarists and the influence of militarism will be totally eliminated. All institutions expressive of the spirit of militarism and aggression will be vigorously suppressed.

(c) The Japanese people shall be encouraged to develop a desire for individual liberties and respect for fundamental human rights, particularly the freedom of religion, assembly, and association, speech, and the press. They shall be encouraged to form democratic and representative organizations.

<sup>4</sup> For full text, especially the Preamble, see Appendix 3.

(d) Japan shall be permitted to maintain such industries as will sustain her economy and permit the exaction of just reparations in kind, but not those which would enable her to re-arm for war. To this end access to, as distinguished from control of, raw materials should be permitted. Eventual Japanese participation in world trade relations will be permitted.

#### 4. REMOVAL OF PHYSICAL MEANS OF AGGRESSION

##### (a) TERRITORIAL QUESTIONS

In the endeavour to remove from Japan the physical means of aggression, the first measure and the most decisive will be to deprive her of her outlying territories, her "springboards for aggression."

The essential framework for the territorial provisions is set by the terms of the Cairo Declaration of 1 December, 1943, the secret Yalta Agreement of 11 February, 1945, and the Potsdam Proclamation of 26 July, 1945.<sup>5</sup> Although New Zealand was not a party to these Big Power agreements, it would be unrealistic to suppose that their provisions could now be challenged, even if modification were desirable. In fact, New Zealand, by signing the Instrument of Surrender by which Japan accepted the Potsdam Proclamation, has already implicitly agreed that "Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Shikoku, and such minor islands" as may be determined.

The *Potsdam Proclamation* further provided that the terms of the *Cairo Declaration* should be carried out—viz., "that all territories that Japan has stolen from the Chinese, such as Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China"; and that Japan shall be "expelled from all other territories which she has taken by violence and greed." By the *Yalta Agreement* the Soviet Union, the United States of America, and Great Britain agreed that the Kurile Islands should be handed over to the Soviet Union, and South Sakhalin, of which Russia was deprived by the Treaty of Portsmouth in 1905, should be restored to its original ownership.

The future of these territories is determined. Whether or not the peace treaty might provide for any guarantee of the human rights of the inhabitants of Formosa (which has been separated from China since 1895) or any strategic area trusteeship provision for the Kuriles (which, unlike Sakhalin, was never Russian territory) must depend very largely upon the attitude of the Powers to which these territories have already been allotted.

<sup>5</sup> See Appendix 2 for full texts of these Agreements.

Chinese sovereignty over Manchuria has in theory never been impaired, but in view of the fact that a small number of States recognized the puppet State of Manchoukuo it may be desirable for the treaty to reaffirm Chinese sovereignty over this area, as has already been done by the Soviet Union in an exchange of notes dated 14 August, 1945. It is, however, doubtful whether the arrangements made between China and the Soviet Union, in pursuance of the Yalta Agreement, with respect to the free Port of Dairen, the naval base of Port Arthur and the ownership of the Chinese-Changchun railway, require reiteration in the peace treaty. China, as a sovereign State, is free to make such treaties with other powers as she may wish, and the Japanese Peace Treaty need be concerned merely with the renunciation by Japan of her rights in Manchuria.

Such vague title or rights as Japan may possess, or believe herself to possess, overseas in areas such as Antarctica might best be disposed of, under the terms of the peace treaty, by an over-all article by which Japan would renounce all rights and claims to territory lying outside her boundaries as laid down in the main territorial article. In the case of the former Japanese mandates, which have already been allotted to the United States under a strategic trusteeship agreement, a renunciation by Japan of her rights and claims will be all that is required.

The difficult and potentially explosive Korean settlement may require slightly more elaboration. At the Moscow Conference of Foreign Ministers (December, 1945) it was agreed that a joint United States - Soviet Commission should work out proposals for the development of self-government under an eventual Four-Power Trusteeship Agreement, with a view to independence after five years. The treaty should provide for the renunciation of Japan's rights in Korea, and for the trusteeship agreement to be worked out by the Four Powers. It might be better to leave any detailed arrangements for the future of Korea to be settled outside the framework of the peace treaty; but the treaty might provide that if the Powers are unable to agree within a specific period the question of Korea's future should be placed before the United Nations.

The main outstanding territorial question is the disposition of those southward-lying islands, such as Marcus Island and the Ryukyu, Bonin, and Volcano Islands, concerning which there is at present no international agreement. These islands have too great strategic value for their retention by Japan to be permitted, and it would seem preferable from the New Zealand point of view that these islands should be placed under a United Nations strategic area trusteeship with the United States as the administering authority.

## (b) DISARMAMENT AND DEMILITARIZATION

The fact that the disarmament of Japan has been already largely completed during the occupation period should not encourage undue complacency. It is in any case only after a period of years that Japan would be in a position to resume a course of aggression if she were so minded. The treaty must therefore provide for maintenance of the complete disarmament and demilitarization of Japan. The Far Eastern Commission has already addressed itself to the problem of defining in detail the prohibitions which should be placed on Japanese military activity during the present regime of control, and this work will undoubtedly be of assistance to the Peace Conference.

Japan must not be permitted to retain or develop any armed forces, and the Japanese Imperial General Headquarters and all military and paramilitary organizations must remain disbanded. Some non-military police force will have to be retained by Japan, but the peace treaty should place restriction on its strength and organization, on the number and maximum calibres of weapons of foreign manufacture which might be held by the force, and on its duties and training. To ensure that it did not become the nucleus of a secret army it would be advisable to require that service in the force should be on a long-term basis and that persons who have held certain positions under the old regime were made ineligible for enlistment.

In addition to a police force, Japan will require a coast-guard service. The peace treaty should prescribe the duties of this service, and the number, type, maximum tonnage, speed, range, and armament of vessels to be used for this purpose.

Japan should not be permitted to manufacture or to import any weapon or warlike equipment except that the importation of weapons and ammunition for the civil police and coastguard service should be permitted within prescribed limits.

The provisions of the peace treaty should specifically prohibit the construction of any naval combatant or auxiliary vessel or craft, the conversion of any commercial vessel or craft to military purposes, and the reconstruction or remodelling of commercial vessels or craft so as to render them more suitable for military purposes.

A more controversial problem is set by the military potentialities of scientific research. While prohibitions must be imposed upon the import of bacteriological and chemical warfare agents and the warlike application of certain branches of research, it would be undesirable to impose on legitimate

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

hope that the Allied nations will be prepared to enforce them during the period of supervision. Nor is there reason to suppose that such controls need be unduly oppressive or inconsistent with the attainment by Japan of a viable economy.

No restrictions are considered practicable or desirable on the production level of those peaceful industries to which there is no security objection.

The production of certain goods, such as light metals, synthetic oil, and synthetic rubber, which have strategic importance, should be entirely forbidden. Such industries are, in any case, uneconomic in Japan and were developed solely as war potential. Production and productive capacity in other key industries, such as iron and steel, and oil refining and storage should be limited to defined levels determined after consideration of Japan's legitimate peaceful needs. These prohibitions and restrictions should be supplemented by the institution of appropriate import controls which would be supervised by inspectors attached to the Japanese Customs administration.

On the general principle that the treaty provisions should be precise it is considered that these restrictions should as far as possible be written into the treaty, but some discretionary power might well be given the supervisory authority to relax, within certain limits, the maximum requirements imposed by the treaty in order that the controls might have the desired degree of elasticity.

Special security restrictions will be required on Japanese shipbuilding and on civil aviation. Restrictions on shipbuilding should be such as will prevent Japan from recreating war potential in the form of shipping. It is possible that ships with a maximum size of 5,000 gross registered tons and a speed of 12 knots could serve Japan's needs economically, and it would seem desirable that Japanese shipbuilding industry should be limited to ships of a defined size and speed.

Civil aviation in Japan must also be subject to treaty regulation. The Far Eastern Commission has already adopted a policy decision providing for the removal as reparations of plants and establishments in the aircraft industry, and it is proposed to support the inclusion in the treaty of a provision prohibiting the re-establishment of an aeronautical industry or the conduct of aeronautical research. Such a prohibition is justified by the ease with which plant producing civil aircraft can be converted to the production of military aircraft, and by reason of the military potential involved in the possession of a pool of skilled aeronautical engineers.

Japan should not be permitted to operate or own external civil aviation services, but it does not seem advisable to attempt

any similar prohibition with respect to Japan's internal air services. Civil aviation has now come to be as much an essential service as rail or road transport, and should be susceptible of adequate control by the prohibition of aircraft manufacture and the imposition of restrictions such as import controls which would confine internal air transport to short-range low-altitude aircraft of medium capacity and normal speed. It is not considered that the possession of such civil airlines would constitute a real menace to security since pilots and technical personnel would be trained for air transport duties only, and not for the many and complex operations required in war. However, as an additional security measure aviation employees should be required to serve on a long-term basis.

## 5. REMOVAL OF THE WILL TO AGGRESSION (STRENGTHENING OF DEMOCRATIC TENDENCIES)

### (a) GENERAL

From the point of view of long-term security the removal of obstacles to the revival and the strengthening of democratic and peaceful tendencies among the Japanese people, which was an essential part of the Potsdam Proclamation, is of even greater importance than measures of physical disarmament. Unfortunately, this objective is much more difficult to effect by the terms of a peace treaty. The most that can be done is to include within the treaty a series of provisions binding on the Japanese Government which, if faithfully observed, would enable the Japanese people to work out their own democratic future. The chief problem is what should be the range of provisions of this nature. It would be unrealistic to burden the proposed supervisory authority with responsibilities beyond its power to enforce, nor might it be wise to place democratization proposals in too close association with the necessarily humiliating clauses of the peace treaty proper; but the record of Japan's compliance with certain democratic criteria worked out at the Peace Conference (perhaps in association with Japanese representatives) might well be made the test for determining whether the time was ripe for the relaxation of certain post-treaty controls or for the re-admission of Japan into the international community.

### (b) POLITICAL FREEDOMS

It is considered that the Japanese Government should maintain and uphold the Japanese Constitution which came into force on 3 May, 1947. In distinction to the old constitution which safeguarded the feudal framework of Japanese society, the new constitution guarantees fundamental human rights

and appears to be in conformity with democratic principles. Since, however, it has not yet been established long enough for its continued workability to be assured, the possibility of some amendments at an early date should not be ruled out. Any such amendments might be subject to disallowance by the supervisory authority.

In addition, a separate clause in the treaty might provide for a guarantee of human rights and fundamental freedoms.

The treaty should provide for the continuance of the exclusion from public office of exponents of militaristic nationalism and influential members of Japanese ultra-nationalistic societies, such as have already been excluded from public office by order of the Supreme Commander for the Allied Powers. Failure by the peace treaty to maintain these restrictions would clearly have undesirable consequences, though in order to check the growth of a permanently disaffected class there might well be some provision for review, which would enable deserving persons to be relieved in due course of their civic disabilities.

Other requirements to be imposed on Japan should provide for the continued prohibition of militaristic and ultra-nationalistic societies such as poisoned the political life of Japan before the war, and should forbid the reconstitution of special police and paramilitary organizations. In view of the ultra-nationalistic character of State Shinto, existing provisions regarding the complete separation between Shinto and the State should be maintained. It would also be desirable that the Japanese Government should accept certain minimum obligations with respect to educational policy. To all these matters the occupation authorities or the Far Eastern Commission<sup>6</sup> have already devoted much attention.

The peace treaty should give full legal validity to all acts of the occupation authorities, and the Japanese Government should ensure that no Japanese suffers any disability by reason of his having acted in pursuance of the directives of the occupation.

#### (c) ECONOMIC FREEDOMS

There are also certain essential economic rights and freedoms of which cognizance should be taken in the peace settlement.

The remarkable growth of trade-unions in Japan has been one of the more encouraging aspects of the occupation period, and those freedoms assured to Japanese trade-unions by the policy of the Far Eastern Commission should continue to be assured to them by the terms of the peace treaty.

<sup>6</sup> See the orders of SCAP to the Japanese Government, and the policy decisions of the Far Eastern Commission.



A beginning has already been made by the Supreme Commander on the task of dissolving the "Zaibatsu"—or great family financial and commercial monopolies—which before the war assisted the programme of Japanese militarists, extended their tentacles into every aspect of Japanese economic life, and so long as they exist will without doubt constitute a menace to world peace. The Japanese Government should be required, subject to supervision, to carry out and complete the task of breaking down these excessive concentrations of economic power.

A somewhat similar position obtains with respect to rural land reform. The Japanese Government, in response to orders from the Supreme Commander for the Allied Powers, has passed legislation providing for an increase in farm ownership and improved tenancy conditions. A beginning has been made in clearing away some of the abuses which have in the past been notoriously injurious to Japanese rural life; but, unless the reforms have been substantially implemented before the peace treaty is concluded, some supervision, though not necessarily of a detailed nature, may continue to be required.

Japan should also comply with certain international conventions which lay down minimum standards of conduct in such matters as the employment of labour.

Notwithstanding provisions such as those here proposed, it is not considered advisable in general that the peacemaking Powers should attempt to exercise close supervision over the internal economic life of Japan, except where security considerations necessitate such supervision. Allied policy should be such as will not prevent Japan from securing as soon as possible her legitimate peaceful economic needs, but the growth of genuine democracy is likely to be impeded unless the responsibility for organizing the economic life of Japan rests firmly with the Japanese Government.

## 6. REPARATIONS AND OCCUPATION COSTS

### (a) REPARATIONS

The Far Eastern Commission has already passed, with the concurrence of New Zealand, a basic policy decision on reparations. This is as follows:—

For acts of aggression committed by Japan and for the purpose of equitable reparation of the damage caused by her to the Allied Powers and in the interests of destruction of the Japanese war potential in those industries which could lead to Japan's rearmament for waging war, reparations shall be exacted from Japan through the transfer of such existing Japanese capital

equipment and facilities or such Japanese goods as exist or may in future be produced and which under policies set forth by the Far Eastern Commission or pursuant to the terms of reference of the Far Eastern Commission should be made available for this purpose.

The reparations shall be in such a form as would not endanger the fulfilment of the programme of demilitarization of Japan and which would not prejudice the defraying of the cost of the occupation and the maintenance of a minimum civilian standard of living.

The shares of particular countries in the total sum of the reparations from Japan shall be determined on a broad political basis, taking into due account the scope of material and human destruction and damage suffered by each claimant country as a result of the preparation and execution of Japanese aggression, and taking also into due account each country's contribution to the cause of the defeat of Japan, including the extent and duration of its resistance to Japanese aggression.

It is proposed to support the payment of reparations from excess industrial capacity arising out of the industrial disarmament programme to be decided upon by the Far Eastern Commission. On security grounds alone, Japan should be deprived of the industrial plant in war-supporting industries which is surplus to her minimum peacetime requirements; there is already sufficient agreement in the Far Eastern Commission on what should be the nature and extent of these industrial removals to raise hopes that final agreement may be reached in advance of the peace treaty. A limited number of ships should also be surplus to Japan's requirements and available for reparations.

The chief remaining possible sources of reparations are Japanese assets located outside Japan, and current production. Japanese external assets should be made available for reparations. However, it is not considered that any reliance should be placed on reparations being received from current production. Indeed, any proposal for reparations from this source has grave implications in that it would almost inevitably lead to the building-up of Japanese industry to a level higher than is at present contemplated; it would involve detailed economic control of Japan for a long period; and it would be a most fruitful source of international discord in the future. The first charge on Japan's exports must in any case be to pay for essential imports, and in the present depressed state of the Japanese economy it is extremely dubious whether reparations from current production would be available for many years.

## (b) OCCUPATION COSTS

The Far Eastern Commission policy decision provides that reparations should be in such a form as would not prejudice the payment of occupation costs. The treaty should include provision for the payment of occupation costs, but the nature of such provision must inevitably depend largely upon the attitude of the United States Government, which will be the largest claimant.

## 7. MISCELLANEOUS PROVISIONS

A number of other provisions of greater or less importance cannot properly be considered under the preceding general heads. Many of them will have the object of protecting the political or economic rights of States members of the United Nations or of their nationals.

Any specific undertaking which may be required for the protection of aliens in Japan would fall within this category.

There should be provision for the restitution to the original owners of property looted by the Japanese or removed by fraud or duress, and for the restoration to United Nations nationals of their pre-war property, rights and interests in Japan. Where property has suffered damage, this damage should be repaired or full compensation should be payable in the local currency.

Japan should be required to subscribe to all international conventions to which she is not a party but by which it is in the Allied interest that she should be bound. In view of Japan's past record in whaling, it will be desirable not only that Japan should subscribe to the International Whaling Convention, but that careful supervision should be exercised over Japan's whaling activities.

## 8. POST-TREATY SUPERVISION OF JAPAN

### (a) GENERAL CONSIDERATIONS

Many of the foregoing provisions which have been proposed for insertion in the peace treaty depend for their effectiveness on the existence of some control machinery. Without attempting to formulate detailed views as to the nature of such a control system, it is possible to suggest certain broad principles which satisfy the primary requirement of security.

The system of control must be both durable and workable. To be durable it must contemplate the continued enforcement only of such provisions as are likely to command long-term support on the part of the supervisory powers. To be workable, it must involve neither undue strain upon the Powers nor undue interference with Japanese affairs. Indeed, to satisfy both requirements it would seem that the system should be the minimum necessary to achieve the basic objectives.

### (b) SUPERVISORY AUTHORITY

A supervisory authority should be set up consisting of those Powers actively interested in the continued observance of the peace treaty by Japan and prepared to undertake the necessary obligations to ensure that this result is achieved. These obligations would be the provision of representation on the supervisory authority, and of a due share of the staff and inspectorate, an undertaking to join in enforcement action should such be required, and the provision of a share of such patrol forces as may be agreed upon. These Powers might well be the members of the Far Eastern Commission. Whether the control obligations entered into by the smaller number of Powers become embodied in the peace treaty or in a separate control agreement, it will be important to ensure that the non-control signatory powers (there are about forty-eight nations nominally at war with Japan) fully assent to the control provisions. Japan should also admit in advance the validity of supervisory or enforcement action.

No member of the supervisory authority should have a right to veto any decision, as this would prevent the authority from making the clear and speedy pronouncements necessary for the smooth working of the system. Decisions should therefore be by some form of majority vote.

The supervisory authority, upon determining that a breach of the treaty obligations has occurred, would normally instruct the Japanese Government to remedy the breach. Failure by the Japanese Government to do so would be followed by the application by the supervisory authority of enforcement measures, of a type and intensity appropriate to the magnitude of the breach.

### (c) INSPECTION

The control system will need to include methods of obtaining information upon the degree to which the Japanese Government is carrying out the treaty. It will be necessary to ascertain whether or not Japan is in fact remaining disarmed and demobilized. No significant measure of re-armament could be achieved in Japan without a noticeable increase in the import of key raw materials such as iron, bauxite, and oil, and upon this point the supervisory authority could be comparatively well informed without much detailed inspection, but it would seem wise to arrange for the supervisory authority to have at its disposal more specific information as to the functioning of the Japanese economic system and as to the progress or otherwise of the practical application of democratic principles within the Japanese State. Such information could be gathered by an inspectorate staffed by and worked under the supervisory

authority. Even if it were desirable, no general permeation of Japanese life by inspection is a practical possibility, and it would be important to ensure not only that inspection is definitely related to specific provisions in the peace treaty, but also that these provisions themselves are specific in form and no more in number than are really necessary to achieve our objectives.

It does not seem reasonably possible to contemplate continuous and detailed inspection for an extended period of control except of provisions directly related to physical security. A limitless field of dissension amongst the supervisory Powers and with the Japanese Government might be opened up, leading to a breakdown of the whole arrangements and jeopardizing the vital security objective, if an attempt were made to enforce more intangible provisions whose implementation in the last resort depends upon the Japanese people themselves.

There is, however, in the directives issued by SCAP, an important series of obligations already binding on the Japanese Government, and many of these should obviously remain binding for a long time. Examples are the "purge" directive, and the directives issued pursuant to the Far Eastern Commission's policies on trade-unions and education. The peace treaty or, alternatively, some document issued at the time of the peace settlement, must perpetuate the Japanese Government's obligations under such directives, but the supervisory authority should not in general be concerned with their detailed implementation. The situation could be met by giving the supervisory authority the general right of inspection of all Japanese institutions and records, and it could then be left to the supervisory authority to exercise that right according to circumstances.

#### (d) ENFORCEMENT

The control system will not operate successfully unless the instructions of the supervisory authority can be enforced. The simplest method of ensuring their enforcement would be for the supervisory authority to have military forces at its disposal, but, while force must be the ultimate sanction, it will be advisable, owing to the difficulty and uncertainty of its application, to provide for some sanctions in addition to that of force, or even the threat of force.

One method of doing this would be to exercise some control in connection with Japan's application to join international bodies. The supervisory authority could very well report on the fitness of Japan to join such bodies. The intense desire

of the Japanese to stand well with the world might well be an effective spur to acceptable behaviour at least until full membership of the United Nations had been achieved, and the peace treaty might provide that this event should occur only with the concurrence of the supervisory authority, and then only after a stated number of years; in the meantime, Japan could, with the permission of the supervisory authority, progressively join various other international bodies and specialized agencies of the United Nations.

The supervisory authority could also be given power to lift or relax, perhaps after a stated period, some of the economic controls specified in the treaty, while further sanctions might be provided by power to impose additional import restrictions.

As far as concerns any armed force behind or available to the supervisory authority, it seems increasingly doubtful that an occupation force of any size will be maintained within Japan after the treaty comes into effect, though it would be desirable to maintain such a force for a limited period as a general insurance against a too rapid resurgence of independence on the part of the Japanese. It would seem that a minimum would be the maintenance of a naval and air patrol force, capable of controlling Japanese seaways and airways and of closing, if necessary, a port or ports. Technical opinion would have to determine whether this could be done from nearby bases or whether the maintenance of a base on Japanese soil would be required. The force should be under one Commander, and it would be desirable for it to operate directly under the instructions of the supervisory authority. As its functions would be mainly of a police nature, it is possible that the supervisory powers might be prepared to agree to the supervisory authority having direct power to use this force.

But a case may arise, or at any rate should be provided for, where simple police action is not effective, or where the forces at the disposal of the supervisory authority are inadequate to secure Japanese compliance. Whether the treaty-making Powers should, at the time of the settlement, work out arrangements to meet such a grave situation, and, in addition, whether an effective relationship should be established with the United Nations, are matters of the utmost importance.

#### (e) RELATIONSHIP BETWEEN THE JAPANESE PEACE SETTLEMENT AND THE UNITED NATIONS

The maintenance of peace anywhere in the world should ultimately be in the hands of the body created for the purpose. Consequently, it should be New Zealand policy to press for an intimate relationship between the security measures proposed in the Japanese Treaty and those necessary for world peace in general.

It should be remembered, too, that, unless there is some such relationship, the control or supervisory authority for Japan might have its jurisdiction challenged inside the United Nations by a State which is not party to the peace treaty. Nor should the danger be ignored that at some future date the authorities of the United Nations and the supervisory authority might be played off one against the other. Moreover, if it becomes necessary to take enforcement action against Japan for breach of the treaty, it might be desirable for the Governments concerned to be assured by an arrangement made in advance that they would have the assistance of the full Security Council, or at least that the Security Council would not oppose enforcement action by the treaty-making Powers.

The relationship with the United Nations should be arranged in such a way as to ensure that the United Nations can not be used to obstruct—*e.g.*, by the veto—the operation of the treaty and that as far as possible it assists the operation of the treaty. If this general objective is accepted there are various ways in which it could be arranged under the Charter of the United Nations—for example, under Article 29 or Article 53.

If, moreover, it is intended that the United Nations should assume any specific obligations under the peace treaty, such as those arising from the acceptance of the supervisory authority as an “organ” of the Security Council, the appropriate United Nations body should be consulted in advance and formally asked to consent. Alternatively, the relevant provisions of the treaty should be conditional upon such consent. Independently of the above action, there might be advantages in submitting all the security arrangements to the Security Council for its information and observations.

Finally, it seems appropriate that the Secretary-General of the United Nations should be invited to be represented at the Japanese Peace Conference for purposes of consultation and liaison.

APPENDIX 1

LIST OF DELEGATIONS AT BRITISH COMMON-WEALTH CONFERENCE, CANBERRA

AUSTRALIA

*Delegates—*

Rt Hon. H. V. Evatt.  
Hon. J. J. Dedman.  
Hon. R. T. Pollard.

*Advisers—*

Sir Frederic Eggleston.  
Sir Frederick Shedden.  
Lt.-Gen. H. C. H. Robertson.  
Professor K. H. Bailey.  
Dr J. W. Burton.  
Mr G. P. N. Watt.  
Mr J. A. Tonkin.

BURMA

*Delegate—*

Hon. Thakin Lun Baw.

*Adviser—*

U. Shwe Baw.

CANADA

*Delegates—*

Hon. Brooke Claxton.  
Mr K. A. Greene.

*Advisers—*

Dr E. H. Norman.  
Mr R. A. Collins.  
Air Comm. C. B. Godwin.

INDIA

*Delegates—*

Sir B. Rama Rau.  
Sir Raghunath Paranjpye.

*Advisers—*

Mr K. L. Panjabi.  
Brigadier Shrinagesh.

NEW ZEALAND

*Delegates—*

Rt Hon. Peter Fraser.  
Mr J. G. Barclay.

*Advisers—*

Mr A. D. McIntosh.  
Mr G. R. Powles.  
Mr F. H. Corner.  
Mr R. R. Cunninghame.

PAKISTAN

*Delegate—*

Mirza Mohammed Rafi.

*Advisers—*

Brigadier Sher Ali Kahn.  
Mr A. D. Azhar.

SOUTH AFRICA

*Delegate—*

Hon. Harry Lawrence.

*Adviser—*

Mr N. W. Blem.



UNITED KINGDOM

*Delegates—*

Rt Hon. Viscount Addison.

Rt Hon. Hector McNeil.

Rt Hon. E. J. Williams.

*Advisers—*

Mr M. C. Dening.

Mr J. F. Ford.

Mr G. G. Fitzmaurice.

Mr N. E. Nash.

Mr J. M. C. James.

Mr H. S. Gregory.

Mr O. C. Morland.

Rr. Admiral A. R. M. Bridge.

Maj. Gen. J. C. Haydon.

Air Vice-Marshal R. Graham.

Gp. Capt. R. L. Kippenberger.

Major H. G. W. Hamilton.

Hon. F. E. Cumming-Bruce.

Mr J. V. Rob.

Mr W. Garnett.

Mr G. Kimber.

Mr J. S. Ellis.

Mr W. C. Hankinson.

## ALLIED AGREEMENTS CONCERNING JAPAN

### (a) THE CAIRO CONFERENCE

*President Roosevelt, Generalissimo Chiang Kai-shek, and Prime Minister Churchill, together with their respective military and diplomatic advisers, completed a conference in North Africa. The following general statement was issued:—*

1st December, 1943

The several military missions have agreed upon future military operations against Japan. The three great Allies expressed their resolve to bring unrelenting pressure against their brutal enemy by sea, land and air. This pressure is already rising.

The three great Allies are fighting this war to restrain and punish the aggression of Japan. They covet no gain for themselves and have no thought of territorial expansion. It is their purpose that Japan shall be stripped of all the islands in the Pacific which she has seized or occupied since the beginning of the first World War in 1914, and that all the territories that Japan has stolen from the Chinese, such as Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China. Japan will also be expelled from all other territories which she has taken by violence and greed.

The aforesaid three great Powers, mindful of the enslavement of the people of Korea, are determined that in due course Korea shall become free and independent.

With these objectives in view, the three Allies, in harmony with those of the United Nations at war with Japan, will continue to persevere in the serious and prolonged operations necessary to procure the unconditional surrender of Japan.

### (b) THE YALTA AGREEMENT

*Text of the Secret Agreement made at Yalta.*

11th February, 1945 (made public on 12th February, 1946).

The leaders of the three Great Powers—the Soviet Union, the United States of America and Great Britain—have agreed that in two or three months after Germany has surrendered and the war in Europe has terminated the Soviet Union shall enter into the war against Japan on the side of the Allies, on condition that—

1. The *status quo* in Outer-Mongolia (The Mongolian People's Republic) shall be preserved ;

2. The former rights of Russia violated by the treacherous attack of Japan in 1904 shall be restored, viz. :—

- (a) The southern part of Sakhalin as well as all the islands adjacent to it shall be returned to the Soviet Union ;
- (b) The commercial port of Dairen shall be internationalized, the pre-eminent interests of the Soviet Union in this port being safeguarded, and the lease of Port Arthur as a naval base of the U.S.S.R. restored ;
- (c) The Chinese-Eastern Railroad, and the South-Manchurian Railroad which provides an outlet to Dairen, shall be jointly operated by the establishment of a joint Soviet-Chinese Company, it being understood that the pre-eminent interests of the Soviet Union shall be safeguarded and that China shall retain full sovereignty in Manchuria ;

3. The Kurile Islands shall be handed over to the Soviet Union.

It is understood that the agreement concerning Outer-Mongolia and the ports and railroads referred to above will require concurrence of Generalissimo Chiang Kai-shek. The President will take measures in order to obtain this concurrence on advice from Marshal Stalin.

The Heads of the three Great Powers have agreed that these claims of the Soviet Union shall be unquestionably fulfilled after Japan has been defeated.

For its part the Soviet Union expresses its readiness to conclude with the National Government of China a pact of friendship and alliance between the U.S.S.R. and China in order to render assistance to China with its armed forces for the purpose of liberating China from the Japanese yoke.

J. V. STALIN.

FRANKLIN D. ROOSEVELT.

WINSTON S. CHURCHILL.

LIVADIA,

11th February, 1945.

### (c) THE POTSDAM PROCLAMATION

*Following is the text of the proclamation signed by the Prime Minister of the United Kingdom (Mr. Churchill) and the President of the United States (Mr. Truman) at Potsdam, and concurred in by the President of the National Government of China, who communicated with President Truman by despatch :—*

26th July, 1945

We, the President of the United States, the President of the National Government of the Republic of China, and the Prime Minister of Great Britain, representing the hundreds of millions of our countrymen, have conferred and agree that Japan shall be given an opportunity to end this war.

(2) The prodigious land, sea and air forces of the United States, the British Empire and of China, many times reinforced by their armies and air fleets from the west, are poised to strike the final blows upon Japan. This military power is sustained and inspired by the determination of all the Allied Nations to prosecute the war against Japan until she ceases to resist.

(3) The result of the futile and senseless German resistance to the might of the aroused free peoples of the world stands forth in awful clarity as an example to the people of Japan. The might that now converges on Japan is immeasurably greater than that which, when applied to the resisting Nazis, necessarily laid waste to the lands, the industry and the method of life of the whole German people. The full application of our military power, backed by our resolve will mean the inevitable and complete destruction of the Japanese armed forces and just as inevitably the utter devastation of the Japanese homeland.

(4) The time has come for Japan to decide whether she will continue to be controlled by those self-willed militaristic advisers whose unintelligent calculations have brought the Empire of Japan to the threshold of annihilation, or whether she will follow the path of reason.

(5) Following are our terms. We will not deviate from them. There are no alternatives. We shall brook no delay.

(6) There must be eliminated for all time the authority and influence of those who have deceived and misled the people of Japan into embarking on world conquest, for we insist that a new order of peace, security and justice will be impossible until irresponsible militarism is driven from the world.

(7) Until such a new order is established and until there is convincing proof that Japan's war-making power is destroyed, points in Japanese territory to be designated by the Allies shall be occupied to secure the achievement of the basic objectives we are here setting forth.

(8) The terms of the Cairo Declaration shall be carried out and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku, and such minor islands as we determine.

(9) The Japanese military forces, after being completely disarmed, shall be permitted to return to their homes with the opportunity to lead peaceful and productive lives.

(10) We do not intend that the Japanese shall be enslaved as a race or destroyed as a nation, but stern justice shall be meted out to all war criminals, including those who have visited cruelties upon our prisoners. The Japanese Government shall remove all obstacles to the revival and strengthening of the democratic tendencies among the Japanese people. Freedom of speech, of religion, and of thought, as well as respect for the fundamental human rights shall be established.

(11) Japan shall be permitted to maintain such industries as will sustain her economy and permit the exaction of just reparations in kind, but not those which would enable her to re-arm for war. To this end, access to, as distinguished from the control of, raw materials shall be permitted. Eventual Japanese participation in world trade relations shall be permitted.

(12) The occupying forces of the Allies shall be withdrawn from Japan as soon as these objectives have been accomplished and there has been established in accordance with the freely expressed will of the Japanese people a peacefully inclined and responsible government.

(13) We call upon the government of Japan to proclaim now the unconditional surrender of all Japanese armed forces, and to provide proper and adequate assurances of their good faith in such action. The alternative for Japan is prompt and utter destruction.

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[For the series of notes constituting Japanese acceptance of the Potsdam Proclamation, see Department of External Affairs publication No. 29, "Select Documents on the Surrender and Control of Japan," pp. 5-16.]

### APPENDIX 3

## BASIC POST-SURRENDER POLICY FOR JAPAN

[Far Eastern Commission Policy Decision dated 19 June, 1947]

This document is a statement of general policy relating to Japan after surrender. It does not deal with all matters relating to the occupation of Japan requiring policy determinations. Such matters as are not included or are not fully covered will be dealt with separately.

### PREAMBLE

WHEREAS on 2 September, 1945, Japan surrendered unconditionally to the Allied Powers and is now under military occupation by forces of these Powers under the command of General of the Army Douglas MacArthur, Supreme Commander for the Allied Powers, AND WHEREAS representatives of the following nations, namely, Australia, Canada, China, France, India, the Netherlands, New Zealand, the Philippines, the U.S.S.R., the United Kingdom, and the United States of America, which were engaged in the war against Japan, have on the decision of the Moscow Conference of Foreign Ministers met together at Washington as a Far Eastern Commission, to formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished;

THE NATIONS COMPOSING THIS COMMISSION, with the object of fulfilling the intentions of the Potsdam Declaration, of carrying out the instrument of surrender and of establishing international security and stability.

CONSCIOUS that such security and stability depend first, upon the complete destruction of the military machine which has been the chief means whereby Japan has carried out the aggressions of past decades; second, upon the establishment of such political and economic conditions as would make impossible any revival of militarism in Japan; and third, upon bringing the Japanese to a realization that their will to war, their plan of conquest, and the methods used to accomplish such plans, have brought them to the verge of ruin,

RESOLVED that Japan cannot be allowed to control her own destinies again until there is on her part a determination to abandon militarism in all its aspects and a desire to live with the rest of the world in peace, and until democratic principles are established in all spheres of the political, economic, and cultural life of Japan;

ARE THEREFORE AGREED:

To ensure the fulfillment of Japan's obligations to the Allied Powers;

To complete the task of physical and spiritual demilitarization of Japan by measures including total disarmament, economic reform designed to deprive Japan of power to make war, elimination of militaristic influences, and stern justice to war criminals, and requiring a period of strict control; and

To help the people of Japan in their own interest as well as that of the world at large to find means whereby they may develop within the framework of a democratic society an intercourse among themselves and with other countries along economic and cultural lines that will enable them to satisfy their reasonable individual and national needs and bring them into permanently peaceful relationship with all nations;

AND HAVE ADOPTED the following basic objectives and policies in dealing with Japan:

## PART I.—ULTIMATE OBJECTIVES

1. The ultimate objectives in relation to Japan, to which policies for the post-surrender period for Japan should conform, are:

(a) To insure that Japan will not again become a menace to the peace and security of the world.

(b) To bring about the earliest possible establishment of a democratic and peaceful government which will carry out its international responsibilities, respect the rights of other states, and support the objectives of the United Nations. Such government in Japan should be established in accordance with the freely expressed will of the Japanese people.

2. These objectives will be achieved by the following principal means :

(a) Japan's sovereignty will be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor outlying islands as may be determined.

(b) Japan will be completely disarmed and demilitarized. The authority of the militarists and the influence of militarism will be totally eliminated. All institutions expressive of the spirit of militarism and aggression will be vigorously suppressed.

(c) The Japanese people shall be encouraged to develop a desire for individual liberties and respect for fundamental human rights, particularly the freedoms of religion, assembly and association, speech and the press. They shall be encouraged to form democratic and representative organizations.

(d) Japan shall be permitted to maintain such industries as will sustain her economy and permit the exaction of just reparations in kind, but not those which would enable her to rearm for war. To this end access to, as distinguished from control of, raw materials should be permitted. Eventual Japanese participation in world trade relations will be permitted.

## PART II.—ALLIED AUTHORITY

### 1. MILITARY OCCUPATION

There will be a military occupation of the Japanese home islands to carry into effect the surrender terms and further the achievement of the ultimate objectives stated above. The occupation shall have the character of an operation in behalf of the Powers that have participated in the war against Japan. The principle of participation in the occupation of Japan by forces of these nations is affirmed. The occupation forces will be under the command of a Supreme Commander designated by the United States.

### 2. RELATIONSHIP TO JAPANESE GOVERNMENT

The authority of the Emperor and the Japanese Government will be subject to the Supreme Commander, who will possess all powers necessary to effectuate the surrender terms and to carry out the policies established for the conduct of the occupation and the control of Japan.

The Supreme Commander will exercise his authority through Japanese governmental machinery and agencies, including the Emperor, but only to the extent that this satisfactorily furthers the objectives and policies stated herein. According to the judgment and discretion of the Supreme Commander, the Japanese Government may be permitted to exercise the normal powers of government in matters of domestic administration, or the Supreme Commander may in any case direct action to be taken without making use of the agencies of the Japanese Government.

After appropriate preliminary consultation with the representatives of the Allied Powers in the Allied Council for Japan, the Supreme Commander may, in cases of necessity, take decisions concerning the removal of individual ministers of the Japanese Government, or concerning the filling of vacancies created by the resignation of individual cabinet members. Changes in the governmental machinery, or a change in the Japanese Government as a whole, will be made in accordance with the principles laid down in the Terms of Reference of the Far Eastern Commission.

The Supreme Commander is not committed to support the Emperor or any other Japanese governmental authority. The policy is to use the existing form of government in Japan and not to support it. Changes in the pre-surrender form of the Emperor institution and in the form of government in the direction of modifying or removing its feudal and authoritarian character and of establishing a democratic Japan are to be encouraged.

### 3. PROTECTION OF UNITED NATIONS INTERESTS

It shall be the duty of the Supreme Commander to protect the interests, assets, and rights of all Members of the United Nations and their nationals. Where such protection conflicts with the fulfilment of the objectives and policies of the occupation, the government of the nation concerned shall be informed through diplomatic channels and shall be consulted on the question of proper adjustment.

### 4. PUBLICITY AS TO POLICIES

The peoples of the nations which have participated in the war against Japan, the Japanese people, and the world at large shall be kept fully informed of the objectives and policies of the occupation, and of progress made in their fulfilment.

## PART III.—POLITICAL

### 1. DISARMAMENT AND DEMILITARIZATION

Disarmament and demilitarization are the initial tasks of the military occupation and shall be carried out promptly and with determination. Every effort shall be made to bring home to the Japanese people the part played by those who have deceived and misled them into embarking on world conquest, and those who collaborated in so doing.

Japan is not to have any army, navy, air force, secret police organization, or any civil aviation, or gendarmerie, but may have adequate civilian police forces. Japan's ground, air and naval forces shall be disarmed and disbanded, and the Japanese Imperial



General Headquarters, the General Staff and all secret police organizations shall be dissolved. Military and naval material, military and naval vessels and military and naval installations, and military, naval and civilian aircraft, wherever situated, shall be surrendered to the appropriate Allied commanders in their zones of capitulation of the Japanese troops and shall be disposed of in accordance with decisions of the Allied Powers already adopted or which may be adopted. Inventories shall be made and inspections authorized to insure complete execution of these provisions.

High officials of the Japanese Imperial General Headquarters and General Staff, other high military and naval officials of the Japanese Government, leaders of ultra-nationalist and militarist organizations and other important exponents of militarism and aggression will be taken into custody and held for future disposition. Persons who have been active exponents of militarism and militant nationalism will be removed and excluded from public office and from any other position of public or substantial private responsibility. Ultra-nationalistic or militaristic social, political, professional and commercial societies and institutions will be dissolved and prohibited.

The restoration, even in a disguised form, of any anti-democratic and militaristic activity shall be prevented, particularly on the part of former Japanese career military and naval officers, gendarmerie, and former members of dissolved militaristic, ultra-nationalistic and other anti-democratic organizations.

Militaristic, ultra-nationalistic and anti-democratic doctrines and practices, including para-military training, shall be eliminated from the educational system. Former career military and naval officers, both commissioned and non-commissioned, and all other exponents of militaristic, ultra-nationalistic and anti-democratic doctrines and practices shall be excluded from supervisory and teaching positions.

## 2. WAR CRIMINALS

Stern justice shall be meted out to all war criminals, including those who visited cruelties upon prisoners of war or other nationals of Members of the United Nations. Persons charged by the Supreme Commander, or appropriate United Nations agencies with being war criminals shall be arrested, tried and, if convicted, punished. Those wanted by another of the United Nations for offences against its nationals, shall, if not wanted for trial or as witnesses or otherwise by the Supreme Commander, be turned over to the custody of such other nation.

### 3. ENCOURAGEMENT OF DESIRE FOR INDIVIDUAL LIBERTIES AND DEMOCRATIC PROCESSES

Freedom of worship and observance of all religions shall be proclaimed and guaranteed for the future. It should also be made plain to the Japanese that ultra-nationalistic, militaristic and anti-democratic organizations and movements will not be permitted to hide behind the cloak of religion.

The Japanese people shall be afforded opportunity and encouraged to become familiar with the history, institutions, culture and the accomplishments of the democracies.

Obstacles to the revival and strengthening of democratic tendencies among the Japanese people shall be removed.

Democratic political parties, with rights of assembly and public discussion, and the formation of trade unions shall be encouraged, subject to the necessity for maintaining the security of the occupying forces.

Laws, decrees, and regulations which establish discrimination on grounds of race, nationality, creed or political opinion shall be abrogated; those which conflict with the objectives and policies outlined in this document shall be repealed, suspended or amended as required, and agencies charged specifically with their enforcement shall be abolished or appropriately modified. Persons unjustly confined by Japanese authority on political grounds shall be released. The judicial, legal and police systems shall be reformed as soon as practicable to conform to the policies set forth herein and it shall be the duty of all judicial, legal and police officers to protect individual liberties and civil rights.

## PART IV.—ECONOMIC

### 1. ECONOMIC DEMILITARIZATION

The existing economic basis of Japanese military strength must be destroyed and not be permitted to revive.

Therefore, a programme will be enforced containing the following elements, among others: the immediate cessation and future prohibition of production of all goods designed for the equipment, maintenance, or use of any military force or establishment; the imposition of a ban upon facilities for the production or repair of implements of war, including naval vessels and all forms of aircraft; the institution of a system of inspection and control designed to prevent concealed or disguised military preparation; the elimination in Japan of those industries or branches of production which would provide Japan with the capacity to rearm for war; and the prohibition of specialized research and instruction contributing directly to the development of war-making power. Research for peaceful ends will be permitted, but shall be strictly supervised by the Supreme Commander to prevent its use for war purposes. Japan

shall be restricted to the maintenance of these industries which will sustain the level of economy and standard of living fixed in accordance with principles determined by the Far Eastern Commission and consistent with the Potsdam Declaration.

The eventual disposition of those existing production facilities within Japan which are to be eliminated in accord with this programme, as between transfer abroad for the purpose of reparations, scrapping, and conversion to other uses, will be determined, after inventory, in accordance with the principles laid down by the Far Eastern Commission or pursuant to the Terms of Reference of the Far Eastern Commission. Pending decision, no such facilities either suitable for transfer abroad or readily convertible for civilian use, shall be destroyed except in emergency situations.

## 2. PROMOTION OF DEMOCRATIC FORCES

Organizations of labour in industry and agriculture, organized on a democratic basis, shall be encouraged. Other organizations in industry and agriculture, organized on a democratic basis, shall be encouraged if they will contribute to furthering the democratization of Japan or other objectives of the occupation.

Policies shall be laid down with the object of insuring a wide and just distribution of income and of the ownership of the means of production and trade.

Encouragement shall be given to those forms of economic activity, organization and leadership deemed likely to strengthen the democratic forces in Japan and to prevent economic activity from being used in support of military ends.

To this end it shall be the policy of the Supreme Commander :

(a) To prohibit the retention in important positions in the economic field of individuals who because of their past associations or for other reasons cannot be trusted to direct Japanese economic effort solely towards peaceful and democratic ends ; and

(b) To require a programme for the dissolution of the large industrial and banking combinations accompanied by their progressive replacement by organizations which would widen the basis of control and ownership.

## 3. RESUMPTION OF PEACEFUL ECONOMIC ACTIVITY

The policies of Japan have brought down upon the people great economic destruction and confronted them with economic difficulty and suffering. The plight of Japan is the direct outcome of its own behaviour, and the Allies will not undertake the burden of repairing the damage. It can be repaired only if the Japanese people renounce all military aims and apply themselves diligently and with single purpose to the ways of peaceful living. It will be necessary for them to undertake physical reconstruction and basically to reform the nature and direction of their economic activities and institutions. In accordance with assurances contained in the Potsdam Declaration, the Allies have no intention of imposing conditions which would prevent the accomplishment of these tasks in due time.

Japan will be expected to provide goods and services to meet the needs of the occupying forces to the extent that this can, in the judgment of the Supreme Commander, be effected without causing starvation, wide-spread disease and acute physical distress.

The Japanese authorities will be expected, and if necessary directed, to maintain, develop and enforce programmes, subject to the approval of the Supreme Commander, which are designed to serve the following purposes :

(a) To avoid acute economic distress.

(b) To assure just and impartial distribution of available supplies.

(c) To meet the requirements for reparations deliveries.

(d) To make such provision for the needs of the Japanese population as may be deemed reasonable in accordance with principles formulated by the Far Eastern Commission in the light both of supplies available and of obligations to other peoples of the United Nations and territories formerly occupied by Japan.

#### 4. REPARATIONS AND RESTITUTION

##### *Reparations*

For acts of aggression committed by Japan and for the purpose of equitable reparations of the damage caused by her to the Allied Powers and in the interests of destruction of the Japanese war potential in those industries which could lead to Japan's rearmament for waging war, reparations shall be exacted from Japan through the transfer of such existing Japanese capital equipment and facilities or such Japanese goods as exist or may in future be produced and which under policies set forth by the Far Eastern Commission or pursuant to the Terms of Reference of the Far Eastern Commission should be made available for this purpose. The reparations shall be in such a form as would not endanger the fulfilment of the programme of demilitarization of Japan and which would not prejudice the defraying of the cost of the occupation and the maintenance of a minimum civilian standard of living. The shares of particular countries in the total sum of the reparations from Japan shall be determined on a broad political basis, taking into due account the scope of material and human destruction and damage suffered by each claimant country as a result of the preparation and execution of Japanese aggression, and taking also into due account each country's contribution to the cause of the defeat of Japan, including the extent and duration of its resistance to Japanese aggression.

##### *Restitution*

Full and prompt restitution will be required of all identifiable property, looted, delivered under duress, or paid for in worthless currency.

## 5. FISCAL, MONETARY, AND BANKING POLICIES

While the Japanese authorities will remain responsible for the management and direction of the domestic fiscal, monetary, and credit policies, this responsibility is subject to the approval and review of the Supreme Commander, and wherever necessary to his direction.

## 6. INTERNATIONAL TRADE AND FINANCIAL RELATIONS

Eventual Japanese participation in world trade relations shall be permitted. During occupation and under suitable controls and subject to the prior requirements of the peoples of countries which have participated in the war against Japan, Japan will be permitted to purchase from foreign countries raw materials and other goods that it may need for peaceful purposes. Japan will also be permitted under suitable controls to export goods to pay for approved imports. Exports other than those directed to be shipped on reparations account or as restitution may be made only to those recipients who agree to provide necessary imports in exchange or agree to pay for such exports in foreign exchange usable in purchasing imports. The proceeds of Japanese exports may be used after the minimum civilian standard of living has been secured to pay for the costs of non-military imports necessary for the occupation which have already been made since the surrender.

Control is to be maintained over all imports and exports of goods and foreign exchange and financial transactions. The Far Eastern Commission shall formulate the policies and principles governing exports from and imports to Japan. The Far Eastern Commission will formulate the policies to be followed in the exercise of these controls.

## 7. JAPANESE PROPERTY LOCATED ABROAD

The clauses herein on reparations and references to this subject are without prejudice to the views of Governments on the overseas assets issue.

## 8. EQUALITY OF OPPORTUNITY FOR FOREIGN ENTERPRISE WITHIN JAPAN

All business organizations of any of the United Nations shall have equal opportunity in the overseas trade and commerce of Japan. Within Japan equal treatment shall be accorded to all nationals of the United Nations.

## 9. IMPERIAL HOUSEHOLD PROPERTY

Imperial Household property shall not be exempt from any action necessary to carry out the objectives of the occupation.

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