

in the Pacific area will undoubtedly be based on the assumption that Japan will have a substantial contribution to make. This will have a bearing on the degree of the restrictions to be placed on Japanese war-supporting industries, i.e. heavy industries of a general character. It is to be noted that the United States Under-Secretary of State recently expressed the view that Japan should be reconstituted as "the workshop of Asia".

- (c) Any recommendations with regard to the demilitarization of Japan should be made in the light of our general strategic requirements in the Pacific area. Account should be taken of possible political developments in China generally, and Manchuria in particular, developments in Korea, and the possible worsening of relations between the United States and the U.S.S.R.
- (d) It will be desirable that restrictions on Japan be kept to a minimum consistent with our security interests. A large and complex set of restrictions would be difficult and costly for the Allied Powers to apply, and would foster in the Japanese people an attitude of bitter resentment against the Allies.

19. Demilitarization

The general terms of the United States directive to the Supreme Commander for the Allied powers with regard to demilitarization have been expanded in a paper which is now under discussion in the Far Eastern Commission, entitled "Control of Japanese Military Activity in Japan". (The latest version of this paper is FEC 017/7 of June 24, a copy of which is attached.) Agreement has been reached on a substantial part of this paper and it may be found convenient to comment on its specific terms in making recommendations with regard to interim or permanent demilitarization measures. Recommendations should be made with respect to certain obvious exceptions to the general prohibitions against military and para-military organizations, e.g. a police force, coast guard, merchant marine, and possible civil aviation personnel.

20. We have been informed that former officials of the Japanese Foreign Office have been working on a series of data papers relating to Japanese hopes for the peace settlement. These include, inter alia, (a) a request to maintain an armed force of one hundred thousand, and (b) a request for a small airforce to patrol the Japanese coast and outlying islands.

21. Enforcement Machinery

Any tentative decisions made with respect to demilitarization of Japan should be accompanied by recommendations concerning appropriate machinery for enforcing the demilitarization. Numerous suggestions have already been put forward on this subject:

- (a) The United States Draft Treaty on the Disarmament and Demilitarization of Japan, published in June, 1946 (copy attached). This treaty was issued as a companion piece to