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AGENCY

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RG 331 (Allied Operational & Occupation
Headquarters, World War II)

SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Property Custodian
Foreign Property Division
Misc U.N. Correspondence File
1945-51

BRIEF DESCRIPTION OF RECORDS

310

Patent Activities Rept to POW & Military
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*Comprehensive
Report*

OF

**PATENT
PROPERTY**

NOVEMBER 1947

CIVIL PROPERTY CUSTODIAN

GHQ SCAP

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RETURN TO
CIV. PROP. DIV.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
CIVIL PROPERTY CUSTODIAN
PATENT PROPERTY DIVISION

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CONFIDENTIAL

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PATENT PROPERTY DIVISION

REPORTS: PROGRESS & ACTIVITIES (CPC)

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REPORT ON

PROGRESS
AND
ACTIVITIES

DECEMBER 1947

CIVIL PROPERTY CUSTODIAN

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

CIVIL PROPERTY CUSTODIAN

REPORT ON PROGRESS AND ACTIVITIES

DECEMBER 1947

The CPC Progress Report is published for the use of CPC personnel only.

An effort has been made to consolidate the monthly reports of the several CPC Divisions so that all activity in connection with a given category of property is described under a single head, regardless of the CPC Division or Branch reporting that particular activity. The report is, therefore, a record of activity in connection with properties under CPC control, rather than a report on the activities of the several CPC Divisions.

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CIVIL PROPERTY CUSTODIAN

MONTHLY PROGRESS REPORT, DECEMBER 1947

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DECEMBER HIGHLIGHTS

Property of UN Nationality

All yen bank deposits as of 7 December 1941 ordered placed in free yen accounts. p. 4

Japanese Government to survey registration records of all vehicles in order to uncover looted property. New regulations governing the procurement and use of looted vehicles. p. 11

New developments in connection with identification of UN properties in the Koeki Eidan stocks. p. 12

Chinese and Philippine requests for puppet government properties in Japan. pp. 16 and 17

¥1,428,717,515 ordered deposited in Custody Account for deceased prisoners of war and internees. p. 16

Personal injury and death claims may be considered as individual claims against the Japanese Government or may be included in governmental reparations claims. CFC receives such claims. p. 18

Japanese Property

New procedure for process of precious metals in commercial and industrial forms permits Japanese Government to replace them with newly mined metals. p. 19

Japanese Property (cont'd)

Preparations for vesting title of all assets which belonged to dissolved organizations in the Japanese Government. p. 22

Continuing efforts to locate Japanese assets abroad. p. 24

German Property

Estates of "non-objectionable" Germans released for administration through normal Japanese probate procedure under the responsibility of the Japanese Government. p. 27

Policy on claims for loss and damage from UN Nationals who were permitted business and personal liberty in Japan during the war. p. 27

Patent Properties

Comprehensive report produced on foreign-held and domestic patents in Japan. p. 14

Liability of the Japanese Government for conversion of yen royalty payments into dollars on UN copyrighted properties. p. 14

Japanese Government to submit production reports of Japanese firms which used UN patent properties during the war by authority of Japanese Government licenses. p. 14

UN applicants unable as yet to file application for trademark registrations. p. 15

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SUMMARY OF ACTIONS TAKEN

The following schedule summarizes the important accomplishments of the various divisions or groups during the current month. The most important actions taken are discussed in detail in subsequent sections of the "Progress Report."

	COMPT	FOREIGN PROPERTY	GOVERNMENT PROPERTY	PATENTS & COPYRIGHTS	TOTAL
SCAPINs Issued					
Additions		2		2	
Releases	1	40	8		
Disapprovals			4		
Other		23	2		82
Memos to JG Agencies					
Requests		22			
Directives		102			
Other			1	4	129
Command Letters					
Investigations	36	4			
Supervision		4			
Warehousing and Operational Directives		11			
Releases			1		
Other			4		60
Letters and reports to Dept of the Army	6	4			10
Replies on property matters to Diplomatic Section	2	95			97
Other letters	1		7	5	13
Matters handled by C/N with C/S for decision			7		7
Matters handled by C/N with other Staff Sections	14	36	10	7	67
Property matters handled for UN Nationals	3	37			40
Directives ordering Restitutions		11			11

Reserved

	COMPT	FOREIGN PROPERTY	GOVERNMENT PROPERTY	PATENTS & COPYRIGHTS	TOTAL
Outgoing Radios	2	3	2	4	11
FSB Investigations completed	46				46
FSB Memos from Field offices	33				33
Audits completed	12				12
Accounts Processed	371				371
Claims analyzed		24			24
Property reports to other divisions	4				4
Reports of External Assets coded			Approx. 15,000		Approx. 15,000
Patents translated and abstracted				332	332
Patents checked for technical content				362	362
Patents edited and typed				229	229
Authorizations for re- lease of items held in custody of Bank of Japan	1				1

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ALLIED AND NEUTRAL PROPERTY

Property Left in Japan, December 1941

1. Since CPC in November released publicity to the effect that United Nations' and Neutral Nations' Nationals may have merchandise returned to them which was detained in Japan as a result of the Freezing of Shipping Act of July 1941, a significant increase in the number of inquiries has been noted seeking information as to the procedure to be followed in the shipment of such merchandise. About 50 Demand Forms for the Return of such Property were also received.
2. In regard to two Dutch banks (the Nederlandsche Handel Maatschappij N.V. and Nederlandsche Indische Handelsbank N.V.), which were licensed to reopen this month, the Japanese Government was directed to release the banks' funds from the Bank of Japan in the amounts of ¥ 150,000 and ¥ 100,000, respectively, for payment of salaries and expenses incident to reopening.
3. In collaboration with CPC and ESS/Finance, the Japanese Government was directed to place in free yen accounts all deposits in Japanese banks owned by United Nations' Nationals on 7 December 1941 and to treat Japanese corporations, companies, and concerns wholly owned by UN Nationals as UN Nationals' property for such purposes.
4. A thorough study of how the property and other assets of certain Indian Nationals were treated during the war was initiated. Numerous "Demands for Return of Property" and monetary claims for loss and damage have been received, but preliminary evidence indicates that the Japanese Government imposed no restrictions on Indian Nationals not equally imposed upon Japanese engaged in similar enterprises.
5. Two inspection teams, each consisting of members of the Petroleum Advisory Group of G-4, representatives of the Japanese Government, a UN Branch staff member, and members of local Military Government teams made a series of inspections of Standard Oil, Shell Oil and other United Nations' properties over a period of two weeks each. In general, it was found that the Japanese authorities had failed to comply with directives pertinent to the preservation of the properties. Properties were found in generally poor condition. Squatters were found living on some premises.

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6. Plans for repairs to the Ford waterfront site at Tsurumi were reviewed and, after an inspection, approved. These plans provided for extensive bulkhead repairs and other precautionary measures to prevent further damage from storms.

7. During the month, restorations were ordered of United Nations' properties ranging from a large list of missionary property to a single telephone.

8. The Association of Missionaries of the United Church of Canada will receive, beginning in February, numerous pieces of property located in Nagano, Fukui, Shizuoka, Kanagawa, Toyama, Ishikawa, and Hyogo Prefectures. Many of the missionary residences as well as other types of buildings and three kindergartens were burnt during the war. Some of the property is being used by United States and Australian Occupation Forces. Property ordered restored consists of residential lots, some 22 dwellings, 9 churches, 3 parsonages, 2 kindergartens, and a school, playgrounds, nursery, dormitory, several pieces of forest land, and rice paddy fields. This is the largest restoration yet ordered to date.

9. Property of the American Baptist Foreign Mission Society in Osaka was ordered to be restored in January. Prior to the war, the property was registered in the name of Nippon Baputesuto Dendo Shadan and was later transferred to the Kirisutokyo Shinsei Shadan. The City of Osaka has condemned the entire area, totalling 1225.20 tsubo for a park, and will exchange tsubo for tsubo for a new site in another desirable location satisfactory to the Baptist Mission.

10. A third group of missionary properties, those of the Japan Mission of the Evangelical and Reformed Church at Morioka, although not taken as enemy property during the war, was ordered to be restored in February. The property had been sold by the Japanese members without consulting the American members who had been interned and is, therefore, considered wrongfully transferred. This property consists of two hospitals, kindergarten, two dwellings, servants' quarters, and storeroom.

11. Mr. G. N. Brockhurst, a British National, will have restored to him in January under SCAPIN 4953-A, 2 Dec 47, his two-story residence, garage, wood shed, and household effects in Kamakura.

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12. The Standard Vacuum Oil Company will receive (in late January) numbers 67-B and 10-A "Bluff" property in Yokohama, consisting of two lots, each with a residence, and movables.

13. Cottage at Lake Nojiri and movable property were ordered to be restored in January to Mr. A. C. Knudten, (American), under SCAPIN 4984-A, 8 Dec 1947.

14. The Hong Kong and Shanghai Banking Corporation (British) will receive in January land and two buildings, in addition to 11 lots located in Kobe.

15. As of 20 December, 10,964 accounts had been established representing Neutral and Allied prewar owners of property in Japan. Property values, as set forth in the tables below, have been recorded from reports submitted by the Japanese Government in compliance with SCAPIN 26, dated 13 September 1945, as well as supplemental and corrected reports from that source and other sources. The figures presented below should be accepted with the following qualifications; the bases for valuations are not uniform; the figures are subject to change upon receipt of more accurate information; and not all Neutral and Allied prewar property in Japan has yet been reported and evaluated. Since this property is either to be restored or is to be the subject of future claims against the Japanese Government, exact account records as regards values will no longer be maintained, although descriptive files will be maintained currently on all known and reported properties.

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SUMMARY OF REPORTS PROCESSED ON PREWAR PROPERTY IN JAPAN
OF NEUTRAL AND ALLIED NATIONALITY

Consolidated Table

in thousands of yen
(dollars, pounds, etc.,
where indicated)

21 November-20 December

Nationality	Balance 21 Nov	Changes	Balance 20 Dec
American	¥ 220,981 (\$ 5)		¥ 220,981 (\$ 5)
Argentinian	¥ 97		¥ 97
Armenian	76		76
Belgian	272		272
Bolivian	107		107
Brazilian	972	7	979
British	¥ 157,832 (\$ 30) (Tael 9) (Guilder 9) (Pound 7)		¥ 157,832 (\$ 30) (Tael 9) (Guilder 9) (Pound 7)
Chilean	¥ 4		¥ 4
Chinese	49,634		49,634
Colombian	3		3
Cuban	2		2
Czechoslovakian	456		456
Danish	4,455	58	4,513
Dutch	10,989		10,989
Ecuadorian	12		12
Egyptian	70		70
Esthonian	42		42
French	1,334,041	91	1,334,132
Greek	97		97
Guatamalan	10		10
Iranian	322		322
Iraqian	1,772		1,772
Lebanese	326	3	329
Luxemburger	1,573		1,573
Mexican	22		22
Norwegian	1,629		1,629

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Nationality	Balance		Changes	Balance	
	21	Nov		20	Dec
Panamanian	¥	24		¥	24
Peruvian		685			685
Philippine		3,634	44		3,678
Polish		981			981
Portugese		394			394
Russian (USSR)		4,035			4,035
Saudi Arabian		12			12
Spanish		273			273
Stateless		2,454			2,454
Swedish		9			9
Swiss		51			51
Syrian		8,147	-68		8,079
Turkish		3,890			3,890
Unknown		53			53
Ukranian		19			19
Uruguayan		30			30
Venezuelan		16			16
White Russian (Stateless)		3,327			3,327
Total Yen		1,813,830	135		1,813,965
Dollars		35			35
Taels		9			9
Guilders		9			9
Pounds		7			7

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T A B L E II

SUMMARY OF REPORTS PROCESSED ON PREWAR PROPERTY
IN JAPAN OF NEUTRAL AND ALLIED NATIONALITY

By Kind of Property

21 November - 20 December

in thousands of yen (dollars,
pounds, etc., where indicated)

Description	Balance 21 Nov	Changes	Balance 20 Dec
<u>Exclusive of American, British and Dutch</u>			
Cash on hand	11,519	14	11,533
Cash in banks	1,372,114	(-18)	1,372,096
Securities	8,649	127	8,776
Land & buildings	16,592	(-589)	16,003
Movables, unclassified	20,615	355	20,970
Personal effects	7,148	155	7,303
Other assets, unidentified	7,598	91	7,689
	1,444,235	135	1,444,370
<u>Less: liabilities</u>	20,206	-	20,206
 Total assets, exclusive of American, British and Dutch	 1,424,029	 135	 1,424,164
<u>American</u>			
Cash	181,995	-	181,995
Land	6,505	-	6,505
Buildings	4,707	-	4,707
Movables	2,669	-	2,669
Securities	15,663	-	15,663
Securities	(5)	-	(5)
Other assets	9,442	-	9,442
 Sub-total, American assets (dollars) (yen)	 (5) 220,981	 -	 (5) 220,981

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21 November - 20 December		in thousands of yen (dollars, pounds, etc., where indicated)	
Description	Balance 21 Nov	Changes	Balance 20 Dec
<u>British</u>			
Cash	92,426	-	92,426
Land	12,604	-	12,604
Buildings	5,948	-	5,948
Movables	5,697	-	5,697
Securities (Yen)	25,242	-	25,242
Securities (Pounds)	(7)	-	(7)
Securities (Guilders)	(9)	-	(9)
Securities (Taels)	(9)	-	(9)
Securities (Dollars)	(30)	-	(30)
Other assets	15,915	-	15,915
<hr/>			
Sub-total, British assets			
(Dollars)	30	-	30
(Taels)	9	-	9
(Guilders)	9	-	9
(Pounds)	7	-	7
(Yen)	157,832	-	157,832
<hr/>			
<u>Dutch</u>			
Cash	4,913	-	4,913
Land	133	-	133
Buildings	89	-	89
Movables	795	-	795
Other assets	4,697	-	4,697
Securities	362	-	362
<hr/>			
Sub-total, Dutch assets			
(Yen)	10,989	-	10,989
<hr/>			
Grand Total			
(Yen)			1,813,965
(Dollars)			35
(Pounds)			7
(Taels)			9
(Guilders)			9

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PROGRESS
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ACTIVITIES

JUNE 1947

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
CIVIL PROPERTY CUSTODIAN

REPORT ON PROGRESS AND ACTIVITIES

June 1947

The CPC Progress Report is published for the use of CPC personnel only.

An effort has been made to consolidate the monthly reports of the several CPC Divisions so that all activity in connection with a given category of property is described under a single head, regardless of the CPC Division or Branch reporting that particular activity. The report is, therefore, a record of activity in connection with properties under CPC control, rather than a report on the activities of the several CPC Divisions.

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CIVIL PROPERTY CUSTODIAN
MONTHLY PROGRESS REPORT - MAY 1947

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SUMMARY OF ACTIONS TAKEN

The following schedule summarizes the important actions and other accomplishments of the various divisions or groups during the current month.

	For. Prop.	Govt. Prop.	Pat. & Cyrt.	Legal Comptr	Total
SCAPINS ISSUED	54	21	1		76
Memos to J.G. Agencies	824	17			841
Command Letters	11	9			20
Matters handled in conjunction with other Staff Sects.	55	24	25	5	109
Replies on property matters to Diplomatic Section	92	2			94
Property matters handled for U.N. nationals	51				51
Radios to War Dept. & USAFIK	7	3	4		14
Letters to War Dept.	2	2			4
Conferences with staff & others on property & policy matters	248	12	10		270
Document Translations	46				46
Directives ordering Restitutions	5				5
FSB investigations completed				70	70
Legal Opinions rendered			4		4

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United Nations Property

1. The subject of preservation and protection of UN properties was discussed with representatives of the Japanese Government. The Japanese representatives were again informed that UN properties were not being properly preserved and that required reports are in many instances overdue. During the conference the Japanese brought up the point that the decentralization of the powers of the Japanese Government under the new constitution prevented the ministries from issuing and enforcing orders to prefectural agencies to carry out preservation and protection procedures. The question was discussed with Government Section who disagreed with the Japanese position and who will clarify this point to the Japanese Government agencies.

2. Conference with Dr. Ikeda of the Karuizawa Summer Residents' Association brought out that properties owned by the Association and built with foreign funds are not being properly preserved. Representative from UN Branch who was in Karuizawa at the time of the conference, arranged to have UN properties posted and to have local officials notified that preservation procedures must be initiated.

3. Check Note to G-4 in answer to 8 page check note proposal that employees of Standard Vacuum Oil Co. and Rising Sun Petroleum Co., who are members of the Petroleum Advisory Group, be permitted to make inspections of properties owned by the companies for purposes of (a) assisting CPC in seeing to what extent directives on preservation and protection are being carried out; (b) insuring that, with the dissolution of Petroleum Distribution Company, proper inventories are made before returning properties to Japanese custodians; (c) supervising the preparation of reports to the companies on the condition of their properties. G-4 was advised that proposal was for consideration by the Reparations and Restitution Delegations, and that such inspections should be made under the supervision of the R&R Delegation concerned.

4. Letter was dispatched to International General Electric Co. informing them of present procedures being applied in the preservation, protection, and restitution of UN property in Japan. The statement was made that "although no procedure has been established for the return to United Nations nationals who are not presently residing in Japan of property owned by these nationals on 7 December 1941, nor for the restitution of large corporate shareholdings, it should be noted that, with respect to shares of stock owned by United Nations nationals in Japanese companies, insofar as possible, procedures are being established with a view to ensuring the eventual restitution of the percentage of their interest in such companies as of 7 December 1941, together with accrued rights and privileges, including rights of pre-emption. In connection with the above,

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a further check note was sent to the Chief, ESS, re-stating CPC's position with regard to protection of Allied interests and investments in Japanese companies, and requesting concurrence or comments from ESS as a matter of record.

5. 1346 basic property reports by the Japanese Government of European, Latin American, African, and Asiatic nationality had been processed and entered in SCAP accounts as at 20 June. The reports are exclusive of those on American, British, Dutch, Chinese, White Russian and Stateless, Latvian, Lithuanian, and Esthonian property, and reports on some property of unascertained nationality.

SUMMARY OF PROPERTY RECORDS OF NEUTRAL AND ALLIED NATIONALITY
(Except American, British, Dutch, Chinese, White Russian
and stateless, Latvian, Lithuanian, and Esthonian)

20 June
(in thousands of yen)

Country	Cash a/	Securities	Land & Bldgs.	Movables & Pers. Effects	Other Assets	Loss Liab.	Net Assets
<u>European</u>							
Belgium	123	11		53	58		245
Czechoslovakia	207	55	95	48	52		457
Denmark	1,630	84	1,149	971	33	10	3,857
France b/	856,464	c/ 1,518	2,224	1,101	409	152	861,564
Greece	80	1					81
Luxembourg	1,522	36		15			1,573
Norway	1,070	55	13	3		4	1,137
Poland	164	59	130	482	152	6	981
Portugal	17	5	66	33		22	99
Spain	31	122	50	59	10		272
Sweden	5	39				34	10
Switzerland	18			12			30
Turkey	1,062	143	376	1,831	452	3	3,861
Ukrainian SSR	6			13			19
U.S.S.R.	2,215	411	413	884	176	64	4,035
Yugoslavia							-
<u>African</u>							
Egypt		61					61
<u>Asiatic</u>							
Iraq	157	814	50	510	156	112	1,575
Iran	39	78		105			222

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Country	Cash	Securities	Land & Movables Bldgs. & Pers. Effects	Other Assets	Loss Liab.	Net Assets
<u>Asiatic</u>						
Lebanon	112	6	87	124	10	319
Rep. Philippines	61	14	5	118	7	185
Saudi Arabia	2			10		12
Syria	637	467	5,485	1,234	151	7,973
<u>Latin America</u>						
Argentina	136	3			41	98
Bolivia	1	105				106
Brazil	888	88			4	972
Chile		4				4
Columbia	3					3
Costa Rica						-
Cuba	2					2
Dominican Rep.		1				1
Ecuador		12				12
Cuatemala				10		10
Honduras		1			1	-
Mexico	13	8				21
Panama	42				18	24
Paraguay	1					1
Peru	677	6		2		685
Uruguay	23	7				30
Venezuela		17			1	16
TOTALS	867,408	4,231	10,143	7,618	1,656	503 890,553

- a/ Cash in bank amounts for African, Asian, and European neutral nations are amounts reported in individual declarations submitted by Japanese Government and do not include bank deposits independently reported by banks subject to later reconciliation.
- b/ Not included in totals for France is an amount of approximately ¥10,000,000 in assets of Societe Anonyme L'Air Liquide, still to be confirmed.
- c/ ¥850,449,663.86 represents deposit for Banque de L'Indochine, Saigon.

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German Property

1. The question of control of Japanese concerns of mixed ownership by Germans and Japanese has arisen in the case of Sanyo Shokai G.K., a firm which was established in 1941 as a partnership in which an "objectionable" German national owned 40%. This partnership owned 56% of the stock of Sanyo Shokai K.K., a Japanese corporation, which in turn owned 66% of the stock of Sanyo Machine Company, a Japanese corporation, capitalized at ¥5,000,000. The matter of disposition of the German interest in this partnership has arisen and the question of its essentiality to the internal economy of Japan is the subject of a check note to ESS, which, when answered, will become an essential part of a radio which will be forwarded to the War Department for decision in this case, and possibly other future cases of a similar nature. At the present time it appears there may be two other German corporations involved, one of which is 90% German-owned and the other 30% German-owned. Radio WX 86033 from JCS to General MacArthur, 28 April 1946, is ambiguous in some respects and it is felt that the forwarding of information concerning such types of business will result in analysis by the War Department and the correct procedure to handle such property under the German Vesting Decree.

2. During the month action was taken concerning vessels of German registry in Japanese waters. Liaison between CPC, Enemy Property Branch, British Embassy and the U.S. Maritime Commission has resulted in securing knowledge of all German-owned vessels in Japanese waters, it is believed. It appears from the information available that the Tripartite Merchant Marine Committee is endeavoring to liquidate its business in this theater and is gathering information on these vessels in order to reach a decision as to whether TMC will handle the disposition of these vessels or whether the program is to be left for action by SCAP. At the present time the Japanese Government is preparing information concerning ten vessels, and it is anticipated that when this report is submitted CPC will have a complete picture of the German shipping situation in this area and will take necessary action and make such recommendations as are feasible for action by SCAP.

3. Information received by Enemy Property Branch indicates that the following items formerly the property of the German Navy are still unaccounted for:

a. Stocks of the former German Navy in Kobe valued at approximately ¥1,000,000;

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b. 4,000 barrels of machine oil belonging to the former German Navy in Yokohama which was removed by the Japanese Navy;

c. The German radio station in Kamakura which was taken over by the Japanese Navy after the German surrender.

It is expected that a report concerning the present condition and location, as well as the circumstances surrounding the transfer, seizure, or disposition of these properties will be forthcoming in the near future. All such property located will be subject to the German Vesting Decree.

4. It appears at the present time that the repatriation of objectionable and non-objectionable German nationals and German nationals having former diplomatic status, will take place in the near future. The regulations governing the property of objectionable and non-objectionable German nationals will be approximately the same as has already been devised by the JCS. The matter of property regulations governing the property of former German diplomats is contained in Washington Radio WAR 99322, 4 June 1947, which will necessarily entail the construction of a new set of regulations for this type of personnel. Several questions arose concerning property regulations governing German diplomatic personnel and the final draft of such regulations cannot be made until answer to Radio CX 53302, 12 June 1947, which contains certain recommendations of SCAP for this impending repatriation is received from the War Department. At the present time close liaison is being maintained with Military Government, Headquarters 8th Army and G-1, SCAP, in order that the repatriation program may be handled as smoothly as possible for all concerned.

5. Diplomatic Section forwarded to G-1 on 19 May 1947 a copy of instructions from the State Department inclosing a copy of a note addressed to the Department by the Austrian Legation in Washington in which the Legation expressed apprehension that Austrian citizens in Japan may be subject to the same legal and administrative measures as those applicable to German nationals, rather than receiving treatment in accordance with Austria's recognition as a liberated country. It has been the policy of SCAP that the only instructions applicable to the property of Austrian nationals are those applied at the time of repatriation of objectionable Austrians, after the determination of such status by G-1. Inasmuch as the German Vesting Decree applies only to German nationals and properties, property left in Japan by objectionable Austrians must necessarily be handled according to programs devised within this theater along lines similar to those devised for other objectionables. The property of Austrians not affiliated with the Nazi cause is not subject to control by CPC except for those financial controls and laws by which all foreign nationals must abide.

6. The movement of vested German property from its present location on Tsukishima Island, Tokyo, to the new CPC warehouse, Setagaya-ku, is expected to commence on or about 25 June 1947 and will consume approximately two weeks. The new warehouse contains approximately 120,000 square feet of storage space which it is felt will provide adequate space for a better system of identification and handling. A large amount of merchandise still in the custody of Japanese custodians for vested German corporations may be removed from various locations in Japan to the Tokyo warehouse and the Osaka warehouse when more warehousing space is available. This will result not only in more centrally located warehousing, but it will also decrease the cost of maintenance and preservation from the funds of the vested firms.

7. Processing of the original German property declarations was completed during this period, with the exception of some German Government accounts. Records of property belonging to the 1065 Germans repatriated in February were processed, and the totals are included in the following table.

A comprehensive fiscal report on German property in Japan was compiled during the period.

GERMAN NATIONAL PROPERTY

(in thousands of Yen)

	<u>INDIVIDUAL</u>	<u>BUSINESS FIRMS</u>	<u>ORGANIZATIONS</u>	<u>TOTAL</u>
Cash on Hand	3,821	2,187	528	6,536
Cash in Bank	8,845	38,561	283,319	330,725
Bullicn		585		585
Postal Savings	8	8		16
Accounts Receivable	740	20,753	2,221	23,714
Loans Receivable	2	914	24,610	25,526
Securities: Stocks & Bonds	4,281	7,541	218	12,040
Securities: Unclassified	2	4,151		4,153
War Damage Insurance	5,334	126	104	5,564
Advances to Employees	1	41		42
Creditors' Balances		368		368
Earnest Money Deposits		22,463		22,463
Escrowed Amounts	97			97
Merchandise Inventories		33,167		33,167
Tax Reserves		2,589		2,589
Land & Buildings	19,958	5,283	2,510	27,751
Machinery Tools & Equip.		4,912		4,912
Unclassified Movable Assets	42,674	1,670	772	45,115
Personal Effects	2,557	124		2,682
Other Assets		3,655	1,830	5,485
	<u>88,320</u>	<u>149,098</u>	<u>316,112</u>	<u>553,530</u>
Less: Unclassified Liabilities	3,357	96,309	311,835	411,501
Net	<u>84,963</u>	<u>52,789</u>	<u>2,397</u>	<u>142,029</u>

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Looted Property

1. An inspection party consisting of Comdr. Levasseur and Comdr. Mass, Netherlands R&R Delegation, went to Maizuru on 20 May 1947 to attend the second trial run of the SS "REBEL". Mr. Swan of the American Bureau of Shipping attended this test run as marine surveyor and certified the vessel as seaworthy. In the party were representatives of French Mission which made an inspection of the SS "Le Conte de Lisle", aground at Maizuru in order to determine her condition prior to consenting to necessary costs being applied against their reparations apportionment.

2. On 17 June 1947, the sea trial of the SS "Lung Shun" a vessel scheduled for restitution to the Chinese Government was held in Tokyo Bay. Representatives of CPC, the Chinese Government and Mr. Swan attended the test. The vessel, over 50 years of age, was found to be mechanically seaworthy but structurally below standard, due to age. As the Chinese Government desires that the ship be restored as quickly as possible, it was decided that minor dockside repairs should be made in Tokyo in order to restore her to a condition substantially similar to that in which she came into the hands of the Japanese Government before she is sailed to Shanghai for delivery in restitution.

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PATENT PROPERTY DIVISION
REPORTS: PROGRESS &
ACTIVITIES (CPC)

3

Jof

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REPORT ON

PROGRESS
AND
ACTIVITIES

APRIL 1948

CIVIL PROPERTY CUSTODIAN
GHQ SCAP

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

CIVIL PROPERTY CUSTODIAN

REPORT ON PROGRESS AND ACTIVITIES

APRIL 1948

The CPC Progress Report is published for the use of CPC personnel only.

An effort has been made to consolidate the monthly reports of the several CPC Divisions so that activity in connection with a given category of property is described under a single head, regardless of the CPC Division or Branch reporting that particular activity. The report is, therefore, a record of activity in connection with properties under CPC control, rather than a report on the activities of the several CPC Divisions.

Distr:
Cust 2
Exec 1
P & C 2
FP 8
Ext As. 1
Leg 1
Li' 2
For Lia. 1
Comptr:
Field 8
Tokyo 12

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CIVIL PROPERTY CUSTODIAN

MONTHLY PROGRESS REPORT, APRIL 1948

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I. SUMMARY OF ACTIONS TAKEN

The following schedule summarizes the important accomplishments of the various divisions or groups during the current month. The most important actions taken are discussed in detail in subsequent sections of the "Progress Report."

	COMPT	EXTERNAL ASSETS	FOREIGN PROPERTY	LOOTED PROPERTY	TOTAL
SCAPINS Issued					
Additions	1				
Releases	9		6	1	
Preservation & Operational Directives	27		8	4	
Other					56
Memos to JG Agencies					
I & K Reports			45		
Releases	2				
Preservation & Operational Directives	15		20	25	
Other	2				109
Command Letters					
Investigation	25			1	
Supervision	5		1	5	
Warehousing & Operational Directives			1	6	
Other	1				45
Letters and reports to Dept of the Army	3			1	4
Replies on property matters to Diplomatic Section			43	41	84
Other letters	18	4		9	31
Matters handled by C/N with C/S for decision	7				7
Matters handled by C/N with other Staff Sections					
Policy	7		4		
Coordinating functions	2		18	10	
Releases	29				
Other	9				79

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	COMPT	EXTERNAL ASSETS	FOREIGN PROPERTY	LOOTED PROPERTY	TOTAL
Property matters handled for UN nationals			17		17
Directives ordering restitutions			5		5
Outgoing radios	3	2	2	3	10
PSB investigations completed	71				71
PSB Memos from field Offices	41				41
Accounts processed	2648				2648
Audits completed	2				2
Reports of External Assets coded		2509			2509
Authorizations for releases of items held in custody of Bank of Japan.	9				9

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II. ALLIED AND NEUTRAL PROPERTY

A. Property Left in Japan, December 1941

1. During the past two months requests have been received from several British and American firms for restoration of their prewar properties in Japan in order to be placed in a position to re-establish their businesses. In most cases the problem involved is more than a simple restoration of property titles. Such firms as the J. & P. Coats, Ltd. (British), the International Standard Electric (American), and Dunlop Rubber Company (British) held stock interest in Japanese companies which, during the war, was transferred to Japanese ownership. Although in many cases it is possible to restore the share interests of these companies, the problem goes further than straight restitution because of the necessity to re-establish former Japanese companies which were either dissolved during the war or became amalgamated with large Japanese firms. The representatives of the Coats Company have requested restitution-in-kind in the shape of a quantity of thread-making spindles and a partial advance in yen on their ultimate claim. The yen is required by the British firm inasmuch as British regulations prohibit importation of sterling into Japan, and yen working capital is essential to the company to start operations.

a. A radio was dispatched to Washington giving the Coats' case as a typical illustration and requesting specific authority to handle such restitution cases involving partial compensation. A radio was received in reply which indicated that Washington authorities believed it essential that the proposed paper (SWNCC 357) on restitution of United Nations property in Japan should be immediately submitted to the Far Eastern Commission, and that the formation of the Claims Tribunal should be made a part of this paper.

b. Several discussions were held on the matter with the Draper Mission and with representatives of General Noco's party while these missions were in Japan. It was learned from these Washington authorities that both State and Army were anxious to have the SWNCC 357 submitted in toto, and that when this was accomplished it would be possible for the US authorities in Washington to furnish SCAP with an interim directive which would give SCAP full authority to handle restitution and compensation

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cases of several large-scale American and British enterprises now pending in CPC. Several important conferences followed with the Chief of Staff and with ESS which finally resulted in the dispatch (by ESS) of radio C 60073, 21 April 1948. This radio enunciated SCAP's continued objection to the formation of a Claims Tribunal; main reason for postponement being that Japan is not yet self-supporting and that the financial burden of paying large monetary claims would be detrimental to the Japanese economy at this time. The radio indicated, however, that all other features of the SWNCC 357 paper could be made operable provided SCAP was given the authority to set the time when compensation should be paid in cases where agreement as to the claim settlement was reached between the Japanese Government and the restoree. It is hoped that the Washington authorities may now be able to furnish SCAP with some type of interim directive which will permit the settlement of CPC's more important pending restitution cases.

2. The following inspections were made:
 - a. Takayama Beach Company property in Sendai was inspected. The remaining property consists of approximately 30 residences and other buildings owned by UN nationals. Recommendations were made for repair and preservation of this property.
 - b. Recommendations were made after inspection, to investigate title to Standard Vacuum Oil Company property in Sendai and to have the property posted to protect it from squatters and fire hazard. Property had been purchased by a Japanese Construction firm.
 - c. Rising Sun Petroleum Company property in Sendai is posted as "Allied Property," and appears to be in a good state of preservation, although fire prevention equipment on this property has deteriorated and certain previous recommendations were found not to have been carried out. Substantial buildings had been erected on the property by a Japanese concern.
 - d. Upon completion of the contract for maintenance and preservation work, inspection was made of the Standard Vacuum Oil Company installation at Tsurumi. Recommendations were made to have the unfinished and unsatisfactory work redone and the electric wiring tested. No progress had been made on the fire fighting installation covered by the inspection of 19 August 1947. The Ministry of Finance was instructed to give this matter priority in order to minimize the risk of damage by fire.

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c. A trial run was made of the Standard Vacuum Oil Company tanker, "Pegasus Maru," at the Uruga Dock Yards. The vessel was found to be in generally satisfactory condition.

3. Following are typical actions taken in connection with inquiries in regard to properties.

a. At the request of the United Kingdom, property belonging to W. E. Gooch was investigated. It was found that this property was not confiscated. Restoration procedures are, therefore, not required.

b. In the case of Miss Masayo Ann Hano (American), evidence indicated that property she inherited from her father was not wrongfully transferred, and the matter should be settled in the Japanese Courts.

c. Dah Hwa Cotton Spinning and Weaving Company, Ltd., requested information on unfilled orders for various kinds of cotton mill supplies placed with Japanese concerns between August 1936 and July 1937. It was suggested that the Chinese Mission, where the inquiry was initiated, communicate directly with the Japanese firms concerned and arrange for settlement of the debt when normal business and foreign trade transactions are resumed.

d. The Easto Trading Stores of Nigeria requested information regarding deposits made against orders placed with two Japanese firms. The Japanese Government was unable to locate one of the firms, the Osaka Manufacturers Export Company, or anyone connected with it, but was able to furnish some information in connection with the Yamato Gum, the other firm.

4. It has come to the attention of the CPC that buildings have been and are being erected on property belonging to United Nations nationals in violation of preservation and protection directives issued to the Japanese Government. Several instances of squatters building shacks and houses of a more permanent nature have been reported.

a. It has also come to light from "I & I Report" and inspections conducted by CPC personnel that buildings belonging to United Nations nationals were torn down during the war and other structures erected in their place. The Japanese Government has been notified that any benefits or improvements accruing to these properties as the result of such construction since 7 December 1941 will, at the option of the United Nations owner, become part of the property and will be included in restoration proceedings.

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5. CPC has denied restoration of a building to the Japan Mission of the United Church of Canada. Several pieces of property have already been restored to this organization in Nagano, Fukui, Shizuoka, Kanagawa, Toyama, Ishikawa, and Hyogo Prefectures. The building in question was formerly located on their property in Fukui City and was not included in the restoration. During the war it was sold to a Mr. S. Kosaka, who, in turn, sold it to the Komatsu-Seisaku-Sho of Tsuruga. The latter purchaser completely dismantled it and transported the materials to Tsuruga for use in the construction of another building so that at the time of restoration of the Fukui property the original building was no longer in existence. CPC's position was based on the grounds that, since the original building is no longer in existence and that the building in Tsuruga was not owned at any time by the Mission, it cannot properly be made the subject of restoration but that a monetary claim may be filed against the Japanese Government for its loss.

6. Reports are currently being received from the Japanese Government and data is being compiled for transmission to ESS/AC indicating the percentage of foreign investment in certain Japanese corporations which have been designated for deconcentration. At the request of CPC, ESS/AC is to postpone the sale of shares held by HCLC pending arrival of Allied representatives. A recent example was the postponement of the sale of 500,000 shares of Tokyo Shibaura Electric Company stock pending arrival of and consultation with the President of International General Electric Company, which has a large interest in the Tokyo Shibaura Electric Company.

B. Looted Property

1. General Order No. 5, 13 April 1948, established the Restitution Advisory Committee (RAC) consisting of a Chairman and one representative from each of the R & R Delegations in Japan of the eleven member nations of the FEC who desire to assist SCAP in an advisory capacity in matters relating to the disposition of property found in Japan and identified as having been located in an Allied country either at the beginning of, or during the time of occupation of that country. The Civil Property Custodian was named Chairman. In his absence, or at his discretion, he may be represented by a deputy appointed by him.

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a. The Rules of Procedure for the meetings have been established by the Chairman who will also call the meetings. Additional meetings may be called at the discretion of the Chairman when requested by any member of the Committee.

b. In cases of doubt as to ownership of looted property, the Committee will advise SCAP whether a claim submitted by the Government of an Allied country should be approved or the subject property should be liquidated and the proceeds of the liquidation deposited in a SCAP custody fund pending disposition to be directed by higher authority. The Committee is also to act in an advisory capacity in the settlement of conflicting claims for looted property arising between claimant Allied countries.

c. Memorandum of the Chairman to the eleven R & R Delegations, dated 16 April 1948, informed each Delegation of the establishment of the Restitution Advisory Committee and invited participation. A copy of General Order No. 5 together with a copy of the Rules of Procedure were forwarded to each Delegation with the advice that the first meeting was to be held at CPC on 29 April 48.

2. To supplement SCAPIN 885, 19 April 1946, a new directive, SCAPIN 1878, 7 April 1948, was issued which directs the Japanese Government to impound and report as looted property all goods which, according to the markings, were produced in areas occupied by the Japanese armed forces during the war. Experience has shown that a large amount of property which was probably looted has not been impounded as such because present holders could not definitely state how the property was acquired and the source from which it came. Under the new directive, property must be impounded on the basis of markings found thereon unless the owner can furnish proof that said property was acquired legally, that is, imported before or after the war.

a. In order to facilitate the storage of property which will be impounded and concentrate in storage all looted property already reported which is still outside of storage, plans are under way to open several new looted property warehouses. The Japanese Government is working on a plan designed to accommodate all movable looted property in warehouses in or near ports in order to facilitate shipment when disposition has been determined.

3. A physical inventory of the stocks of Koeki Eidan has been resumed under direction of ESS/Liquidations, and detailed instructions have been issued for the reporting of any property inventoried which can be identified as having been produced in areas occupied by the Japanese armed forces or which is under suspicion as being looted.

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4. The availability of empty space for the shipment of restitution items on Japanese vessels used in repatriation and trade was discussed in a conference with representatives of COMNAVFE and CTS. It was found that there is little likelihood that cargoes in excess of parcel shipments (1-5 tons) could be moved on an empty-space basis due to the limited number of Japanese vessels.

5. The Civil Property Bureau, Japanese Government, was directed on 30 January 1948 to search for looted property in 403 of the plants that are to be inventoried for reparations. Looted property had been reported in 73 of these plants. It is believed there is more in other plants because the greatest part of the machinery looted by the Japanese armed forces would likely have been distributed to the type of plant designated for reparations. To date, reports have been received from 104 plants listing approximately 400 additional machines which had not been previously reported as looted. The Japanese Government was directed to remove these machines from the reparations inventory.

6. A list of all vehicles on Procurement Demand was submitted by the Eighth Army. This list has been screened and the Eighth Army has been informed as to which vehicles are considered looted. Eighth Army was also informed that in the future when a 1938 or later foreign-made vehicle is procured, the status of which is unknown, a report is to be made to CPC giving the Procurement Demand number, make, year, and last known owner.

7. The Chinese R & R Delegation submitted a claim and a memo for approximately 3500 machines looted from the Northwest Industrial Corporation and the Tientsin Mint which were presumably brought to Army Arsenals in Japan. The Japanese Government reported that the arsenals had received 2750 machines from China, 2256 of which had been reduced to scrap; the balance, 494 machines, were in 32 plants scattered throughout Japan and it would be impossible to identify them as property of the Northwest Industrial Corporation. A representative from CPC and three from the Chinese R & R Delegation inspected the plants concerned and reported as follows:

494 machines were identified as Chinese

76 machines formerly listed as "unknown" were determined to be Chinese

143 machines not previously reported as looted were discovered

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49 machines were identified as property of the Northwest Industrial Corporation. (It was impossible to identify the greater portion of the machinery as that looted from the Northwest Industrial Corporation.)

3 machines were returned to reparations; it was determined they were not looted.

8. A history of the ships claimed as the property of closed institutions now being administered by the CILC has been received from ESS/Liquidations Branch (see Progress Report for February 1948), but the only vessel reported which appears to have been looted by the Japanese is the "Koyo Maru" (SS "Chung Hsing").

9. The SS "Kintang" and SS "Jessie Moller" are now moored at Kobe and Shimonoseki, respectively, pending receipt of information from the British Government as to the port of delivery desired.

10. The Japanese Government was directed to release the SS "Chung Hsing" from CMMC service and have it moored pending further instructions.

11. A directive has been prepared instructing the Japanese Government to release from the service of the CMMC two other Chinese vessels, the SS "Tseng Lee" and the SS "Chien Tai," and two British vessels, the "Gyoen Maru" and the SS "Sintaing" (or "Suiting"). The Chinese Government has submitted a claim for restitution of the SS "Tseng Lee." The governments concerned have been informed of the existence of the other three vessels in Japanese waters.

12. After the Japanese Government reported that the Chinese vessel, the SS "Yung Yuan" was ready, arrangements were made for a trial run and marine survey on or about 27 April 1948 at Maizuru. Arrangements were also made for interim inspections at the same time of the British vessel, SS "Talthybius," and the French vessel, SS "Le Conte de Lisle." A marine survey will be made of the Italian vessel, the SS "Conte Verde" aground near Maizuru, to determine the repairs necessary to refloat and restore it as a first-class passenger ship.

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C. Miscellaneous Property

1. On 30 March, CSCAD/ECON requested additional information in connection with requests of the Chinese and other governments for the return of vessels in Japan, as well as an estimate of the number, type, and tonnage of vessels now in Japanese waters formerly registered in non-Japanese ports, belonging to Japanese-owned companies with head offices outside present-day Japan. Radio reply advised;

a. The only request received to date from China concerned 25 fishing vessels of the South Japan Fisheries Company (head office in Formosa), and of the 24 vessels afloat in Japanese waters only 7 were registered in Formosa at the end of the war;

b. The only request from a government other than China has been from Korea for approximately 185 ships, including 112 fishing vessels with tonnage approximating 24,029 tons;

c. Although information was not specifically requested, 19 ships aggregating 41,717 tons of the Dairen Steamship Company (owned by South Manchurian Railway Company, presently under liquidation) are in Japanese waters. Of this number, 15 are afloat, 3 are sunk but salvagable, and one is a total loss;

d. The best estimate of known vessels of non-Japanese registry now in Japanese waters of companies with head offices abroad is 65, with gross tonnage aggregating 66,550 tons. Of this number, 50 are afloat and 15 are sunk and may be classified by head office country as follows;

Korea - 35 cargo-type vessels aggregating 23,307 tons, of which 24 are afloat, aggregating 18,288 tons, and 11 sunk, aggregating 5,019 tons, salvability undetermined;

Manchuria (Dairen) - 19 vessels (cargo, semi-cargo, tanker) aggregating 41,717 tons, 15 afloat, aggregating 27,757 tons, 3 salvable, aggregating 3,915 tons, and one vessel, total loss, of 10,045 tons;

Formosa - 11 vessels, 7 fishing and 4 cargo, aggregating 1,526 tons, all afloat.

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2. At present there are 337 prints of foreign motion pictures being investigated by the Japanese Government under the supervision of CPC for legality of possession by Japanese nationals. These prints are located on the four main islands of Japan. Since 1 January 1948, 32 memoranda have been issued to the Civil Property Bureau involving some 448 motion picture prints. Reports have been received from the Japanese Government on all but 9 directives. Upon the basis of reports received, 312-23 mm. commercial prints and 1,725 reels of film have been impounded in the vaults of CMPE as illegally possessed. 121 certificates of legal possession have been issued; 117 to Japanese nationals, 3 to Chinese nationals, and one to a Japanese distributor for a French motion picture film imported prior to 7 December 1941. In addition, authority has been granted for the restitution of one 35 mm. print to the Canadian R & R Delegation, 69 to the United Kingdom R & R Delegation, and 16 to the Australian R & R Delegation.

a. Operational policy was established in cases where the Japanese exhibitor/distributor presents a new agreement made since the surrender extending the original contract with the foreign producer/distributor. Release of pictures in this category will be the function of CI & E; however, CPC will continue its function of determining the legality of possession of foreign films based solely on prewar contracts.

3. The JCS had authorized closing the Tokyo Office of the Central Reserve Bank of China, the purpose of which had been the financing of war production and mobilization and control of financial resources in colonial or Japanese-occupied territories. The Chinese Mission in Japan requested the return to China of the assets of this bank, and were advised that no answer could be given at this time since no final policy on distribution of puppet regime assets in Japan has been established by the Far East Commission.

4. In anticipation of instructions for the disposition of puppet government property in Japan, information has been requested from the Economic and Scientific Section as to investments in and amounts due from closed institutions to the puppet governments, their institutions, and officials. Puppet governments include Manchukuo; Wang Ching Weis, Nanking Government; Laurel, Government of the Philippines; and Bau Maw, Government of independent Burma.

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5. Comparison of 1947 quarterly financial reports of operating branches of Manchurian, Chinese, and Formosan companies has been completed. No significant cases of dissipation of assets were uncovered. Two cases involving action on the part of the branches prejudicial to the interest of the eventual owner were uncovered and are presently under investigation by the Ministry of Finance at the instance of CPC.

6. Arrangements have been made by concurrences with ESS for the participation of the Nitchitsu Mining Development Co. (head office in Korea) in the 3 billion yen loan sponsored by the Japanese Government for the purchase of equipment and machinery in the rehabilitation of the coal mining industry of Japan. The Nitchitsu Mining Co. is to receive 15 million of this amount for rehabilitation of the company's coal mines in Hokkaido and lignite mines on Honshu.

D. Patent, Trademark, and Copyright Property (UN)

1. A radio furnishing information on wartime disposition of foreign trademarks in Japan was forwarded to Department of the Army to assist in the study of a British trademark policy paper submitted in the FEC.

2. The Japanese Government was directed (SCAPIN 5510-A) to take the necessary steps to prevent the continued infringement of trademarks registered in Japan in the name of the Singer Sewing Machine Company by several Japanese manufacturing concerns.

3. In reply to an inquiry about purchasing the trademark "AJI-NO-MOTO" registered in Japan by Aji-No-Moto K.K., the Corn Products Refining Company was advised that no action could be taken at this time as no decision has been made regarding the effect of the Deconcentration Law upon this Japanese concern.

4. JAG of DA, in response to a radio requesting information regarding present validity of prewar commercial agreements between Allied and Japanese nationals, stated that the general rule is that executory contracts are abrogated and continuing contracts suspended. A study is being made to set up standards by which it may be possible to classify specific contracts within these categories.

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5. Steps are being taken to secure for USAMGIK certifications of ownership by certain Koreans of Japanese patents in order to permit these patentees to gain the priority date of registration in Japan in applying for patents in Korea. Once channel for this service has been established through OPC, it is believed additional requests will be received.

III. JAPANESE PROPERTY

A. Property of Dissolved Organizations

1. Conferences were held with members of the Attorney General's Office and the committee representing the Ministry of Finance, Bocki-Cho, Bank of Japan, Ministry of Agriculture, Ministry of Welfare, and the Foreign Minister's Office, relative to the plans now being formulated by the Japanese Government for the implementation of SCAPIN 1868, 1 March 1948, subject, "Disposition of Assets Belonging to Dissolved Organizations." Subject matter covered in these conferences included:

a. The Ministerial Ordinance now being written by the Attorney General's Office;

b. The establishment of a sales agency within the Attorney General's Office, personnel requirements, and the appropriation of needed funds;

c. The estimating of possible liabilities to be paid out of funds of dissolved organizations;

d. The transfer of the SCAP Custody Account to the Foreign Trade Yen Account;

e. The methods of conducting sales with reference to advertising coverage, location of sales headquarters, and the establishment of branch offices in other prefectures.

2. Numerous inquiries have been referred to the Attorney General's Office for action by that agency regarding purchase of properties.

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3. Under SCAPIN 1868, the Japanese Government has been directed to institute an investigation and recover transfers of property belonging to dissolved organizations. In the event the Japanese Government should recover property in use by a third party, the prevailing policy will allow the Japanese Government to rent subject property under existing Japanese ordinances from date of recovery to date of sale with preference to be given the present tenant. This will enable the present tenant to continue to use the property and at the same time insure the proper maintenance, care, and preservation of subject property.

B. Property of Suspected War Criminals

1. In order to facilitate efficient administration of properties under control, the Ministry of Finance has been authorized to approve all routine withdrawals from blocked accounts for subsistence, marriage, maternity, funeral expenses, etc., without prior approval from CPC. Retirement allowances, house repairing charges, court expenses and attorneys' fees were also permitted but amounts thereof require approval of CPC.

2. SCAPIN 4045-A refused payment of War Indemnity Taxes from assets of arrested persons. Since writing said SCAPIN it has been mutually agreed by CPC and ESS that the payment of such taxes should not be held in abeyance. The Japanese Government was therefore notified that so much of SCAPIN 4045-A, as applied to War Indemnity Special Measures Law, was rescinded.

3. Release was authorized of all property belonging to Hoshino Misao, inadvertently included in the list of properties belonging to her husband, a war criminal suspect. A memorandum was sent to the Japanese Government releasing the property of Iwada Tamachi inasmuch as he is no longer classified as a war criminal suspect.

4. A recent audit of the blocked accounts of Japanese war criminals revealed unauthorized withdrawals. Ministry of Finance submitted a report explaining that in certain cases Capital Levy Tax had been paid on the estates of war criminal suspects prior to the date when the Japanese Government received SCAPIN 4045-A disapproving payment of such taxes. The Ministry further stated that they were making plans to repay these amounts if such was the desire of CPC. The Ministry

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of Finance was directed not to reimburse blocked accounts of designated persons for Capital Levy Tax already collected. Reimbursement was directed, however, in cases where property forfeiture is adjudged. Inasmuch as it is anticipated that most of the property now blocked will be returned to the designated persons or their heirs, it was not deemed advisable to reimburse blocked accounts for Capital Levy Taxes which would shortly become due and payable when property is returned.

5. Conference was held with ESS and NRS in regard to application of the Agrarian Reform Program to the property of a former alleged war criminal. It was decided that NRS would request the Reclamation Board to investigate the application of the Farmer-Owner Establishment and Special Measures Law to the specific property in question.

C. Foreign Exchange Property

1. A letter from Kochi Military Government Team requested information relative to procedures for the return of securities and other financial instruments impounded by Korean authorities upon return of repatriated Japanese nationals to Japan. A reply was prepared stating that no procedures for return of the documents concerned have been established.

a. A proposed radiogram to Korea was prepared for concurrences requesting investigation and recommendations of CG, USAFIK, relative to shipment of such documents to Japan for screening by Japanese Customs officials under previously established SCAP procedures and restitution to the rightful owners where feasible.

2. The following tabulation represents amounts surrendered by Ryukyuan repatriates from inception of the repatriation program through 31 December 1947. Repatriation program for Ryukyuan has been completed but figures given below might be altered after later inventory of instruments collected.

Currencies:

	<u>Amount</u>
Bank of Japan yen	¥ 9,855.00
Bank of Chosen yen	2.00
Bank of Taiwan yen	81.00

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Central Bank of Manchu yen	¥	6.00
Central Reserve Bank of China notes	¥	1,000.00
Chinese dollars	CNY \$	20.00
9 Provinces of North East China notes	¥	200.00
Japanese Military Occupation notes	¥	1,300.00
Southern Regions Development Bank notes		
Pesos	SRDB ₱	11,438.00
Dollars	SRDB \$	726.00
Rupees	SRDB R₹	230.00
Bank of Thai bahts	Bht	104.00

Financial Instruments expressed at face value in Bank of Japan yen except where otherwise noted:

a. Securities

		<u>Amount</u>
Stocks	¥	2,700.00
(Bank of Chosen yen)	¥	1,900.00
Government Bonds	¥	19,265.00
Debentures	¥	38,695.00
Miscellaneous securities	¥	2,591.00
(Bank of Chosen yen)	¥	300.00

b. Financial Certificates

Deposit certificates	¥	40,655.17
(Bank of Chosen yen)	¥	4,514.00
(Southern Region Development peso)	₱	83,443.00
Deposit books	¥	41,691.10
(Bank of Chosen yen)	¥	8,595.00
(Central Reserve Bank of China)	¥	431,387.00
(Southern Region Development peso)	SRDB ₱	142,671.00
(Southern Region Development dollar)	SRDB \$	5,000.00
(Southern Region Development guilder)	SRDB F ₁	14,964.00
(Thai Bahts)	Bht	4,005.85

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Remittances	¥	1,872.00
Miscellaneous financial certificates	¥	166,893.50
(Bank of Taiwan yen)	¥	327.00
(Central Reserve Bank of China)	¥	11,761,119.00
(Federal Reserve Bank of China)	¥	50,000.00
(Chinese dollars)	CN \$	6,072.00
(Japanese military yen)	¥	225,233.00
(Southern Region Development dollar)	SRDB \$	4,680.00
(Southern Region Development guilder)	SRDB F1	21,000.00
(Thai bahts)	Bht	864.23

No United States dollar equivalents have been computed for the currencies and financial instruments cited in the foregoing tabulation. The currencies involved for the most part, have been invalidated. They represent puppet issues of the Japanese Government used to finance obligations stemming from World War II. Currencies considered as of nominal value are Bank of Japan yen, Bank of Chosen yen, Chinese dollars, 9-Province notes, and Thai bahts. Chosen notes are to be invalidated effective 24 April 1948, and the residue of currencies have no stable exchange rates which could be utilized for the purpose of ascertaining a United States dollar equivalent.

D. Patent, Trademark, and Copyright Property (Japanese)

1. Translations of 31 Japanese secret patents of a technical nature are being prepared for G-2. In view of a directive to the Japanese Government several months ago preventing the Japanese Patent Office from disseminating patent information except through GFC, it is believed this type of work will increase in volume.

2. The production of English abstracts of Japanese secret patents is completed. 1,880 items of all types of secret patent property were included and have been compiled in booklets in consecutive numerical order.

Restricted

IV. FORMER EUROPEAN AXIS PROPERTY

1. Tital Kogyo is incorporated under Japanese laws with a capital stock of 70,000 shares. Records show mixed ownership; 50 percent of the shares are in the custody of CILC; the 50 percent is foreign owned. It is suspected that the American and French interests in this firm are actually owned or controlled by I. G. Farbenindustrie, and inquiry is being made of OMGUS in this connection.

2. A list of vested securities representing assets in Germany was forwarded to OMGUS with the request that CPC be advised of the present value of these securities and asking for recommendations regarding their disposition.

3. In conjunction with L/S, SCAP, a radio was prepared and forwarded to Chief of Staff for approval requesting that SCAP be appointed agent for GEPC or its successor, and that actions already accomplished such as leasing, preserving, and rehabilitating vested German property be ratified.

4. As the Department of State is desirous of acquiring certain official German government properties which are subject to the German Vesting Decree, a check note was dispatched to the Legal Section, SCAP, requesting that all rights be determined to land and properties which the former German government used and occupied.

5. A survey is being conducted in conjunction with PSB to determine the furniture requirements for vested German houses in the Hakone-Miyanoshita and Karuizawa areas to equip them for dollar rentals. It is planned to select furniture from the Setagaya Warehouse and transport it to the houses in the above-mentioned areas.

6. Work is continuing in the preparation of historical sketches of all concerns in Japan which have a vested German interest. To date approximately ten sketches of German-owned businesses have been completed.

Restricted

V. PROPERTY REVENUE

1. An inspection was made of twenty German houses in the Karuizawa area preparatory to the proposed rental program for these properties. Check was made of the condition of each house, the specifications for repairs, minimum furniture requirements, and the potential rental income as reported by CD/PSB.

2. A survey was made of the German properties not under PD in the Tokyo area which could be used as residences for Americans or Europeans. Purpose of the survey was to estimate the cost of the minimum repairs necessary to make the houses habitable and the potential dollar rental income. It is proposed to rent these properties as soon as the authority necessary to implement the program is received from higher levels.

3. Prompt action was necessary to insure that the agricultural properties scattered throughout Japan of W. Foerster (repatriated German) will be cultivated in the current crop season. Ministry of Finance was instructed to prepare plans for the rental of these properties.

4. Sales activity is going forward and plans are developing to dispose of the following items of movable property:

a. Several boats formerly owned by Dr. Kraye (objectionable German) which are deteriorating badly. Authority for the sale exists under Radio W98792, 29 August 1946.

b. Textiles, cocoons and peignees. These are listed among the items covered by SCAPIN's 4668-A and 1335 which released German-owned goods to the Japanese Government. At a conference with ESS/TD a program was developed to deliver, sell, and collect for these items. The Japanese Government was directed to report the present weights and condition of the cocoons and peignees. A CFC/PSB representative is to be present when the cocoons are weighed and delivered. After receipt of the report, the Japanese Government will be directed to deposit in the SCAP Yen Custody Account an amount (estimated to be approximately ¥15,000) representing the sales value to be established by ESS/TD and concurred in by this office. The program should be completed within the next thirty days.

Restricted

c. Medical supplies and equipment. SCAPIN 4679-A authorized the Japanese Government to take delivery of approximately 104 boxes of German medical supplies and surgical equipment. The Japanese Government submitted an inventory priced in yen. At a conference with PH&W and the Ministry of Welfare, the Japanese Government was directed to report their method of pricing, plan of distribution, and the condition of the supplies when delivery was made. After receipt of this report, the Japanese Government will be directed to make payment in the SCAP Yen Account for these items.

VI. PROPERTY RELEASED FROM CUSTODY

1. Properties released from custody in the period 21 March-20 April are listed as follows:

An entire ammonia plant of the Yung Li Chemical Works, Nanking, China, was restored to the Republic of China. This is the first instance of the restoration of an entire looted plant.

Three jade objects were restored to the Republic of China.

Property of former Burmese diplomats brought to Japan by them was restored to the Burmese Government.

One automobile and 283 insect specimens were restored to the British Government.

A church-school property in Tokyo in which the Finnish Evangelical Lutheran Association had a major interest, was restored.

Eight cases of cardamon seed (detained cargo) were released for return to a Swedish firm.

Precious metals and diamonds for domestic Japanese consumption and manufacture of export goods were released as follows from Japanese stocks and from stocks under SCAP custody. Releases of some of the platinum, and palladium, and 6,500 carats of diamonds were made from stocks in SCAP custody and were compensated by deposits of Japanese Government gold and silver of an equal dollar value.

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Second quarter allocation, 1948:

Gold, valued at	\$ 357,466.17
Silver, valued at	281,689.60
Platinum, valued at	20,622.69
Rhodium, valued at	20.09
Iridium, valued at	2.73
Palladium, valued at	625.40
Iridosmium, valued at	193.00

First quarter (supplemental) allocation, 1948:

Gold, valued at	1,366.78
Silver, valued at	9,500.05
Gold & Silver dust valued at	366.87

Industrial diamonds:

6,500.4 carats valued at	32,751.85
115.4 carats (returned to owners)	

PATENT PROPERTY DIVISION

REPORTS: PROGRESS, PATENTS &
COPYRITS SUB BRANCH, ACCTS, BR.
CD

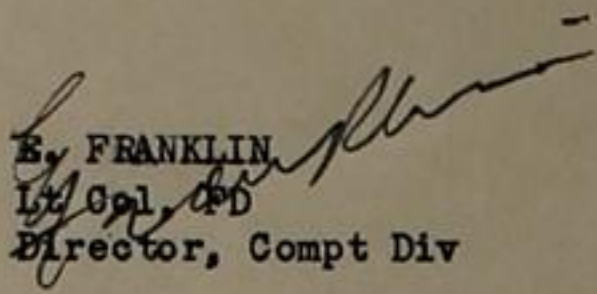
CIVIL PROPERTY CUSTODIAN
COMPTROLLER DIVISION

TKM
EF/KMB/dr
24 August 1949

MEMORANDUM FOR: Director, Foreign Property Division

SUBJECT: Payments of Royalties on American, Copyright,
Patents and Translation Rights

Attached hereto is a schedule of the earnings for the years 1945
to date.


E. FRANKLIN
Lt Col, CPD
Director, Compt Div

CIVIL PROPERTY CUSTODIAN, CONTROLLER DIVISION
 ACCOUNTS BRANCH - PATENTS and COPYRIGHT SUB-BRANCH
STATEMENT REPORT as of MAY 1947

FILED
S. 6

Receipts on Deposit

<u>Depository</u>	<u>Nation</u>	<u>Type of Right</u>	<u>Deposit Month of May</u>	<u>Previous Deposits</u>	<u>Total Deposits to Date</u>
SCAP Custody Account	British	Copyrights		¥ 98,341.73	¥ 98,341.73
SCAP Custody Account	German	Patents and Copyrights	¥ 53,187.55	95,034.45	148,222.00 (a)
Bank of Japan	American	Patents		4,745,068.92	4,745,068.92 (b)
Bank of Japan	British	Patents		1,452,910.70	1,452,910.70
Bank of Japan	American	Copyrights		176,800.72	176,800.72
Bank of Japan	British	Copyrights		58,292.19	58,292.19
Deposit Bureau	Various	Copyrights		122,436.22	122,436.22 (c)
Patent Office	American	Patents		34,506.64	34,506.64
Patent Office	British	Patents		2,591.74	2,591.74
Teikoku Bank	German	Patents and Copyrights		168,661.79	168,661.79
TOTALS			<u>¥ 53,187.55</u>	<u>¥ 6,954,645.10</u>	<u>¥ 7,007,832.65</u>

Details of Deposits This Month

(a) SCAP Custody Account

Deposit of 37,400.41 ¥ made by Dai Nippon Yubenkai Kodansha for account of Telefunken G.m.b.H. in compliance with SCAPIN 3650-A, 18 April 1947.

Deposit of 15,787.14 ¥ made by Polydor Chikuonki Co. for account of Deutsche Gramophone in compliance with SCAPIN 3682-A 1947.

(b) Special Property Administration Account, Bank of Japan.

Report from S.P.A.A., Bank of Japan, LO #1217 (SF/FP) 26 April 1947, indicated a correction in the American accounts of an additional ¥ 1,252,245.69. This amount is a correction not a new deposit.

(c) Deposit Bureau

Investigation of reports received from J.C. revealed a duplication of reported deposits. Above figure reported by Deposit Bureau, Ministry Of Justice accepted as correct amount on deposit per attached schedule.

Details of Deposits in the Deposit Bureau

<u>Nationality</u>	<u>Amounts Reported</u>
British	¥ 1,090.00
China	130.00
Denmark	130.00
Dutch	120.00
Eire	80.00
France	74,860.22
Poland	70.00
U.S.A.	28,322.00
U.S.S.R.	350.00
Unknown	16,500.00
Japanese	40.00
German	66.00
Italian	460.00
Swedish	98.00
Swiss	120.00
	<hr/>
TOTAL	¥ <u>122,436.22</u>

CASH ON DEPOSIT FOR ROYALTIES ON

<u>American</u>	<u>Copy Right</u>	<u>Patents</u>	<u>Translation Rights</u>
1945	¥ -0-	¥ -0-	
1946	176,800.72	34,506.65	
1947	48,051.76	5,084,649.80	
	<u>224,852.48</u>	<u>5,119,156.45</u>	
1948	(21,514.34)*	341,642.63	
	<u>203,338.14</u>	<u>5,460,799.08</u>	
1949	-0-	(20,037.47)**	
Totals	¥ <u>203,338.14</u>	¥ <u>5,440,761.61</u>	
April 1949	-0-		¥ 8,704,760.00
May 1949			3,334,150.00
			<u>12,038,910.00</u>
June 1949			2,564,460.00
			<u>14,603,370.00</u>
July 1949			1,719,600.00
			<u>16,322,970.00</u>
to 23 Aug 1949			3,882,900.00
			<u>¥ 20,205,870.00</u>

* Audit Corrections
 ** Audit Corrections

CIVIL PROPERTY CUSTODIAN
CONTROLLER DIVISION - ACCOUNTS BRANCH
PATENT & COPYRIGHT SUB-BRANCH

✓ PROGRESS REPORT - 21 APRIL 1948 - 20 MAY 1948

German Accounts

In compliance with SCAPIN 5496-A, Dai-Nippon Teikoku Kaisha has deposited ¥90,810.76 in the SCAPIN Custody Account for the credit of Telefunken G.M.B.H.

<u>Telefunken Account</u>	<u>Amount</u>
Previous Balance	¥ 1,198,655.03
SCAPIN 5496-A	90,810.76
	<u>¥ 1,229,465.79</u>

In order to maintain a balance between the royalties for German Accounts as reported by SCAP Yen Account Sub-Branch and those reported by the Patent & Copyright Sub-Branch, it has been necessary to pick up and record dividends deposited in the SCAP Custody Account to the credit of Telefunken by Nihon Musen K.K. per SCAPIN 5176-A. Dividends totaling ¥29,139.62 which represent declarations from the period 1 October 1944 to 30 March 1945 have accrued on stock issued Telefunken as partial royalty payments as agreed upon in a patent license agreement with Nihon Musen.

Two additional royalty payments have been made in the SCAP Custody Account to the credit of Deutsche Grammophon G.M.B.H. by Polydor Childrens in compliance with SCAPIN 5359-A and 5447-A.

<u>Deutsche Grammophon Account</u>	<u>Amount</u>
Previous Balance	¥ 653,736.09
SCAPIN 5359-A	53,610.49
SCAPIN 5447-A	77,345.37
	<u>¥ 784,691.95</u>

Total amount of royalties on deposit for German accounts in the SCAP Custody Account.

<u>Account Name</u>	<u>Amount</u>
Telefunken (Royalties)	¥ 1,229,465.79
" (dividends)	29,139.62
Deutsche Grammophon	<u>784,691.95</u>
	<u>¥ 2,043,297.36</u>

American Accounts

In 1946 the Board of Patents and Standards, Japanese Government, submitted a report as to the number of foreign owned patents granted to Japanese firms as exclusive licenses. Included in the report was the amount of royalties due and paid to the Japanese Government. According to the original report ¥ 91,732.94 was due the Japanese Government of which ¥ 37,287.39 had been paid. Although the amount paid was paid into the Japanese Government fund, accounts were set up by this sub-branch according to patent owners name and the accounts listed the amount of royalties paid by Japanese users as cash on deposit.

The amount of ¥ 54,445.55 which was reported as due was set up as accounts receivable. In checking the amounts paid per report of 12 January 1948 BPS #18 against the amount set up as Accounts Receivable, numerous errors and omissions were noted as having been made in the original report. The representative of the Board of Patents and Standards attributed the original errors to the lack of qualified personnel working there in 1946, and submitted additional reports to substantiate the figures reported in BPS #18.

In order to adjust the amounts which had previously been reported by Accounts Branch as cash on deposit and accounts receivable, it was necessary to make adjustments as set up in the following schedule:

Cash on Deposit

	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
Amount reported 1946		¥ 37,287.39	¥ 37,287.39
Errors in 1946 report	¥ 1,557.48		35,729.91
Increase per BPS #18		33,809.08	69,538.99
A/R paid per BPS #18		42,769.89	112,302.88

Accounts Receivable

	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
Acct's Rec per 1946		¥ 54,445.55	¥ 54,445.55
Errors in 1946 report	¥ 11,681.66		42,763.89
A/R paid per BPS #18	42,763.89		- 0 -

An additional amount of ¥ 33,809.08 was paid which had not been reported as A/R. It should be noted that these figures represent production to December 1946 only. To date the amounts deposited for production to December 1947 have not been submitted.

In response to a Memorandum from CIC re: Patent agreements for Electrical Research Products, the Ministry of Finance has submitted a report (LO 813 - 12 February 1948) compiled by the Industrial Bank of Japan. The report included the amounts which are on deposit for Electrical Research Products and its subsidiary Western Electric Export Co. The report also includes the amount on deposit in the Special Property Administration Account, Bank of Japan; however, in making a comparison of the amounts on deposit in the SPAA as reported by the Bank of Japan with the amounts in the SPAA as reported by the Industrial Bank, a considerable difference appears in the amounts reported by each bank.

The Bank of Japan has been requested to examine its deposit slips and resubmit a detailed account of all deposits made to the account of Electrical Research Products Co. and Western Electric Export Co.

In a conference with Messrs. Watanabe and Araki of the Industrial Bank of Japan, it was brought out that the amounts which were deposited in that bank were kept on the books of the various companies until 1947. At that time it was decided by the Ministry of Finance and the Industrial Bank that in order to adequately protect the property of Electrical Research Products, deposits should be made in the Industrial Bank where interest could be accruing on the principal. These deposits were made in blocked accounts in the name of the Japanese Co. making the deposit and are earmarked for Electrical Research and Western Electric Export Co. Previous deposits made to Murobura Akita, custodian, by these companies during the war were deposited in the Special Custody Account, Yokohama Specie Bank and later transferred to the Bank of Japan.

The balance sheet to 12 Dec 1947 originally submitted by the Industrial Bank through the Ministry of Finance LO 813 failed to give sufficient information as to the depositors name and date of deposit. The bank resubmitted the report with all the necessary information and brought the balance forward to March 31, 1948 which includes the last date of interest.

MISCELLANEOUS MATTERS

In a letter dated 8 April 1948 from Ralph Beer, United States Representative for Bureau International de L'Édition Mécanique, (referred to hereafter as BIEM) information was received that a credit of ¥ 125,079.78 was on deposit in the Deposit and Consignment Bureau, Ministry of Justice for BIEM.

A review was made of all deposits of copyrights royalties which had been reported to CIC by the Tokyo branch of the Deposit Bureau to determine if that amount was on deposit, but only ¥ 53,399.75 could be determined to be the property of BIEM. A request was made to the Deposit Bureau to review their records, especially of those deposits which took place prior to 1941, for any additional sums which may not have been reported to CIC. A report dated 11 May 1948 was received which indicated that between the dates 30 May 1940 through 28 November 1940, ¥ 129,462.42 had been deposited to the credit of BIEM by various recording firms which had not previously been reported to CIC. The total amount now on deposit for BIEM is ¥ 187,602.17.

CONFIDENTIAL

PATENT PROPERTY DIVISION
F.E.C. MEETINGS &
MINUTES

5

CONFIDENTIAL
F.E.C. MEETINGS AND MINUTES
CONFIDENTIAL
1612
1716
1815

CONFIDENTIAL

F.P.D.

FEC-RESTRICTED

Com. No. 1 - 163rd Mtg.

16 June 1948

FAR EASTERN COMMISSION

COMMITTEE NO. 1: REPARATIONS

SUMMARY OF MINUTES

ITEM 1 - APPROVAL OF THE MINUTES OF 162ND MEETING

Minutes unanimously approved.

ITEM 2 - REPARATIONS ALLOCATIONS PROCEDURES, C1-211/26, /28;
SC-211/18, /21

Chairman canvassed positions of Members on C1-211/26. Brief discussion of applicability of paper to Advance Transfers program. N. Z. Member favored inserting a proviso covering this point on the cover sheet of the document and reading roughly as follows: "This paper is not applicable to the Advance Transfers program." Further discussion deferred. Item retained on agenda.

ITEM 3 - POLICY TOWARDS PATENTS AND UTILITY MODELS IN JAPAN,
C1-284/3, /4; FEC-284

No discussion. Item retained on agenda.

ITEM 4 - REPARATIONS CLAIMS AGAINST JAPAN, C1-283/1

N. Z. Member prepared to discuss C1-283/1, excluding U. S. amendment to paragraph 4. Item retained on agenda.

ITEM 5 - PROPOSED PUBLIC ANNOUNCEMENT REGARDING REPARATIONS CLAIMS
OF NON-FEC COUNTRIES, C1-307

ITEM 6 - SETTLEMENT OF AMOUNTS DUE REPATRIATED JAPANESE, FEC-294,
C1-294/1, FEC-090

There was no discussion of these two items. They were retained on the agenda.

ITEM 7 - REPLACEMENT OF LOST CULTURAL OBJECTS, C1-272/2, /1,
C1-272

Netherlands Member requested Committee action concerning article on replacement of lost cultural objects in New York Times for 6 June 1948. Secretariat requested to circulate article. (Circulated as C1-272/3) Netherlands Member will submit formal statement at next meeting to serve as basis for possible Committee action. Chinese Member intends to make statement on subject of replacement of lost cultural objects at next meeting. Item retained on agenda.

ITEM 8 - RESTITUTION OF LOOTED PROPERTY, FEC-011/44

FEC-011/44 approved by a vote of 3 to 2: The Australian, Chinese and French Members approving; the U.K. and U.S. opposing. Paper forwarded to Steering Committee as FEC-011/46.

ITEM 9 - OTHER BUSINESS

There was no other business.

Time of next meeting: 23 June 1948 at 3:00 p.m.

Summary of Mins. - Com. No. 1

163rd Mtg. - 16 June 1948

FEC-RESTRICTED

Com. No. 1 - 163rd Mtg.

16 June 1948

FAR EASTERN COMMISSION

COMMITTEE NO. 1: REPARATIONS

MINUTES

ATTENDANCE:

Netherlands	Dr. R. H. van Gulik (Chairman)
Australia	Mr. H. W. Bullock
Canada	Mr. R. E. Collins
China	Mr. Y. C. Yang, Dr. A. Koo, Mr. S. Y. Huang
France	Mr. J. de Ferluc
India	Mr. S. N. Banerji
New Zealand	Mr. R. B. Taylor
Philippines	Mr. J. U. Jovellanos
U. S. S. R.	Mr. A. P. Korobochkin, Mr. B. Sokolov
United Kingdom	Mr. M. B. Thresher, Mrs. J. Locke
United States	Mr. R. W. Barnett, Mr. R. B. Smith
Secretariat	Mr. D. K. Eichler, Secretary Miss Miriam Nieland, Assistant Secretary

ITEM 1 - APPROVAL OF THE MINUTES OF 162ND MEETING

The minutes of the 162nd meeting were unanimously approved.

ITEM 2 - REPARATIONS ALLOCATIONS PROCEDURES, C1-211/26, /28;
SC-211/18, /21

The following canvass of positions of Members on C1-211/26 was made by the Chairman at the request of the U. S. Member.

Australia: In favor of the paper.

Canada: In favor of the paper.

China: In favor of the paper.

France: In favor of forwarding paper to the Steering Committee.

India: Paper generally acceptable.

Netherlands: No final instructions.

New Zealand: In favor of the paper.

Philippine: No final instructions but personally in favor of the paper.

Soviet: Ready to vote on paper; no indication of exact position.

United Kingdom: Paper generally acceptable but with reservation regarding the 16-months period in paragraph 12.

United States: Not in a position to vote on paper at this stage.

The N. Z. Member said that it was his delegation's view that the reparations allocations procedures paper (C1-211/26) was not applicable to the Advance Transfers program. He was inclined to agree with the view expressed some weeks ago by the Australian Member that action on the paper should not for this reason be delayed. He offered the suggestion that some proviso indicating that the paper did not apply to the Advance Transfers program might be included on the cover page of the document when it was forwarded to the Steering Committee or Commission. However, the U. S. suggestion that such a proviso should state that the terms of the policy would remain inoperative until such time as "SCAP would receive a schedule of recognized national percentage shares" was not altogether satisfactory since it was not absolutely certain that reparations would not be allocated by some other system than that currently contemplated. He thought it would be sufficient to say merely: "This paper is not applicable to the Advance Transfers program."

The U. S. Member said that if SCAP were not to allocate reparations on the basis of a schedule of percentage shares, none of the allocation procedures set forth in C1-211/26 would be applicable. The U. K. Member said he was inclined to agree with the U. S. Member on this point, stating that it was unrealistic to adopt a paper "in a vacuum". If it were not known how reparations would be allocated, it was not impossible that a paper on allocations procedures would have to be drastically revised in the light of some new development. In the circumstances, he favored retaining the paper on the Committee's agenda until the situation was clarified.

There was no further discussion. The item was retained on the agenda.

ITEM 3 - POLICY TOWARDS PATENTS AND UTILITY MODELS IN JAPAN, C1-284/3, /4; FEC-284

There was no discussion. The item was retained on the agenda.

ITEM 4 - REPARATIONS CLAIMS AGAINST JAPAN C1-283/1

The N. Z. Member said that he had received instructions on C1-283/1, without, however, the proposed U. S. amendment to paragraph 4. He would, therefore, be in a position to discuss C1-283 as soon as other Members were in a position to do so.

There was no further discussion. The item was retained on the agenda.

ITEM 5 - PROPOSED PUBLIC ANNOUNCEMENT REGARDING REPARATIONS CLAIMS OF NON-FEC COUNTRIES, C1-307

ITEM 6 - SETTLEMENT OF AMOUNTS DUE REPATRIATED JAPANESE, FEC-294, C1-294/1, FEC-090

There was no discussion of these two items. They were retained on the agenda.

ITEM 7 - REPLACEMENT OF LOST CULTURAL OBJECTS, C1-282/2, /1, C1-272

Article in New York Times by Burton Crane

The Chairman, speaking as Netherlands Member, referred to what he called the "irresponsible article" by Burton Crane appearing in the New York Times of 6 June 1948 concerning General MacArthur's

views on the proposed policy on replacement of lost cultural objects currently before the Committee. It was his delegation's view that some rectification of the situation created by this article was necessary. He pointed out that not only was the confidential nature of FEC discussions compromised by the appearance of such an article, but the attribution to General MacArthur of the opinions contained in the article compromised the Supreme Commander, since it was hard to believe that he had ever expressed such opinions. He wondered if Members agreed that it would be appropriate for him, as Chairman of Committee No. 1, to bring the matter up in the FEC, requesting the Chairman of the FEC to inquire of SCAP concerning the circumstances surrounding the release of the information contained in the article by Burton Crane. He pointed out that the article was remarkably accurate in some respects and could hardly have been written without access to classified documents of the FEC. The U. S. Member inquired what the Netherlands Member meant by "rectification". If the desire were to reply in some way to the New York Times article, it seemed to him that the Commission could spend nearly all its time replying to unauthorized articles appearing in the world press. If there were to be a retraction of some kind, how was this to be done? That is to say, what could the FEC do to clarify the public mind on the subject of cultural objects?

The Netherlands Member said that his intention was to correct, if possible, the erroneous impression given by the article and the possibly erroneous representation of General MacArthur's opinions. This could be done, he thought, by obtaining information from Tokyo on the basis of which the FEC could release a statement to the press here in Washington.

The Soviet Member said that this article was only one of many which had occurred in recent months involving classified documents of the FEC. Despite the fact that General McCoy had assured the Commission that all steps would be taken to avoid a leakage to the press, leakages have continued to occur, the Burton Crane article being only the most recent one. In his view the FEC should take some action in order to bring these unfortunate occurrences to an end. He felt, however, that the best place to discuss this matter was at the Commission level rather than in the Committee. The Soviet Member further stated that while he did not wish to pronounce judgment on any of the statements made in the Burton Crane article, it was nevertheless clear that some of these statements were insulting to member Governments of the FEC. Since the article represented these statements as constituting an attitude on the part of the Supreme Commander regarding a matter currently before the FEC, it would seem appropriate for the subject to be discussed by the Commission itself.

The Chinese Member said that he would probably be in a position to make a statement on the subject of cultural objects at the next meeting of the Committee. He also favored discussion of the problem of leakages to the press at the Commission level. The present article by Burton Crane was altogether unfair to those countries which, like China, had been so systematically looted by the Japanese. His Government had no desire to seek revenge on Japan. On the contrary, considering the extent of Japanese looting and wanton destruction during the war, his Government's attitude was one of magnanimity. Articles such as the Burton Crane story would have a very unfortunate effect on the Japanese by giving them the impression that they should not be asked to repair in any way the losses, damage and destruction caused by them in the course of the war. He would have more to say on this subject at an early date. Meanwhile, he would not oppose any statement on this matter which the Chairman of the Committee might wish to make in the Commission.

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The Australian Member said that he believed the matter under discussion fell logically into two parts. First, there was the problem of leakages of classified FEC information which indicated that proper attention was perhaps not being given in Japan to safeguarding FEC documents. Secondly, the Burton Crane article contained insulting and unfair allegations against certain FEC countries. The U. S. Member might be in a position to say if the U.S. had protested the remarks of the Supreme Commander or if they had perhaps some information which would indicate whether or not the Supreme Commander had in fact made such remarks. The U. S. Government was not, of course, obligated to inform the Commission of these matters, but it was not impossible that they would wish to do so voluntarily. In any case the question of protecting General MacArthur against misrepresentation in the press was not a matter for the FEC to consider but one which General MacArthur would be quite capable of handling himself.

The Indian Member said that he agreed with the Australian Member that the Supreme Commander was quite capable of defending himself against misrepresentation of the press. Consequently, if no comment was forthcoming concerning this article, it could probably be assumed that the statements attributed in it to the Supreme Commander were correct. He wondered whether the best procedure might be to prepare a message to SCAP asking the following two questions: (1) Has SCAP any information concerning the leakage of information to the press on this subject; and (2) has SCAP, in fact, expressed the views attributed to him in the article? Meanwhile perhaps it would be preferable to await the Chinese Member's statement before proceeding.

The Chairman, speaking as Netherlands Member, said that he would suggest that the Secretariat circulate the article by Burton Crane and that at the next meeting of the Committee he would present his views in such form as might be useful to the Committee in deciding what action should be taken.

The U. S. Member said that he was in sympathy with the problem created by such an article as the one under discussion, but had grave doubts as to the appropriateness of the suggestion that a consultation with the Supreme Commander should be initiated. The function of the FEC was to formulate the policies, principles and standards in conformity with which the Japanese should fulfill their obligations under the Terms of Surrender. It was difficult for him to see what a consultation concerning a news article had to do with the policies, principles and standards which it was the business of the FEC to formulate. Such a procedure would be a departure from the Terms of Reference of the FEC since it had no relevance whatever to policy or the implementation of policy. If Members had a personal curiosity regarding the leakage of information in Japan, the U. S. might be able to investigate and throw some light on the situation; but to make the issue the subject of a consultation seemed to him a gross waste of the Commission's time and a most unwise procedure.

The Indian Member said that he did not mean to imply that the action taken need be that of a formal consultation message. A Commission resolution would do just as well, and this, he felt, was a perfectly legitimate function of the FEC. The Netherlands Member said that he would consider it absurd to restrict the activities of the FEC to those listed in the Terms of Reference. There were many additional forms of activity in which the Commission could quite appropriately engage which were not specifically detailed in the Terms of Reference but which certainly could not be considered to contravene the Terms of Reference. He felt that the U. S. Member's use of the term "private curiosity" was most

unfortunate and inappropriate inasmuch as the Members around the table were not participating in discussions in a purely personal capacity but as representatives of Governments. The Indian Member also observed that any "private curiosity" on his part could, he believed, be satisfied privately. He was interested in this matter in his official capacity as representing the Indian Government in the discussions of the Committee.

Disposition of Cl-272/1

The Chairman said that recent information from Tokyo indicated that Japanese plans are nearing completion for the establishment of a Library of the Diet. This library would be similar to the Library of Congress in Washington. It seemed likely that many private individuals and possibly some institutions would take this opportunity to preserve certain collections which might otherwise be available for replacement purposes but which, if placed in the new Library of the Diet, might give them unwarranted protection. This information was, he thought, one more reason for expediting the paper on replacement of lost cultural objects now before the Committee. Items included in the collections of the Library of the Diet might eventually be very difficult to trace. He pointed out that a substantial majority of the Committee already was on record as favoring either personally or officially the majority draft. He wondered if it would not be advisable to forward both drafts to the Steering Committee for action at that level. It could be assumed that the present Chinese-U.S. discussions would continue.

After brief discussion, it was decided to retain this item on the agenda for at least one more week.

ITEM 8 - RESTITUTION OF LOOTED PROPERTY, FEC-011/44

The Soviet Member said that in his view the FEC had not intended that the paper on restitution should be delayed indefinitely in Committee No. 1. On the contrary, the paper had been forwarded to the Committee with the expectation that after a reasonable period of discussion, it would be reported back to the Commission. Discussions on the paper had brought out three different points of view: (1) The U. S. point of view which opposed the Chinese amendment to paragraph 3; (2) the Chinese view as stated in that amendment; and (3) the Soviet view, similar to the Chinese point of view, but preferring the deletion of the phrase at the end of the Chinese amendment to paragraph 3, namely "but not by the occupying powers". In order to expedite action on the paper, he would suggest that it be put to a vote immediately in order to place on record the views of other Members.

The Chairman said that if there were no objections, he would put the paper to a vote. He suggested that the proper procedure would be to vote first on the Soviet amendment to the Chinese version of paragraph 3 of FEC-011/44. The Secretary explained that the Soviet proposal was to delete the words "but not by the occupying powers" at the end of paragraph 3. The Chairman called for the vote and the motion was lost 1 to 5, the Soviet Member voting in favor; the Australian, Canadian, Philippine, U. K. and U. S. Members voting against; the remaining five Members abstaining.

The Secretary then stated that the next vote would be a vote on FEC-011/44 as it stood, and the motion, therefore, would be to approve FEC-011/44. The Chairman called for the vote and FEC-011/44 was approved 3 to 2, the Australian, Canadian and French Members favoring the paper; the U. K. and U. S. Members opposing; the remaining six Members abstaining. The Indian Member explained that

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his abstention did not mean opposition to the entire paper, but merely that he was without instructions on paragraph 3.

The U. K. Member said that he thought it would be most unwise to send FEC-011/44 back to the Steering Committee on a 3 to 2 vote. The U. S. Member also felt that with only five Members interested enough in the paper to vote on it, little useful purpose could be served by passing it to the Steering Committee or Commission. The Canadian Member also favored holding the paper on the Committee's agenda pending a compromise agreement of some kind.

The Soviet Member said that failure to forward the paper to the Steering Committee would be irregular procedure. The Committee was not bound by any provision to forward some papers with large majorities but retain others with small majorities. Any paper receiving a majority vote, however small, should automatically be forwarded to the Steering Committee.

The Chairman asked the Secretary whether there was any precedent for holding a paper in a Committee after it had been approved. The Secretary said that the Committee did have the right to reconsider any action taken by it at any time and there were cases on record in which a Committee had voted to retain a paper on its agenda after that paper had received a small majority vote of approval. The normal procedure, of course, was to vote to approve a paper and forward it automatically to the Steering Committee. The present paper, FEC-011/44, having been approved, could not be retained on the Committee's agenda without a further formal vote.

After further brief discussion of the procedural issues involved, the Committee decided to take no action to hold the paper in the Committee and the paper was accordingly forwarded to the Steering Committee pursuant to the 3 to 2 vote in its favor.

The Secretary said that he thought it would be useful to emphasize for the record that the Committee was not unalterably bound by decisions which it made from time to time, in that the Committee could, if it wished, call for reconsideration of any decision taken in the course of its regular meetings. If such flexibility were not possible, it would be necessary to take two separate votes on each paper: First, a vote to approve the paper; and secondly, a vote to forward the paper to the Steering Committee. This procedure had not been followed in the past because in most cases Committees have had no objection to forwarding papers which they had approved. When this has not been the case, Committees have, on occasion, voted to retain papers on their agendas for a second vote at a later date. Since it would not generally be known how many persons were planning to abstain from a particular vote in advance of the vote itself, and since Members might wish to reconsider the question of forwarding the paper upon the discovery that a large number of Members abstained, some procedure for reversing decisions was obviously needed. The normal procedure in such cases would be for the Chairman to entertain a motion to reconsider the decision just made.

(Secretariat Note: According to Robert's Rules of Order, a motion to reconsider a previous decision prevents anything being done as the result of the decision it is proposed to reconsider. Furthermore, a motion to reconsider must be made by one of those who voted with the prevailing side. Any member may second it. A motion to reconsider requires a simple majority. When carried, the motion to be reconsidered is automatically before the assembly. To clarify the

situation the motion is then usually stated again by the Chairman. At this stage it is possible to debate the motion still further, provided no previous agreement to limit debate had been reached. Following debate, if any, the motion is again voted on.)

FEC-011/44, approved as stated above by a vote of 3 to 2, will be forwarded to the Steering Committee as FEC-011/46.

ITEM 9 - OTHER BUSINESS

There was no other business.

Meeting adjourned at 4:45 p.m.

Time of next meeting: 23 June 1948 at 3:00 p.m.

18 February 1948

FAR EASTERN COMMISSION

COMMITTEE NO. 1: REPARATIONS

SUMMARY OF MINUTES

ITEM 1 - APPROVAL OF THE MINUTES OF THE 147TH MEETING

Minutes amended and approved.

ITEM 2 - REPLACEMENT OF LOST CULTURAL OBJECTS, C1-272/2, /1, C1-272

There was no discussion. Item retained on agenda.

ITEM 3 - REPARATIONS ALLOCATIONS PROCEDURES, C1-211/14, /10

Australian Member, Subcommittee Chairman, reported decisions of Subcommittee regarding para. 11 of C1-211/14 and C1-282, French views on rejection of reparations goods. Detailed discussion of time limitation in para. 11. Consideration of additional amendments to C1-211/14. Adoption of drafting changes in para. 6. Revised working draft to be circulated as C1-211/15. Item retained on agenda.

ITEM 4 - DEFINITION OF JAPANESE OCCUPATION COSTS, FEC-288, /1, /2

There was no discussion. Item retained on agenda.

ITEM 5 - TREATMENT OF JAPANESE ASSETS IN NEUTRAL COUNTRIES, FEC-295

Brief discussion of personal view of Soviet Member that FEC-295 is outside FEC jurisdiction. Discussion deferred pending receipt of official instructions. Item retained on agenda.

ITEM 6 - REPARATIONS FROM JAPANESE CURRENT PRODUCTION: VIEWS OF FRENCH MEMBER, C1-281

There was no discussion. Item retained on agenda.

ITEM 7 - POLICY TOWARDS PATENTS AND SIMILAR INDUSTRIAL PROPERTY OWNED BY JAPANESE OR REGISTERED IN JAPAN, C1-222/2, /3; FEC-284, Encl. "B"; FEC-090

Committee referred C1-222/2, /3 to Patents Subcommittee.

ITEM 8 - SETTLEMENT OF AMOUNTS DUE REPATRIATED JAPANESE, FEC-294, FEC-090

Soviet Member expressed view that FEC-294 was outside FEC jurisdiction. Item retained on agenda pending receipt of instructions.

ITEM 9 - DISPOSITION OF VESSELS OTHER THAN THOSE OF ALLIED REGISTRY, C1-274/1

U. S. Member submitted information on neutral ships. Soviet Member requested further information. Item retained on agenda.

ITEM 10 - INTERIM DIRECTIVE REGARDING ADVANCE TRANSFERS OF JAPANESE REPARATIONS AND REPARATIONS PROCEDURES, FEC-216/1, /2; C1-220; Min. 53rd FEC Mtg.

There was no discussion. Item retained on agenda.

ITEM 11 - OTHER BUSINESS

Secretary read letter from Mr. J. de Ferluc, former Member French delegation to the FEC.

There was no other business.

Time of next meeting: 25 February 1948 at 3:00 p.m.

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Com. No. 1 - 148th Mtg.

18 February 1948

FAR EASTERN COMMISSION

COMMITTEE NO. 1: REPARATIONS

MINUTES

ATTENDANCE:

Philippines	Mr. J. U. Jovellanos (Chairman <u>pro tempore</u>)
Australia	Mr. H. W. Bullock
Canada	Mr. R. E. Collins
China	Mr. Y. C. Yang, Dr. A. Koo, Mr. S. Y. Huang, Mr. J. Young
France	Mr. P. Guerin
India	Mr. S. N. Banerji
New Zealand	Mr. R. B. Taylor
Netherlands	Mr. G. J. Jobsis, Mr. M. de Blank
U. S. S. R.	Mr. A. P. Korobochkin, Mr. B. Sokolov
United Kingdom	Mr. M. B. Thresher, Mrs. J. Locke
United States	Mr. R. B. Smith
Secretariat	Mr. D. K. Eichler, Secretary Miss Miriam Nieland, Assistant Secretary

ELECTION OF TEMPORARY CHAIRMAN - In the absence of the Deputy Chairman, Dr. R. H. van Gulik (Netherlands), the Committee elected Mr. J. U. Jovellanos (Philippines) Chairman pro tempore.

ITEM 1 - APPROVAL OF THE MINUTES OF THE 147TH MEETING

The minutes of the 147th meeting were unanimously approved with the following changes:

Summary Page, Item 5, first line: Delete the word "delegation's".

Page 3, first full paragraph, second sentence should read: This concept may be a departure from existing international precedence with respect to cultural objects looted during a war.

Page 3, the sentence beginning in line six from the bottom of the page should read: In India, for example, most manuscripts were reserved for use by scholars and other researchers and were not readily available for the public in general.

ITEM 2 - REPLACEMENT OF LOST CULTURAL OBJECTS, C1-272/2, /1, C1-272

The Australian, Chinese, France, N. Z. and Soviet Members had no official instructions. There was no discussion of the paper. The item was retained on the agenda.

ITEM 3 - REPARATIONS ALLOCATIONS PROCEDURES, C1-211/14, /10

Discussion of Subcommittee's Decisions

The Australian Member, chairman of the Subcommittee on Reparations Allocations Procedures, reviewed the Subcommittee's work as contained in C1-211/14. He recalled that the Subcommittee had been charged with two tasks: (1) A reconsideration of

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paragraph 11; and (2) consideration of the French views on rejection by beneficiaries of reparations goods, C1-282. He pointed out that the Subcommittee had revised paragraph 11 and that this revision was contained in C1-211/14. The paragraph, he thought, was self-explanatory.

The Australian Member pointed out that the French views on rejection by beneficiaries of reparations goods (C1-282) contained two separate ideas. The first of these was a recommendation that reparations goods which were left over in the implementation of the advance transfers program should revert to the pool of the remaining 70% and not returned to the Japanese for their own use. In discussing this point, the U. S. Member of the Subcommittee had made it clear that it was the understanding of the U. S. Government as well as the present practice in Tokyo in implementing the advance transfers program that any facilities unclaimed under this program would be reserved for later allocation to claimants under a final program. The French Member said that if this were the understanding of the U. S., and the current practice in Tokyo, he would agree to withdraw his recommendation on this point with the understanding that the U. S. Member in the Committee or preferably in the Commission - would make a statement to that effect. The U. S. Member in the Subcommittee had seen no reason why this could not be done and it was agreed to report this understanding to the Committee. The second idea contained in C1-282 concerned the ultimate disposition of residual facilities remaining after the implementation of the final reparations program. It was the view of the French Member that such residual facilities should either be scrapped or returned to the Japanese economy, and that in either case the value of the rejected facilities should be made available to beneficiaries in terms of other equipment or current production. The first part of this second idea had already been taken care of in the Commission's policy on Reduction of Japanese Industrial War Potential FEC-084/21, in the paragraph on "residual capacity". As to the second part of this second idea, namely the question of possible replacement of rejected facilities by other facilities or current production, the Australian Member said that it was the Subcommittee's feeling that this problem was closely related to other important decisions which had not yet been reached by the FEC, and that it was therefore inexpedient to include such a provision in this paper. It was the further view of the Subcommittee that this subject was not wholly consistent with the purposes and objectives of a paper on allocations procedures. The French Member in the Subcommittee had therefore agreed not to press this point in connection with the allocations procedures paper but reserved his right to return to the subject at a later date.

The U. S. Member, commenting on the Subcommittee's decision in connection with the first part of the French proposals in C1-282, said that he would like to make a matter of record at this meeting that it was the understanding of his Government that any reparations goods which might be left over following the implementation of the advance transfers program would revert to the remaining pool of reparations for later allocation to claimants under a final reparations program. This was not only the understanding of his Government, it was also the current practice of SCAP in implementing the advance transfers program. He referred to the allocations procedures followed in Tokyo in connection with the pooled machine tool items during the past summer, calling attention to the minutes of the 18th RTAC meeting which contained the rules and procedures for allocating these items. He was confident that the procedures being followed in Tokyo fully met the requirements of the French delegation in C1-282.

The French Member said that he appreciated the remarks of the U. S. Member on this point and stated that his delegation reserved the right to return to the subject discussed in paragraph 2 of C1-282 at a later date.

The Philippine Member said that he could agree with the view that the substance of paragraph 2 of C1-282 should not be included in the paper on allocation procedures.

Discussion of Time Limitation in Paragraph 11

The Chinese Member said that it had been his delegation's view in the Subcommittee that paragraph 11 might well be deleted in its entirety since it placed undesirable restrictions on the utilization by recipients of reparations facilities. This view had not, however, been deemed acceptable by the Subcommittee and as a result the Chinese delegation was willing to compromise by suggesting the reduction of the three-year period mentioned in line 3 of paragraph 11 to six months. This had been suggested in the Subcommittee but had not been accepted, and the Chinese Member had reserved the right to return to it in full Committee. It was his delegation's view that it was inadvisable to restrict the disposition of reparations facilities by recipient countries in any way whatever. He would, therefore, once more suggest the reduction of the three-year period in paragraph 11 to six months. The Canadian Member said that he was favorably inclined toward the Chinese position on this point, and that the three-year period mentioned in this paragraph was probably too long. The Australian Member, speaking as Chairman of the Subcommittee, said that the Subcommittee had considered this problem from two viewpoints: (1) The question of the principle involved in placing a time restriction on reparations recipients during which they would be obligated not to dispose of such facilities; and (2) the question of the length of the period should such restriction be deemed desirable. A majority of the Subcommittee had agreed in principle that some restriction of this sort was desirable. Most Members, however, had an open mind on the length of the period.

The U. S. Member said that his Government had proposed the three-year period in this paragraph on the ground that the primary objective in any reparations program was to contribute to the rehabilitation of war devastated areas. The objective was to place certain industrial assets in the hands of devastated countries as partial replacement for assets lost as a result of the war. This was, he pointed out, the common-sense meaning of the word "reparations". Furthermore, much of the thinking that had been done in his delegation -- and doubtless in other delegations -- had been based on the assumption that recipient countries had a genuine need for industrial facilities which the FEC reparations program would make available and that the welfare of recipient countries, as well as that of the Far East in general, was in some measure dependent upon the use of such facilities. The U. S. Delegation had not changed its views on this matter. In its view the reduction of the three-year period to six months would constitute a change in this principle. Any such change in this aspect of reparations policy would require a reappraisal of other reparations problems. In any case he could not at this time give any official views on the Chinese proposal to reduce the period to six months.

The Australian Member said that he was in general agreement with the remarks of the U. S. Member. When the subject of division of shares was under discussion and his delegation had decided to surrender a portion of its share for subsequent redistribution, it had done so in the feeling that the industrial

facilities thereby made available would be useful to the war-devastated areas. The Chinese proposal was not, he thought, consistent with the principle that reparations were primarily for purposes of reconstruction of war damage. His delegation was prepared to consider a reduction of the three-year period but not such a drastic reduction as would compromise the principle involved. To reduce the period to six months would, he felt, be to compromise the principle. The U. K. Member also felt that a reduction to six months would compromise the principle on the basis of which the three-year period had originally been proposed. He pointed out that such a reduction was inconsistent with the last two sentences of paragraph 13 which placed a two-year limit on acceptance of reparations goods. He would be unable to support a reduction to six months.

The Canadian Member said that in view of the rather strenuous objections to the six months period suggested by the Chinese Member, he would suggest a period of one-and-one-half years. This would, he felt, maintain the desired principle and at the same time permit a reasonable flexibility in the utilization by recipient countries of facilities received on reparations account. He pointed out that inasmuch as there might be a considerable lapse of time between the acceptance of a facility and its actual receipt by the claimant country, it was not impossible that countries might find that facilities which they accepted in good faith were of no use to them by the time they were received. The Indian Member said that he could agree with the Canadian Member on a personal basis. He pointed out that it should be kept in mind that two years might elapse between the date on which a claim was filed and the date on which the item was received, and that deterioration of the item in the interim might mean that the facility no longer fitted into the economy of the recipient country. He felt that some provision for disposition of such items should be made in the paper and that the one-and-one-half year period suggested by the Canadian Member would be a reasonable compromise. The Netherlands Member said that he was pleased to note the emphasis on "need" which Members had expressed in the discussions of this problem. He pointed out that it was precisely this emphasis which his delegation had always felt should be given to the reparations problem and which had made it necessary for his delegation to press for a substantial share of reparations for the devastated areas under Netherlands authority in the Pacific area. He pointed out that China was admittedly the country most devastated during the war and was, therefore, one of the countries most urgently in need of aid in reconstruction. It seemed unreasonable, therefore, to force reparations facilities on such a country against its will. In his view it would be preferable to give all recipients a free hand with the facilities allocated to them on reparations account.

The Chinese Member said that while he appreciated the Canadian Member's attempt to reach a compromise on this point, his instructions did not at present permit him to support any time period longer than six months. The U. S. Member said that he was likewise unable to accept the period of one-and-one-half years at this time. He associated himself with the remarks of the Australian Member, stating that in his view the reduction of the period to even one-and-one-half years would compromise the principle on the basis of which the original three-year period had been proposed. The Philippine Member said that he would like to associate himself with the general remarks of the Australian, U. K. and U. S. Members. In his view a three-year period was perhaps too long, but a six-months period was too short. He would be willing to consider a compromise.

Further discussion of this paragraph was deferred.

Additional Amendments to C1-211/14

The Chairman called attention to certain additional amendments still pending Committee action and contained in Enclosure "D" of C1-211/14.

a. Australian Proposal to Add "Pacific Area" in Paragraph 7, c

The first of these was a proposal by the Australian Member to add at the end of paragraph 7, c the words "and the Pacific area" after the words "Far East". The Australian Member explained that the reason for this suggested change was that the term "Far East" did not have the same meaning in the terminology of all countries and in many cases excluded Australia, New Zealand and India. He felt that some additional description of the area which would include all FEC Members and their territories was desirable. The U. S. Member said that he feared the term "Pacific area" would involve additional difficulties. For example, it might conceivably be interpreted to include the countries in South America bordering on the Pacific and even Mexico. The Australian Member said that his intention was to include in the term only those countries directly affected by the war and whose contribution was instrumental in the defeat of Japan. The French Member pointed out that this same difficulty had arisen in the United Nations in the preparatory discussions of the title to be given the proposed economic commission for the Far East. One compromise that had been suggested involved the use of the phrase "all countries concerned". The Canadian Member said that the final decision on the title for the Commission had been to call it "Economic Commission for Asia and the Far East".

The Chairman suggested that the Committee would want to give further consideration to this problem and it was agreed to defer discussion of it.

b. Chinese Amendment to Paragraph 7 b

The Chinese Member recalled that his delegation's amendment to paragraph 7, c, submitted as an alternative to its earlier amendment in Enclosure "B" of C1-211/13, had been omitted from the amendments listed in Enclosure "D" of C1-211/14. He asked for the views of the Committee on the amendment, pointing out that it was contained in the minutes of the 144th meeting of Committee No. 1, page 5. The U. S. Member said the objective of the Subcommittee in redrafting paragraph 7 had been to make the criteria contained therein as mechanical as possible. The Chinese amendment, however, would require that SCAP make judgments as to whether a facility in a certain country were repairable or not. This represented a departure from the Subcommittee's views on this paragraph and he felt it would involve SCAP in judgments which he was not prepared to make.

Other Members of the Committee were without instructions on the Chinese amendment and it was decided to postpone further discussion.

c. Discussion of Criterion Contained in Last Clause of Paragraph 7, c

The Committee also discussed the entire last clause of paragraph 7, c which reads as follows: "including the development of resources contributing to the welfare of the Far East". The U. S. Member said that this constituted actually a fourth criterion, namely, that following the application of previous criteria, if a

dispute over allocation was still unsettled, the Supreme Commander was to consider the value of the disputed item to the development of resources contributing to the economic welfare of the entire Far Eastern economy. As pointed out above, the Subcommittee had, in drafting the original paper, attempted to make the application of criteria for allocation as mechanical as possible. The difficulty with the last clause of paragraph 7, c is similar to the difficulty mentioned earlier in connection with the proposed Chinese amendment to paragraph 7, b, namely that it requires of SCAP certain judgments regarding the Far Eastern economy in general and the economies of specific countries in particular which he is in no position to make. The U. S. Member therefore proposed the deletion of the entire last clause of para. 7 c referred to above. The U. K. Member said he would also prefer the deletion of this clause and for substantially the same reasons. The Indian Member said that, pending receipt of instructions by Members on this point, the Committee should defer action.

It was agreed to postpone further discussion.

d. Proposed Australian Amendment to Paragraph 8

The Australian Member recalled that in the Subcommittee's memorandum in Enclosure "B" under paragraph 7, reference had been made to the Subcommittee's view that among the "special problems" referred to at the end of paragraph 7 should be included the need of countries with small shares to obtain individual industrial facilities of special value to them rather than whole plants. In his view this same provision could usefully be included in paragraph 8. He therefore proposed the addition in line 2 of this paragraph after the word "practicable" the words "and taking into due account the need for special items on the part of countries receiving only small shares".

Discussion of the Australian proposal was postponed until the next meeting.

e. Withdrawal of Philippine Amendment

The Philippine Member, referring to his delegation's proposed amendment to paragraph 7, c as contained in C1-211/14 (Enclosure "D") said that with a view to expediting approval of this paper, his delegation would not press for adoption of its proposal to add the words "relief and" after the word "country's" in line 7.

f. Drafting Changes in Paragraph 6 Proposed by U. S. Member

The Committee agreed to a suggestion of the U. S. Member to substitute the word "claimant" for the word "recipient" in lines 9 and 11 of paragraph 6, and to substitute the word "carrier" for the word "ship" in line 15 of paragraph 6.

g. U. S. Amendment to Paragraph 7, b

The U. S. Member explained his delegation's proposal in Enclosure "D" of C1-211/14 to substitute the words "incident to prosecuting the war against Japan" for the words "as a result of engaging in hostilities against Japan". He pointed out that the phrase "hostilities against Japan" could be interpreted to mean "used in hostilities against Japan" and thus might imply direct participation in the conflict rather than the effect upon industrial facilities of their having been used excessively in the course of prosecuting the war. The phrase "incident to prosecuting the war against Japan" would clarify the intention.

Discussion of this amendment was postponed.

Conclusion of Discussion

The Chairman suggested that in view of the large number of amendments on which delegations would doubtless have to receive instructions, further discussion be postponed until the next meeting of the Committee. The U. S. Member said that he would have further verbal changes to suggest and that he would submit them to the Secretary. The Secretary said that he would issue a new draft of the document, containing the few changes to Enclosure "A" adopted by the Committee as well as a complete list of pending amendments to the paper. (Subsequently circulated as C1-211/15).

The item was retained on the agenda.

ITEM 4 - DEFINITION OF JAPANESE OCCUPATION COSTS, FEC-288, /1, /2

There was no discussion of this item. The item was retained on the agenda.

ITEM 5 - TREATMENT OF JAPANESE ASSETS IN NEUTRAL COUNTRIES, FEC-295

The Chairman recalled that the Soviet delegation at the last meeting had stated that it was his personal view that FEC-295 was not within the present competence of the Committee or the Commission to discuss. The U. K. Member said that he did not understand the interpretation of the terms of reference implied by the Soviet Member's statement at the last meeting of the Committee that "the problem of Japanese assets in neutral countries did not fall within the scope of those subjects which the FEC was competent to discuss without prior special approval of the four Governments according to the Terms of Reference of the Commission". The U. K. Member said that Article II, A, 3 stated that the Commission could "consider such other matters as may be assigned to it by agreement among the participating Governments reached in accordance with the voting procedure provided for in Article V--2 hereunder." It would seem clear, therefore, that any decision as to "other matters" to be discussed by the Commission would be made by all eleven Governments on the Far Eastern Commission. The Soviet Member said that his reference to the "four Governments" at the 147th meeting was merely a reference to the fact that the voting procedure necessary for agreement on FEC competence to discuss "other matters" required the concurrence of the four Governments. The U. K. Member said there was apparently no disagreement between himself and the Soviet Member on the interpretation of this article of the Terms of Reference.

The Chairman asked Members for their views on the procedure to be followed regarding the Soviet Member's query on the competence of the Committee to discuss FEC-295. The Indian Member said that in view of the fact that the Soviet Member's views were merely personal, it would be appropriate to await the official views of the Soviet delegation before referring the matter to the Steering Committee for an opinion. The Soviet Member said that his Delegation's official view concerning the general question of the Far Eastern Commission's competence to discuss Japanese assets in foreign countries was well known, as it had been expressed three or four times in the past two years. While he could not state definitely what his official instructions would be on FEC-295, it was his personal view that this subject simply represented a particular instance of the general question of Japanese assets in foreign countries. It was, therefore, his personal view that it was impossible for the Commission to discuss FEC-295 without prior agreement as indicated in the Terms of Reference.

In the absence of official Soviet instructions on the

procedural point, as well as the instructions of other Members on the substance of FEC-295, it was decided to defer discussion of this item. The item was retained on the agenda.

ITEM 6 - REPARATIONS FROM JAPANESE CURRENT PRODUCTION: VIEWS OF THE FRENCH MEMBER, C1-281

The Indian Member said that it was his understanding that the Netherlands and French delegations were preparing a policy proposal regarding reparations from Japanese current production. He suggested the Committee postpone discussion pending receipt of a concrete proposal.

The item was retained on the agenda.

ITEM 7 - POLICY TOWARDS PATENTS AND SIMILAR INDUSTRIAL PROPERTY OWNED BY JAPANESE OR REGISTERED IN JAPAN, C1-222/2, /3; FEC-284, Enc. "B"; FEC-284/2

The Committee agreed to refer C1-222/2, /3 to the Subcommittee on patents with instructions to report to the Committee whether the information contained therein was sufficient to preclude the necessity of a consultation with SCAP. The Committee further suggested that the Subcommittee be instructed to the effect that the Committee was awaiting a report on Enclosure "A" of FEC-284.

ITEM 8 - SETTLEMENT OF AMOUNTS DUE REPATRIATED JAPANESE, FEC-294; FEC-090

The U. S. Member said that the proposal contained in FEC-294 was self-explanatory and that it represented the spelling out in detail of the procedures that should be followed if a Government desired to remit funds for Japanese repatriates. The Indian Member wondered whether the paper might be referred to a Subcommittee. The U. K. Member expressed a preference for retaining the item on the Committee's agenda until receipt of instructions. The Soviet Member said that it was his delegation's view that this subject was also outside the jurisdiction of the Far Eastern Commission. Problems involving prisoners of war should, he said, be handled pursuant to international conventions and the relevant laws of the countries concerned. He opposed referring the paper to a Subcommittee prior to receipt of instructions. The Philippine Member pointed out that there was in the paper specific mention of international conventions and agreements (Paragraphs 1 and 2 of FEC-294). The Soviet Member said that while such mention had been made, there had been no mention of the national laws of the countries concerned. The U. S. Member said that FEC-294 was in no way in conflict with the national laws of any country. The paper bound no country to make any remittances to repatriates and merely indicated that if any country desired to do so, it should follow certain procedures laid down therein. The paper in itself obligated no Government to do anything.

In the absence of instructions, the Committee agreed to postpone further discussion and retain the item on the agenda.

ITEM 9 - DISPOSITION OF VESSELS OTHER THAN THOSE OF ALLIED REGISTRY, C1-274/1

The Chairman recalled that this item had been dropped from the agenda for some time to permit Members to receive instructions and to permit the U. S. Member to obtain further information concerning the way in which ships of non-Allied registry fell into the hands of the Japanese. The U. S. Member said that in SCAP

reports to date, it appeared that only one neutral ship was involved, together with several Italian and German ships. No information was available, however, beyond that contained in recent SCAP summations. The neutral ship referred to was the MIRAMAR, a 1,700 ton ship of Swedish registry seized by the Japanese in 1941 in Indo-Chinese waters. This ship had been taken to Japan and used by the Japanese ever since. The Philippine Member said that it was his understanding that the U. S. was willing to limit C1-274/1 to neutral ships. The U. S. Member said that his delegation was willing to consider doing so, and that if the FEC felt that existing international conventions were sufficient to handle the problems referred to therein, would be willing to withdraw the entire paper.

The U. K. Member asked whether a Swedish claim had been filed for the MIRAMAR. The U. S. Member said that such a claim had been received from the Swedish Government about eight months ago and that its receipt had suggested to the U. S. Government that such a statement as that contained in C1-274/1 was perhaps advisable. The Australian Member asked whether any additional information was available concerning the circumstances under which the MIRAMAR had been seized by the Japanese. He felt that without such information it was difficult to decide the policy problem involved in possibly authorizing its return to the Swedish Government.

The U. S. Member said that he had no information beyond that which he had just given. The Soviet Member said that it was very difficult to decide this question without further information. He recalled that the view of the Soviet delegation was already well known, namely that all the circumstances surrounding the seizure by the Japanese of neutral vessels were necessary in order to deliver a sound judgment on the question of disposition of such vessels. He thought it rather strange that a ship, supposedly seized by the Japanese in 1941, had been remembered by the interested Government only in 1947. This attitude of a country towards its own ships was an interesting fact which would bear further examination. The U. S. Member said that he did not mean to imply that the claim of the Swedish Government for the MIRAMAR had been made for the first time 8 months ago, but rather that the request was made not less than 8 months ago, at which time the U. S. Government had deemed it desirable to prepare the statement subsequently submitted to the Committee in C1-274/1. The U. S. Member further stated that he had no information as to the exact date of the original Swedish claim for the MIRAMAR and that it may well have been made very much earlier. He pointed out that in any case the document C1-274/1 was fully adequate to handle all non-Allied vessels whether seized by the Japanese illegally or used by them under contractual arrangements.

The Soviet Member said that the request for further information on this matter had been made some two months ago. Even by the slowest mode of communication it should have been possible to have information by this time. The U. S. Member said that he could give no assurance that there would be any information beyond that already given by his delegation. He felt that the function of the Commission should be to make policy and not undertake a protracted analysis of administrative details. The Soviet Member said that he could not agree with this interpretation of the problem confronting the Committee. In his view the issue involved was a policy matter, and a decision concerning it was impossible without further information. Without such information the Committee would be proceeding with its eyes closed.

The Chairman suggested that in view of the lateness of the hour, the item be retained on the agenda. The item was accordingly retained on the agenda.

ITEM 10 - INTERIM DIRECTIVE REGARDING ADVANCE TRANSFERS OF
JAPANESE REPARATIONS AND REPARATIONS PROCEDURES.
FEC-216/1, /2; C1-220; Min. 53rd FEC Mtg.

There was no discussion of this item and the item was retained on the agenda.

ITEM 11 - OTHER BUSINESS

The Secretary informed the Committee that the Secretary General had received a letter from Mr. J. de Ferluc stating that he was no longer associated with the French delegation and the FEC, and that he wished to pay his respects to all his former colleagues on the Committee.

There was no further business.

Meeting adjourned at 5:10 p.m.

Time of next meeting: 25 February 1948 at 3:00 p.m.

PATENT PROPERTY
F.E.C. MEETINGS &
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FEC-RESTRICTED

Com. No. 1 - 188th Mtg.

21 February 1949

FAR EASTERN COMMISSION

COMMITTEE NO. 1: REPARATIONS

SUMMARY OF MINUTES

ITEM 1 - APPROVAL OF THE MINUTES OF THE 187TH MEETING

Minutes amended and unanimously approved.

ITEM 2 - RECOMMENDATIONS REGARDING JAPANESE-OWNED PATENTS, UTILITY MODELS AND DESIGNS IN TERRITORIES OF COUNTRIES AT WAR WITH JAPAN, FEC-211/2; CI-311/3, /4, /5

Netherlands Member moved adoption of all amendments in CI-311/5 except one. Detailed discussion of amendments. Retained on agenda.

ITEM 3 - RESTITUTION OF SHIPS OUTSIDE JAPAN, FEC-011/54; CI-323 thru /5

No discussion. Retained on agenda.

ITEM 4 - PATENT POLICY FOR NEUTRALS IN JAPAN, FEC-321; CI-321/2, /3

Report of Chairman of Patents Subcommittee. Retained on agenda.

ITEM 5 - TRADE-MARKS AND MARKING OF MERCHANDISE IN JAPAN, CI-332

No discussion. Retained on agenda.

ITEM 6 - REPARATIONS CLAIMS AGAINST JAPAN, CI-283/1

Canadian and French members stated no comment on paragraphs 1, 2 and 3 of CI-283/1 until reparations further settled. Retained on agenda.

ITEM 7 - PROPOSED PUBLIC ANNOUNCEMENT REGARDING REPARATIONS CLAIMS OF NON-FEC COUNTRIES, CI-307

No discussion. Retained on agenda.

ITEM 8 - OTHER BUSINESS

No other business.

Time of next meeting: 28 February 1949 at 3:00 p.m.

Com. No. 1 - 188th Mtg.
21 February 1949



21 February 1949

FAR EASTERN COMMISSION

COMMITTEE NO. 1: REPARATIONS

MINUTES

ATTENDANCE:

Australia	Mr. H. W. Bullock (Chairman)
Canada	Mr. R. E. Collins
China	Dr. A. Koo, Mr. S. Y. Huang
France	Mr. A. Fequant
India	Mr. S. N. Banerji
Netherlands	Mr. G. J. Jobsis
New Zealand	Mrs. I. P. Bloomfield
Philippines	Mr. F. Lozada
U.S.S.R.	Mr. B. K. Sokolov, Mr. G. P. Pokrovsky
United Kingdom	Mr. M. B. Thresher, Mrs. J. Locke
United States	Mrs. S. G. Kallis
Secretariat	Mr. J. F. Davidson, Secretary Miss Miriam Nieland, Assistant Secretary

SECRETARIAT NOTE

Beginning with this issue of the minutes, paragraphs will be consecutively numbered for ease of reference.

ITEM 1 - APPROVAL OF THE MINUTES OF THE 187TH MEETING

The minutes of the 187th meeting were unanimously approved with the following changes:

Page 4, first full paragraph, last line: Under the remarks of the Chinese Member, delete the period after the word "comment" and add the following words "to make at this meeting".

Page 5, second paragraph, under the remarks of the Chinese Member: Delete the sentence, "No answers for Indian Member" and substitute "Nothing further to add to comments made at 178th meeting."

Page 5, last paragraph, last sentence should read: "His Government considered paragraphs 4 and 5 premature, but he saw etc."

ITEM 2 - RECOMMENDATIONS REGARDING JAPANESE-OWNED PATENTS, UTILITY MODELS AND DESIGNS IN TERRITORIES OF COUNTRIES AT WAR WITH JAPAN, FEC-311/2; C1-311/3, /4, /5

1. The Netherlands Member said that he was now prepared to move the adoption of the amendments to FEC-311/2 contained in the Netherlands comments in C1-311/4 (circulated for clarification in C1-311/5) with the exception of the deletion of the last part of paragraph 4 (paragraph 5 of C1-311/5). Referring to the general comments of the U. S. Member made at the 186th meeting (page 1) he agreed that the purpose of FEC-311/2 was to make recommendation to the various Governments, but pointed out that the binding nature of the last clause of paragraph 1 a gave these recommendations additional force. The Netherlands Government believed that since the scope of the paper went beyond recommendations in the usual sense, these proposed changes should be included.

First Netherlands Amendment

Add the word "wholly" before the word "Japanese" in the first sentence of paragraph 1 a (paragraph b of C1-311/4).
Add new paragraph 1 b.

2. These two changes were related since the addition of the word "wholly" limited the application of paragraph 1 a to patents wholly Japanese owned, while paragraph 1 b was added to deal with patents not wholly Japanese owned. In reply to the objection raised by the U. K. Member at the 136th meeting (page 2) that the definition "Japanese-owned" would not be the same in every country, the Netherlands Member pointed out that the purpose of paragraph 1 b was to insure that, however a country dealt with partly Japanese-owned patents in regard to its own nationals, the nationals of other countries accepting this policy would be treated the same way.
3. The Indian Member inquired as to the interpretation of "formerly" in line 4 of paragraph 1 b. The Netherlands Member replied that it meant before the date of adoption of this paper. The Indian Member asked if that would not mean, in effect, at the date of the outbreak of hostilities since the Japanese could not have acquired an interest in such a patent during the war. The Netherlands Member agreed that this was correct.
4. The Philippine Member asked what the meaning of "wholly" was. It seemed that it might be interpreted in many ways, and he thought the meaning should be clarified. The Chairman said he assumed it meant patents owned by a Japanese national or company with no part ownership by any one else. The Philippine Member asked what would be the classification of a patent owned by a company 51% of which was Japanese controlled. The Netherlands Member replied that such a patent would be a Japanese patent, but it would not be wholly Japanese owned. The question of whether a patent was a Japanese patent could be clearly decided, but the question of when it was Japanese-owned was a complex one. If a Japanese company owned the patent, it was a Japanese patent, but the ownership of the company might not be completely Japanese. The purpose of this amendment was to draw into the policy Japanese patents which were not wholly Japanese owned.
5. The Chinese Member said that he assumed paragraph 1 b was designed to protect the interests that nationals of countries at war with Japan may have had in partly Japanese owned patents. He believed that these interests were covered by the provision of paragraph 1 a: "except so far as restriction is necessary to protect rights which have been lawfully granted to or acquired by any national of a country at war with Japan". The Netherlands Member recalled that the same remark had been made at the 136th meeting by the Canadian Member. His Government, however, did not think that such interests were sufficiently covered by this provision and believed the additional paragraph was necessary.
6. The Canadian Member asked if it would be possible for a national of a country at war with Japan to have any right in a wholly Japanese-owned patent. If it were not possible, paragraph 1 a would have to be revised further if the word "wholly" were adopted.
7. The U. K. Member said that the addition of the word "wholly" between "former" and "Japanese-owned" would imply that there were former Japanese-owned patents which were not wholly Japanese owned. According to the Netherlands Member, these were dealt with in paragraph 1 b. However, this paragraph was phrased in such a different way that he did not think it was very definite. He could not see any difference between the provision of paragraph 1 b and what was provided by paragraph 1 a.

as it stood. If a country had taken over a patent in which there was partial Japanese ownership, and granted the rights of that patent to one of its nationals, it could not make such a patent available to the public under the present provisions of paragraph 1 a because of the clause protecting rights of Allied nationals. In addition, paragraph 3 of FEC-311/2 protected all existing rights of Allied nationals in former Japanese-owned patents. The Netherlands Member replied that as the U. K. Member had previously pointed out, the formulation of what was not a wholly Japanese-owned patent might be difficult and would be different in various countries. Therefore the wording of paragraph 1 b had to be different from that of paragraph 1 a. Paragraph 1 b assured that every one would be treated the same as nationals of the country concerned regardless of what decision it made as to the definition of "Japanese-owned".

8. The Indian Member asked if the Commission was competent to make any provisions regarding patents which were predominantly non-Japanese owned. The Netherlands Member replied that it was not necessary to establish a uniform ruling between countries. The purpose of paragraph 1 b was to insure uniformity within a country. The Indian Member agreed that this could be done in regard to Japanese-owned patents. He only questioned whether the Commission could make any recommendations at all regarding patents in which the controlling interest was non-Japanese.

9. The Chairman, speaking as Australian Member, doubted if the Commission could get very far trying to draw the line between Japanese-owned and non-Japanese-owned patents. The Netherlands Member agreed and said that it was because "Japanese-owned patent" as used in FEC-311/2 had no real meaning that the Netherlands proposed to make the distinction between "wholly" and "partially" Japanese-owned patents. "Wholly" meant 100% and that could be clearly decided.

10. The U. S. Member pointed out that there might even be a difference of opinion as to what constituted "wholly Japanese-owned" since one country might recognize a company organized under Japanese law and another might not. She gathered that the purpose of the amendment was to close the loop-hole due to differences in laws of the various countries, but did not think that it could be done. Paragraph 3 of FEC-311/2 was adequate to give the protection intended in paragraph 1 b of Cl-311/5. She believed that the addition of the Netherlands amendments would only complicate the paper and make it more difficult than ever to get a policy on which there could be agreement. The Netherlands Member said that his Government believed paragraph 3 was not sufficient, and, in fact, that that paragraph itself should be reworded. His Government believed that the amendments to paragraph 1 were necessary in order to make an efficient policy.

Second Netherlands Amendment

Add the words "issued by a country" in the first part of paragraph 1 a as indicated in Cl-311/5 (paragraph d of Cl-311/4).

11. This change was to make clear that the paragraph covered only patents issued by a country adopting the policy and not patents which may have been issued by neutral or enemy countries. The Netherlands Member recalled that Mr. Greenwald of the U. S. delegation at the 136th meeting (page 3) had stated, for example, that it might be possible for the U. S. to have control of a patent issued in Germany which had been assigned by the German firm to the Japanese. Under the amended wording, such a patent would not be included. The U. K. Member said he did not think the U. S. could take over an Allied patent which had been assigned to Japan. The Netherlands Member replied if even one case were involved, he thought the amendment was justified.

Third Netherlands Amendment

Add the words "provided also that no licenses should be granted to nationals of countries not at war with Japan" in paragraph 1 a (paragraph e of C1-311/4).

12. This was to exclude neutrals and enemy countries. The Netherlands Member recalled that the Australian and Canadian Members had expressed the opinion that the last clause of paragraph 1 a would adequately cover this point. The Indian Member had added the suggestion that changing the words "need be" to "will", or better still, to "shall" in the last clause would make it sufficiently binding. The Netherlands Member said that he preferred the wording proposed in his amendment, but would be willing to support the Indian suggestion if it were moved. The Chinese Member said that if any change were to be made, he preferred the Netherlands amendment since it was more explicit. He felt that the word "shall" might prove to be a restriction on countries which had been at war with Japan.

13. The U. K. Member said that he had never felt very favorably toward the last clause, and could not support any change which made the provision more binding. He did not think that countries should be prohibited from extending the provisions to neutrals if they so desired. He would oppose the amendment for this reason and for the additional reason that he thought it would involve administrative difficulties.

Fourth Netherlands Amendment

Add new paragraph 1 e (paragraph g of C1-311/4).

14. The purpose of this paragraph was to specify the scope of licenses which would be granted. With regard to the question of the Chinese Member made at the 136th meeting (page 4 as amended), the Netherlands Member said he did not know why his Government had chosen a different wording from paragraph 3 of the German agreement on Treatment of German-Owned Patents and was willing to defer to the Chinese Member if he wished to move that the German wording be used.

Fifth Netherlands Amendment

Add new paragraph 2 a (paragraph h of C1-311/4).

15. The Netherlands Member said that in the paper as it stood now, the whole field was not covered. Provision was made for patents abandoned or refused during the war, but not for pending applications. With reference to the question of the U. S. Member at the 136th meeting (page 4) as to whether a cut-off date was not needed in this paragraph to insure that applications legitimately applied for since the occupation would not be included, the Netherlands Member agreed that a cut-off date could be included. He proposed to include the date 1 September 1945.

16. The Chinese Member asked if patents not issued were to be considered abandoned or refused. If not, how were patents not issued to be dealt with? He thought there was a gap between the provisions of paragraphs 2 a and 2 b.

17. The U. K. Member said that paragraph 4 of FEC-311/2 (paragraph 5 of C1-311/5) made it clear that the applications referred to were those issued before 1 January 1946. The purpose was to wipe out Japanese patent rights prior to the end of the war and at the same time to protect rights of Governments during the war. He thought the ambiguity arose from the phrasing of the proposed paragraph 2 a.

18. The U. S. Member pointed out that the same separation as to Japanese ownership did not exist in paragraphs 2 a and 2 b as in paragraphs 1 a and 1 b. It was possible that a patent in which there was a Japanese

interest might have been pending before December 1941, but for some reason had not been treated as Japanese owned under the laws of the country. Such cases might cause considerable administrative difficulty.

Sixth Netherlands Amendment

Add new paragraph 3 (paragraph e of C1-311/4).

19. The purpose of this paragraph was to protect the rights of Allied beneficial owners. This was the same provision that was proposed by the Netherlands as an amendment to FEC-284/10, Patents, Utility Models and Designs in Japan (Enclosure "A" of C1-284/13) and rejected by the Committee. The Netherlands Member said he thought it was important to be even clearer in this paper, since FEC-284/10 was to be administered by SCAP while FEC-311/2 dealt with a great many administrative systems.

Seventh Netherlands Amendment

Reword paragraph 3 of FEC-311/2 as indicated in C1-311/5 (paragraph f of C1-311/4).

20. The Netherlands Member said he believed that "existing rights" would be better protected if explicitly defined as in the Netherlands proposal. The U. K. Member said he thought the existing definition would cover all contingencies. The Netherlands Member replied that a patent gave many rights and that these should be defined. His Government, for example, believed that the existing form of paragraph 3 might not cover co-ownership. The Canadian Member said he believed the present form of paragraph 3 was adequate. It was flexible enough to cover all possible rights. He asked how it would be possible for an Allied national to have a proprietary right in a wholly Japanese-owned patent. The Netherlands Member replied that such a right might have been granted by the Allied Government during the war. In this way it might sometimes be possible that a "former Japanese-owned patent" might not be Japanese owned at all. This ambiguity in the present wording of the policy was what the Netherlands amendments were intended to clarify.

Eighth Netherlands Amendment

Reword paragraph 5 of FEC-311/2 as indicated in C1-311/5 (paragraph i of C1-311/4).

21. This was the same provision proposed by the Netherlands in connection with FEC-284/10 (Enclosure "A" of C1-284/13). There was no discussion of this amendment.

22. The Netherlands Member said that he would be willing to put these amendments to a vote at the next meeting. The Chairman said he hoped Members would have sufficient instructions by the next meeting to enable them to vote on these amendments so that the paper could be sent back to the Commission as soon as possible.

There was no further discussion. The item was retained on the agenda.

ITEM 3 - RESTITUTION OF SHIPS OUTSIDE JAPAN, FEC-011/54; C1-323 thru /5

23. The Chinese Member said that his delegation was seeking further instructions in the light of the discussion at the last meeting. He requested that discussion be postponed.

There was no further discussion. The item was retained on the agenda.

ITEM 4 - PATENT POLICY FOR NEUTRALS IN JAPAN, FEC-321; C1-321/2, /3

24. The Chairman noted that this item, under consideration in the Patents Subcommittee for some time, was again before the Committee. A proposed letter to the Swiss Minister, drafted by the Secretary, was contained in C1-321/3.

25. The U. K. Member, Chairman of the Patents Subcommittee, said that most of the time in the Subcommittee had been spent waiting for further information on the case from SCAP. At the last meeting, the U. S. Member submitted to the Subcommittee information to the effect that the Swiss request regarding the patent, as set forward in the letter to the FEC (FEC-321), was pending in the Office of the Civil Property Custodian of SCAP and under active consideration. The Subcommittee had concluded that no policy was necessary at this time and asked the Secretary to draft a letter to the Swiss Minister for consideration by the Committee.

26. The Indian Member noted that the letter from the Swiss Legation referred to the Swiss company's desire to conclude license agreements with Japanese companies for use of its patent, and also to obtain settlement of royalties due for the use of the patent. The proposed letter to the Swiss Minister mentioned only the royalties. He asked if the information received by the U. S. Member had touched only on this point. The U. S. Member replied that she would have more complete information at the next meeting of the Committee.

27. The Chinese Member said that he felt the last sentence of the proposed letter might give the implication that SCAP would take some action independent of decision by the FEC. He felt that a better wording might be: "Such information as is available may be more expeditiously obtained from the Headquarters of the Supreme Commander for the Allied Powers by your Mission in Tokyo. I shall inform you of any decision the FEC may make in this matter."

There was no further discussion. The item was retained on the agenda.

ITEM 5 - TRADE-MARKS AND MARKING OF MERCHANDISE IN JAPAN, C1-332

28. The U. K. Member, Chairman of the Patents Subcommittee, said that since this paper was before the Committee for the first time and Members would want some time to study it, he would postpone detailed comment on it until the next meeting. He pointed out that paragraph 3 was tentative. The Subcommittee had been waiting to see what action the Commission would take in regard to paragraph 5 of FEC-284/14. It was decided, however, to report this paper to the Committee with paragraph 3 in the present form. A paragraph proposed by the Netherlands Member of the Subcommittee, but not adopted in the Subcommittee draft, was included in Enclosure "B" of C1-332.

There was no further discussion. The item was retained on the agenda.

ITEM 6 - REPARATIONS CLAIMS AGAINST JAPAN, C1-283/1

29. The Canadian Member said that his delegation would not be in a position to comment on paragraphs 1, 2 and 3 of C1-283/1 pending further settlement of the over-all reparations question. The French Member said that the position of his delegation was the same as that expressed by the Canadian Member. The Philippine and Netherlands

Members said they were still awaiting instructions.

There was no further discussion. The item was retained on the agenda.

ITEM 7 - PROPOSED PUBLIC ANNOUNCEMENT REGARDING REPARATIONS CLAIMS OF NON-FEC COUNTRIES, C1-307

There was no discussion of this item. The item was retained on the agenda.

ITEM 8 - OTHER BUSINESS

There was no other business.

Meeting adjourned at 4:55 p.m.

Time of next meeting: 25 February 1949 at 3:00 p.m.

FEC-RESTRICTED

187th Mtg. - Com. No. 1

14 February 1949

FAR EASTERN COMMISSION

COMMITTEE NO. 1: REPARATIONS

SUMMARY OF MINUTES

ITEM 1 - APPROVAL OF THE MINUTES OF THE 186TH MEETING

Minutes emended and unanimously approved.

ITEM 2 - RECOMMENDATIONS REGARDING JAPANESE-OWNED PATENTS, UTILITY MODELS AND DESIGNS IN TERRITORIES OF COUNTRIES AT WAR WITH JAPAN, FEC-311/2, C1-311/3, /4, /5

Brief discussion of Netherlands comments in C1-311/4. Retained on agenda (p. 2)

ITEM 3 - RESTITUTION OF SHIPS OUTSIDE JAPAN, FEC-011/54; C1-323 thru /5

Discussion of advisability of formulating policy decision along lines of Chinese suggestion contained in C1-323/5. Indian Member requested secretary to report any provisions in German settlement on ships in this category. Retained on agenda. (p. 2)

ITEM 4 - REPARATIONS CLAIMS AGAINST JAPAN, C1-283/1

Canvassed status of Members' replies to questions of Indian Member on paragraphs 1, 2 and 3. Retained on agenda. (p. 4)

ITEM 5 - PROPOSED PUBLIC ANNOUNCEMENT REGARDING REPARATIONS CLAIMS OF NON-FEC COUNTRIES, C1-307

No discussion. Retained on agenda. (p. 6)

ITEM 6 - OTHER BUSINESS

No other business.

Time of next meeting: 21 February 1949 at 3:00 p.m.

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14 February 1949

FAR EASTERN COMMISSION

COMMITTEE NO. 1: REPARATIONS

MINUTES

ATTENDANCE:

Australia	Mr. H. W. Bullock (Chairman)
Canada	Mr. R. E. Collins
China	Mr. Y. C. Yang, Dr. A. Koo, Mr. S.Y.Huang
France	Mr. A. Fequant
India	Mr. S. N. Banerji
Netherlands	Mr. G. J. Jobsis
New Zealand	Mr. F. H. Corner
Philippines	Mr. F. Lozada
U. S. S. R.	Mr. B. K. Sokolov, Mr. G. P. Pokrovsky
United Kingdom	Mr. M. B. Thresher, Mrs. J. Locke
United States	Mrs. S. G. Kallis
Secretariat	Mr. J. F. Davidson, Secretary Miss Miriam Nieland, Assistant Secretary

ITEM 1 - APPROVAL OF THE MINUTES OF THE 186TH MEETING

The Minutes of the 186th meeting were unanimously approved with the following changes:

Page 1, Item 2, second paragraph, first sentence: Place a comma after the word "recommendations" and add the following phrase "and not to be in the nature of an accord". Delete the entire second sentence. In the last line of this paragraph, place a period after the word "principles" and delete the remainder of the sentence.

Page 3, first paragraph, the last sentence of the N. Z. Member's remarks should read: New Zealand, on the other hand, had only one patent involved, and that one patent had since lapsed.

Page 3, Paragraph (e), the second sentence of the remarks by the Canadian Member should read: This is in effect a provision which might limit those to whom licenses shall be granted.

Page 4, Paragraph (g), under the remarks of the Chinese Member, delete the reference to and the quotation from Article 2, and substitute the reference to and quotation from Article 3 of the Agreement on Treatment of German-Owned Patents which follows:

Subject to the provisions of Article 4, all licenses granted in accordance with Article 1 and, in cases where the Government is not prevented by the terms of the patent, license or other right which it acquires, all licenses granted in accordance with Article 2 shall include the right to practice and exercise the inventions claimed in the patents, and to make, use and sell the products of the inventions regardless of where such products are manufactured.

Page 6, third full paragraph, first line: Delete the words "if he could consider" and substitute the words "if the Soviet Member wished to move".

ITEM 2 - RECOMMENDATIONS REGARDING JAPANESE-OWNED PATENTS, UTILITY MODELS AND DESIGNS IN TERRITORIES OF COUNTRIES AT WAR WITH JAPAN, FEC-311/2, C1-311/3, /4, /5

The Chairman asked the Netherlands Member if the status of the amendments in C1-311/5 was still the same. The Netherlands Member replied that it was. These amendments were still put forward only as suggestions. Regarding the points which had been raised by other Members at the last meeting, he was not yet able to give much clarification. He had referred the various questions to his Government and hoped to have something further to say next week.

At the last meeting, there had been some question about the Netherlands approach to the regulations of forbidden inventions in Japan. He wished to make clear that his Government agreed to the principle that there should be some regulation of this kind, but thought that it should be dealt with differently from the way proposed in paragraph 4 of C1-311/2. In reply to the question by the Indian Member asked at the previous meeting, the Netherlands Member said that the three sentences in paragraph (f) of the Netherlands comments (C1-311/4) contained three separate ideas. The Indian Member noted that only one change in wording was suggested. He asked if that was intended to cover all three ideas. The Netherlands Member replied that the amendment dealt only with the last idea. The other two ideas were intended for the consideration of the Committee but no actual change in wording had been suggested.

The U. K. Member said that while he had no objection to leaving the item on the agenda for another week, he felt that it should not be postponed indefinitely, and further that the Committee should not continue to discuss these points without having the amendments formally proposed. The U. S. Member agreed with the remarks of the U. K. Member. Until the amendments were proposed, the Committee would be held up in its consideration of this paper. It was to be hoped that the Netherlands proposals would be clarified next week so that the Committee would be able to consider them and report soon to the Commission. The Chairman associated himself with the remarks of the U. K. and U. S. Members. The sooner action was taken on this paper, he thought, the better.

There was no further discussion. The item was retained on the agenda.

ITEM 3 - RESTITUTION OF SHIPS OUTSIDE JAPAN, FEC-011/54; C1-323 thru /5

The French Member said that he had received an answer from his Government to the request in FEC-011/54 stating that it had no ships to report.

The Indian Member noted that C1-323/5 had been submitted by the Chinese Member "as a basis for discussion". He took this to mean that it was not a formal proposal to be referred to Governments. Under the circumstances, he would like to have the Chinese Member initiate the discussion. The Chinese Member referred to his remarks at the 186th meeting of Committee No. 1, page 7, as follows: "The Chinese delegation was not necessarily attached to the present wording of the proposal, which might be changed in the course of discussion." He had made this suggestion because the subject was an important one with a long history of discussion in

the FEC. He would like to hear comments from other Members and would not make a formal proposal until he knew the position of other Members on the question.

The Chairman said that there had been a great deal of discussion on this point, always resulting in a deadlock. He frankly did not know what further discussion the Chinese Member hoped to obtain. Since Cl-323/5 was a Chinese suggestion, he thought the Committee would like to hear from the Chinese Member. The Chinese Member said that he believed the matter before the Committee was one of principle. A policy should be formulated embodying the principle to be followed in dealing with the salvaging of looted ships. The implementation could be left to SCAP. He was not so pessimistic as other Members about the possibility of reaching some agreement. The information which had been submitted in response to the request in FEC-011/54 had clarified the situation and he believed it would be helpful to discuss it again. Therefore he had made his proposal to initiate this discussion.

The N. Z. Member said that after looking at the ships listed in the reports produced so far, he felt that the problem was not worth pursuing and that the item might well be dropped from the agenda. In the first place, it was apparent that there were too few salvable ships to justify a policy decision. In addition, the lists revealed that some ships had been sunk several years ago, some as much as 10. Therefore, the Chinese suggestion that a policy be established providing for the "salvage, repairing and refitting" of such ships amounted to proposing that some countries receive a new ship in place of one which had deteriorated beyond repair. Actually, when pursued thus far, the problem became one of reparations and not restitution. The result of the Chinese proposal would be that countries fortunate enough to have had their ships sunk in shallow waters and locatable would get a higher priority in reparations considerations than those whose ships had been sunk in deep waters and in unlocatable areas. He believed that the information obtained had been useful in pointing out that no problem existed and that any proposal along the lines of the Chinese suggestion would result in throwing the general reparations problem out of line.

The U. K. Member said that as the Committee was well aware from previous statements by him, he agreed with the views expressed by the N. Z. Member. The Chairman, speaking as Australian Member, recalled that at the time the general restitution policy was before the Commission, he personally had proposed a wording of the provision which was very close to that now before the Committee in Cl-323/5. However, he felt that much time and effort had been expended needlessly on this subject. The information which had been submitted showed that the number of ships which would be included in such a policy was insignificant. Furthermore, it was questionable whether "looted" ships could be discussed apart from the whole question of war losses and reparations. There was not much difference between the sinking of Allied ships which had been seized and used by the Japanese and the sinking of Allied ships which had not been seized by the Japanese, as far as loss to the Allied countries was concerned. There was no particular reason why those seized by the Japanese should have priority in compensation. He felt that the larger question of reparations was much more important and that time should not be taken up in this rather pointless discussion.

The Indian Member said that he would like to know the provision made in the German settlement for ships in this category and asked that the Secretary obtain this information. It seemed to him that the situation had changed since the submission of the various reports. Formerly it had been argued that the Japanese economy could not stand the burden of the charges proposed in a policy of this kind. If the number of ships involved was insignificant,

as the information indicated, then that argument no longer held. However, there was still the objection raised by the N. Z. Member that such a policy would give undue preference to certain countries in the matter of reparations. Speaking personally, he agreed with this objection and would support a motion to drop the item from the agenda.

The U. S. Member agreed with those Members who felt that the problem was not one which could usefully be discussed toward a policy decision. As had been pointed out by several Members, only one ship was definitely listed as salvable in the data given. However, she was not sure that this was the view taken by the Chinese Member in the Subcommittee. She asked if the Chinese Member had some doubt as to whether one ship actually was the extent of the problem. The Chinese Member said he had no comment.

The N. Z. Member said that the wording of C1-323/5 seemed to be applicable not only to salvable ships but to those which might be completely wrecked. He felt that such a provision, if adopted, would be absurd. He moved that the subject be dropped from the agenda with the understanding that any country could include such ships in its general reparations claim.

The Indian Member said he would like to request that the N. Z. Member not press his motion until information was available on the treatment of German ships. The N. Z. Member agreed, adding however, that he saw no sense in having the item come up every week.

The Canadian Member asked whether the Committee should not report to the Commission. Since the subject had been referred for study, the Committee could not simply drop it from the agenda. The N. Z. Member recalled that sub-paragraph 3 of FEC-011/46 which formed the substance of C1-323/5 had been referred to the Committee at the 115th meeting of the Steering Committee on 27 July 1948 "for study with a view to the formulation of a separate policy on the subject contained therein". In view of this, he thought it more appropriate to withdraw his motion and to suggest that the Committee report to the Steering Committee that it had studied the paragraph and had come to the conclusion that no policy was necessary. The Chairman said that, as Australian Member, he did not propose to discuss the item any further. The views of his Government were known, and he felt there had been more than enough discussion. He proposed to retain the item on the agenda pending information from the Secretary in answer to the question of the Indian Member on German ships, to vote on whatever motion might be outstanding at that time, and to report the final decision of the Committee to the Steering Committee.

The Philippine Member asked if ships which were salvable, but not repairable, came under the provisions of C1-323/5. Some unrepairable ships, for instance, might be salvable for scrap. The Chairman said he believed that all past discussion had been in terms of restoring useable ships and not scrap.

There was no further discussion. The item was retained on the agenda.

ITEM 4 - REPARATIONS CLAIMS AGAINST JAPAN, C1-283/1

The Chairman said that the Indian Member had for several weeks requested the views of other Members on paragraphs 1, 2 and 3 of C1-283/1. He asked if Members who had not yet replied to the question of the Indian Member anticipated that they would receive replies from their Governments.

The U. S. Member said that the opinion of the U. S. Government was that this item could not usefully be discussed with a view to reaching a policy decision. The Chairman pointed out that there were really two questions involved: One was the question of discussion in terms of reaching a policy decision, and the other was the specific question of the Indian Member as to the views of Members on certain points. The U. S. Member said that she was not in a position to give U. S. views on these specific points at this time. The Indian Member asked if he could assume other Members were in the same position.

The Chairman then canvassed the present positions of Members on Cl-283/1, which were as follows:

Australia:	Paragraph 4 premature.
Canada:	No instructions. Will try again to obtain answer for Indian Member.
China:	No answers for Indian Member. Believe item should be dropped.
France:	Will ask for clarification of Indian questions. Still consider item premature.
Netherlands:	No position.
New Zealand:	Paper generally acceptable.
Philippines:	Still awaiting instructions.
U. S. S. R.:	Ready to support motion to drop item. Anticipate no instructions on Indian questions.
United Kingdom:	Position reserved on paragraph 1, paragraphs 2 and 3 acceptable, paragraphs 4 and 5 premature.
United States:	Item should be dropped.

The Indian Member said that as far as he was concerned, paragraphs 4 and 5 could be dropped from the paper since there was considerable opinion among Members that they were premature. He was interested principally in Members' opinions on paragraphs 1, 2 and 3. What do Governments feel should be included in national claims for reparations? What will they consider in estimating their own claims? Will these be the same things included in paragraph 1 or do they believe there are other considerations necessary? Is the procedure contained in paragraph 2 agreeable to Governments? He was not so concerned with passing a policy decision as with ascertaining how Governments felt on these questions.

The Chairman said that the request of the Indian Member seemed reasonable. It would be better to have uniform standards for computing claims. He personally thought that now was the best time to consider these questions. The general problem of reparations was deadlocked, but the procedure for compiling and submitting claims would have to be considered sometime if reparations were to be considered at all. Speaking as Australian Member, he thought it unfortunate that the question of claims by non-FEC countries in paragraphs 4 and 5 had been linked with the problem of standardization of claims. His Government objected to paragraphs 4 and 5, but he saw no reason why some agreement could not be reached on the other point.

The Indian Member suggested that paragraphs 4 and 5 be left out of the paper. He did not feel that paragraphs 1, 2 and 3 had been given the consideration they deserved and did not see why Governments could not give their views on them. The Chairman said he thought that Members who did not intend to answer the questions of the Indian Member should at least indicate that fact.

The Canadian Member recalled that the existing policy on division of reparations shares, FEC-219/7, stated that shares shall be determined "on a broad political basis". On this assumption, no statistical compilation of claims would be necessary. However, there was a second point contained in paragraph one of C1-283/1 and that was the question of what the national reparations claim would cover.

The Indian Member said that concerning the question of what the claims should be based on, FEC-219/7 states that the shares "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". This was the same wording proposed in the first sentence of paragraph 1 of C1-283/1.

The Chairman, speaking as Australian Member, said that he believed it was up to each country to decide for itself its claim. His Government assumed a territorial basis. The Indian Member agreed and said that it was on this point that he wished to achieve a uniform policy. However, he believed that the important part of paragraph one was contained in the second sentence. The Canadian Member agreed that the second sentence of paragraph one was the most important.

The N. Z. Member said that his Government believed that this paper was, on the whole, a good policy. However, he noted the reluctance of several Members to discuss it pending settlement of the reparations problem. If it were not for the questions of the Indian Member which were outstanding, he would suggest removing the item from the active agenda. He asked if the Indian Member believed that removing the item from the active agenda would prejudice the answers to his questions. The Indian Member replied that he preferred to retain the item on the agenda in hopes that it would facilitate receiving answers from Governments on his questions. The Chairman said that there seemed to be some reason for removing the item from the agenda, but since the Indian Member had asked that it be retained and was entitled to be told at least whether Governments intended to answer his question, it would remain on the agenda.

There was no further discussion. The item was retained on the agenda.

ITEM 5 - PROPOSED PUBLIC ANNOUNCEMENT REGARDING REPARATIONS CLAIMS OF NON-FEC COUNTRIES, C1-307

There was no discussion of this item. The item was retained on the agenda.

ITEM 6 - OTHER BUSINESS

There was no other business.

Meeting adjourned at 4:30 p.m.

Time of next meeting: 21 February 1949 at 3:00 p.m.