

AUSTRALIAN
DIPLOMACY
& JAPAN
1945-1951

R. N. Rosecrance

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To
M.N.R.
and
F.C.R.

PREFACE

No single historical survey of Australian diplomacy exists for the period immediately following World War II, and although there are excellent studies of particular aspects of Australian policy, none of them has had as its paramount objective the presentation of a chronological survey of diplomacy that would mark out the broad features of policy and account for changes in its direction. This work is designed to provide such a survey, on an important phase of Australia's foreign relations: Australian diplomacy towards Japan in the period from the end of the war to the signing of the peace treaty.

There are, of course, both advantages and disadvantages in the strictly historical approach. On the one hand, limitations of space and focus prevent extended commentary upon the events described. There are, as a consequence, many issues raised in this study which must be left for later analysis and evaluation. The efficacy of international co-operation in an alliance system which includes a single great power and many lesser states is one such issue. Another is the way in which the various nations place differing interpretations upon the most likely threat to future peace. Among the most important of the other points requiring further analysis are the consequences of separate peace settlements and the feasibility of international control of military occupations.

On the other hand, the historical approach has certain advantages over a purely topical or analytic survey. An organized historical account of policy is prerequisite to the evaluation of policy. The adequacy of Australian or American foreign policy can be judged only on the record, and the chronological record of events is all too infrequently compiled. Perhaps it will not be presumptuous to note that I am convinced that scholars have sometimes been too inclined towards general analysis and disinclined towards the patient fact-gathering on which interpretation must be based. In any case, the limitations imposed by the historical approach have not prevented me from drawing certain conclusions from the course of Australian policy towards Japan in the six years after the war.

Several difficult questions of procedure arose in the course of this study. I deliberately avoided becoming involved in a

survey of public attitudes on the Japanese problem—particularly as restrictions on space and time prevented a detailed inquiry into public opinion polls, editorial and group opinion. Instead, I have chosen to focus upon the end-product of foreign policy and have tried to examine the international factors which shaped it. This mode of approach does not, of course, limit the possibilities of judging that policy.

Of the international factors which influenced Australian diplomacy one of the most important was the policy of the United States. In practical terms America controlled the Japanese occupation. Australian policy towards Japan was, therefore, in many instances formulated in response to prior American measures. Because Australia could not carry out her own programme for Japan single-handed, she often had to deal with American policies as they appeared. In such a context Australian policies can be understood only after American policy is explained, and an important part of the following account is devoted to an analysis of the major shifts in American policy as a means to a more complete understanding of the Australian attitude.

I have not attempted a complete history of Japan in the six years after the war, because that requires a knowledge of the language I do not possess. But the voluminous records of the occupation, of which America was in practical control, provide an extensive survey of developments within Japan, and the Australian response to these developments can be followed in the minutes of the Allied Council for Japan and the Far Eastern Commission.

The student of current history is always hindered by the paucity of official documents, and in the study of diplomacy this deficiency is particularly acute. Neither diplomatic documents nor archives of Australia or the United States are accessible to the student for the post-war era, and a complete history of Australian policy on the Japanese question will have to wait until they are available. The verbatim minutes of the Allied Council for Japan are public documents available in those countries which were members of the Far Eastern Commission. Recently, though no other country has done so, the United States has allowed certain authors to use the minutes and other documents of the Far Eastern Commission. These two sources provide extensive relevant information on the course of Australian policy.

The State Department's *The Far Eastern Commission* (by George H. Blakeslee) is an extremely valuable and frank survey of the differences among the United States and her Allies over the conduct of the Japanese occupation. It is an indispensable introduction to the minutes of the Far Eastern Commission and contains many citations from secret American papers and documents.

Essential documents on Australian foreign policy may be found in the Department of External Affairs publication, *Current Notes on International Affairs* (Canberra), and the major documents on American foreign relations can be found in the analogous *Department of State Bulletin*. The student must rely, nevertheless, upon accurate newspaper reporting to account for the chronological record of diplomacy. The *New York Times* is, of course, an absolute prerequisite for American policy, and in Australia several newspapers provide informed guidance to Australian diplomacy. The *Sydney Morning Herald* and the *Melbourne Age* are perhaps the best known for their diplomatic coverage, but the *Canberra Times* contains essential information on Australian policy sometimes not covered adequately in other papers. Parliamentary debates are, of course, extremely informative. It is true, nevertheless, that a full story of Australian foreign policy in reference to Japan cannot be told without recourse to its authors themselves. Information gained from Australian, American, and Japanese diplomats is essential to a full understanding of that policy. The individuals with whom I talked are all active in public or administrative life, and the liberal information provided in interviews with these men, if revealed by quotation or direct attribution of this or that statement, could raise important difficulties. I was specifically pledged to avoid attributing directly any statement made in the body of this work to the individuals interviewed. Nonetheless, the material derived from these interviews has been used extensively, particularly in the latter half of this work.

R. N. R.

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I owe so many debts to others in the preparation of this study that it would be impossible to list all the individuals who have given me discerning advice or aided me with sources. But I should like to mention that I received particular aid from Professor Norman Harper of the University of Melbourne and his colleague Mr David Sissons. Professor Macmahon Ball of Melbourne helped me with the original focus of this study and provided valuable material relating to his part in the occupation developments at a later stage. I am very grateful to my supervisor at the Australian National University, Lord Lindsay of Birker, not only for his advice and help, but for his friendly encouragement at all stages. And I am deeply in the debt of Mr J. Plimsoll and Mr T. W. Eckersley of the Department of External Affairs, who gave freely of their time and knowledge to set me on the right course. Mrs P. Fanning of the Annexe of the Australian National Library made the research work much easier than it might have been, and Mr Geoffrey Rossiter of the United States Educational Foundation in Australia made it possible for me to finish my consultation of essential materials by extending my tenure as a Fulbright grantee. In Japan I was greatly helped by Mr John Allison, at that time American Ambassador to Japan. In the United States I must acknowledge my great indebtedness to Dr E. Taylor Parks, Chief of the Advisory and Review Branch of the State Department's Historical Division, for permitting me to use Far Eastern Commission material; to my adviser Professor W. Y. Elliott of Harvard, who aided me in all phases of the work and who has been extremely helpful on questions of interpretation; and to Dr Daniel S. Cheever, who undertook the task of reading the manuscript as a doctoral thesis at Harvard and whose excellent criticisms and suggestions I have tried to take into account.

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R. N. R.

CONTENTS

PREFACE	vii
ACKNOWLEDGMENTS	xi
ABBREVIATIONS	xv
1 Introduction	1
2 The Japanese Surrender: Prologue and Aftermath	10
3 Jurisdictional Disagreements: The Far Eastern Commission	25
4 Jurisdictional Disagreements: The Allied Council for Japan	46
5 The Dispute over Manus Island	57
6 Divergence and <i>Rapprochement</i>	67
7 Three Negatives	91
8 Growing Disaffection	107
9 The Second Overture for a Pacific Pact	128
10 The Second Initiative for a Japanese Treaty	148
11 Australian Policy and Japanese Peace Proposals	157
12 The United States' Initiative Resumed	167
13 Australian-American Negotiations	188
14 Prelude to the Peace Conference	213
15 The Treaty, Peace Conference, and Australian Ratification	226
16 Conclusion	241
Appendix: Treaty of Peace with Japan	251
BIBLIOGRAPHY	267
INTERVIEWS	274
INDEX	275

ABBREVIATIONS

- A.C.J. Allied Council for Japan, *Corrected Verbatim Minutes of the Allied Council for Japan* (Tokyo)
- Activities, 1946-7 U.S. Department of State, *Activities of the Far Eastern Commission, 1946-47: Report by the Secretary General*, Publication No. 2888
- Activities, 1947-8 U.S. Department of State, *The Far Eastern Commission, 1947-48: Second Report by the Secretary General*, Publication No. 3420
- Age Melbourne Age
- C.N.I.A. Australia, Department of External Affairs, *Current Notes on International Affairs*
- Corbett, 'Negotiations' Percy Corbett, 'Negotiations with Allied Powers'
- C.P.D. Australia, *Commonwealth Parliamentary Debates*
- Digest *Digest of Decisions and Announcements and Important Speeches of the Prime Minister* (Canberra)
- FEC Far Eastern Commission, *Minutes of the Far Eastern Commission*
- History of FEC U.S. Department of State, *The Far Eastern Commission: A Study in International Co-operation: 1945 to 1952* (by Dr George H. Blakeslee), Publication No. 5138
- N.Y.T. The *New York Times*, by numbered section (if any) and page and column, thus: a single page, 4, p. 3-7; on two pages, pp. 3-7; 16-4
- SCAP, *Mission and Accomplishments*, 1949 Supreme Commander for the Allied Powers, *Mission and Accomplishments of the Occupation in the Economic and Scientific Fields, 1949*
- Mission and Accomplishments*, 1952 *Mission and Accomplishments of the Occupation in the Economic and Scientific Fields, 1952*
- S.D.B. U.S. Department of State, *Department of State Bulletin*
- S.M.H. *Sydney Morning Herald*

INTRODUCTION

Australia and the Problem of Foreign Affairs

Frontier countries, populated by migrants from overseas, show many interesting developments in both internal and external affairs. In particular they appear to evolve a special approach to the problem of foreign relations. Free from their ancestral environments, these nations can experience a sense of independence which is not always characteristic of older political or social traditions. The colonization and cultivation of a virgin sub-continent conveys a sense of power and self-sufficiency to the settler which may dignify or even exalt individualism at the expense of the rudimentary social organization. In traditional societies personal status is largely dependent upon the individual's contribution to the existing social order; in newly-formed societies individual status is more dependent upon self-help. Although this point of view can be pressed too far, it may be worth noting that, of the frontier societies, Australia and America certainly succeeded in creating patterns of social organization different from those of parent European societies. The restrictions and class antagonisms of Europe were limited and partly submerged in Australian and American contexts; moreover, Australians and Americans were appreciative of the benefits which their special freedoms conferred upon them. The ramifications of this awareness in the field of foreign affairs extend very far. In the American case this awareness burgeoned early in Jefferson's fear of 'contamination' by European influences, and it formed the basic premise of Washington's Farewell Address. But America's 'superiority complex' was even more clearly demonstrated when Gouverneur Morris told the French in 1789 that they could never succeed in staging an American Revolution in France. 'They want an American constitution,' he complained, 'without realizing they have no Americans to uphold it.'¹

Australians were slower to proclaim the virtues of their new society as against the cherished usages of Europe. Clearly, they lacked the self-confidence which the successful revolution gave

¹ Cited in Louis Hartz, *The Liberal Tradition in America*, p. 38.

to the new American nation, and the victory over the vestigial aristocracy had first to be obtained. Nevertheless, there is an analogue of the American nationalism during and after the revolutionary period in the vigorous Australianism of the eighteenth and nineteenth centuries. Australians were those 'who leave behind them the memory of the class distinctions and the religious differences of the old world'; they were those who depart from 'the tyrant-ridden lands of Europe' in quest of 'freedom of speech and the right of personal liberty'.² Possessing an enlightened liberty, citizens of the two nations claimed the right to pass judgment upon those who had yet to attain it.

There was another strand in the nationalism of the two countries. Both nations, while still proud and jealous of their free societies, were yet apprehensive of their backwardness. For some considerable time both nations were culturally and economically inferior to Europe. And that is not surprising: a frontier existence is hardly conducive to the cultivation of the arts and the refinement of the drawing-room. But the conclusion which both countries drew was not the necessity for humility in their relations with other states. The very feeling of inferiority and dependence which their frontier condition engendered led to a forthright insistence upon equality with European states. When carried to an extreme, it even led to an assertion of the natural superiority of the rugged frontier existence over the decadence of European civility. It is perhaps a strange quirk of national behaviour, which finds application today, that when nations are most aware of their own shortcomings, they are often most insistent upon their rights. A feeling of inferiority is one psychological pre-condition of nationalism.

Nationalism and the feeling of uniqueness could manifest themselves as either isolationism or interventionism. In the American case the adoption of a policy of isolation reflected the most pessimistic assessment of the prospects of European society. Ideally, Europe should be 'Americanized', but she had so far fallen from grace that redemption was impossible. This was the response of Gouverneur Morris and John Adams. The other response was that of Wilson: make the world safe for American democracy, or perhaps better, re-make it according to American principles and in the American image. Wilson's messianism was

² *Bulletin* (Sydney), 2 July 1887, quoted in C. M. H. Clark (ed.), *Select Documents in Australian History, 1851-1900*, p. 800.

the inverse of isolationism, but it was based on the same premise.³ Monroe represents a mid-position between intervention and isolation. From one point of view, the Monroe Doctrine was an insurance policy for the success of isolationism; from another, it was a statement of the American desire to mould the American continent after its own pattern, free of European influence.

There are analogies to this process in the Australian experience. John Dunmore Lang was as jealous of Australian prerogatives in the Pacific as was Monroe of America's role in the Caribbean.⁴ Prime Minister 'Billy' Hughes moved further in the direction of Monroe when, at the Versailles Conference, he established Australian hegemony in East New Guinea, and if Woodrow Wilson lectured Europe on American principles, Dr H. V. Evatt, in a recent era, has been scarcely less hesitant in pointing out those instances in which nations have failed to live up to an Australian standard of conduct. Both statesmen presumed that their countries could set a course for other states to follow.

Of course, the essential difference between the Australian and American situations in foreign affairs was that Australia did not have the number of choices open to her which were available to America. If the United States could choose, and alternately did choose isolation or crusading intervention as a means of dealing with the outside world, Australia could hope for no more than isolation. The link with Britain and the Commonwealth became an essential lifeline safeguarding Australian security because Australia could not provide for her own defence. Australia was not strong enough to be interventionist; she was not even sufficiently powerful to carry through a policy of isolation by her own efforts. Because of this, Australia's emancipation from Europe and the mother country could never be as complete as that of the United States. The coat of 'uniqueness' had to be cut to the cloth of material power. Australia has, therefore, developed an ambivalent attitude towards Europe: on the one hand, European decadence and inequality are to be avoided; on the other, its defensive power must be cultivated.

³ 'We have been able to dream of ourselves as emancipators of the world at the very moment that we have withdrawn from it. We have been able to see ourselves as saviors at the very moment that we have been isolationists' (Hartz, *op. cit.* p. 38).

⁴ Lang regarded the French occupation of Tahiti as 'an impudent interference with Australia's mission of civilization in the Pacific Ocean'. (Quoted in Paul F. Sharp, 'Three Frontiers: Some Comparative Studies of Canadian, American and Australian Settlement', *Pacific Historical Review*, XXIV, Nov. 1955, 375.)

But with all the differences between the Australian and American situations, there are overriding similarities. And the significant point for present-day diplomacy may be that both nations have entered the continuing world crisis with attitudes which are either unhelpful or out of date. America's strength has been so much challenged of late that Wilsonian policies, which require the reconstruction of the world, are an expensive luxury. Australia, for her own part, has found it necessary to abandon the previous isolation from Asia, and she persists only at substantial cost in the nationalist fear of contamination by Asia, which the White Australia Policy represents. In an important sense Australia and America still must learn that feelings of uniqueness or superiority are quite disadvantageous under the conditions of modern international relations. Present world imperatives may require both countries to transcend the social ethos which has underlain their policies. If this challenge is to be met, it will demand a change of political and social outlook not only in foreign affairs, but perhaps in domestic affairs as well. Both countries may be asked to outgrow the conditions of their birth.⁵

Australia, Asia and Japan

In the readjustment of Australia's attitudes towards her immediate environment, Japan occupies a special position. For many years news of Asia was news of China and Japan to the Australian. In terms of the publicity given to her activities, Japan must almost have seemed the representative Asian power to the Australian public mind. Japan's role in World War II, then, was likely not only to affect Australia's future attitude towards that country but also towards Asia as a whole. In one sense the Sino-Japanese War of 1937 and the outbreak of the Pacific War facilitated a co-operative Australian relationship with Asia because it proved that the previous isolation from the 'Near North' could not work. Until July 1937 that policy had been a relative success. At the same time, the Pacific struggle raised a barrier to a successful Australian reorientation towards Asia because it constituted concrete proof of Asian hostility. In this sense, the Japanese aggression probably retarded the adoption of a new attitude towards Asia. To the extent Australian observers were

⁵ On a new assessment of America's 'coming of age' see Hartz, 'The Coming of Age of America', *American Political Science Review*, LI, June 1957, 483.

conscious of Japan's eager if incomplete westernization, the invasion probably made the less westernized fragment of Asia seem even more hostile and uncivilized.

And entirely aside from the impact of traditional attitudes towards external affairs there was the undeniable fact that Japan had committed a barbarous aggression and might well do so again. However much Australian statesmen were aware of the need to effect a *rapprochement* with free Asian states, they could not overlook Japan's long history of expansion and war; nor could they dismiss from memory the merciless cruelty of Japanese as wartime foes. To have eagerly encouraged Japan's friendship with the West before her sincerity could be tested would have been as irrational as to have placed her in solitary and hostile confinement. Goodwill and an unlimited willingness to appease do not always transform the international environment. The position which Australian leaders adopted represented a confluence of attitudes: traditional assumptions and habits of action combined with the very legitimate fears engendered by the Japanese aggression to oppose a new and friendly attitude towards Asian states. At the same time, the growing recognition of the inadequacy of the old views, together with an awareness that the actual security threat had diminished, sanctioned a more co-operative approach to Asia and Japan. During the war, therefore, a dual Australian policy towards Asia developed. One strand was the creation of a Pacific regional defence treaty to guard against an Asia whose hostility and material power the war had amply demonstrated. The second was to win the friendship and support of the Asian nations whose future, the war had shown, was inextricably linked with Australia's. The first view had found expression earlier in the proposal of Prime Minister Lyons in May 1937 for a Pacific regional defence pact. It found further application in Evatt's sponsorship of a world security organization which would include a regional defence council in the Pacific.⁶ The Australia-New Zealand Agreement of January 1944 was designed to form the first link in a regional zone of defence which was to include the Netherlands, France, Portugal, the United Kingdom and other countries. The second attitude was reflected in Evatt's belief that the code of national self-determination enshrined in the Atlantic Charter should be applied in the Pacific area as well as in Europe.⁷ Such an exten-

⁶ H. V. Evatt, *Foreign Policy of Australia*, p. 55.

⁷ *Ibid.*, p. 74.

sion would have involved, in Evatt's view, the ending of extra-territorial rights in China and the progress of India to self-government.

The two contrasting attitudes towards Asia and Japan found renewed expression after the war. One response saw an Australian government take firm action to support the rising nationalist movement in the Netherlands East Indies. The stand against Dutch colonialism was strengthened to such a degree that at the time of the second Dutch 'police action' an Australian representative in the United Nations denounced the Netherlands as 'Fascist'. Dock workers placed a virtual embargo on the shipment of supplies to the Dutch from Australian ports. Nor was this *rapprochement* with Asia the policy of a single government; governments of different political complexions advanced the Australian cause in Asia. One party supported the achievement of Indian independence within the Commonwealth; another suggested the scheme for Commonwealth co-operation in economic development which has become known as the Colombo Plan. The same government supported the participation of India in the political conference provided for in the Korean armistice terms, despite the opposition of the United States. It also considered a treaty of friendship with Indonesia and moderated the form (if not the substance) of Australian opposition to Indonesian designs on West New Guinea.⁸ Australian government officials from both sides of the political fence toured Asia on missions of goodwill. The Commonwealth connexion, always of great importance to Australia, reinforced a favourable attitude towards certain Asian states as a consequence of their Commonwealth membership. This development should not be underestimated: in some measure the grateful regard for Britain has been extended to the non-Western Commonwealth nations.

A different view of Asia, however, has often prevailed. The stringent application of the White Australia Policy reflected a very different assessment of the people of the Near North. The O'Keefe and Gamboa cases, the latter almost leading to a rupture with the Philippines, seemed to reflect a continuing fear of coloured races. Asian students under the Colombo Plan have won a favourable place in the public affections of Australians, but this has led to no apparent weakening of support for an

⁸ See joint announcement by the Indonesian Foreign Minister and the Australian Minister for External Affairs, February 1959. Reprinted in *Current Notes on International Affairs*, XXX, Feb. 1959, 81-2.

unqualified prohibition on Asian immigration. The position Australia has taken on West New Guinea is not very different from that of Holland. Both the major Australian parties have supported the Pacific alliance with the United States and New Zealand, which had its antecedents in traditional attitudes as well as in the obviously rickety structure of Pacific security. Australia's attitude to the Suez adventure probably did not improve her political reception in Asia.

Australia and Japan

Just as Australia's policy in regard to Asia as a whole has been ambivalent, so has her policy in regard to Japan. On the one hand, she took a critical view of many of the policies of the friendly United States-controlled occupation of Japan. She sought an alliance in the Pacific that would protect her against a resurgent and hostile Japan; indeed, she exacted such a price in return for her adherence to the Japanese peace instrument. Because Australia looked upon Japan as the most likely disturber of the Pacific peace she resisted a Japanese return to sovereignty that might have helped to redress a Far Eastern balance of power which had been upset by the Communist victory in China and the invasion of South Korea. In terms of traditional attitudes and the imponderables of Japanese future behaviour, Australia's fear of Japan has been likened, not implausibly, to the traditional French fear of Germany. But while the historical antagonism of France and Germany has not prevented the present *rapprochement* in defence and economic organizations, the breach between Australia and Japan would seem to rule out joint defence arrangements for the foreseeable future. In the six years after the war a major proportion of Australian diplomacy, both in Europe and in the Pacific, was devoted to two related problems: how could Japan be restricted, economically, politically, and militarily; and how could an alliance be created to protect Australia from the threat of a revived Japan. In no small measure, this study will be devoted to Australia's answers to these two problems.

Yet, Australian policy towards Japan does not manifest simply the old isolationism and fear reinforced by an up-to-date assessment of the dangers of future Japanese aggression. Australia has also inclined towards partial acceptance of Japanese protestations of goodwill, and the traditional social attitudes underlying the

approach to foreign relations seem to be withering. Australia moderated her position on Japan, and the lenient peace treaty which she signed on 8 September 1951 was a demonstration of this fact. She revived trade with Japan at an early stage.⁹ What is less well known, Australia assumed a moderate role on the Far Eastern Commission, the international organ created to set policy for the occupation of Japan. She was quick to follow the American lead in proposing nominal reparations from Japan, and she recognized relatively early that oppressive limitations upon Japanese industry might prevent the Japanese from attaining a reasonable standard of living and so jeopardize democratic reform. Even in the military sphere, Australia's attitude changed. While it had been hinted that Australia favoured a lengthy military occupation, as early as 1947 her Minister for External Affairs proposed a peace settlement which would have replaced the complex occupation apparatus with a less ponderous Allied Supervisory Authority. She recognized that the Communist threat in the Far East was directed against Japan as well as the Western democracies, and she admitted the need for military defence of Japan as well as against Japan. In the end, Australia accepted Japanese rearmament. 'What we have to do,' one Minister for External Affairs explained, '. . . is to steer a path between the alternative perils of an aggressive fully rearmed Japan, which can again threaten us single-handed as it did before, and a defenceless and economically prostrate Japan that will present an easy prey to communism.'¹⁰ Gradually, Australia and the United States came to recognize that the best insurance for future democracy in a defeated ex-enemy power may not be stringent external enforcement of each clause in harsh terms of surrender; it may be, rather, initial reform combined with a short and beneficent occupation. Australia and America began with ideas of a Carthaginian occupation; but by 1952 the lessons of Versailles had come to overshadow them.

Thus, no unilateral interpretation of Australian policy towards Japan will suffice. Australia did not seek to bridle Japan at every juncture; nor did she forgive and forget the Japanese aggression. Her changing attitudes towards Japan reflect not only the traditional fears of a Western nation in a non-Western environment but also the dangers of political instability and militant national-

⁹ See Chapter 8, pp. 109-10.

¹⁰ R. G. Casey in *Commonwealth Parliamentary Debates*, 13 July 1951, p. 1710.

ism as factors in fomenting aggressive war. Australian diplomacy in regard to Japan has perforce been ambivalent. While traditional attitudes have relaxed their grip on foreign policy, evaluations of the security position have prevented a total *rapprochement*. Australia is now making the same readjustment of attitude in regard to Asia that the United States is seeking to make in the world at large, but neither power can use international co-operative equalitarianism as an excuse for policy. Whether or not the traditional attitudes towards foreign relations are correct, dangers exist, and they cannot be minimized. Nevertheless, the erosion of traditional beliefs is the necessary if it is not the sufficient condition of successful diplomacy in the present world. In some areas, Australia and America have made vast inroads on the state of indifference and suspicion which previously characterized their attitudes towards other countries; in others progress remains to be made. When both countries have completed the revolution in domestic attitudes which the new international situation demands, they will find that they are able to participate in international relations without arousing the mistrust and resentment which attended the old policies of isolation and intervention. This means that Australia and America will be able to play the game of foreign relations without artificial handicaps, even if it will not necessarily assure a uniformly successful foreign policy.

THE JAPANESE SURRENDER: PROLOGUE AND AFTERMATH

Fundamentals of Australian Diplomacy

Before we turn to the record of Australian policy towards Japan, it may be well to set down the fundamental objectives of that policy as they were formulated at the end of the war. There can be no doubt that Australians emerged from World War II with the determination that Japan should never again trouble the Pacific peace. The inhuman treatment of Australian prisoners of war, the bombing of Darwin, the midget submarine raids in Sydney Harbour, and the dark days of 1942 had convinced many Australians that Japan was indeed a 'menace' and should be kept subservient for a long time to come.¹ To the extent that Australians looked upon Japan as a representative Asian power, the Pacific War gave renewed support to the traditional nationalist fear of external influences. It is probably not inaccurate to state that, immediately after the war, diplomacy in regard to Japan reflected Australia's uneasiness concerning Asian motives as much as at any previous time.

But Australian policy towards Japan did not flow simply from a deep-seated uncertainty about Asian intentions. Japan had been a flagrant aggressor, and since a Japanese resurgence was a real danger, not only to Australia but to other powers with interests in the Pacific region, it was wholly reasonable to take careful precautions. Even after the Communist offensive in east Asia came to dwarf the immediate danger from Japan, it was plausible to proceed cautiously in relaxing restraints upon the Japanese. At some point, however, many believe a choice between alternative perils had to be made; the Western powers were simply not strong enough to cope with flamboyant Communist gains and with a nation of sullen and recalcitrant Japanese. The greater the Communist danger, the greater the willingness to look upon

¹ Cf. the contrasting opinion of P. D. Phillips written at the height of wartime peril, which contemplated after the war 'the same mild disinterested commercial relationship and the same insulation around social and personal contacts': 'War Trends in Australian Opinions', *Australia and the Pacific*, pp. 66-7.

Japan as an ally, not as an enemy. There are many who are convinced that the attempt to retain the old bonds upon Japanese life at this stage would have been to risk a defection to the opposite camp. The decision to conclude a lenient peace settlement which would return Japan to the family of nations represented a calculated risk. There seemed a greater chance that Japan would present a threat to the peace as a rebellious subject of the West than as an equal partner in Allied councils.

Ultimately Australia came to accept something approaching this line of reasoning. While in 1945 her policy was to keep Japan disarmed economically, politically, and militarily, by 1951 her policies had almost come full circle. She came to recognize the dangers of an economically depressed Japan; she accepted the restoration of Japan to the comity of states; she reluctantly acknowledged the need for Japanese rearmament. In the end she accepted the non-restrictive Japanese peace treaty which placed no limits upon Japanese rearmament, and in return she received a defence pact with the United States. Australia's concession of the need for a Western *rapprochement* with Japan involved a notable readjustment in Australian attitudes and policies, and it did not come overnight. That it came at all indicates how far Australian diplomacy had travelled since the interventionism of 1919 and the isolationism of 1936. Very rarely has a state moved so quickly from unconcern to sophisticated awareness in the diplomatic sphere.

Prologue to the Occupation

One of the most important tasks which confronted Australia at the close of the Pacific War was the need to secure an effective voice in the occupation of Japan and the eventual peace settlement. Preparations for a greater part in Pacific affairs had begun as early as the beginning of 1942, when Evatt had pressed for the creation of a Pacific War Council, 'an inter-allied body for the higher direction of the war in the Pacific'. Despite some initial objections, Evatt's visit to the United States in March and April 1942 led to the inauguration of a new council on which Australia would participate on a common footing with the great powers. Further, Australia's claim for recognition of 'middle power status' prior to the San Francisco Conference in 1945, and the strong position which she took against the veto at that conference, were clear indications that she would be a factor to be reckoned

with in the Pacific and elsewhere after the war.

When the Potsdam Declaration, which set terms for a Japanese capitulation, was announced without previous consultation with Australia on 26 July 1945, Australia was aggrieved. Evatt's first complaint was that the peace terms foreshadowed in the ultimatum appeared 'inclined to treat Japan more leniently than Germany'.² This was apparently a reference to the distinction made in the declaration between the Japanese people and its 'self-willed militaristic advisers' or to the omission of any statement regarding the Emperor's fate.³ But Evatt's primary objection was not to the terms of the ultimatum to Japan but to the manner in which the declaration had been issued. 'The ultimatum,' he argued, 'was of fundamental importance to Australia, yet our first knowledge both of its terms and of its publication came from the Press.'⁴ He went on to restate an important principle of Australian policy:

Ever since 1941 it has been the declared and accepted policy of the Australian Government that in all matters relating to the peace settlement, both in Europe and the Pacific, Australia, being an active belligerent, possesses the right to the status of a party principal to every armistice and peace arrangement.⁵

As the Japanese surrender drew near, the Department of External Affairs was on guard lest that principle be violated once again. The Japanese peace offer of 10 August, which stipulated that the Emperor should retain his prerogatives even after a surrender, was 'entirely unacceptable to the Australian Government'.⁶ In response Australia drafted a strong note to the Allies which advocated that 'no person or institution, not even the Emperor, should have immunity from responsibility for Japanese aggression and war crimes'.⁷ The note had also suggested that the Emperor should be required to sign the armistice agreement, thereby linking him with discredited Japanese militarism, and had recommended an explicit provision declaring the authority of the Allied Command and dissolving all other governmental power. These views were probably received too late to have had any real impact upon the Allied reply to the Japanese offer.⁸

² *Sydney Morning Herald*, 30 July 1945, p. 1.

³ 'Proclamation Defining Terms for Japanese Surrender', *Department of State Bulletin*, XIII, 29 July 1945, 137. ⁴ *S.M.H.*, 30 July 1945, p. 1.

⁵ *Ibid.* ⁶ *S.M.H.*, 13 Aug. 1945, p. 4. ⁷ *S.M.H.*, 30 Aug. 1945, p. 4.

⁸ See statement by J. B. Chifley, *C.P.D.*, 29 Aug. 1945, p. 4958.

Again it seemed that policy decisions would be made without Australian participation.

Prime Minister Chifley reflected Australia's feeling that she had not been fully consulted in the armistice negotiations when he stated that 'Australia should be regarded not as a subsidiary but as a principal Pacific Power, which for three and a half years has borne much of the heat and burden of the struggle against Japan'.⁹ Nor were Australia's fears that she might be excluded from important Pacific negotiations relieved by the Allied plans for the signing of the armistice. The United Kingdom had originally proposed that an Australian Service representative should attend the surrender but not in an independent capacity. Instead the Australian member would be 'attached' to the British representative. The Australian government responded that this suggestion was 'quite unsatisfactory'. When the United States advanced a similar proposal, Australia took the matter up directly with General MacArthur and the American Acting Minister at Canberra. The result was that Australia was finally given independent status at the signing.¹⁰

Despite the victory won at the Tokyo Bay ceremonies, Evatt was uneasy at the course of events. Australia was still excluded from the Council of Foreign Ministers, which at that time seemed the logical agency to deal with peace treaties in both Europe and the Pacific. Soon after arrangements for the surrender had been made, Evatt departed for London to seek 'a full say in matters dealt with by the council which in any way affected the future of Pacific affairs'.¹¹

While Evatt was pursuing his discussions with the Council of Foreign Ministers in London, developments in Japan seemed to hold a warning for Australians. General MacArthur had announced that he would rule Japan with a 'gloved hand', and this unfortunate metaphor was quickly transmuted by captious newspapermen into the charge that the occupation was treating the Japanese with 'kid gloves'. There were rumours that a short occupation was in prospect and that the level of occupation forces to be maintained in Japan would be cut drastically after six months. The public agitation in Australia and elsewhere as a result of these hints led President Truman and Acting Secretary Acheson to call press conferences for the purpose of coping with

¹⁰ See Evatt statement in *Melbourne Age*, 25 Aug. 1945, p. 3.

⁹ *S.M.H.*, 18 Aug. 1945, p. 1.

¹¹ *S.M.H.*, 28 Aug. 1945, p. 1.

the criticism of occupation policy.¹² Acheson assured the nations of the world that the United States government, not General MacArthur, was formulating American policy for the occupation of Japan, and this undoubtedly contributed towards an easing of the tension in Australia. Nevertheless, subsequent statements from occupation headquarters reaffirmed that only 200,000 occupation troops would be maintained in Japan after the first phase of the occupation's work had been completed.

An Allied Control Organization

While the controversy about occupation policy was still continuing, the Post-Surrender Directive which President Truman had issued to General MacArthur was published. Its terms were not contrary to Australian ideas of a desirable policy towards Japan, but as the *Sydney Morning Herald* commented, 'It appears to be wholly an American directive. . . . No evidence is forthcoming that the other Allies have contributed directly to the framing of the policy laid down.'¹³ In his discussions in London, Evatt was seeking to remedy this condition by establishing the right of the other Pacific Allies to participate equally in the formation of policy on Japan. 'We say that we, having felt the full force and fury for nearly four years of the Pacific war, have an equal right to participate with Russia and France in everything relating to the armistice and peace settlement with Japan. That is a principle of the barest justice.'¹⁴ Fortunately the United States was already making plans to create new institutional machinery that would give Australia a greater role in Pacific policy than she had had in the past. The 'United States Initial Post-Surrender Policy' for Japan held the promise of wider Allied participation in the conduct of the Japanese occupation, but it stressed also the dominant role of the United States. The policy document contained the important clause:

Although every effort will be made, by consultation and by constitution of appropriate advisory bodies, to establish policies for the conduct of the occupation and the control of Japan which will satisfy the principal Allied powers, in the event of any difference of opinion among them, the policies of the United States will govern.¹⁵

¹² *Age*, 12 Sep. 1945, p. 1.

¹³ 26 Sep. 1945, p. 2.

¹⁴ *S.M.H.*, 28 Sep. 1945, p. 3.

¹⁵ 'United States Initial Post-Surrender Policy', U.S. Department of State, *The Far Eastern Commission: A Study in International Cooperation: 1945 to 1952*, by Dr George H. Blakeslee, p. 5.

As early as the latter part of August the United States had advocated the participation of states other than the Far Eastern Big Four in a commission which would deal with the conduct of the Japanese occupation, but there were still unresolved questions. What powers would the commission possess and would the United States be allowed a dominant role? Both the Soviet Union and the United Kingdom objected to advisory status for the proposed commission, while America insisted that the new organization should not be given full policy-making authority. Because of the disagreement, the American terms of reference for the commission were not accepted, and the British submitted an alternative draft. When the commission finally met on 30 October, no terms of reference had been agreed on.

In the meantime the Russians raised objections to the creation of a Far Eastern Advisory Commission without an Allied Control Council to direct the occupation from Tokyo. The Russians clearly wished for the same powers in Japan that they had already obtained in Germany. The British also favoured a control council in Tokyo but they were willing to go ahead with a Far Eastern Commission despite their differences with the United States over its terms of reference. When the first formal meeting of the new commission took place in Washington on 30 October, no Russian delegate was present.

By the end of October 1945 an important objective of Australian foreign policy had been achieved. The United States had agreed to Australian participation in the new commission which would deal with control of Japan. Evatt had also obtained Secretary Byrnes's agreement to an Australian role in the peace settlements. On 4 October Byrnes had conceded that the Big Three would hold preliminary discussions on the various peace treaties but that these discussions would be followed by a general peace conference open to all belligerents. When Evatt arrived in Washington to represent Australia at the meetings of the new Far Eastern Advisory Commission, however, he was confronted with fresh problems. If the new commission were to have limited powers, the Australian role in the formulation of Pacific policy would also be limited. An Australian spokesman had already announced that the new organization 'should ultimately be invested with important functions in the framing of Allied policy in the whole of the Far East',¹⁶ and it was clear that Australia

¹⁶ N. J. O. Makin, *C.P.D.*, 4 Oct. 1945, pp. 6491-2.

could count upon the support of the Soviet Union and Britain in her effort to increase the commission's power.

Evatt's first attempt to win a greater role for the smaller states on the commission occurred in connexion with the problem of terms of reference. It was clear that some changes in the proposed American terms of reference for the commission would have to be made in order to induce the Soviet Union to participate. But the question remained: which countries would decide revisions in the terms of reference? At the first formal meeting Evatt recommended 'that any amendments be discussed not only with the four Powers, but with all representatives. We all must know what the terms of reference are to be.'¹⁷ The State Department's answer two days later denied the Australian request: 'Any question of revising the terms of reference of the commission will be decided by the four inviting Powers, Great Britain, China, Russia and the United States, and not by the commission.'¹⁸ But if Australia was checked on this point, she seemed to be making progress elsewhere. At the second meeting of the commission Evatt could report: 'Even at this early stage it has been made clear that there is no intention that the Commission should develop into a mere advisory body which might have its recommendations filed and never acted upon.'¹⁹ On substantive issues Evatt asked that Japanese War Office records and documents relating to Australian prisoners of war be produced. If records existed, they should be used to locate missing Australian prisoners. If they had been destroyed, those responsible should be discovered and brought to trial as war criminals. In addition he pressed for and apparently received an assurance that no Japanese, not even the Emperor, had been exempted from trial as a war criminal because of favours rendered in the past or to be rendered in the future.

In the days that followed, the commission made considerable progress despite the lack of agreed terms of reference and the absence of the Russian delegate. Committees were set up to formulate policies in regard to different phases of the occupation. A Basic Policies and Objectives Committee under the chairmanship of Evatt was constituted to draw up a document on general policy for the occupation. As a basis for consideration Evatt took the United States Initial Post-Surrender Policy for Japan issued

¹⁷ *New York Times*, 31 Oct. 1945, p. 3-1.

¹⁸ *N.Y.T.*, 2 Nov. 1945, p. 7-1.

¹⁹ *S.M.H.*, 8 Nov. 1945, p. 3.

by President Truman to General MacArthur. Under the chairman's leadership the committee met frequently and for long hours. A final draft was submitted to the commission on 5 December and approved for the purpose of submission to the governments of the member countries. As no agreed terms of reference for the commission had been established, the delegates could only recommend action to the several governments. Nevertheless, it was hoped that after the governments concerned had made their comments on the draft policy statement, final agreement might be worked out in the commission itself.

Australia sought to strengthen the American Initial Post-Surrender Policy for Japan in various ways. Australia wanted strong provisions included concerning the armament industry. 'Japan must not be permitted to maintain industries that would enable her to rearm.'²⁰ Australia wished also to increase the authority of the Supreme Commander over the Japanese state and to make it clear that the policy of working through the Japanese government should be followed only to the extent that it furthered objectives of the occupation. The Australian delegation also wished to re-emphasize the 'Potsdam principle of stern justice to all war criminals whatsoever'²¹ (a phrase explicitly designed to include the Emperor). Australia attached great importance to the growth of a vigorous trade union movement in Japan and proposed the recognition of a right of 'association' in the policy statement. Finally, she sought more stringent economic restrictions upon Japan than those foreshadowed in the original directive. The Australian delegation urged that Japanese purchases abroad should be subject to the prior requirements of the peoples of the Allied countries. In the end, the draft provisionally approved by the members of the commission 'followed closely the "United States Initial Post-Surrender Policy for Japan". It presented the same topics in the same order and reached much the same conclusions, often expressed in identical language.'²² The major differences between the commission's draft and the original American directive were in the economic field. The proposed policy document highlighted the rights and privileges of the Allies and placed reduced emphasis upon the economic needs of Japan and the requirement of a workable Japanese economy.

²⁰ 'Australian Proposals Regarding Basic Policy for Japan under Consideration by F.E.A.C.', 28 Nov. 1945, in Department of External Affairs, *Canberra Conference Documentation*, p. 24.

²¹ *Ibid.*, p. 25.

²² *History of FEC*, p. 9.

The commission also dropped the provision for American determination of questions on which the Allies disagreed. The United States had not abandoned her claim to a dominant role in the occupation, but she was aware that the old clause could never be accepted by her Pacific Allies. It should be noted that while Australia was opposed to an American veto on policy questions in Japan, she was willing to allow the Supreme Commander some 'reserve authority'.²³

The Moscow Decisions and the Far Eastern Commission

The draft on basic policy which had been approved 'in principle' by the representatives on the Far Eastern Advisory Commission had to be held in abeyance until it could secure the approval of the several governments. The most fundamental problem in gaining acceptance for the draft, of course, was the absence of the Soviet Union from the commission. Despite the encouragement of other nations, a Russian delegate had not taken his place at the sessions; nor had the British and American governments resolved their dispute concerning the terms of reference. The draft on basic policy had been produced by a commission which had little knowledge of its powers. The solution to all these complications lay in the attitude of the United States: how far would she be willing to go in permitting international control of Japan? The confusion in American policy at this stage is revealingly displayed in the words of one observer, George H. Blakeslee: 'The United States desired in the establishment of a commission for the Far East,' he states, 'to combine international cooperation with United States control of the occupation of Japan.'²⁴ The British proposed to move much farther in the direction of multilateral co-operation than the United States had done. On 1 October the British had suggested that 'The Commission shall be charged with the task of examining all proposed directives to the Supreme Commander . . . on non-military matters; and no such directive shall be issued to Supreme Commander . . . without its prior approval . . .'²⁵ In addition the British specified that decisions of the commission should be taken by simple majority vote provided they had the concurrence of two of the Far Eastern Big Four powers.

At first the United States was hesitant to give the commission

²³ S.M.H., 19 Nov. 1945, p. 3.

²⁴ *History of FEC*, p. 12.

²⁵ British Draft Terms of Reference for the Far Eastern Commission, *ibid.*, p. 13.

more than advisory powers, and she was unready to set up a control council in Japan to supervise the occupation. At the end of October, however, America changed her position and agreed to a commission which would have the power to formulate policy. The United States also accepted the proposal for a council in Japan, but stipulated that the functions of such a council would be limited to 'consulting' and 'advising' the Supreme Commander. The new American proposals were designed to protect the American position in Japan by requiring the concurring vote of three out of four of the great powers in the commission and by a new reserve clause. That clause provided that the United States 'may issue interim directives to the Supreme Commander pending action by the Commission whenever urgent matters arise not covered by policies already formulated by the Commission'.²⁶ A month later the United States moved nearer to the position of her Allies when she acknowledged that 'on the request of any member' the Far Eastern Commission might 'review' any directive issued to the Supreme Commander or any action taken by the Supreme Commander involving a policy decision. She also conceded that any directive dealing with fundamental changes in the Japanese constitutional structure or in the régime of occupation would be issued only after obtaining prior commission agreement. The United States was now far closer to the views of her Allies than she had been in August.

The Soviet Union, however, still differed from the United States on two points. She wanted all decisions in the Far Eastern Commission to be reached by unanimous vote of the Big Four nations, and she was not willing to accept the United States provision for interim directives. A compromise of the two views was worked out at the Moscow Conference in December, and the Soviet Union agreed to join the commission. In the end, she agreed that the United States could issue interim directives under certain conditions, and the United States accepted the Soviet demand for unanimity among the big powers before the commission could take action. The United States refused to have the word 'control' inserted in the title of the new council to be established in Tokyo. The final terms of reference for both the Allied Council for Japan and the Far Eastern Commission were formulated at Moscow on 26 December. Some functions of the Far Eastern Commission were:

²⁶ American Revised Draft, *ibid.*, p. 14.

To formulate the policies, principles, and standards in conformity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished. [and]

To review, on the request of any member, any directive issued to the Supreme Commander for the Allied Powers or any action taken by the Supreme Commander involving policy decisions within the jurisdiction of the Commission.²⁷

The agreements also provided that:

The United States Government may issue interim directives to the Supreme Commander pending action by the Commission whenever urgent matters arise not covered by policies already formulated by the Commission; provided that any directive dealing with fundamental changes in the Japanese constitutional structure or in the regime of control, or dealing with a change in the Japanese Government as a whole will be issued only following consultation and following the attainment of agreement in the Far Eastern Commission.²⁸

Despite the obvious concessions which the United States made in agreeing to the new terms of reference, the American Secretary of State made it clear that he had by no means given up America's dominant role. In a speech on the results of the Moscow Conference, Byrnes said:

Pending agreement in the Far Eastern Commission in case of need we are free to give interim directives on all urgent matters. Only three questions are excepted from our authority to give interim directives.

The proposals we offered regarding Japan make it clear that we intend to cooperate with our Allies and we expect them to cooperate with us. But at the same time our agreement safeguards the efficient administration which has been set up in Japan under the Supreme Allied Commander.

It assures that the authority of General MacArthur will not be obstructed by the inability of the Far Eastern Commission to agree on policies or by the inability of the Allied Council to agree upon the methods of carrying out those policies.²⁹

Thus, the United States had not conceded as much as seemed apparent on paper. The provisions for her own initiative seemed to make it possible for the United States to issue interim directives on questions on which the commission was deadlocked, for she might act on 'urgent matters . . . not covered by policies already formulated by the Commission'. Presumably the United States

²⁷ 'Communiqué on the Moscow Conference of the Three Foreign Ministers', S.D.B., XIII, 30 Dec. 1945, 1028.

²⁸ *Ibid.*, pp. 1028-9.

²⁹ *N.Y.T.*, 31 Dec. 1945, p. 4-5.

might proceed with measures which had received the veto of one of the great powers on the commission. Even in the three instances in which American initiative could not be exercised, the terms of reference ensured that no policy contrary to American interests could be formulated because of the veto power.

The Big Four decisions at Moscow had a double-edged impact upon Australian interests. In the first place, the terms conceded one primary Australian claim: that the commission should have full policy-making authority. The creation of the new Allied Council for Japan was also welcomed in Australia, more especially since an Australian was to represent four British Commonwealth countries (the United Kingdom, India, Australia, and New Zealand) on the council. The mode of agreement to the terms of reference, however, was directly inimical to Australian policies. Australia had sought full consultation with the smaller powers on the commission in connexion with changes in the commission's terms of reference. As we have already seen, this request had been rejected by the State Department on 1 November, and, in the end, Australia was to have no independent part in the decisions reached on the new terms of reference. But perhaps more important, the Moscow decisions raised 'the hydra-headed veto monster'.³⁰ It was this procedural barrier that Evatt had fought long and hard at San Francisco. In a subsequent statement to the House of Representatives, he voiced his disapproval in these terms:

The Australian Government has maintained its strong opposition to this veto procedure, which in our view is quite inapplicable in principle to such matters as determining policy in execution of principles already agreed to in the Potsdam Declaration. We have informed the United States Government that we are keenly disappointed at the introduction of a veto, especially after the early Commission meetings which proceeded smoothly by open and democratic methods.³¹

But these procedural objections to the apparatus created to decide policy for the Japanese occupation were to be followed by more important substantive disagreements. When the new Far Eastern Commission (the word 'advisory' had been forever laid to rest) visited Japan at General MacArthur's invitation at the end of the year, Australian diplomats found new occasion for

³⁰ Statement by Sir Carl Berendsen, *History of FEC*, p. 16.

³¹ *C.P.D.*, 13 Mar. 1946, p. 192.

concern. General MacArthur described Hirohito to the commission as a young man of 'moral bravery' and fine upbringing, and he emphasized that if the commission were to decide to try the Emperor as a war criminal, it should do so by unanimous vote, and it should be fully aware of the impact of such a decision upon the cost and length of the occupation. He estimated that such a decision would require a million soldiers and a military occupation prolonged into the indefinite future. Though MacArthur emphasized that no commitment had been given to the Emperor, he believed 'that if the present Emperor should be tried, convicted, and executed, the Emperor as an institution would become stronger and more potent to the Japanese people than ever before in Japanese history'.³² On other questions General MacArthur recommended that trade with Japan should be resumed at an early date and that the military occupation should not last more than three to five years. He expressed hope that the Far Eastern Commission would begin consideration of the terms of a peace treaty for Japan as quickly as possible.

The Australian reaction to these statements could be foretold. At the time of the commission's departure from Japan, Evatt emphasized that 'the policy of making use of the Emperor to achieve the capitulation and occupation of Japan in a minimum of time . . . does not mean that the Allies are necessarily committed either to the person or institution of the Emperor'. He continued:

The Potsdam Declaration is an expression of policy, not a treaty. This means that it is for the Allied Powers to decide what shall be done with Japan and with any Japanese institution or person. Moreover, the Potsdam Declaration, in relation to the punishment of war crimes, was absolutely general and unconditional. Every person guilty was punishable. No person was to be entitled to any special privilege or immunity.

It is, and always has been, the view of the Australian Government that those responsible for such outrages and barbarities shall not be allowed to escape punishment; to allow that would be the grossest defeat of justice and a travesty of the very principles for which the war was fought. In our view those at the top are equally guilty with the actual perpetrators on the spot.³³

Dr Evatt was no less dissatisfied with the attitude which Mac-

³² *History of FEC*, p. 20.

³³ 'Japan is Still a Menace', *New York Times Magazine*, 3 Feb. 1946, p. 10-2, 3.

Arthur took towards an early revival of the Japanese economy. While MacArthur had supported resumption of Japanese foreign trade, Dr Evatt reiterated the Australian stand that Japanese 'purchases abroad should be subject to the prior requirements of the peoples of Allied countries, especially countries like China and the Philippines'. It is likely also that Australia was not happy to hear that General MacArthur favoured a short occupation.

Substance was lent to Australia's grievances when the *New York Herald Tribune's* Tokyo correspondent reported that Australia and New Zealand had named the Japanese Emperor as the Number One Pacific war criminal. It was subsequently made clear, however, that the list of war criminals presented by Australia contained only the names of individuals whose records warranted investigation to ascertain whether or not they should be prosecuted for war crimes.

Thus, the events and aftermath of the Japanese surrender had both unsatisfactory and satisfactory aspects. Australia had not been consulted at the time of the Potsdam Declaration; her views had not been received in sufficient time to be fully considered before the Allied reply to the Japanese peace overture; the President's Initial Post-Surrender Policy directive had been issued unilaterally by the United States; and though a Far Eastern Advisory Commission had been conceded by the United States, revisions in its terms of reference were made by the big powers, not by the entire commission. The result of the Moscow accords was the establishment of a commission which enshrined the principle of the veto and safeguarded the American controlling role in Japan.

On substantive terms Australia had been displeased at first by the slow pace of the occupation in dealing with the Japan militarists, and even after the occupation moved more swiftly Australia was disturbed at the tendency to placate the Emperor. Finally, while Australian troops had been offered for the occupation of Japan directly after the announcement of the surrender, final arrangements were delayed until after the New Year so that the first Australian soldiers did not arrive in Japan until 14 February. This was of some importance to the government, because the presence of Australian troops in Japan was to serve a political as well as a military function. It was to emphasize Australia's willingness to bear the responsibilities consequent upon the role she had claimed: that of a principal power in the Pacific.

On the credit side of the ledger, Australian achievements were by no means negligible. Australia had won her place in one body which was to deal with occupation policy, and she had seen that body assume full policy-making authority. Her Minister for External Affairs had been chosen chairman of the most important committee of that commission, and the recommendations of his committee had been tentatively approved by all the members of that body, except the Soviet Union, as a satisfactory basic policy for the occupation of Japan. Australia, likewise, found the provisions of the Potsdam Declaration and the President's Post-Surrender directive to be quite congenial to her own mode of thinking about policy in regard to Japan. If the manifest agreement reached by the Far Eastern Advisory Commission in December 1945 continued in the months to come, the new Far Eastern Commission would be able to reach final accord on general policy in a short space of time.

JURISDICTIONAL DISAGREEMENTS: THE FAR EASTERN COMMISSION

Introduction

In the first months of 1946 the prospects for the realization of Australian policy towards Japan seemed favourable. The new British Commonwealth Occupation Force was to be headed by an Australian, Lieutenant-General J. H. Northcott; W. Macmahon Ball, Professor of Political Science at the University of Melbourne, had been appointed representative of four British Commonwealth nations on the newly-constituted Allied Council for Japan; and Sir William Webb, Australian War Crimes Commissioner, had been chosen President of the International Military Tribunal for the Far East which was to try Japanese war criminals. Australia had a prominent position on the new Far Eastern Commission and she had succeeded in winning a role for the small nations in the discussions of the Council of Foreign Ministers on the European peace settlements. This role seemed to provide a precedent which would reinforce Australia's claim to the status of a principal at the conclusion of the final settlement with Japan.

Furthermore, there was reason to believe that the United States, while reserving for herself a predominant position in the direction of the Japanese occupation, nevertheless agreed with the Far Eastern Commission nations on the major principles which were to guide the occupation. Thus, there seemed every prospect that the Allied co-operation which existed in the last month of 1945 would be continued and even strengthened in 1946.

Evatt, as Minister for External Affairs, had more than once stated Australia's views on the manner in which the defeated Japanese should be treated. He had indicated that Australia would not be satisfied with anything less than 'full reparations'; that it was Australian policy to bring about a complete disarmament and demilitarization of Japan, followed by measures of democratization in both economic and political life. Restrictions upon Japanese production in certain lines, notably in the

chemical industry, should be observed. Japanese purchases abroad should be made subject to the requirements of the Far Eastern countries she had invaded and devastated. Thus, food supplies should be sent to China and the Philippines before being shipped to Japan. Finally, Evatt had advocated the punishment of war criminals from the highest to the lowest; in particular, he argued that the Emperor should not be exempt from prosecution.

Developments of 1946, however, were not to witness the full realization of this policy. The Emperor was never brought to trial nor charged as a war criminal. Japanese food supplies were not restricted in order to provide rations for other Far Eastern areas. And while Australia approved the general course of the occupation under the leadership of General MacArthur, she entertained serious objections to the procedure the Supreme Commander followed. While, therefore, Australia could find little fault with the occupation's measures designed to democratize the Japanese economy, to break up the old financial cliques and to revive Japanese trade unions, to foster land reform and to complete the final phases of disarmament and demilitarization, she was disturbed by the apparent tendency of the Supreme Command to flaunt the authority of the Far Eastern Commission and to obstruct the workings of the Allied Council. The year 1946 was to be marked by jurisdictional disputes between MacArthur and the Allied control bodies. As long as the United States and its Pacific Allies were in agreement on the proper course of occupation policy, these differences would not be very serious. If differences between America and the Pacific nations emerged, however, MacArthur would quite probably use his independent authority to put into effect measures opposed by a majority of Allied nations. The problem of jurisdiction, therefore, was potentially of great importance.

The Far Eastern Commission Vice-Chairmanship

While jurisdictional squabbles between MacArthur and the control authorities were to engage Australian attention for the major part of the year, the first meetings of the new Far Eastern Commission raised a question of prestige. The election of officers to the new commission brought fresh Australian opposition to a privileged status for the four nations possessing the veto. Russia wanted a position of prestige in the commission and had

informally pressed for the Vice-Chairmanship, a post which had at one time been considered for Evatt in the old Far Eastern Advisory Commission. Secretary of State Byrnes was not enamoured of the idea of a Soviet representative as sole Vice-Chairman, and he suggested as an alternative that three Vice-Chairmen should be selected for each of the three remaining veto powers on the commission: Russia, the United Kingdom, and China. The Russians agreed to this idea, but when the matter was broached in the commission, the Australian representative, Sir Frederic Eggleston, stated that he 'could not approve the proposal to fill the positions with delegates from the nations which held the veto power'.¹ The New Zealand member then proposed that Australia be elected as sole Vice-Chairman. Finally, the Steering Committee approved a Netherlands suggestion that the three Vice-Chairmen should be chosen on the basis of their personal qualifications for the task. Over the opposition of Australia and New Zealand, the committee chose Andrei Gromyko, Wei Tao-ming and Lord Halifax, the representatives of the three remaining veto powers, as Vice-Chairmen of the commission.²

The problem arose again in the commission, however, when the previously-elected Vice-Chairmen had been called to other posts by their governments. At a meeting of the Steering Committee on 16 July 1946 Secretary-General Nelson Johnson proposed that the then current delegates of the three powers be invited to become Vice-Chairmen. Accordingly, he nominated Wellington Koo, Nikolai Novikov, and Sir George Sansom for the positions. Evatt, who was visiting Washington at the time, strongly objected to this procedure and stated that he saw no reason why the interests of the countries represented by these men should have priority over Australia's own interests. He

. . . regarded the proposal as an affront to Australia, whose contribution to the war effort in the Pacific had been second only to that of the United States . . . only pretense had made it possible to nominate Vice Chairmen on the basis of individual qualifications and simultaneously to find that these qualifications resided in the representatives of the three veto Powers.³

He was particularly concerned in that such a measure might lay down a precedent 'for choosing participating nations in a

¹ *History of FEC*, p. 37.

² *Ibid.*, p. 38.

³ Quoted in *History of FEC*, p. 38.

future peace conference',⁴ and concluded that a better arrangement would be for the United States' alternate to preside over meetings of the commission in the absence of the Chairman and to dispense with the positions of Vice-Chairmen. The Australian and New Zealand delegates formally moved such a proposal.

The representative of the Soviet Union would not accept this motion, and after a barrage of contradictory suggestions by the other delegates, the matter was unanimously referred to the Steering Committee for reconsideration. There, however, the same adamant positions were repeated, and while the commission later unanimously agreed that there should be three Vice-Chairmen, no further attempt was made to fill those positions. In an effort to appease the Soviet's ruffled vanity the United States endeavoured to persuade Evatt to accept the Soviet Union as one of the Vice-Chairmen, and went to the length of sending him a message which declared that the 'United States hopes and desires that Australia will participate on full and equal basis in formulation peace treaty with Japan . . .'⁵ Despite the American Ambassador's report that Evatt was exceedingly pleased with the American statement, the Australian Minister did not end his opposition to the nomination of veto powers for the Vice-Chairmanships.

The Russians had let it be known that their attitude towards the Far Eastern Commission would improve if they could obtain one of the three posts, and the American Chairman of the commission tried again to obtain Evatt's approval for the idea, but to no avail. The British delegate could not be won over either, for he had been instructed that 'in any difference arising between Australia and the Soviet Union over the chairmanship of the Commission, he was to support the Australian position'.⁶

Australia and the Japanese Constitution

The question of the respective jurisdictions of General MacArthur and the Far Eastern Commission was raised first in connexion with the Japanese Constitution. The Moscow decisions had made it clear that the Far Eastern Commission would be charged with considerable responsibility in the formation of a new Japanese Constitution; indeed, the accord stipulated that 'any directives dealing with fundamental changes in the Japanese constitutional structure . . . will be issued only follow-

⁴ Ibid., p. 38.

⁵ Ibid., p. 40.

⁶ Ibid., p. 41.

ing consultation and following the attainment of agreement in the Far Eastern Commission'.⁷ Australia accordingly believed that 'any constitution proposed must be approved by the Commission'.⁸ With other delegates, the Australian representative was convinced that any new Japanese Constitution should reflect the freely-expressed will of the Japanese people.

When the Far Eastern Commission visited Japan at the turn of the year, General MacArthur had told its members that his authority to act on revision of the constitution had been taken from him by the Moscow accords and placed in the hands of the commission. Early in January, however, the United States government sent a new policy document on the Japanese Constitution to MacArthur. This policy statement was also submitted to the commission for consideration, but the result of American action seemed to be that the United States had anticipated the commission and inadvertently had given General MacArthur a policy document which he would inevitably view as a directive.

A Japanese Cabinet committee had been working on a draft, and when it proved to be wholly unacceptable, the Supreme Commander took it upon himself to formulate an alternative version. The revised draft was submitted to the Japanese Cabinet as an expression of the Supreme Commander's views, and on this basis a final version was approved by the Cabinet and by General MacArthur on 6 March. Whatever the merits of the constitution as a document, it was widely regarded as an American document or as one directly inspired by America. The provision for the renunciation of war was taken directly from General MacArthur's notes.⁹ The phrasing of the draft was obviously un-Japanese and contained language parallel to that of the Declaration of Independence and the Gettysburg Address. An American columnist reading the English draft was so struck by its obvious origins that he remarked, 'Has it been translated into Japanese yet?'¹⁰ In addition, the Japanese press continually stated or implied that the draft was more the work of the Supreme Command for the Allied Powers than of the Japanese Cabinet.

⁷ 'Terms of Reference of the Far Eastern Commission', U.S. Department of State, *Activities of the Far Eastern Commission, 1946-47: Report by the Secretary General*, Publication No. 2888, p. 38.

⁸ Sir Frederic Eggleston, quoted in Far Eastern Commission, *Minutes of the Far Eastern Commission*, 14 Mar. 1946, p. 4.

⁹ *History of FEC*, p. 46.

¹⁰ *Age*, 2 Apr. 1946, p. 2.

In these circumstances it is hardly surprising that Australia was concerned at the actions of the Supreme Commander. MacArthur seemed to be exercising an initiative of which he had been deprived at Moscow, and the result was a draft which, in the Australian view, did not take Japanese sentiments sufficiently into account. On 20 March the Far Eastern Commission passed unanimously a policy decision designed to remedy these difficulties. The commission, first of all, asserted its authority to 'pass upon' the final draft of the constitution 'to determine whether it is consistent with the Potsdam Declaration and any other controlling document before it is finally approved by the Diet and becomes legally valid'.¹¹ It also noted that since the MacArthur draft did not 'necessarily' have its approval,

it considers that the Supreme Commander for the Allied Powers should in some appropriate manner make it known to the Japanese people that while this draft of a proposed constitution is a document of obvious merit and is available now for consideration and study, the fact that it is a draft prepared by the Government does not preclude favorable consideration of other proposals or drafts which may be submitted to the Diet for study and comparison.¹²

The provision for 'other proposals or drafts' reflected Australia's view that the SCAP-approved draft had been formulated without sufficient attention to Japanese opinions. A Melbourne *Age* correspondent captured the attitude of the commission when he reported:

Opposition to the proposed new Japanese Constitution drawn up by the Shidehara Cabinet and endorsed by General MacArthur, was expressed at the meeting of the Far-Eastern Commission on the grounds that it was far too western in character to truly [*sic*] represent the mood of the majority of the Japanese people. . . . General criticism by the commission was levelled at the incorporation in the constitution of typically Western phrases, which would carry no conviction with the Japanese, the vagueness of the articles referring to freedom of individuals, and the clause banishing war, which was felt to weaken the sincerity of the document.

While delegates made it clear that they had no intention of allowing the Japanese to revert to the previous form of government, they expressed the view that the formal adoption of a constitution which was not taken seriously by the Japanese people would undermine the prospects of the introduction of democracy into Japan.¹³

General MacArthur discharged what he believed were his

¹¹ *Activities, 1946-7*, p. 64.

¹² *Ibid.*

¹³ *Age*, 2 Apr. 1946, p. 2.

responsibilities under the directive in a short statement to the first meeting of the Allied Council for Japan. He admitted that 'changes in form and detail . . . may well result from this open forum of public debate and the ultimate consideration of the National Diet and the Allied Powers . . .'¹⁴ But neither Australia nor a majority of commission members was convinced that he had performed his appointed task. Many representatives, indeed, believed that he had shown disrespect for the commission. On 10 April 1946, therefore, the commission unanimously adopted a statement requesting the Supreme Commander 'to send a member of his staff to Washington to inform the Commission on the plans of the Japanese Government for the adoption of a Constitution, and also to discuss with the Commission broad questions relating to a new Constitution for Japan'.¹⁵ It was believed that relations between the commission and General MacArthur would be improved as a result.

Though MacArthur replied to this communication on 13 April, his reply was not transmitted to the commission by the United States government until 4 June, for reasons that have never been satisfactorily explained. In his message General MacArthur refused to send a SCAP representative to consult with the Far Eastern Commission on a new Japanese Constitution because he had 'given his personal attention to this question and there is no officer in a position to express in detail his views'.¹⁶ The reply also expressed very clearly how different were the conceptions of his authority entertained by General MacArthur himself and by the members of the commission. He said:

It appears patently clear that the function of the Far Eastern Commission in the matter of constitution reform for Japan is limited to the formulation of guiding policy within the framework of the Potsdam Declaration and the surrender terms. In the absence of any such policy statement from the Far Eastern Commission, the Supreme Commander is clearly unrestricted in his authority to proceed in the implementation of the Potsdam Declaration and surrender terms as he interprets them or may be guided by developed American policy in point. . . .¹⁷

In other words, General MacArthur seemed to claim the right to make policy in the absence of a relevant commission decision. Australia did not share this interpretation, nor did the com-

¹⁴ Allied Council for Japan, *Corrected Verbatim Minutes of the Allied Council for Japan*, Morning Session, 5 Apr. 1946, pp. 5-6.

¹⁵ *History of FEC*, p. 50.

¹⁶ *Ibid.*, pp. 50-1.

¹⁷ *Ibid.*, p. 51.

mission believe that its function in the matter of the Japanese Constitution should be confined to a statement of guiding principles.

While the commission was waiting to hear General MacArthur's answer to its request for consultation on the Japanese Constitution, it proceeded to pass a policy decision which reflected Australian views on the way in which the constitution should be adopted. The decision stressed that the Japanese should be given adequate time to discuss and consider the terms of the new constitution, that complete legal continuity with the Meiji Constitution should be established, and that 'the new Constitution should be adopted in such a manner as to demonstrate that it affirmatively expresses the free will of the Japanese people'.¹⁸ The criteria established reflected the importance the commission attached to full acceptance of the constitution by the Japanese people, and it suggested implicitly that the procedure adopted by General MacArthur did not take Japanese attitudes fully into account. When the Supreme Commander's reply to the earlier request was revealed in the commission, the immediate reaction was a unanimous vote to send its own representatives to Japan to consult with General MacArthur. The commission later thought better of the proposal, however, and proceeded no further with it.¹⁹

After the draft had been polished and amended in various minor ways by the Cabinet, it was presented to the Diet for consideration and approval on 21 June. This move threatened to precipitate another clash of jurisdiction between the Supreme Commander and the commission. The commission had unanimously decided that it would have to 'pass upon' the draft constitution before it could be finally approved by the Diet. But it was not certain whether the commission could hold up the final ratification of the constitution merely by taking no action, or if inaction would be tantamount to approval. There was a further question also of the proper sequence of ratifications by the Diet and the commission. If the commission were to direct General MacArthur to delay Diet consideration of the draft until it had had an opportunity of making its own decision, its authority would be preserved. If, on the other hand, commission approval should come only after the Diet had ratified the document, its action would seem a rubber stamp to the govern-

¹⁸ *Activities, 1946-7*, p. 65.

¹⁹ *History of FEC*, pp. 54-5.

mental apparatus functioning under the Supreme Commander. In either case, if the commission were to reject the draft, it would bring Allied control into the open and destroy the façade of Japanese governmental authority which MacArthur had built up. The United States government sought to provide the solution to the first of these problems by asserting that the commission's function was limited to deciding whether the draft constitution was consistent with the Potsdam Declaration and other controlling Allied statements of policy, and that if the commission did not think the draft inconsistent with these documents the draft would become effective without formal action by the commission. This device neatly enabled the United States to avoid the veto problem, since she could veto any attempt to reject the constitution, and the resulting inaction would constitute approval. Australia was sympathetic with the United States position on this point and her representative declared that the constitution should go into effect 'in the absence of a Commission policy decision incorporating . . . disapproval'.²⁰

The other problem was fortuitously solved. MacArthur would not delay Diet proceedings to allow the commission to make its decision, but the normal legislative delays in the Diet permitted the commission to complete its discussion of the draft before the Diet had reached a formal decision. Most representatives were displeased with various sections of the draft, but most also were persuaded that it was not in conflict with the Potsdam Declaration and other relevant Allied decisions.

The Australian view was that the draft constitution was 'not unacceptable' but that there were many weaknesses in the document. The Australian representative argued that the position of the Emperor was legally obscure, and that the provision for the renunciation of war would not be taken seriously by the Japanese. Moreover, the prohibition on military activity seemed to prevent the inclusion of provisions stripping the Emperor of military power and specifying that all cabinet members be civilians. The Australian delegate also believed that the Upper House had been given too much power by the constitution, and he favoured a provision requiring selection of the Prime Minister from the Lower House. The judiciary clauses, in the words of one Australian expert, were 'the chief blot on the Constitution', and universal adult suffrage had not been specified. Most import-

²⁰ *FEC*, 16 Aug. 1946, pp. 4-5.

ant in Australian thinking, however, was the conviction that the draft constitution did not represent 'an exercise of the free will of the Japanese people'. Weighing all these considerations, the Australian representative felt that 'it was essential to provide for a later review of the Constitution by the Far Eastern Commission'.²¹

Although Australia did not insist that the review of the constitution take place immediately or within the next two years, she was not disposed to have the review deferred indefinitely. Finally, a compromise was suggested whereby it was decided to require a review by the Diet in two years, but the review policy decision was not to be made public until later. Australia had originally believed, with other members of the commission, that the decision should be announced as soon as it was adopted, but she was willing to compromise in order to gain American approval for a decision on review. At a meeting of the commission on 17 October 1946, Australia and America agreed to adopt a policy on review immediately and to ask the American delegate to consult with the Supreme Commander on the time and manner of issuance. At this time Australia expressed her opinion that the publication of the decision should not be delayed later than the date of promulgation of the constitution.²²

Australia was pleased that this compromise had been agreed upon, and she was gratified to discover that the Supreme Commander had persuaded the Japanese government to submit amendments to the draft constitution prohibiting military men from cabinet posts and guaranteeing universal suffrage. But Australia's elation was short-lived. General MacArthur's reply to the commission's inquiry on publication of the review decision stated:

The publication of referenced statement of policy . . . would instantly be viewed in the public mind as a display of force by the Allied Powers . . .

As the harmful effect of such publicity is as patently clear as any benefit therefrom to the Allied cause is obscure, I must strongly recommend against any such procedure at least until the proposed year of experience has passed.²³

MacArthur's message constituted a direct challenge to Australian

²¹ Australian statement, *FEC*, 12 Sep. 1946, pp. 3-4.

²² *Activities, 1946-7*, p. 67; *History of FEC*, p. 59.

²³ *History of FEC*, p. 59.

policy. In a long statement before the Far Eastern Commission, Major J. Plimsoll replied that 'to let the Japanese feel that the Commission had no objections or reservations concerning the constitution would in the future give them justification for directing at the Commission a charge of breach of faith'.²⁴ There was doubt in any case, the Australian argued, that the policy decision could be kept secret indefinitely. Too many people knew about it to preclude the possibility of leakage to the press. But, he continued:

The worst consequence of postponement of publication of the review provision was the difficulties which would plague the Commission for the next two years. Various situations might well arise in which the actions of the Commission, the Supreme Commander, and possibly those of the Japanese Government would be determined by the decision, of which the Japanese people would know nothing. The Commission should realize that sooner or later the decision would be made public, if not within the next two years, then ultimately in the course of the publication of historical records, when the fact of delay would perhaps be interpreted to mean admission of doubt on the part of the Commission as to the wisdom or legitimacy of the policy.²⁵

The commission then discussed the possibility of announcing the review policy decision in connexion with promulgation of the constitution. The American delegation stated that as promulgation would take place just two days after the Far Eastern Commission meeting, it would be 'impracticable' to issue the review policy at the same time.

General MacArthur, after reviewing the comments of commission members, sent another note to Washington. He stated that he believed disastrous consequences would result from public announcement of the review policy, even that such announcement would 'destroy' the constitution. In reply the Australian member commented:

that the people of Allied countries had a right to be informed of the Commission's decisions. . . . No Government, he thought, could very well maintain the fiction that the Commission had ignored the question of the Japanese constitution, and he felt that a Government would be justified, regardless of the Commission's decision as to publicity, in announcing under pressure of parliamentary debate its position to the effect that the constitution was not unacceptable, provided it was subject to review; a government might feel that the considerations of

²⁴ *FEC*, 1 Nov. 1946, pp. 1-2.

²⁵ *Ibid.*, p. 3.

its own national policy outweighed the considerations of the occupation as outlined by General MacArthur.²⁶

In the face of this thinly-veiled threat, America prepared to compromise. When the Australian delegate suggested that if the Japanese government were to be informed of the review decision his government would be satisfied for the time being, America changed its position and concurred. The final synthesis was reached on 12 December 1946, when the commission passed a policy decision on issuance which provided that the Japanese government was to be told of the review policy and that the commission was still considering the time and manner of its public announcement.²⁷

The rift between the United States and Australia on the question of the constitution seemed to have been bridged until a controversy arose over implementing legislation. The members of the commission felt that they were empowered to pass upon the Japanese legislation to carry out principles of the constitution, as they had passed upon the constitution itself. They wished, accordingly, to obtain copies of draft legislation in time to allow for full consideration before passage by the Diet. The American Chairman had assured the commission that draft bills would be obtained as soon as possible. On 19 December the Australian member asked that SCAP arrange for an interval between passage of each bill in the House of Representatives and its introduction in the House of Peers to enable the commission to review it. General MacArthur, however, would not interfere with the Japanese implementing legislation, and the best the Far Eastern Commission nations could secure was a promise that copies of the bills would be sent to the commission by air courier as soon as they were brought before the Diet. 'This was not done, however. The first four important bills did not reach Washington until 23 or 24 days after they had been introduced into the Diet, and then they had already been passed by the Diet.'²⁸ The consternation among the Allied nations, particularly New Zealand and Australia, was understandable. Major Plimsoll commented that:

²⁶ *FEC*, 21 Nov. 1946, p. 4.

²⁷ *Activities, 1946-7*, p. 68. 'On March 20, 1947, after discussions continuing through several weeks, the U.S. Government in a spirit of compromise joined the other members of the Far Eastern Commission in a vote that the policy decision on "Provision for the Review of a New Japanese Constitution" should be released to the press outside of Japan': *History of FEC*, p. 61.

²⁸ *History of FEC*, p. 62.

. . . in no respect had the Commission failed to make known its desire to review draft implementing legislation. The present situation, in which the Commission was confronted with legislation finally passed by the Diet, was directly traceable to the Commission's forbearance to exercise its rights to the full. Member Governments could have raised the question of conformity of draft legislation to governing policy in the Allied Council in Tokyo, he pointed out, or could have laid down policy decisions in the Commission which would have prescribed the nature of the implementing legislation. But either of these courses, the first of which would have embarrassed the Supreme Commander and the second of which would have limited the initiative of the Japanese people, had been held undesirable. . . . In this connection, Major Plimsoll said his Government felt that the Commission had not been given adequate opportunity to examine the implementing legislation or to participate in its formulation.²⁹

In summary, it may be said that Australia, with the majority of members on the Far Eastern Commission, felt that the Japanese Constitution had been issued prematurely without the full consideration or assent of the Japanese people. It was felt that General MacArthur had shown obvious disrespect for the commission in refusing to send a representative to discuss his view on constitutional reform, and that he had taken too little account of the commission's authority to pass upon the draft constitution and implementing legislation before it received final approval in Japan. Australia did not object strenuously to the terms of the draft constitution, but she took the lead in proposing that the terms should be subject to review at some future date. In much of the discussion of the draft Japanese Constitution Australian views were identical with a majority in the Far Eastern Commission. In some cases Australia opposed the representative of the United States, as, for example, on the question of the review provision; in many cases Australia's views were strongly critical of the high-handed manner in which General MacArthur conducted his relations with the commission. Nevertheless, at the turn of the year Australia was perhaps more disposed to criticize the procedure adopted by the United States in its handling of the constitution than to criticize the policy adopted.

Australia and Japanese Fishing and Whaling

In the question of Japanese fishing and whaling, however,

²⁹ *FEC*, 2 Jan. 1947, pp. 3-4.

Australia had serious substantive objections to the policy pursued by the United States. An American directive on fishing and whaling had been sent to the Supreme Commander on 13 November 1945, before the commission had come into existence. That directive was generally regarded as binding by commission members, and on its authority the Supreme Commander had agreed to permit the Japanese to carry out a whaling expedition in the Antarctic in the 1946-7 season. Though Australia accepted the validity of the American directive, she vigorously objected to the proposal for a Japanese whaling expedition in the Antarctic, and with the United Kingdom and New Zealand, Australia presented an *aide-mémoire* to the United States opposing the expedition. The note stressed the danger to the security of Australia presented by such an expedition. Australia's major fear was that the expedition might be the thin end of a wedge in a series of decisions which eventually would give Japan the right to engage in pearling in the waters north of Australia. Japanese pearling in the inter-war period had enabled Japan to obtain essential strategic information about the approaches to Australia which would have been used in the event of invasion. A second objection to the Japanese whaling expedition lay in the fact that Australia hoped to obtain portions of the Japanese whaling fleets in reparations. Evatt presented Australia's case in a public statement on 27 September 1946:

Australia has not agreed at any time to the presence of Japanese personnel in any whaling expedition in Antarctica. The Australian Government's attitude towards the proposed whaling expedition has never varied. It has no objection to Japanese vessels being used, and in fact thinks their use would be of advantage, but what Australia is demanding is that the expedition be controlled and operated exclusively by Allied personnel. A joint venture by Britain, Australia, New Zealand and Norway has been suggested, and the Australian Government is in favour of it.

Australia has great territorial interests in Antarctica, as well as a direct interest in the proper control and development of the whaling industry, and it is the policy of the Government to protect these interests. The matter is receiving close consideration by the United States Government, and the Australian Government is hopeful that it can be settled to Australia's satisfaction.³⁰

The American reply to the joint *aide-mémoire* appeared shortly afterwards. It stated:

³⁰ *Digest of Decisions and Announcements and Important Speeches by the Prime Minister*, 27 Sep. 1946, p. 43.

The Supreme Commander for the Allied Powers' authorization of the expedition was a matter of administrative action taken by him under Directive No. 20A of November 13, 1945 . . . the action of the Supreme Commander in approving the forthcoming expedition was clearly within his authority.

The Government of the United States wishes to emphasize the purely temporary character of this projected expedition and its emergency nature in connection with the food supply situation in Japan and throughout the world. This Government is in complete agreement with the view that any long-range consideration of the rights of Japan to conduct whaling operations is a matter for Allied discussion and decision.

In view of the temporary and emergency character of this proposed expedition which in no way constitutes a precedent for the future, because of the fact that this expedition will be carried out in full and strict conformity with all international agreements regarding whaling, because adequate security safeguards will be established and as arrangements have been made to ensure prior consultation with the interested Governments, including the Government of Australia, in connection with any proposals for future Japanese whaling expeditions, it is hoped that the concern of the Australian Government may have been assuaged.³¹

The assurance referred to in the last paragraph was substantially the same as that which appeared in a note sent at the same time to the British government:

The Supreme Commander has informed the Department of State that no authorization for any possible future Japanese whaling expeditions in the Antarctic or elsewhere will be given without prior consultation with the interested governments, particularly with regard to the security factors that may be involved.³²

Although the Australian government never formally abandoned or withdrew its claims, it ceased to press its objections to the Japanese-manned expedition after receipt of the American note.

But the government was already working to head off an expedition in 1947-8. On 13 December it presented a proposed policy decision to the Far Eastern Commission which would have limited Japanese fishing rights to the area accorded them by General MacArthur in a series of directives in June 1946. The policy paper specified that this area could not be increased without the express authorization of the Far Eastern Commission, and more importantly, it also prohibited Japanese oceanic

³¹ State Department Note, *History of FEC*, pp. 106-7. ³² *Ibid.*, p. 107.

whaling in the Antarctic or anywhere else. Despite the fact that, in the first weeks of 1947, the United States introduced a much more lenient counter-proposal in opposition to the Australian draft

no other delegation approved the U.S. policy paper. All 10 of the other members supported the Australian proposal. The issue therefore was clear. The United States stood for a general policy on fishing [and whaling] to be passed by the Far Eastern Commission and implemented by SCAP at his discretion. All other delegations held the position that the Far Eastern Commission should delimit the Japanese fishing area and should determine any proposed extension of it.³³

Reparations

The United States and Australia were in much greater agreement on the reparations issue in the first year of the commission's work. Australia had the chairmanship of the Committee on Reparations, and under its aegis a substantial number of decisions were made in 1946. Various facets of the reparations problem had to be considered. In order that the broad limits of the reparations field could be marked out, it was necessary to decide what Japanese industrial facilities (monetary reparations were not contemplated) could be designated 'obvious excess capacity' and made available for immediate reparations removal. At the other extreme it was necessary to tell the Japanese what capacity they could be sure of retaining, regardless of the quantity of reparations. Within these broad limits it was desirable to decide what standard of living should prevail in Japan and to translate that decision into industrial terms. Once this had been agreed on, it would be clear how much of Japanese capacity would be surplus and could be made available for reparations. Finally, once the total quantity of reparations equipment had been determined, some agreed standard had to be applied to apportion reparations among the Allied countries.

Of these various steps in the reparations process three were taken in the first year of the commission's work. In a series of decisions between May and December 1946 the Far Eastern Commission unanimously established an interim reparations removal programme covering plants and industrial facilities which could be regarded as 'obvious excess capacity'. Each of the decisions, however, prefaced its schedule for removals with

³³ *History of FEC*, p. 116.

the statement: 'Such action, under the Interim Reparations Removal Program, should be taken without prejudice to further removals that may be ordered under a final reparations program.'³⁴

The basis for the Far Eastern Commission's recommendations on interim removals had been a policy decision prepared by America's State-War-Navy Coordinating Committee which was considerably more lenient than the proposals of President Truman's Reparations Commissioner, Edwin Pauley. Pauley's revised recommendations in 1946 were more favourable to Japan than his initial suggestions in December 1945; the new programme, however, was still considerably less generous to Japan than the decisions of the Far Eastern Commission. A comparison of several basic items is included in Table I.

TABLE I

Annual Industrial Capacity to be Retained by Japan*

<i>Product</i>	<i>Pauley's Revised Recommendations</i>	<i>FEC Plan</i>
Aluminium	—	15,000 tons
Steel ingot	2,750,000 tons	3,500,000 tons
Machine tools	10,000	27,000
Soda ash	300,000 tons	630,000 tons

* *Source: N.Y.T.*, 29 Nov. 1946, p. 16-3, and *History of FEC*, p. 126.

In his previous recommendations Pauley had suggested the reduction of Japanese steel ingot capacity to 2,500,000 tons annually. The pig iron capacity he envisaged for Japan in December 1945 was one-fourth of that allotted under the reparations removal programme of the Far Eastern Commission.

In February 1947 the commission established the outside limit for Japanese reparations. In a decision on 'Assured Production Capacity Levels for Japan', the commission unanimously agreed that the Japanese should permanently retain specific capacities in ten basic industries. The range in which reparations would be taken had now been set. Finally, the commission took the first step towards setting the ultimate level of reparations deliveries by establishing the 'peaceful needs of the Japanese people'. In January 1947 the commission decided that the needs of the Japanese people should be defined as being 'substantially the standard of living prevailing in Japan during the period of 1930-34'.³⁵ When this decision could be translated into the con-

³⁴ *Activities*, 1946-7, pp. 68-75.

³⁵ *Activities*, 1946-7, p. 85.

crete terms of industrial equipment the remaining equipment would be available for reparations, and the final reparations totals could be set. For various reasons, however, the decision on level of economic life in Japan was never made. Nor were the proportions of Japanese reparations each Allied nation was to receive ever decided.

One reason for the lack of progress in the first year of the commission's activity was the failure to agree on which body should decide reparations questions. The United States had proposed that a separate agency should deal with reparations because it believed that the Far Eastern Commission was not equipped to handle the technical issues that reparations would involve. It was felt it would be preferable to have a separate body, with full negotiating powers, that was prepared to cope with complex economic issues. In any case 'the reparations settlement finally negotiated will be subject to ratification by the Far Eastern Commission'.³⁶

This proposal was not accepted, however, because of a more serious obstacle. The Russian government was unwilling to permit any reparations body, the Far Eastern Commission or any other agency, to include Japanese external assets in its calculation of Japanese industrial equipment available for designation as reparations. Since the Russians had seized a substantial number of Japanese industrial facilities in Manchuria as 'war booty', they wished to exclude these assets from reparations estimates, and from the very first meetings of the commission the Soviet representative announced that he would not concede that the commission or any other organization had jurisdiction over Japan's external assets. The Australian government accepted the plan for a separate reparations conference on 25 July 1946, but the Soviet Union would not agree unless it was stipulated that the conference would not deal with Japan's external assets. The United States proposed to go ahead with a conference of all those nations willing to participate, if she could not get the approval of the commission. But while the other Allied nations were willing to participate in a conference authorized by the commission, they were dubious about a conference created outside the commission, and the project eventually was abandoned.

On the question of external assets, Evatt had made Australia's views very clear:

³⁶ *History of FEC*, p. 130.

The view of his Government was that the Commission was competent to deal with the question of disposition of Japanese assets located outside the four main islands. Since the Commission was empowered to formulate policy relevant to the fulfillment by Japan of her surrender obligations and since these obligations included the payment of reparations, all Japanese-held assets, wherever located, should be considered.³⁷

Australia had approved the commission's policy on interim reparations removals from Japan, and she had, perhaps surprisingly, opposed the Pauley recommendations as an unrealistic estimate of the quantity of reparations that might be taken from Japan. While she did not believe that Japan should be industrially denuded, she did agree that Japan should have to make substantial reparations to the Allied powers. The main Australian objection to the handling of the reparations question in 1946, therefore, was not to the decisions actually made but to the delay in making decisions. At the end of the year no reparations had yet been transferred to the Allied nations, and it did not seem that final agreement was in sight.

Other Issues

Two other issues raised in the Far Eastern Commission in the first year of its existence were regarded as significant by the Australian delegation. The first of these was the establishment of a policy towards Japanese labour which would strengthen the trade union movement and allow it to take part in political activity. In the words of one columnist, the policy decision finally passed by the commission 'bears a strong Australian imprint'. In fact, several of its clauses were inserted at the insistence of the Australian delegation. The decision, agreed to on 6 December 1946, included these provisions:

1. Japanese workers should be encouraged to form themselves into trade unions for the purpose of preserving and improving conditions of work, participating in industrial negotiations to this end, and otherwise assisting the legitimate trade union interests of workers . . .
2. The right of trade unions and their members to organize for these purposes should be assured and protected by law . . .
3. . . .
4. Trade unions should be encouraged to negotiate with the employers on behalf of their members regarding terms and conditions of

³⁷ *FEC*, 20 June 1946, p. 2.

employment. The Japanese Government should establish mediation and arbitration machinery for dealing with industrial disputes that cannot be settled by direct and voluntary negotiation between the worker or his representative and the employer . . .

5. Strikes and work stoppages should be prohibited only when the occupation authorities consider that such stoppages would directly prejudice the objectives or needs of the occupation.
6. Trade unions should be allowed to take part in political activities and to support political parties.³⁸

The second issue of substantial concern to Australia was that of the Japanese food supply. Australia, with the majority of the Far Eastern Commission, felt it was distinctly possible that Japan was receiving more food *per capita* than the destitute areas she had conquered. The United States took the view that the question of Japanese food supplies was outside the jurisdiction of the commission, but it concurred in a policy decision of the commission on 25 April 1946 that:

except to the extent that the Supreme Commander for the Allied Powers, with the advice of the Allied Council for Japan, determines that imports are essential immediately for the safety of the Occupation Forces, no imports shall be permitted which will have the effect of giving to the Japanese a priority or preferential treatment over the requirements of the peoples of any Allied Power or liberated area . . .³⁹

After a unanimous decision, the United States representative inserted into the minutes a statement which maintained that the United States had acted in accord with the principles of the decision in her previous food shipments to Japan. Shortly thereafter the United States undertook to supply substantial food imports for Japan 'to prevent such disease and unrest as would endanger the occupation forces'. The issue came up again when, on 4 June 1946, the United States admitted that she had not forwarded the food policy decision as a directive to General MacArthur. The day afterwards, at a meeting of the commission, Evatt attacked the delay, saying that:

The decision . . . was clearly a policy decision and that the United States Government should have transmitted a directive to the Supreme Commander as provided in Paragraph II, 1. of the Terms of Reference . . . the matter basically affected the function of the Far Eastern Commission because if policy decisions were not forwarded to the Supreme Commander as directives, the entire policy-making authority of the Commission would be destroyed.⁴⁰

³⁸ *Activities, 1946-7*, pp. 91-2. ³⁹ *Ibid.*, p. 90. ⁴⁰ *FEC*, 5 June 1946, p. 7.

The American representative defended the American action and pointed out that since the United States government and not General MacArthur decided the level of food imports to be allowed Japan, the decision was directed to the United States and not to the Supreme Commander. The American delegate continued: 'By conveying its feelings with respect to this policy to the United States Government and to the allocating authorities, the Commission had done all that lay within its power.'⁴¹

The United States was not willing to allow the Far Eastern Commission to pass a more detailed policy on the food issue. When Australia and New Zealand moved to proceed with a decision which would reassert the commission's role in the question of food policy and lay down a more explicit policy for the occupation, the American view was 'that there was no need for an additional document at the present time for transmission to the Supreme Commander'.⁴² This American back-peddling drew from the Australian representative the conclusion 'that the United States Government was determined that any decision taken by the Commission with respect to food policy for Japan must be an entirely innocuous one'.⁴³

Summary

While Australia was not completely happy with the Far Eastern Commission's treatment of various substantive issues, notably Japanese whaling and fishing, and the question of Japanese food supply, Australian diplomats were more disturbed at the procedural difficulties which the commission encountered. The controversy over the new Japanese Constitution seemed to indicate that there might be continuing friction with the Supreme Commander over the respective jurisdiction of the occupation authorities in Tokyo and the Far Eastern Commission. The reparations issue pointed to sins of omission rather than commission: the commission's own workings were hampered by the absence of agreement among the major Pacific Allies. Surveying the work of the commission in its first year, Australia concluded that the liaison with the Supreme Commander and the commission's own procedure would have to be improved if progress were to be continued in the future. Unfortunately, the uncertain course of the Allied Council for Japan did not lend much support to Australian hopes that an efficient Allied control mechanism could be established at an early date.

⁴¹ *History of FEC*, p. 179.

⁴² *Ibid.*

⁴³ *Ibid.*

JURISDICTIONAL DISAGREEMENTS: THE ALLIED COUNCIL FOR JAPAN

Procedural Difficulties

The Allied Council for Japan had been created at Moscow 'for the purpose of consulting with and advising the Supreme Commander in regard to the implementation of the terms of surrender'. But for various reasons the council never was able to fulfil the functions planned for it. In the first year of the council's work, the major cause of its failure was the conflict with General MacArthur. The Supreme Commander apparently told Secretary of State Byrnes prior to the Moscow Agreement that the Allied control plan proposed was not acceptable in his opinion and there were news reports that the General would resign if his authority were jeopardized as a result of the Allied accords. Although the Far Eastern Commission established a policy control over the occupation which MacArthur could not lightly disregard, the greatest challenge to his conduct of the occupation seemed to lie in the Allied Council in Tokyo. The council's functions were in the same field as his own, and its activities might serve to bring discredit upon his policies. This was the more true as the council's deliberations were conducted in public. (Far Eastern Commission meetings, in contrast, were held in secret.) In this context of administrative rivalry between council and Supreme Commander there were certain to be severe jurisdictional disputes and heated discussions, and in the absence of the moderating influence of Washington policy-makers, these discussions finally did reach a degree of warmth scarcely if ever attained by the debates of the Far Eastern Commission.

At the first meeting of the council, on 5 April 1946, the Supreme Commander stressed that the council's functions were advisory, and noted that any representative could make recommendations to Supreme Headquarters. It followed that formal votes of the council would not be necessary to make recommendations; the absence of formal motions would obviate the otherwise probable condition that the American Chairman would be outvoted by the other three representatives.¹ The first test of strength began

¹ The Far Eastern Commission initially had eleven members (Australia,

when the Russian member, General Kuzma Derevyanko, asked for comprehensive documentation on the implementing of Allied policy through the occupation apparatus. The Russian delegate asked that the council be given copies of all orders issued by SCAP to the Japanese government to date; copies of all documents received in compliance with SCAP directives from the Japanese government; and translations of all orders of the Japanese government to the separate ministries in implementing SCAP directives. General Derevyanko also asked that the Supreme Commander's orders to the Japanese government be made available five days to a week before publication. Finally, he requested that legislative acts, orders, and rescripts of the Japanese government be submitted to the council at least ten days before issuance. The Australian representing the four British Commonwealth nations on the council subscribed to the 'substance' of the Russian's first request and to the proposal to give the council copies of the Supreme Commander's orders to the Japanese government five days to a week before issuance.²

General MacArthur's answers to these recommendations by the Russian member were given on 17 April. Regarding the requests for copies of orders issued throughout the governing apparatus, General MacArthur said:

To attempt . . . to make available or to reassemble in specific form all of the administrative work which has transpired since the beginning of the occupation and prior to the convening of the Council would involve a monumental clerical effort for which facilities do not exist. . . . The responsibility of the Council being exclusively advisory and consultative, it does not involve a review of action heretofore taken in the administration of Japan, nor will the Supreme Commander burden it with matters concerning past issues.³

To the suggestion of the Russian member that SCAP directives be furnished to the council up to a week before publication, General MacArthur replied:

Such directives on matters of substance will be made available to members of the Council for concurrence or comment 48 hours prior to their issuance. It would create a prejudicial time lag in the functioning (Canada, China, France, India, Netherlands, New Zealand, Philippines, U.S.S.R., United Kingdom, and U.S.A.); the Allied Council for Japan had four representatives (a U.S. chairman and one member; a British Commonwealth member representing Australia, New Zealand, India, and the United Kingdom; a Chinese member; and a Soviet member).

² A.C.J., Morning Session, 5 Apr. 1946, p. 37.

³ Ibid., Morning Session, 17 Apr. 1946, pp. 16-17.

of government, however, to allow the longer period suggested for such purpose.⁴

In regard to the Russian suggestion that acts of the Japanese government be submitted ten days in advance of publication, General MacArthur said:

To require such delay of the Japanese Government would but cause practical suspension of its administrative functions. . . . The Members of the Council will be furnished with copies of the Official Gazette and may call up for discussion any specific acts of the Japanese Government they desire. This, coupled with the right of each member to call for a special meeting at any time to discuss any subject, should give ample assurance of the full recording and consideration of individual views.⁵

After General Derevyanko had protested that forty-eight hours would be too short a time for the council to consider SCAP's important directives, the British Commonwealth member, W. Macmahon Ball, added:

Mr. Chairman, I feel that the Member from the USSR is very right when he says that 48 hours is hardly long enough to give proper consideration to the more important directives, and I would suggest that this might be a matter which could be reconsidered to discover if there is any way, without holding up unduly the smooth working of the administrative machine, by which that period could be extended.⁶

Major-General Marquat, American Chairman of the council, replied that General MacArthur had stated his position and that the minutes would contain Macmahon Ball's suggestions on the matter.

Then began one of the most remarkable occurrences the council was to witness in the six years of its existence. General Courtney Whitney, head of General MacArthur's Government Section, had been sent to answer charges made by the Russian member that some Japanese political undesirables had not been removed from leading positions. Whitney answered the charge in such detail, citing organizations and posts within organizations, and even names of individuals affected by General MacArthur's purge directive, that the account amounted, in the view of newspapermen observing the meeting, to a virtual filibuster. General Whitney's report continued for the entire morning session without interruption and for a large part of the afternoon discussion as

⁴ *Ibid.*, p. 17.

⁵ *Ibid.*, pp. 17-18.

⁶ *Ibid.*, p. 19.

well. The British Commonwealth member, Macmahon Ball, gave notice in the afternoon session that he would call a special meeting of the council to deal with rules of procedure governing the calling of witnesses and the form their statements should take. Objecting to the speechmaking of the SCAP representative, Macmahon Ball stated, 'Now surely, it does remain for the Council to decide the particular way and form in which it desires to examine the witness. So far as I know, we did not invite anybody to make a speech. We did desire a witness to give evidence.'⁷

General Whitney rejoined that as the representative of the Supreme Commander he was present at the council meeting not to be examined but to give a full statement of the whole matter and nothing else. Macmahon Ball then raised the question of whether the Supreme Commander could determine the procedure for the Allied Council or whether the council could regulate its own business. At a meeting held to discuss procedures relating to the conduct of witnesses before the council, the Chairman, supported by General Whitney, argued that when a speaker sent from SCAP or other sources had the floor, his statements could not in any way be restricted by council action; to do so, the Chairman claimed, would involve a 'curtailment of free speech'. The British Commonwealth member then expressed the view that if the council was bound to let a speaker continue for a three to six hour period without interpolation, it would not be in control of its own business. The Chairman reiterated that he would have 'no muzzling', and the British member suggested that it might at times be difficult to distinguish between 'muzzling' and 'filibustering'. The meeting ended with ringing restatements of the two positions. This series of discussions was the most pyrotechnical of the verbal exchanges which marked the council meetings on various occasions.

As the first meetings of the council could be regarded as especially important from the point of view of the precedents they might create, General MacArthur undoubtedly decided to take a strong line at the outset to show the council that he would not tolerate interference with his administrative authority in Japan. The later meetings were not as heated as the initial sessions, but they reflected on the one hand the Supreme Commander's reluctance to allow the council a significant role in the review of occupation policy, and on the other the desire of the

⁷ Ibid., Afternoon Session, 17 Apr. 1946, pp. 5-6.

council members, perhaps excepting the Chinese delegate, to prevent the council from becoming innocuous.

In the subsequent meetings during 1946 General MacArthur continued his opposition to an active role for the council. Despite the Russian member's oft-repeated request that the Supreme Commander make his directives to the Japanese government available to the council at least five days before formal issuance, MacArthur would not budge. On occasion, however, the Supreme Commander did present directives to the council in advance of the forty-eight hours' notice he had agreed to observe. At the third meeting of the council, the new American Chairman, George Atcheson, ruled against the creation of committees to deal with special phases of the occupation's activities on the ground that they were not provided for in the terms of reference. In particular, Atcheson resisted Macmahon Ball's suggestion that these committee groups might make special surveys of aspects of occupation control.

The American Chairman also went out of his way to make it clear that the council as a single entity had no power of action; only individual members of the council had powers. He said:

There is no control authority as a whole. The reference to control authority is to the authority of an individual Member of the Council set forth in Article 6 [of the Terms of Reference] to request the Supreme Commander to withhold issuance of orders in three categories of matters under two specific conditions. I think that is perfectly clear. That is the only control authority which exists, and that can be exercised only in regard to a change in the regime of control, fundamental changes in the Japanese constitutional structure, or a change in the Japanese Government as a whole. And only under two conditions, that is, if the question arises in regard to the implementation of policy decisions of the Far Eastern Commission (in other words, there must be a policy decision of the Far Eastern Commission), and the other condition is that there is a contemplated directive. I think it is clear that if you take the Terms of Reference as a whole, that it was not contemplated that the Supreme Commander himself would necessarily consult with the Council as a body.⁸

This line of reasoning not only prevented the council from dealing authoritatively with a number of problems, it also obviated formal votes in the council, thus, as we have seen, removing the possibility that the representative of the Supreme Commander might be outvoted on a significant number of issues.

⁸ *Ibid.*, Morning Session, 15 May 1946, p. 32.

The Supreme Commander also placed certain procedural obstacles in the way of the council's efforts to obtain information on various aspects of the occupation's work. According to a General Headquarters order, all requests for information were to be made in writing to the Secretary-General of the council, who would transmit them to the diplomatic section of SCAP. The diplomatic section would then send them to the section which could provide the requested information. The reply of the section had to be routed through the same channels before reaching the council member. In practice, the procedure took three to four weeks, despite the fact that a chat with the officers concerned would in many cases have provided the needed answers in a much shorter time. Direct liaison with individual parts of the SCAP apparatus was, however, 'sternly disfavored'.⁹ In any case the procedure under which the Supreme Commander presented proposed directives to the council before publication did not provide the amount of information expected because the Supreme Commander tended more and more to use informal controls and not formal directives to guide the Japanese government.¹⁰

A final factor which hampered the council's functioning was the frequent ideological clashes between the American and Soviet members. From the start, the Communist representative sought to expose 'undemocratic' elements in the Japanese administration, and the American Chairman often joined issue with him in an ideological debate. At one point Atcheson asked a series of rhetorical questions about the liberties of citizens in the Soviet Union, and General Derevyanko heatedly invited the American Chairman to visit the Soviet Union and see for himself.

As the year ended the Supreme Commander apparently became increasingly disillusioned with the work of the council, and his deputy on that body tried to close its meetings at the earliest opportunity. On at least one occasion a meeting was adjourned by the Chairman when members wished to continue, and meetings grew shorter and shorter. The eighteenth meeting

⁹ W. Macmahon Ball, *Japan: Enemy or Ally?* p. 28. Article 6 of the Terms of Reference states: 'If, regarding the implementation of policy decisions of the Far Eastern Commission on questions concerning a change in the regime of control, fundamental changes in the Japanese constitutional structure, and a change in the Japanese Government as a whole, a member of the Council disagrees with the Supreme Commander (or his Deputy), the Supreme Commander will withhold the issuance of orders on these questions pending agreement thereon in the Far Eastern Commission.'

¹⁰ See *ibid.*, p. 29.

of the council on 30 October lasted only four minutes, and the later meetings of the council were even shorter, many not exceeding thirty seconds in length. It would not be rash to state that the council had largely served its purpose as a consultative organ by the end of 1946.

Limited Progress

Fortunately, the acrimonious nature of the discussions did not prevent some constructive efforts by both the Supreme Commander and the council to settle certain issues. For his part, General MacArthur tried on at least two occasions to expedite the work of the council and to allot it some useful functions. At a meeting of the council on 29 May General MacArthur acceded to the request put by Australia's Macmahon Ball to submit a list of subjects on which staff studies were being initiated within SCAP and which probably would be placed on the council's agenda in the future. This list included such substantial subjects as the ultimate level of the Japanese textile industry, Japanese participation in post-war transoceanic shipping, the development of the Japanese coal industry, the future of Japan's merchant marine, the future of its fishing industries including whaling, Japan's foreign trade, and others. It seems clear in retrospect that these were the kinds of issues the Far Eastern Commission had envisaged the council would consider. Unfortunately, on the issues which General MacArthur did place before it, the council was not of much assistance. The council felt that it did not have the necessary information to make informed recommendations, and General MacArthur believed that it was not willing to consider the matters put before it carefully enough to produce constructive and detailed recommendations.

General MacArthur made at least one other attempt to improve the functioning of the council. At the twelfth meeting of the council, on 13 August 1946, he proposed:

that the Council invite representatives of those eleven Allied Powers which waged the Pacific war and which now have Missions in Tokyo to sit here with us, informally and unofficially, and contribute their views. . . . Revision of the Terms of Reference of the Council is not proposed and is not in our hands. But we can nevertheless invite the chief Allied representatives in Tokyo to join with us at the Council table, informally and unofficially, in the discussions of substantive matters, other than procedural, which may properly be brought before

the Council. By so doing, I submit, we will unquestionably increase the effectiveness of the Council to the forefront of the field, so vital today to all the world, of international good will and cooperation.¹¹

The response to this suggestion was unenthusiastic. At the next meeting, General Chu, the Chinese representative, stated that he felt the proposal involved a change in the terms of reference, but that he would have no objection if by majority vote a particular power were to be invited to discuss with the council a matter affecting its interests. Macmahon Ball said that the proposal involved 'a substantial change in the Terms of Reference of this Council', and that 'it should be a matter for consideration between the Governments who were parties to the Moscow Agreement'.¹² The Russian member, General Derevyanko, rejected the proposal and insisted that it be removed from the agenda. No further progress was made in this direction.

There were some issues, however, on which the Supreme Commander obtained extremely useful help from the council. The land reform programme presented by the British Commonwealth member was warmly received at Supreme Headquarters and had obvious advantages over a proposal submitted by the Japanese government. Macmahon Ball's programme would have more than doubled the amount of land available for purchase by tenant farmers, and in October 1946 the Japanese Diet passed two government bills 'which included most of the substance and much of the detail of the ten-point program [Macmahon Ball] had submitted to the Allied Council'.¹³

Further, while there were continual procedural disputes between General MacArthur and the council, there was a remarkable unity of thought on substantive issues. The British Commonwealth member was willing to support an extension of the fishing areas open to the Japanese, and this gratified the Supreme Commander. At the same time, Macmahon Ball and the Chinese member opposed the resumption of relations between Japanese and foreign labour groups until a peace treaty could end the state of war. This point of view was heeded at General Headquarters. At a later meeting of the council two members of the council opposed a commission set up by the Prime Minister, Baron Shidehara, to investigate the causes of war and the

¹¹ A.C.J., 13 Aug. 1946, p. 4.

¹² *Ibid.*, 21 Aug. 1946, p. 3.

¹³ Macmahon Ball, *op. cit.*, p. 120. These recommendations on the land reform question were the work of Mr Eric Ward, Economic Adviser to the British Commonwealth Mission.

Japanese defeat. Macmahon Ball felt that the commission might spend its time investigating the causes of defeat, not the cause of war, and asked if the Allied nations had any assurance that the Japanese would agree with Allied conclusions on the cause of war. 'For that reason,' he said, 'I seriously doubt the wisdom of approving the work of this Commission.'¹⁴ The commission was subsequently abolished.

There is, furthermore, no evidence to support the claim that on other substantive issues the council, excepting perhaps its Russian member, was in grave disagreement with the Supreme Commander during 1946. The British Commonwealth member often spoke approvingly of directives issued by SCAP to carry out his responsibilities in Japan. And though the various disarmament, demobilization, and democratization directives could all be criticized, it was evident that the Australian representing the four British Commonwealth states approved the broad sweep of occupation policy at this early period. This is not to gloss over the divergences among the Far Eastern Commission, the United States government, the Supreme Commander and the Allied Council on a host of issues. The United States, though she wished to co-operate with the other Allied nations in the occupation of Japan, wanted co-operation on her own terms, and did not hesitate to proceed with her own policies when agreement with her Allies could not be obtained. There can be little doubt that General MacArthur was opposed to the apparatus of Allied co-operation erected at Moscow and that he conducted the occupation in certain respects in a manner directly inimical to the new international organ. And while the United States government tried to mediate between its Allies and the Supreme Commander, it supported MacArthur on all crucial issues.

Conclusions

The procedural barriers which confronted Allied co-operation on the Japanese question were not to the taste of the Australian government. Australian representatives on both the Allied Council for Japan and the Far Eastern Commission were often instructed to take policy stands which sharply diverged from those of the United States. And, for the most part, the promise of co-operation which seemed to have been pledged in the last days of the Far Eastern Advisory Commission was not fulfilled

¹⁴ A.C.J., Morning Session, 10 July 1946, p. 21.

in the first year of occupation. Australia was not able to exercise the role in formulating Allied policy in Japan which had been accorded to her on paper by the Moscow decisions. Yet, despite a certain amount of disenchantment with the effectiveness of the two new Allied bodies, measured optimism can be found in the journal of the Australian Department of External Affairs at the end of the year:

During the eight months since 26th February, 1946, the F.E.C. has made twenty policy decisions. All except one of these [food policy] were forwarded by the United States Government to SCAP as directives. Many other policy papers, including Basic Policy for Japan, are before the Commission and the Committees. The need for unanimity among the four major Powers has, of course, delayed vital decisions, but it is significant and encouraging that some of the twenty policy decisions are of major importance in their respective fields . . .¹⁵

Some of the stands taken by the Far Eastern Commission and the Allied Council, as we have seen above, directly reflected Australian policy. The reparations and labour policy decisions reflected Australian policy quite precisely, and the Japanese land reform programme showed the hand of Macmahon Ball and his economic adviser, Eric Ward. The Department of External Affairs, moreover, considered that the activities of the Allied Council showed that it was 'fully capable of dealing with important problems and of giving constructive and valuable advice'.¹⁶

In the Australian view one of the major obstacles to the successful functioning of Allied control of Japan was the lack of a basic policy document. The tentative agreement Evatt had won for a basic policy statement in the old Far Eastern Advisory Council had not yet reflected itself in the discussions of the new commission. The Russians had held up consideration of Evatt's draft proposals because of lack of instructions, but on 8 October they announced that new instructions had been received which would enable them to proceed with discussions on the document. Thus, 1947 held the promise of reaching agreement on the important question of basic policy for Japan.

The developments of 1946 both pleased and disturbed the Australians. The issues dividing Australia and the United States were less significant than the area of agreement which had been established. General MacArthur had completely set at rest the

¹⁵ C.N.I.A. XVII, Oct. 1946, 599.

¹⁶ Ibid., p. 603.

fears that had been engendered by the 'gloved hand' policy in the early days of the occupation. He had moved swiftly and effectively in the disarmament and demilitarization phases of the occupation's work, and the democratization phase had been initiated. The economic democratization plans were very much to Australia's taste, and the impetus to Japanese trade unionism was viewed with favour.

At the same time, Australia did not believe that a satisfactory relationship with General MacArthur had been established by either of the two control bodies. Australia was disturbed by delays in the Far Eastern Commission and the seeming incapacity of the Allied Council. On three substantive issues, moreover, the occupation had not heeded Australian desires. Despite Australian opposition, the United States sent food to Japan with little regard for the general food shortage in the Far East. The United States approved a Japanese whaling expedition to the Antarctic over Australian objections. At the same time the occupation had done nothing to implicate Emperor Hirohito in the crimes of World War II or to charge him as a war criminal.¹⁷

If America continued to take a course which opposed Australian thinking in regard to Japan, and if no better working relationship could be established between the Supreme Commander for the Allied Powers and the two Allied organs, Australia might seek another means of advancing its views on the proper treatment of the Japanese.

¹⁷ A policy decision, approved by the FEC on 3 Apr. 1946, included in the definition of 'war crimes': 'Planning, preparation, initiation or waging of a war of aggression or a war in violation of international treaties, agreements and assurances, or participation in a common plan or conspiracy for the accomplishment of any of the foregoing.' It was also provided that: 'All practicable measures should be taken to identify, investigate, apprehend, and detain all persons suspected of having committed war crimes, as defined . . . above, and all persons whom any one of the United Nations or Italy charges with such crimes.' Formally at least, this decision might have been construed to apply to Emperor Hirohito. On 11 March 1946 the U.S. had submitted to the FEC a proposed policy decision reading: 'Though the ultimate form of government in Japan is to be established by the freely expressed will of the Japanese people, the retention of the Emperor institution in its present form is not considered consistent with the foregoing general objectives . . . The Japanese should be encouraged to abolish the Emperor institution or to reform it along more democratic lines' (FEC-019, 11 Mar. 1946). This policy paper, however, was never formally approved by the commission; nor was any attempt made to bring Hirohito to trial as a war criminal. On 24 February 1949 the commission approved a decision which ruled out any subsequent attempt to try the Emperor.

THE DISPUTE OVER MANUS ISLAND

Introduction: Manus in Perspective

While the Australian government was fully conscious of the need for continued strict Allied control of Japan, it did not rely completely upon limitations on Japanese sovereignty to safeguard Australian security. There was always the probability, theoretical at that moment but practical at some future time, that Japan would be freed of external restraints and permitted to resume normal diplomatic and political status in international relations. When this happened, Australians believed they would be endangered. In order to prepare for this eventuality the Australian government had begun to plan as early as 1942 for some regional security arrangement for the Pacific to obviate the Japanese menace. The Pacific pact proposal had been mooted as early as the spring of 1937, and after the outbreak of war it became a major preoccupation of Australian foreign policy. Dr Evatt, prior to the end of Japanese resistance, had initiated preliminary inquiries among the major Western powers with territories in the Pacific concerning the possibility of holding a conference to discuss the general question of Pacific security. After the war ended, Evatt continued his efforts to obtain greater protection for Australia, and he looked particularly towards military co-operation between Australia and the United States. It was on the question of Manus Island that Evatt first sought to elicit an American commitment to defend the south-western Pacific.

The American Proposition

During the Pacific War, Australian and American military leaders established co-operative arrangements for the use of defence facilities in the Far East. Australia believed that if such co-operation were continued into the period after the war the interests of both nations could be furthered. In particular, a military arrangement with the United States and other powers in the Pacific would provide security against a resurgent Japan that could not be forever guaranteed by the Allied occupation.

Further, it seems that both Australia and the United States desired and envisaged a form of defence co-operation in the Pacific after August 1945. In the first two years after the war, however, they could not agree on the precise form this co-operation should take.

Manus Island proved to be the issue which would crystallize the different conceptions of military co-operation entertained by the two states. Manus, an Australian-mandated territory of the Admiralty Group, had been seized by United States forces from the Japanese in February 1944. Subsequently America built a formidable base on Manus, which it used to stage the invasion of the Philippines. The harbour at Manus at one time accommodated an American fleet of over a thousand vessels. Floating docks, airfields, a hospital, roadways, and living accommodation for thousands of men were constructed on the island. Precisely how much was spent by the United States on the base is in dispute. Estimates range from £A50-250 million, though the figure most often heard within the American government is \$156 million. It is safe to say, in any case, that the expense was not trifling.

When the war ended, the United States began to review her defence plans in the Pacific. There is little question that she reached the conclusion that she would like to use the facilities which had been built on Manus. But members of the American government apparently could not agree upon the terms which America should propose. At first it seemed that the United States would ask for full title to the base; later she seemed to want only the right to use the facilities she had constructed. The first conclusion was reached in August 1945, in a report of the House Naval Affairs sub-committee. It was reinforced in September when H. Struve Hensel, Assistant Secretary of the Navy, named nine major Pacific bases which the United States needed to retain. The list was 'limited to those we should intend to maintain and which are susceptible to defense'.¹ Manus was included in the list.

These suggestions caused a degree of uneasiness in Australia. Public statements in the United States seemed to lay claim to the island as an American possession, or so at least these claims were interpreted in Australia. In order to counter the American proposals, Evatt drew attention to a provision of the Australia-

¹ N.Y.T., 6 Sep. 1945, p. 2-3.

New Zealand pact of 1944. The provision stated that use of a base in wartime does not 'afford any basis for territorial claims or rights of sovereignty or control after the conclusion of hostilities'.² Then the Australian Minister for External Affairs stated his terms. In a speech to the National Press Club in Washington in November, Evatt agreed to grant the use of bases to another country; he stipulated, however, that in exchange that country would have to accept responsibility for the security of the area that those bases protected. This was Australia's first attempt to turn what appeared to be a request for sovereignty into a proposal that would vastly increase Australian security in the Pacific. In fact, even at this early date, Evatt was apparently striving to turn America's desire to use the Manus base into a practical guarantee of Australia's territorial integrity.³

It is likely that preliminary discussions on the future of Manus Island were initiated between the Australian and American governments some time in February 1946. The first official communication from the United States seems not to have come until March. The *Sydney Morning Herald*, in a summary article on the Manus negotiations which appeared on 21 January 1951, stated that America approached Britain and France first on the status of American bases on French and British territories in the Pacific. The Dominions Secretary of the British Cabinet, according to the *Herald* report, notified Australia of the contents of the American message, and the government responded that Australia should be represented in any international negotiations affecting the disposition of territory in the south Pacific.

The *Herald's* reporting of these and other diplomatic events connected with the Manus Island discussion leaves little doubt that the newspaper had access to sources not generally available to the public. The discussion between the London and Canberra governments over the conduct of negotiations with the United States were probably carried on by diplomatic cable, and the *Herald's* description of notes and proposals made later by the United States to the Australian government for the use of Manus facilities strongly indicates that a reporter had seen diplomatic material. Moreover, the Labor Party leaders, who conducted the diplomacy described in the *Herald* article, have never questioned the authenticity of its report.

² Clause 16 of the Australia-New Zealand Agreement, 1944, cited in Evatt, *Foreign Policy of Australia*, p. 182.

³ *N.Y.T.*, 17 Nov. 1945, p. 3-1.

We cannot be sure on precisely which date the United States first made its formal request for facilities at Manus. The *Herald* article suggests that the first request was made on 20 March, and this date was cited by Evatt in Parliament on 6 December 1946. In a review of the Manus developments five years later, however, R. G. Casey, then Minister for External Affairs, asserted that the date of the first communication from the American Secretary of State was 14 March, not 20 March 1946. In any case, it appears that the memorandum presented to the Australian Legation in Washington suggested the initiation of informal conversations between the two governments on the subject of the American request for long-term base rights to be shared jointly with Australia in the Admiralty Islands.⁴ Two documents apparently were appended to the note. The first was a draft of a proposed agreement on bases between the United States and Australia. The second was a draft of clauses for inclusion in the trusteeship agreement for New Guinea proposed by the United States as 'a State directly concerned'.⁵ The proposed agreement provided that America should be given rights to station forces on Manus in order that the United States and Australia might share responsibility for its defense and for the establishment and maintenance of military bases there.⁶

Before the American proposal had been made formally, Evatt had already outlined Australia's response. In a statement on 13 March he told the House of Representatives:

The Commonwealth Government does not recognize the claim that the acquisition of territory by force of arms confers a right to the retention of that territory. Australian fighting men have contributed to the common cause of victory in Europe and the Middle East, as well as in the Pacific. Moreover, Australia is at least as vitally concerned as any other nation in ensuring that provision shall be made for the future security of the Pacific. Our experience in the war is fresh in our minds. We recall the anxious days when all the British, Dutch and American bases to the north had fallen and the enemy was only just held back from Australia itself. The Government is very conscious, therefore, of its obligation to the people of Australia to ensure that such a threat shall never recur.

⁴ This statement is subject to the qualification that the author could not find proof in State Department files that such a communication was transmitted between these two dates.

⁵ *S.M.H.*, 21 Jan. 1951, p. 4. The arrangement was necessary because the Manus base formed a part of the Australian-mandated territory of New Guinea.

⁶ *Ibid.*

The Government will enter into no commitment which will lessen the control of the Australian people over their own territories. Any consideration of plans for the joint use of any bases in Australia's dependent territories should be preceded by an over-all defence arrangement for the region of the Western Pacific, including the islands formerly mandated to Japan; as an incident of any such arrangement, Australia should be entitled to reciprocal use of foreign bases in the region, thus providing for an over-all increase in the security, both of Australia and of all other United Nations with interests in the region.⁷

These statements clarify the nature of the American request and the Australian rejoinder. It appears that the United States, despite the views of various Congressional and naval officials, did not ask for an outright cession of Australian-mandated territory. In Evatt's words, the United States asked for 'joint use' of Australian facilities in the south Pacific. The Australian reply, outlined above, made two points. First, Australia believed that she should not weaken her control over island territories even to the extent of concluding an arrangement for the joint use of Manus facilities unless she could obtain similar rights in the American bases elsewhere in the Pacific. Second, she felt that an Australian-American agreement on the reciprocal use of bases should form a part of a wider regional arrangement in the Pacific. Such a regional pact would presumably involve the participation of Britain, New Zealand, France, and the Netherlands, and perhaps other states, in addition to Australia and America. Australia's proposals on the Manus question, then, were designed to obtain a Pacific defence treaty through the back door of the question of post-war disposition of Pacific bases. In later years, R. G. Casey, as Minister for External Affairs under the Liberal government, was to pay tribute to Dr Evatt's goals in the Manus negotiations, if not to his methods. He said: 'He [Dr Evatt] attempted to get a broad regional arrangement in the Pacific with the United States of America . . . That, if I may say so with great respect, was a perfectly justifiable thing to attempt . . . Had it come off, it would have been a feather in his cap.'⁸

Australian Manoeuvring

After the original exchange of views in February and March 1946, the discussions between the United States and Australia on the question of Pacific bases were not confined to Manus

⁷ C.P.D., 13 Mar. 1946, p. 201.

⁸ C.P.D., 4 Mar. 1952, pp. 746-7.

Island. They were concerned more with the question of Australian use of American bases and the proposed Pacific regional treaty. The Australians reasoned that one means of persuading the United States to discuss multilateral arrangements for bases would be to ask that negotiations be conducted with other British Commonwealth nations in addition to Australia. As American requests for facilities in the British bases had appeared at the same time as the American proposal on Manus, Evatt argued before the conference of British Commonwealth Prime Ministers that the discussions on bases should be multilateral, not bilateral in character. On 22 April, Prime Minister J. B. Chifley indicated that the British Commonwealth conference would discuss a general plan for Pacific bases and said that: 'No arrangement regarding the use of specific bases, whether jointly or exclusively, should be entertained except as a part of the framework of a general security arrangement covering the whole area.'⁹

At the conference itself Chifley and Evatt took a strong line against concessions to the United States on Pacific bases. While Britain reportedly supported 'in principle' many of the American requests for bases in the Pacific, the Australians argued for the creation of Commonwealth defence machinery in the Pacific which could later be enlarged to include the United States. The Australian view prevailed on the whole, and Chifley could announce to the House on his return:

I told the conference . . . that the approach to a common scheme of defence for this area should be by agreement between the United Kingdom, Australia and New Zealand, and thereafter with the United States of America, and later with other nations with possessions in this area. These views met with the full endorsement of the United Kingdom and New Zealand.¹⁰

While the Australian Prime Minister desired to win Commonwealth support for the Australian view, at the same time he sought to put at rest American anxieties over a statement made by General Sir Thomas Blamey, chief of the Australian forces during the war, which implied that the United States should not be granted the right to maintain a naval base at Manus because the United States and Australia could some day be at war with one another. Chifley said pointedly, 'We don't need stooges to

⁹ *Digest*, 22 Apr. 1946, p. 6.

¹⁰ *C.P.D.*, 19 June 1946, p. 1560.

speak for us.¹¹ Later he reiterated the view that anything General Blamey had said expressed only his own opinion and that he was in no way empowered to speak for the Australian government.¹² Despite these disavowals, it is clear that Chifley was no more willing to relinquish control of Australian bases than was General Blamey unless an effective regional security arrangement could be formed which would commit the United States to the defence of the south-west Pacific.

The agreement reached among the British Commonwealth ministers led to an invitation to the United States to join with the three Commonwealth countries in talks on the future of Pacific bases. But the State Department was not willing to join in multilateral talks, and the first Australian strategy had to be abandoned.

The Australian government then decided to send Evatt to Washington to pursue the issue through bilateral talks. In June 1946 Evatt restated Australia's position in discussions with Vice-Admiral Sherman, General Arnold, and other officials of the American military. He made it clear at the outset that he did not wish to discuss 'piecemeal bilateral arrangements about particular bases' but maintained the view that the question of bases should be settled in conjunction with the establishment of a general security plan for the Pacific which would embrace several nations. He also restated Australia's previous condition that any arrangements for the use of Australian facilities should provide for reciprocal Australian use of American bases at Guam, Truk and elsewhere. The United States, apparently, did not object to the proposed 'principle of reciprocity', but did not accept Evatt's definition of reciprocity. As one American reporter noted:

The United States built the bases on Manus at a cost of \$156,000,000, and therefore, our officials say, we are entitled to ask that we have the privilege of using them in the future and that they be maintained and manned by the Australians.

Australia asks that the area of agreement be widened and that all the states in the southwest Pacific be free to use one another's bases and work out a defense arrangement to protect the entire region. But this proposal is interpreted here as a request for a political commitment that we do not think necessary. At the moment, our suggestion, in the case of Manus, is that we get the use of the bases that we built

¹¹ *Age*, 24 Apr. 1946, p. 1.

¹² *N.Y.T.*, 10 May 1946, p. 8-2.

and that we give Australia the use of any base that she is prepared to build on American territory.¹³

It seems clear that the American suggestions must have been intended merely as debating points, because it was obvious that Australia could hardly afford to maintain the vast American base at Manus, to say nothing of constructing Australian facilities on American-held islands in the Pacific.

The American Rejection

The United States reluctance to undertake a political commitment to Australia and her other Allies in the Pacific is difficult to understand in the light of the intimate co-operation of the wartime period. In some measure it reflected America's lingering attachment to the policy of isolation. The United States was not willing to commit herself politically or militarily to her Allies until a menace of sufficient proportions had arisen to make such a commitment unavoidable. In part, the American rejection of political ties stemmed from overestimation of the capacity of the United Nations to keep the peace, and the desire to avoid 'the discredited alliance system' as long as the United Nations seemed to be functioning tolerably well. In any event, financial restrictions soon placed a limit on the number of Pacific strongholds America could maintain. President Truman ordered the United States Navy to cut its expenditures by \$650,000,000 for the fiscal year ending June 1947, and the dismantling of American facilities on Manus began soon afterwards. Finally, there is reason to believe that the Department of State never completely shared the views of the service departments that it would be desirable for the United States to continue to use the base. When the Australian Liberal government in later years offered to permit America to use Manus, the United States was uninterested. At the end of 1946 America formally notified Australia that the proposal that Australia should have the right to use American facilities on its Pacific island bases in exchange for rights to use the Manus base was unacceptable.

The American Ambassador in Canberra, Robert Butler, was apparently recalled for talks on the base problem in the first part of 1947. He returned with the Commander-in-Chief of the United States Pacific Fleet, Admiral Louis E. Denfeld, in June. Admiral Denfeld presented a note to the Australian government

¹³ James Reston, *N.Y.T.*, 25 June 1946, p. 6-4.

which observed that Manus was of "slight strategic interest" to the United States'.¹⁴ The powerful American installations in the Japanese islands north of the Equator were cited as a reason for America's lack of interest in Manus.

Admiral Denfeld also presented a statement which was designed partly to assuage the rebuff to Australia. It stated:

The United States of America and Australia both loyally support the United Nations and may be depended upon to support action in that organization against an aggressor.

In view of the identity of interests between the United States and Australia, and the excellent relations between the two countries, it would, of course, be possible to make a special arrangement in an emergency at any time in the future that it became necessary.¹⁵

At least this communication held out the possibility that a defence agreement might be reached on an emergency basis at some future time.

Thus, the United States refused the Australian requests for reciprocal use of bases, and declared that she was no longer anxious to use the Manus base. The counter with which Australia had attempted to bargain in order to bring about a Pacific defence agreement that would assure Australian security was now lost. When the United States in January 1947 consented to participate in the setting up of the South Pacific Commission to further the welfare of the inhabitants of the Pacific island territories, she did so with the stipulation 'that the proposed commission should not be empowered to deal with political questions or matters of defence or security'.¹⁶

The Issues at Stake

It has not been possible to unravel all the complex issues which the Manus discussions involved. In particular, we do not know yet whether or in what degree the proposed American agreement for the use of Manus facilities would have restricted Australian use of the base in case of a war in which the United States was not involved. If a provision of the draft agreement would in fact have limited Australian disposition of the Manus installations in such an event, the American proposal merited Australian hesitation. In strict logic, it would seem that if the United

¹⁴ Denfeld Note, S.M.H., 21 Jan. 1951, p. 4.

¹⁵ C.P.D., 17 Feb. 1949, pp. 476-7.

¹⁶ Statement by American Ambassador Robert Butler, *Canberra Times*, 29 Jan. 1947, p. 2.

States had been convinced of the identity of American and Australian interests in the Pacific, she would not have objected to the conclusion of a Pacific defence agreement with Australia. The agreement itself would have added nothing to American obligations in the Pacific. The American reluctance to accept the Pacific defence proposal, then, could be taken in Australia as an indication that America did not believe her interests in the Pacific were the same as Australia's. And if we view the matter from the Australian point of view, there were issues on which differences of approach might emerge. The United States is traditionally antagonistic towards colonial powers, and it could be reasonably doubted whether she would automatically aid Australia in a struggle for Papua or New Guinea. This difference of approach was to become clear in later years in regard to the Dutch New Guinea question. It was not until September 1951, with the signing of the ANZUS Pact, that the United States was to commit herself to support the Australian position in the mandated territories of New Guinea and to render general support elsewhere in the Pacific.

There is a link between ANZUS and the attitudes on the Manus question that has not been fully understood. If Australian and American interests were not identical, then the ANZUS Treaty was a real boon to Australian security, because the pact committed America to support Australia in cases where she would not have supported Australia without a pact. If Australian and American interests were identical, ANZUS would add nothing to Australian security, and Evatt need not have worried about the possibility of Australian involvement in a war in which the United States was not a party. It follows that both sides of Australian politics were inconsistent: the Liberals could not criticize the Chifley government for resisting the American requests for facilities on Manus because Australian and American interests in the Pacific were the same and yet claim that the ANZUS Treaty represented a significant improvement in Australian security; the Labor supporters could not both uphold Evatt's contentions on the Manus question and yet insist that the ANZUS Pact merely expressed in formal terms an existing identity of Australian and American interests.

DIVERGENCE AND RAPPROCHEMENT

Review of the Year

If in 1946 Australian and American policies towards Japan were not at hopeless odds, 1947 was to bring a much more serious disagreement. The differences between the United States and Australia were accentuated on both procedural and substantive issues during the first half of 1947, and it was not until later in the year that the two countries found a working accord.

In the first part of the year Australia was concerned over several American actions. She believed that the United States had not followed correct procedure in her attempt to secure former Japanese-mandated islands as strategic trust territories, and she was still disturbed by the continued frustration of the Allied organs created to direct the Japanese occupation. On matters of substance, Australians were worried by the American decision to permit a second Japanese whaling expedition in the Antarctic and to allow Japanese to work phosphate deposits on Angaur, an island not far from their own shores.

Australia's response to these moves was to propose and to work for a Pacific peace conference, which, it was hoped, would put Japanese obligations on a contractual basis and would afford the other Allied states an opportunity to exert an independent influence upon the conduct of Japanese affairs. In no small measure, Australia felt that a Pacific peace conference might successfully resolve the problems which had continually eluded settlement in the Far Eastern Commission and the Allied Council for Japan.

America Issues an Interim Directive on Reparations

One of the major problems confronting Allied control of Japan was the special position accorded the United States. As we have seen above, the United States could issue interim directives to the Supreme Commander on all but three matters, and she could veto any commission decision. Theoretically, she seemed to possess the power to do almost as she wished in Japan. At the extreme, she could vote against an otherwise

unanimous policy of the Far Eastern Commission, and, because the commission had not reached agreement, she could then issue an interim directive to an opposite effect and emerge unscathed. Nor could the Allied Council obstruct in any fundamental way the conduct of the occupation by General MacArthur. It followed that as long as the United States and Australia were in agreement on the way the occupation should be handled, the special powers of the United States would not constitute a real threat to Australia, but when the United States sought to take an independent line, her special privileges would be very important.

At the beginning of 1947 the United States was becoming impatient at the delays in the Far Eastern Commission and was growing more willing to exercise her own initiative. The United States was particularly disturbed at the slow progress of the reparations issue in the commission. The delay in reaching a satisfactory reparations agreement was impeding the efforts of Japanese manufacturers to reconvert for peacetime production, and this in turn slowed the growth of production and increased the burden upon the American taxpayer. Reparations equipment was deteriorating, moreover, and the more quickly transfers could be made, the greater would be the benefits to the recipient countries. America informed her Allies in late 1946 that she planned two courses of action to break the reparations log jam in the commission. First, she proposed to issue an interim directive covering 15 to 20 per cent of total available reparations in order to get reparations deliveries started. Second, she planned to go ahead with reparations discussions with the Far Eastern Commission nations in the hope that interim directives might be issued to cover the entire reparations question. Australia and other countries replied that the American proposal would 'tend to evade the jurisdiction of the Far Eastern Commission', and they opposed it on that ground. The United States, nevertheless, proposed to proceed with the first part of her programme in the hope that it would stimulate the commission to reach agreement on a general reparations programme. On 13 February 1947 the United States presented to the commission a proposal to transfer as reparations not more than 30 per cent of the facilities already designated by the commission as available for interim reparations removal. China was to receive 15 per cent of the equipment, the Philippines 5 per cent, the Netherlands 5 per cent (for Indonesia),

and the United Kingdom 5 per cent (for Burma and Malaya). The Australian representative on the commission opposed the interim directive saying:

. . . if the paper in its present form is to be sent, my Government believes that the choice of countries has been too narrow. The United States paper . . . says that Japanese industrial facilities should be transferred to 'war devastated countries'. In the Reparations Committee the United States Member gave three criteria for a war devastated country, one of which was that the country should have been occupied, the second was that it should have resisted throughout the occupation, and the third was that the country should have been devastated. Now it seems quite clear to us, Mr. Chairman, that all those three criteria are satisfied by the Australian territories of New Guinea, Papua and Nauru. . . . My Government considers that in any advance transfers program those territories should have been included. . . . Finally, Mr. Chairman . . . in the very clear statement which you have submitted . . . you have pointed out that reparations is not a reserved subject under the Terms of Reference of the Far Eastern Commission. That is quite true, but I don't think it implies that reparations is necessarily a subject for interim directives. We feel that it was never intended by the Moscow Conference that the allocation of reparations should be the subject of unilateral action by one country or even the subject of unilateral action after consultation.¹

When the paper was presented for formal vote, the Soviet Union vetoed it, and Australia and several other nations abstained. On 4 April, however, the proposal was forwarded to the Supreme Commander as an interim directive.

The Japanese Mandates

The United States was also planning independent action in regard to Pacific Island bases. The question of American use of the Manus facilities was only one phase of a larger question of the disposition of many Pacific bases. The most important aspect of this problem was the ultimate fate of the islands mandated to Japan under the League of Nations. Although President Roosevelt had favoured the establishment of international bases from which United Nations forces would protect the peace, the American Congress and military favoured the extension of the American 'security zone' far into the western Pacific and envisaged practical American control of the islands formerly held by the Japanese. As early as January 1946

¹ FEC, 3 Apr. 1947, pp. 4-5.

President Truman had declared that the United States would insist that she be 'sole trustee' of enemy Pacific islands conquered by her forces and considered vital to her security. Islands which the United States controlled but did not consider vital were to be placed under United Nations trusteeship and governed by several nations under United Nations aegis.

The Department of State endeavoured to reconcile the conflicting pressures of her Allies, the American military, Congress, and the imperatives of international co-operation through 'strategic trusteeships' under the United Nations. These trusteeships would give America *de facto* control of the former Japanese islands and yet would preserve the façade of United Nations administration. When a proposal embodying such a compromise was submitted to the United Nations Security Council, however, Britain, the Soviet Union, and Australia opposed it. Evatt made the reasons for Australian opposition clear in a speech to the House of Representatives:

Australia's policy has been to support the United States policy in obtaining control of these islands. We therefore favour the proposal that the United States should continue to exercise its present control of them. It is, however, important from a longer-term point of view to observe correct procedures, and we think that whatever may be done in the Security Council in connexion with the United States proposed trusteeship agreement should be related to and made subject to final confirmation by the Pacific Peace Conference. . . . The view is also taken that it is very doubtful whether a mandated territory of this kind can be placed effectively under trusteeship without the consent of the mandatory power even though that mandatory power be an ex-enemy.²

Russian and British objections to the American plan were based on similar grounds.

In reply to these arguments the United States announced that she would not allow her control of Japanese islands to be made subject to a future peace treaty with Japan, nor would she accept an alternative Australian motion which would have provided that the agreement 'enter into force on the date on which the interim or final treaty of peace between Japan and the Allied Powers . . . becomes binding on Japan . . .'³ The

² *C.P.D.*, 26 Feb. 1947, pp. 162-3.

³ U.N. Security Council, *Official Records*, 2nd Year, No. 26, 119th Meeting, 17 Mar. 1947, p. 521.

matter was finally resolved when the Security Council agreed, at the instigation of Australia and the United Kingdom, to invite other major Pacific belligerents to state their views on the American draft trusteeship agreement. In accordance with this suggestion, Canada, New Zealand, India, the Netherlands, and the Philippines were given an opportunity to state their positions. Australia considered that this arrangement transformed the council into 'a small replica of the Peace Conference' and as a result Evatt announced to the Australian House of Representatives:

We consider that we have established the point of view . . . that the nations which fought against Japan should be entitled, as a matter of justice and democratic right, to participate in the final settlement with Japan. The Government of the United States of America has therefore been informed that Australia will support the United States draft trusteeship agreement as it stands, and that no objection will be raised by us on this matter when the final vote is taken.⁴

The United States proposal won the unanimous support of the Security Council on 2 April.

Piecemeal Disposition of Issues

At the beginning of 1947 there were other signs that the United States was going to take an increasingly predominant role in the occupation. The United States was disturbed at the delays in settling important questions through the Allied supervisory apparatus; increasingly, she was willing to deal with issues through unilateral interim directives and administrative regulations. If a situation of peace and restoration could not be established by the Allied organs, the United States would extend peace on a piecemeal basis through her own executive powers. The American move to obtain strategic trusteeships in advance of the peace conference and the sudden change in United States attitudes on reparations proposals suggested an enhanced American role in Japan, a role not fully approved by the members of the Far Eastern Commission. A special American committee on reparations, headed by Clifford Strike, reported in February that reparations estimates should be scaled down sharply. The report was greatly at variance with the stringent Pauley recommendations and was even more lenient than General MacArthur's own reparations

⁴ C.P.D., 26 Mar. 1947, pp. 1174-5.

plan. In point of fact, the report boldly recommended 'that the present reparations program in respect to plant removals be abandoned . . .'.⁵ The new leniency in the American attitude was juxtaposed to Australia's own conviction that Japan had not been completely reformed. Macmahon Ball, Australian member of the Allied Council for Japan, reported to Evatt that he was not as optimistic as other observers as to the progress of reforms in Japan. Australia was still concerned that the 'old gang' of militarists had not all been removed from their positions of influence. In these circumstances, the American tendency to dispose of issues on a piecemeal basis would not be to Australia's taste. Indeed, by the first months of 1947, Australia was so concerned about the American 'piecemeal peace policy' that she began to investigate ways and means of putting the occupation régime on a statutory foundation.

A Peace Conference—Proposal and Reactions

For all these reasons, on 26 February Evatt advocated an early peace settlement with Japan. He criticized the procedure the United States wished to adopt to secure strategic trusteeships, and he restated Australian objections to the veto in the Far Eastern Commission. He went on to say:

Most of the problems now remaining in relation to Japan could best be settled by an early conference of those Pacific nations which waged active war against the enemy. At present there is a distinct tendency to settle matters piecemeal or on a temporary basis. One policy decision of importance approved by the Supreme Allied Commander is that the economic life of Japan should be determined with a view to preventing it from profiting by its aggressions since 1931. This principle could give a general basis for the determination of other economic questions, such as the amount of productive capacity which should be left to Japan in the various key industries. The proposal of the United States of America regarding Japanese Pacific mandates is a further illustration of the desirability of dealing with Japan speedily and on an overall rather than a piecemeal basis. For these reasons the time is rapidly approaching when the Far Eastern Commission's work should be vested in a Pacific Peace Conference which could deal with the problem of the settlement with Japan as a whole.⁶

It is important to recognize that Australia had not pro-

⁵ *History of FEC*, p. 153.

⁶ *C.P.D.*, 26 Feb. 1947, p. 171.

posed an early Pacific peace settlement in order to restore Japan to the family of nations. On the contrary, she was seeking to put Japanese obligations on a contractual basis. Since the Far Eastern Commission and the Allied Council for Japan had not succeeded in laying down the conditions which Japan would have to fulfil, a Pacific peace conference might succeed where these organs had failed; and as, in the Australian view, one of the principal reasons for failure was associated with the existence of the veto, the Japanese peace conference should be organized on the majority principle. It is probable that Evatt had in mind a peace-making body similar to the old Far Eastern Advisory Commission where, in the absence of the veto, substantial agreement had been reached in a remarkably short time. Nor did his proposal envisage the end of the military occupation. Rather, he felt that the conference could review the length and extent of the occupation. In his view 'it would be a mistake to think that the period will be short'.⁷

The first significant support lent to Evatt's suggestion came from an unexpected source. Less than a month after Evatt's overture, General MacArthur welcomed the proposal for an early treaty with Japan. The Allied leader, however, based his case for a treaty on the existing achievements of the occupation, not on the need to make more progress. General MacArthur said he believed that Japan had 'learned as thoroughly as any nation in the world that war doesn't pay'.⁸ In regard to the degree of democracy attained in Japan, the Supreme Commander commented:

I don't mean to say democracy has been accomplished—other nations have been working at that for twenty centuries and aren't finished yet. The political change, however, is approaching such a measure of completion as is possible under the conditions of occupation. In so far as we can enforce democracy from the outside, there is little more that we can do.

And of disarmament and demilitarization he said, 'I think the occupation aims have certainly been completely accomplished'.⁹ What was perhaps more important, General MacArthur made it clear that the military occupation should not continue after the peace treaty. In recognition of General MacArthur's views Evatt later conceded that the conference would decide whether Allied supervision of Japan's fulfilment of the peace

⁷ *Ibid.*, p. 172.

⁸ *N.Y.T.*, 18 Mar. 1947, p. 20-3.

⁹ *Ibid.*

terms would involve a continued military occupation.¹⁰

On the whole the response to Evatt's proposal for a peace conference was heartening. In addition to General MacArthur, the British government announced support for the plan, and though the American State Department was apparently taken unawares, it eventually came around to the notion that the Japanese peace could be concluded before the European peace treaties were worked out. The cordial reception Evatt's overture received, particularly among Commonwealth nations, encouraged him to plan for a prior British Commonwealth conference to consider the possible terms of a Japanese peace treaty. This proposal was undoubtedly designed to strengthen the position of both Australia and the Commonwealth at a peace conference. Despite his frequent demurral that the Commonwealth was not seeking to 'gang up' upon the United States or to create a 'bloc' which would function within the conference, it was not lost on outside observers that the establishment of a common outlook among the British nations would give Australia a substantial voting bloc, perhaps a majority, in the peace conference deliberations.¹¹ By the end of June 1947 Canberra had been agreed upon as the site for the preliminary conference and eight British nations had agreed to send ministerial representatives.

New Friction over Japanese Whaling

While Australia was strengthening her hand in preparation for the hoped-for Japanese peace assembly, Evatt began to take an increasingly independent role in the Allied occupation. Australia's opposition to American pre-eminence and to the tendency to dispose of important policy issues on a 'piece-meal' basis led to a more critical attitude in both the Allied Council and the Far Eastern Commission. In the council, Macmahon Ball and the Russian delegate were aligned against the American Chairman on the question of local government elections, and in debates on the health problem in Japan, the unfavourable Japanese economic situation, and the delay in

¹⁰ *C.P.D.*, 26 Mar. 1947, p. 1175.

¹¹ Australia, Burma, Canada, India, New Zealand, Pakistan, South Africa, and the United Kingdom were to attend the Commonwealth talks. If only Far Eastern Commission members were to be invited to the peace conference, the British bloc would be five out of eleven participants; if the conference were to include Burma and/or Pakistan, the Commonwealth bloc would have six or seven votes out of a total of twelve or thirteen.

implementing the Japanese land reform plan, the Russian and British Commonwealth representatives were frequently critical of the occupation. General MacArthur's deputy retaliated by adjourning meetings at the earliest opportunity. At one point of disagreement the Chairman announced that the council would not serve as 'an information collection agency', thus suspending, or leaving to the Supreme Commander's discretion, the granting of council members' requests for information. Meanwhile the brevity of the meetings set new records.

In the Far Eastern Commission the debates were growing more heated; the most significant disagreement between America and Australia flared over the question of Japanese whaling. The Australian delegate had obtained the support of a majority of the other delegations for a proposed fishing and whaling paper which limited an area in which the Japanese might fish, and provided that the area could not be extended without the prior approval of the commission. The policy paper also prohibited Japanese Antarctic whaling. In response, the American representative on the working committee had asked the other states to agree to a compromise: if the commission would agree to place no restrictions on Japanese fishing areas, other than that the Japanese should not be permitted to fish 'near' Allied regions without the consent of the country concerned, the American representative would seek his government's consent to a proposal that Japanese whaling should be subject to approval by the Far Eastern Commission. As a number of delegates said they could accept such a compromise, the commission took no further action on the fishing-whaling question pending the presentation of the American view.

Unknown to the commission, however, the United States decided not to accept the compromise proposed by its own representative, and on 4 May General MacArthur forwarded a request to Washington that he be authorized to permit a second Japanese Antarctic whaling expedition. While the government was considering this request, the United Kingdom submitted a proposed policy decision which would have prohibited Japanese whaling in the Antarctic. The Steering Committee approved this decision on 17 June and forwarded it to the full commission. Australia had previously reminded the United States of her commitment to consult other interested governments before authoriz-

ing future Japanese whaling expeditions. An Australian note also had expressed opposition to another expedition on a number of grounds. Australia held that it would pose a threat to the security of the Allied nations. The note pointed out that the International Whaling Agreement limited the number of blue whales which might be taken in any one season to 16,000. Since this number could be taken by Allied whaling fleets, permission to the Japanese to launch a second expedition would detract from Allied catches. Japanese inefficiency in processing was stressed, and it was noted that the Japanese had violated international whaling regulations in the past.¹² In addition to its note to the American government the Department of External Affairs also directed the head of the Australian Mission in Japan, Macmahon Ball, to inform General MacArthur that any further Japanese whaling operations would be strongly opposed by Australia, the United Kingdom, and New Zealand.

The United States, however, reached the conclusion that the Japanese should be permitted to engage in whaling operations in the Antarctic in the 1947-8 season. The Assistant Secretary of State, Major-General John H. Hildring, called representatives of the British, Australian, New Zealand, and Norwegian governments to his office and informed them of the United States intention to permit another Japanese whaling expedition. Later, on 9 June, the same representatives were called to the State Department and given an *aide-mémoire* setting forth reasons for the American action. These included the fact that Japan was deficient in the protein foods and oils which would be provided by the expedition, and that the expedition would relieve the United States of the burden of supplying these items. The United States maintained that she saw no significant security threat emanating from the continued Japanese possession of two factory whaling ships.¹³

The representatives of the four governments responded that they should be given an opportunity to file formal protests before final authorization for the expedition had been given to General MacArthur. On 17 June the British government presented an *aide-mémoire* to the United States which noted that no authorization for such an expedition was to be given before consultation with interested governments and stated:

No intimation that the United States Government contemplated a

¹² *History of FEC*, pp. 108-9.

¹³ *Ibid.*, p. 109.

second Antarctic whaling expedition was received until members of the staff of the Embassy were called to the State Department to hear General Hilldring's oral statement on the 27th May. This was shortly followed by the Aide Memoire of the 9th June which states that it has been found advisable to authorize a second expedition. His Majesty's Government fear therefore that the United States Government may have permitted preparations for a second Antarctic expedition to go forward without prior consultation with the interested governments, let alone on Allied decision. In these circumstances His Majesty's Government must earnestly request that authorization for a second expedition be withheld from the Supreme Commander or, if already issued, cancelled.¹⁴

Nevertheless, the United States formally authorized General MacArthur to proceed with the whaling expedition on 21 June. On 23 June the Australian government in an *aide-mémoire* addressed to the United States proposed that Australia should conduct the whaling expedition in place of Japan; the results, Australia assured the United States, would provide supplies at least as adequate as those obtained from the projected Japanese expedition. The note continued: 'The waters of the Antarctic are of vital concern to the safety and welfare of Australia, and the Australian Government continues to oppose the presence of Japanese in those waters before the conclusion of a peace treaty with Japan.'¹⁵

The United States apparently consulted with General MacArthur on the feasibility of this proposal, but it was concluded that the cancellation of the Japanese expedition would be ill advised on both technical and political grounds. The Japanese whaling ships would need extensive alterations if they were to be manned by Australians; and if permission for the expedition, already announced in Japan, were withdrawn, a measure of discredit would be cast upon the occupation and General MacArthur. This decision was formally embodied in an *aide-mémoire*.¹⁶

While these negotiations were proceeding through diplomatic channels, the American representative on the Far Eastern Commission, General Frank R. McCoy, informed the commission that the United States would have to veto the British proposal to prohibit Japanese Antarctic whaling, if it were pressed to a vote. In reply Ambassador Norman Makin outlined

¹⁴ *Ibid.*, p. 110, British *aide-mémoire*. ¹⁵ *Ibid.*, Australian *aide-mémoire*.

¹⁶ *Ibid.*, pp. 110-11.

the Australian position on 3 July. The points he made were as follows:

We are opposed to any deep-sea whaling by the Japanese before the permanent future of this industry has been decided by the peace conference.

We consider that the presence of Japanese in Australian or Antarctic waters constitutes a threat to the security and welfare of Australia. The Japanese violations of international whaling conventions in the past are well known. . . . We have no confidence that the Japanese in future will observe the international whaling conventions with any better faith than in the past.

The international whaling conference has limited the total catch to 16,000 blue whale units. Exclusive of the Japanese, at least sixteen Allied factory ships will be operating in 1947/48, and they will be able to attain the maximum of 16,000 whales. Therefore, any Japanese catches will be at the expense of Allied vessels.

Surely no one could maintain that the assurances given to my Government in 1946 have been fulfilled. There was no real 'Allied consultation and decision'. My Government was not 'fully consulted in connection with future proposals concerning Japanese whaling'. Apparently General MacArthur's proposal for a second expedition was considered in Washington for some weeks before any other Government was informed.

Last December my Government introduced a paper into the Far Eastern Commission . . . which would have had the effect of forbidding Japanese whaling in the Antarctic. This paper was carefully considered in the economic committee, and by the end of February had secured the support of every country represented on the Commission with the exception of the United States. At this stage the American member, finding himself outvoted by 10 to 1, suggested that the committee agree to divide the paper into two separate papers covering fishing and whaling, and the committee was led to believe that the United States was preparing a paper which would have forbidden Japanese Antarctic whaling. On that understanding the committee adjourned its discussion, and whenever members raised questions subsequently, they were assured that the papers were being prepared. Suddenly my Government was confronted on 28th May with a statement from General Hilldring that a second Japanese expedition was contemplated, and this was followed swiftly on 9th June with an *aide mémoire* bluntly announcing that an expedition would definitely be authorized—a unilateral act which disregarded the wishes of every other member of this Commission and every other interested Government. Apparently, Mr. Chairman, the three months' respite which the economic committee gave the United States Government as a

matter of courtesy resulted, not in an American counter proposal designed to meet the views of other Governments, but in the rest of the Commission being lulled into a sense of false security and in the ultimate frustration of their wishes.

The difficulties of the United States Government in financing relief for Japan and the difficulties of the Supreme Commander in securing supplies are fully appreciated. The Australian Government is prepared to play its part in relieving these difficulties. To this end it proposes that a factory ship and chasers should be made available to Australia immediately for use in the coming whaling season. The Australian Government is in a position to man these ships and operate them more efficiently than the Japanese, thus increasing the amount of oil available.

My Government feels this is a matter for decision by the Far Eastern Commission, not for unilateral action by one Government. My Government's position has been supported at Committee level by nine other Governments, and I hope they will remain firm.¹⁷

Five other representatives followed Ambassador Makin, all approving his statement. No representative spoke in favour of the position of the United States. The United States reply to the Australian statement was presented a month later. In response to the Australian offer to man an Antarctic whaling expedition to avoid the necessity for a Japanese expedition, General McCoy said:

The United States Government . . . found it necessary to inform the Australian Government on July 9 that it could not accept the proposal. Among the reasons given for this decision were the facts that the considerable quantities of foreign exchange obtained from the last expedition available to lighten the burden of occupation costs on the American taxpayer would not be available under the Australian proposal; that in the absence of apparent security risk, or of any probability that international whaling regulations would not be fully observed, there appeared to be no justification for the abandonment of the proposed expedition. . . .¹⁸

At the same meeting, the Australian representative replied that an entirely new argument had been advanced:

namely that the Japanese economy needs the foreign exchange resulting from the sale of oil abroad. We feel that such an argument should not be allowed to cloud the real issue. Once the principle of an Australian or non-Japanese expedition is determined, the manner in

¹⁷ *FEC*, 3 July 1947, pp. 1-5; *History of FEC* incorrectly asserts that the Australian statement was made at the meeting of 26 June.

¹⁸ *FEC-231/6*, p. 1.

which Australia or other countries concerned can be compensated as a result of making-over the catch to SCAP can easily be determined.¹⁹

Later, however, the Australian delegate agreed when General McCoy suggested that whaling be dropped from the agenda because it was clearly apparent that the United States would veto any proposal to prohibit Japanese Antarctic whaling, if it were brought to a vote.²⁰

Other Points of Contention

While the authorization of this second Japanese whaling expedition was still rankling in Australia, another controversy arose. On 26 June General MacArthur announced that the Japanese government would be given complete responsibility for the operation of the phosphate project on Angaur Island in the Palau Group.²¹ Neither the British nor the Australian government apparently was consulted, and it is likely that Australia protested against the decision. The matter was of special concern to Australia because the Palau Group was the closest to Australia of all Japan's pre-war Pacific possessions. On 1 July a strongly-worded reply to Australian and British protests on whaling and on the phosphate question was issued through Supreme Headquarters. The SCAP spokesman said that it was patently ridiculous that temporary Allied-controlled and directed projects in whaling and phosphate mining threatened the security of any of the Allies. General George Marshall, the American Secretary of State, however, was sufficiently concerned by the opposition the Angaur proposal had generated to announce that the phosphate mining would be closely supervised by the Supreme Commander.

There were still other issues which divided Australia and the United States. In the Far Eastern Commission the United States presented a policy paper on 26 June which would have authorized Japanese nationals to visit other countries, and nationals of other countries to visit Japan for educational, scientific, religious, informational, and other cultural purposes. The paper also provided that each person who wished to avail himself of the terms of the policy would have to be sponsored in advance by SCAP and the country concerned, and no political or propaganda activities were to be permitted. Several

¹⁹ *FEC*, 24 July 1947, p. 2.

²⁰ *History of FEC*, p. 114.

²¹ *London Times*, 27 June 1947, p. 4.

delegations were not pleased by the proposal, and Australia's opposition continued into the last half of 1948. Ambassador Makin told the commission in August 1947:

We are still unconvinced that the benefits to be derived from permitting the Japanese to travel abroad before a peace treaty is signed would have any appreciable immediate effect on the development of democratic ideas in Japan. . . . We feel that many of the Japanese may very well take this opportunity to engage in subtle propaganda activities and to strengthen their position at the peace conference table. . . . We believe that a problem, such as Japanese external relations, which is a matter of major international importance, properly belongs in a peace conference.²²

New Zealand, China, the Philippines, and the Soviet Union echoed these sentiments, and the United States did not press the proposal in 1947.

Another issue which tended to widen the rift between the United States and Australia was the question of Japanese and SCAP attendance at international conferences. Australia believed that SCAP representatives should attend inter-governmental conferences only as non-voting observers. The United States took a much more liberal view of the role occupation representatives might play at inter-governmental gatherings. In general Australia held that the Far Eastern Commission should decide when non-voting observers from Supreme Headquarters should be permitted to attend such conferences. The United States felt that if SCAP representatives were only to be permitted observer status, they should be allowed to attend conferences at General MacArthur's discretion. While these points of view were being aired in the Far Eastern Commission, MacArthur sent delegates to attend the Food and Agriculture Organization Rice Conference in May-June, the Postal Congress in May, and the Economic Commission for Asia and the Far East in June. These initiatives were unlikely to be warmly welcomed in Australia.

Evatt's Visit to Japan

The growing divergence between Australia and the United States over the conduct of affairs in Japan had to be bridged in some way. But two types of compromise were possible: either Australia would largely accept the American view of the

²² FEC, 7 Aug. 1947.

way the Japanese occupation should be handled, or she would press her own views and hope that America would make the greater concession. When plans were first announced for Evatt to visit Japan to see the occupation at first hand, it seemed likely that he would take the second course. When he left for Japan on 11 July rumours were circulating in Canberra that he would give General MacArthur a friendly, but nonetheless pointed 'ear bashing' on the course of occupation policy. Yet, just three days after Evatt had left Australia, Prime Minister Chifley said that any question of a rift between the United States and Australia might be dismissed. He noted that good relations between Australia and General MacArthur had been maintained during and since the Pacific War and that Japanese whaling and the Angaur Island episode had not caused any 'friction'. Speaking of MacArthur, Mr Chifley went on:

Relations with him have been so good, and he has given us such assistance in shifting Japanese forces from the northern islands to Japan and in providing ships to bring Australian forces home, that it has evoked in us a sense of gratitude to General MacArthur.

This feeling is not likely to be disturbed by these two current questions.²³

What appeared to be a growing *rapprochement* between the United States and Australia over the conduct of the occupation was threatened, however, by the announcement that Washington had invited the Far Eastern Commission countries to attend a preliminary conference on the Japanese peace treaty on 19 August. The United States specified that the conference be composed of foreign ministers' deputies and technical personnel at first and that it would be concerned initially with questions of procedure. America also indicated that the conference would make decisions by a two-thirds majority vote. The general lines of this proposal, evincing as it did American willingness to proceed with a Japanese peace conference without the veto, could only be welcomed by Australia. The date proposed by America, however, occasioned bewilderment in the capitals of the British Commonwealth. A preliminary conference in the United States on 19 August would almost certainly conflict with the British Commonwealth Conference on the treaty which was to begin in Canberra on 26 August. The explanation of this *démarche* is not completely clear, but it may have

²³ *Age*, 15 July 1947, p. 3.

been that the United States wished to persuade Australia to postpone or cancel the Canberra conference and that the date was purposely set to conflict with the conference in Australia.²⁴ Although we cannot be sure that this explanation is correct, there are strong *prima facie* reasons which make it plausible. The increasing gap between Australia, Britain, and New Zealand on the one hand and the United States on the other may have led America to conclude that the British nations could form the main obstacle to a satisfactory peace with Japan. As five of them were certain to be represented at the peace talks, a solid British bloc could frustrate any proposal the United States wished to make, since a two-thirds majority would be required for any decision.

In any case, while Chifley was at first disposed to accept the American invitation, the British Commonwealth states politely declined. This American overture, occurring while Evatt was *en route* from Australia to Japan, might have had the effect of increasing the warmth of his criticism of the occupation's handling of Japanese affairs. In fact, it did not. When he arrived at Kure on 24 July, he paid tribute to General MacArthur's leadership in the Pacific and stated that the Canberra conference was not designed for the purpose of 'ganging up' on the United States. Three days before Evatt had landed, moreover, the newspaper of the British Commonwealth Occupation Force had indicated that in the peace settlement Australia would seek full agreement with General MacArthur and a reparations settlement which would not cripple the Japanese economy.

On 27 July Evatt had his first long conference with General MacArthur. The talk was so comprehensive that plans for Evatt to call on MacArthur the following day were dropped. The talk, which lasted two hours, was described by Australian sources as 'more a friendly exchange of views on the peace treaty than a debate on doubtful points'.²⁵ Officially-inspired Australian comment in Japan emphasized the cordiality and friendliness of the talk between Evatt and General MacArthur. Australian aides indicated, however, that no matter how successful the discussions in Japan proved to be, Australia would retain the right to express her own views at the peace conference.

²⁴ See Lewe van Aduard, *Japan from Surrender to Peace*, pp. 68-9.

²⁵ *Age*, 29 July 1947, p. 1.

At a press conference in Tokyo on 30 July Evatt gave almost complete endorsement to America's stand on the Japanese peace treaty. He welcomed the American proposal for a two-thirds majority vote at a peace conference. He also suggested that while 'the gradual economic development of Japan should be part of a general plan for the economic betterment of the Pacific as a whole', the Allies should not attempt to run Japan's economy in every detail. He added that 'it is probable that Japan can be prevented from regaining her war potential through the control of imports. Nothing could be worse than economic controls. I believe that import controls promise every expectation of success.'²⁶ Evatt also made it clear that he accepted General MacArthur's plan for a supervisory authority after the peace treaty in place of the earlier Australian proposal for the continuation of the military occupation. The supervisory authority was, in Evatt's view, to be entrusted with the exercise of such economic, political, and military controls as would then be necessary.

At this point it is interesting to speculate on the policy being followed by the Australian government. There is evidence that Evatt and Prime Minister Chifley had decided to smooth over differences with the United States even before Evatt left for Japan. The conference with General MacArthur on the evening of the 27th apparently also had its impact on Evatt, persuading him to take a more favourable view of developments in Japan. Evatt and MacArthur undoubtedly reached a substantial measure of agreement on the general outline of the régime which would supervise Japan's fulfilment of the surrender terms. Detailed agreement on the provisions of a peace instrument seems unlikely, however, even though the broad outlines of the United States and Australian policies were not in fundamental disagreement. But by emphasizing the areas of accord and passing over those of divergence Evatt may have succeeded in conveying the impression that Australia was more favourably disposed towards a lenient peace than she actually was. As long as a peace conference on Japan was in prospect, there was less need to take a harsh view of the occupation in discussion with MacArthur. Indeed, there might be some recompense in taking a consciously favourable position and thereby affording an additional inducement to America to continue with the plan for an early conference, governed

²⁶ N.Y.T., 31 July 1947, p. 5-3.

by two-thirds majority. If the Commonwealth nations seemed disposed towards a repressive settlement with Japan, the United States would benefit little and would stand to lose much from a two-thirds majority voting provision. From this point of view, Australian opposition to occupation policies would be seen to depend in part on the likelihood of a peace treaty: if a treaty was remote, a strong statement of Australian views was necessary; if it was in prospect, Australia could reserve her views for a peace conference.

At the same time, the Australian position no doubt reflected the recognition that disagreements with America on lesser issues were unimportant if substantial accord could be worked out on the broad picture. The jettisoning of minor issues then might serve to facilitate agreement on the major principles of a treaty settlement. There are grounds for believing that American plans for a treaty in the summer of 1947 were probably not far divergent from those of Australia.

Whatever motives occasioned this apparent *volte-face* in Australian policy, it was clear that it would be little to the taste of Macmahon Ball, British Commonwealth member of the Allied Council for Japan. On the day before Evatt arrived in Japan, Macmahon Ball told a Reuter's correspondent, 'We must devoutly pray that within 10 or 20 years there will have developed in Japan a spirit of democracy, but there is no evidence there has been any change toward democracy to date.'²⁷ When, after his talk with General MacArthur, Evatt expressed regret for several of Macmahon Ball's actions, the Allied Council member's position became quite awkward. When it became clear that Evatt was planning to take a very conciliatory attitude towards the occupation, he offered his resignation.

When Dr Evatt returned to Australia he reported:

I had frequent discussions with the Supreme Commander, Allied Powers (General MacArthur) and with leading officials of the occupation, diplomatic representatives of other Powers, and a few of the Japanese parliamentary and trades union leaders. From these discussions and personal observation I am able to appreciate still better the undoubted achievements of an extremely difficult and complex military occupation and administration. My consultations with General MacArthur showed a broad agreement on the steps to be taken in preparing the treaty, on the principles that should be contained in it,

²⁷ *Age*, 24 July 1947, p. 1.

on the type of supervisory machinery that should be established under it and on many of the other important matters with which the settlement must deal.²⁸

General MacArthur echoed Evatt's cordiality in a letter to Chifley. He told the Australian Prime Minister that Dr Evatt had made a 'distinct contribution' to the peace treaty and added, 'It has been a source of pleasure and satisfaction to everyone to have had him here. . . . He has represented your country with skill and distinction, and has added to its national prestige.'²⁹

Australian and American Attitudes towards Japan

It may be well at this stage to summarize the Australian attitude towards the occupation and the peace settlement. It is clear that Evatt was considerably impressed with the success of the occupation in carrying out the disarmament and demilitarization phases of the occupation programme. In regard to the third phase, democratization, he was less optimistic, but he still believed that considerable strides had been taken. Like General MacArthur, he recognized that the completion of democratic reforms would require more than a few years and that the basic traditions of democracy could not be established in the two short years of occupation control. Both Evatt and MacArthur agreed on the need for a civilian Allied Supervisory Authority which would guide Japan after the conclusion of a peace treaty.

Australia believed, however, that many essential reforms still had to bear fruit. Land reform, the dissolution of the Zaibatsu (the large family monopolies), and the establishment of a vigorous trade union movement were still in process of realization. But while Evatt did not believe that democracy had been achieved in Japan, he was not unimpressed with the initial steps the occupation had taken even in these difficult fields. Finally, Australia was convinced, as Prime Minister Chifley expressed it, that:

The settlement must take account of South and East Asia and the Pacific as a whole. A peace should be established in accordance with the objectives of the United Nations Charter—a peace which should give security from future aggression and at the same time help to raise the standards of living of all the peoples of South and East Asia and the Pacific. The gradual economic development of Japan

²⁸ *Digest*, 12 Aug. 1947, pp. 7-8.

²⁹ *S.M.H.*, 6 Aug. 1947, p. 5.

should be part of a general plan for the economic betterment of East and South-East Asia and the Pacific as a whole. It would be unjust if her population obtained privileges and benefits denied to the countries which she has devastated.³⁰

In Australia's view the Supervisory Authority should be charged with the regulation of the Japanese economy to bring about this result.

These ideas were probably not at wide variance with those of General MacArthur. The United States had on 14 August conceded the need for limitations on Japanese war-supporting industries, including iron, steel, coal, light metals, oil, electric power, synthetic rubber, and machine tools.³¹ But what was even more indicative that Australia and the United States were not far apart on the terms of a Japanese peace settlement was the final approval by the Far Eastern Commission in late June of a basic post-surrender policy for Japan. The draft followed closely both President Truman's interim directive and the basic policy document prepared under the aegis of the Far Eastern Advisory Commission by Evatt and other representatives. MacArthur and Evatt agreed that this policy statement formed the basis for the conclusion of a suitable treaty of peace with Japan. As Evatt had ascribed the laggard progress of the occupation partly to the absence of an agreed basic policy statement, the Far Eastern Commission decision was bound to be welcomed in Canberra.

The Canberra Conference

The meeting of the British Commonwealth Conference on a Japanese peace treaty largely confirmed the agreement Evatt and MacArthur had reached in July. At the beginning of September, then, it seemed that not only Australia but four or perhaps five to six (Pakistan and Burma) other nations would look favourably on American proposals. The first day's discussions were devoted to questions of procedure. It was agreed that a Japanese peace conference should be called at the earliest possible date and that voting at the conference should be by two-thirds majority, the formula proposed by the United States. During its second day of discussions the conference was concerned with territorial provisions. It agreed that the decis-

³⁰ *Digest*, 16 Aug. 1947, p. 9.

³¹ U.S. Department of State, *The Far Eastern Commission, 1947-48: Second Report by the Secretary General*, pp. 27-8.

ions of the big powers made at Cairo, Yalta and Potsdam would be controlling, and that Japanese sovereignty would be restricted to Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as might be determined by the peace conference. On 28 August the delegates turned to the questions of disarmament and demilitarization. They concurred that Japan should remain totally disarmed and that all armament manufacture should be prohibited. Full demilitarization, in the conferees' views, would involve a ban on atomic research and development, a provision against naval construction, and the restriction of the Japanese commercial fleet to insular trade. The manufacture of all types of aircraft also was to be forbidden. In the afternoon session political provisions of the treaty were considered. In particular, the delegates felt that the provisions of the Japanese Constitution protecting civil rights and democratic reform should be maintained; continuing exclusion of militarists and ultra-nationalists from public office was discussed. The abolition of State Shinto was endorsed. In general, there seemed to be considerable support for the political reforms General MacArthur had made and for the relevant decisions of the Far Eastern Commission. On economic controls the conference concluded:

That if the nature and degree of the restrictions made a workable Japanese economy impossible, the Allied Powers would inevitably be faced with either the need to subsidize the Japanese economy or the development of conditions in Japan which would be inimical to the establishment of democracy. It was accordingly felt that, subject to the overriding requirement of security, it would be in the long-term interests of the Allied Powers that the Japanese economy should stand on its own feet.³²

The Commonwealth representatives followed the lines marked out in the Far Eastern Commission by favouring the prohibition of certain industries, reduction in capacity in certain key industries, removal of excess war capacity, and application of import restrictions to certain basic raw materials. Finally, the conference urged the dissolution of the Zaibatsu companies and welcomed the progress made by Japanese trade unions.

The representatives devoted the final day of their sessions to a consideration of the supervisory machinery that would be erected in Japan after the peace settlement. Various plans were

³² Australia, Department of External Affairs, Press Release, C.C.J.P.S./P.5.

considered and none formally endorsed by the conference. The New Zealand plan, typical of the proposals advanced, provided for an authority composed of the states represented on the Far Eastern Commission. The supervisory group would have the function of observing Japanese fulfilment of the treaty, and of maintaining an inspection system to ensure that the disarmament and demilitarization clauses were being carried out. For this purpose the body would have naval and air patrol forces at its disposal, based on nearby islands, but the military occupation of Japan would not continue after the treaty had been signed. The supervisory body would have the power to increase or relax the economic restrictions of the peace treaty, and it would have an integral relationship to the United Nations. The New Zealand proposal envisaged that the supervisory authority would continue for twenty to twenty-five years.

The final act of the conference was to issue a communiqué on the procedure and general results of the discussions. It stated:

It was clear that each member retained its independence and freedom from commitment, but in addressing themselves to the problems before them, the delegates were animated by a common desire to secure a democratic and lasting peace settlement. Although, in accordance with practice at such conferences, no formal decisions were taken, the discussions revealed a wide harmony of views among the nations of the British Commonwealth represented at the conference. The discussions made it appear that a close correspondence exists between the various views expressed at Canberra and those of the United States of America, as well as of the other Powers primarily interested in a settlement. The views of the interested Powers have already to a large extent found expression in certain key documents, notably the Potsdam Declaration and the basic policy decisions of the Far Eastern Commission, upon which eleven Powers are represented. The acceptance of these two documents by eleven Powers encourages the hope among the delegations that agreement in the peace treaty itself may be reached speedily.³³

The reactions to the outcome of the conference in Washington and in Tokyo were favourable. The State Department apparently expressed 'general satisfaction' with the Commonwealth discussions, and in Japan the proposals seemed to satisfy realistic Japanese. The territorial provisions supported by the British nations proved disappointing, but the general results seemed to

³³ *Ibid.*, C.C.J.P.S./P.7, pp. 1-2.

be as satisfactory as could have been expected. In any event the conclusions reached at Canberra were not the oppressive proposals the Japanese had been led to expect.

Thus at the beginning of September 1947 the division which had existed between Australia and the United States earlier in the year seemed to have ended. The Australians gave up their insistence on the continuance of a military occupation after the peace treaty. The United States seemed willing to acknowledge a certain number of economic restrictions. Both supported the accords at Cairo, Yalta and Potsdam, the reforms of General MacArthur and the decision of the Far Eastern Commission on basic post-surrender policy. Both agreed that the veto provision should not hamper the deliberations of the peace conference. If a peace assembly had been held in October 1947 the United States and Australia would probably have been in substantial agreement on its terms.

THREE NEGATIVES

A Peace Conference is Postponed

The agreement which the United States and Australia reached in the fall of 1947 did not smooth the path to an early peace settlement. At the end of 1947 and the beginning of 1948 three factors operated to negate further progress towards a treaty. The first obstacle was posed by Nationalist Chinese objections to a conference without the veto. But the *coup de grâce* was given to an early peace settlement by new American policies. The United States reached the conclusion that a peace treaty which placed economic restrictions upon Japan would not be desirable. It concluded, indeed, that the Japanese economy needed a great stimulus to production, not the imposition of limitations upon output. Finally, the United States began to look upon Japan as a possible bulwark against Russia in the Far East. A peace treaty which placed important economic and political restrictions upon Japan would make it far more difficult to use Japan as a stronghold against Communist advance.

Of course, there was no reason why a peace treaty would necessarily be restrictive; as later developments were to show, a peace settlement could be the means of freeing Japan from external restraints. In 1947 and 1948, however, America's Pacific Allies would have vetoed a lenient treaty. The alternative was to postpone its negotiation.

The Chinese Objection

The Russians were the first to raise objections to an early peace treaty. On 23 July, the Soviet Union rejected the American invitation to a conference on Japan, proposing instead that the Council of Foreign Ministers be entrusted with the preparation of a Japanese peace draft. This procedure, of course, would have subjected the pact discussions to a Russian veto. The United States was prepared to go ahead without Russia, however, and the American reply to Moscow hinted as much.¹

¹ 'Eleven-Power Conference on Japanese Peace Treaty Suggested', *S.D.B.*, XVII, 24 Aug. 1947, p. 396 (text of *aide-mémoire* presented by the Department of State to the Soviet Embassy, 12 Aug. 1947).

But the Russian attitude was not the only barrier to the holding of a Japanese peace conference. China also rejected the American proposal though she sought to devise a compromise between the Russians' iron-bound veto formula and the United States plan for decision by a two-thirds majority of the peace conference. The Chinese first proposed that voting at the conference should be by two-thirds majority with the assent of three of the Far Eastern Big Four nations. Later, the Chinese Foreign Minister, Dr Wang Shih-chieh, announced that China supported a veto for all of the big powers.

The Chinese objections at first did not cause the State Department to give up its attempts for an early treaty with Japan. It was believed that China could be brought around to the Western position and the conference could, in extremity, be held without Russian participation. The Chinese, however, in notes to both the United States and the Soviet Union asked that the two nations agree to her compromise position: Russia was to give up her demand that the Council of Foreign Ministers prepare the treaty before submission to a peace conference; the United States was to accept the big power veto at the conference. Russia's reply at the end of December merely reiterated her earlier view, while Britain announced that she could not accept a veto by one of the Big Four nations at the peace treaty conference. Nevertheless, China announced that she would insist on retaining a veto power at the conference 'merely as a legitimate protection of her own interests'.²

It seems strange in retrospect that the Nationalist government would hesitate to endorse the views of the only government which could help them in the growing civil war against the Communists. Nevertheless, China's policy in the Far Eastern Commission and the Allied Council for Japan seemed at this time to be to avoid alienating either the United States or the Soviet Union. It has been argued that the main reason for the opposition to American plans for peace with Japan was the Chinese fear that America was treating Japan too leniently and that a peace treaty bearing a strong American imprint would be unacceptable to China. The possession of a veto would guard against any such contingency. The most plausible reason for the Chinese hesitation, however, was the desire to avoid offending Russia for fear of losing all chance of getting back Manchuria. If the Chinese had signed a peace treaty with Japan which

² Statement by Dr George Yeh, *N.Y.T.*, 8 Jan. 1948, p. 21-6.

Russia rejected, they would have violated an article of the Sino-Russian treaty of August 1945, which prohibited either party from concluding a separate peace with Japan. One newspaper source commented: 'Although the Soviet Union has made little effort to implement the treaty, the Central Government is reluctant to break an agreement in which the Soviet Union formally recognizes the sovereignty of the Nanking régime as opposed to the Chinese Communists.'³

In any case, the Chinese objection seems to have been a major factor in the collapse of the Japanese peace efforts in the early part of 1948. If the United States was willing to press ahead with the Japanese settlement without the Russians, it refused to proceed without the Chinese. A full-scale effort to conclude the treaty was not to be renewed until the autumn of 1949.

America and the Japanese Economy

If the Chinese abstention had been the only unresolved problem in the negotiations for a conference, the major barrier to a peace settlement would have been overcome at some point in 1948. When the progress of the civil war threw the Nationalists upon the mercy of the United States, they would not have been able to sustain an independent position between America and the Soviet Union. In fact, however, 1948 witnessed no new attempt to proceed with the peace discussions and the cause lay largely with the United States. In the early part of 1948 the United States began to change her views on the desirability of an early treaty, and soon after the Chinese rejection of the American plan for a preliminary conference some sections of the State Department were considerably relieved that the proposal had proceeded no further. If Australia and the other British nations had had their way at the proposed conference Japanese industry would have been considerably restricted.⁴ The restrictions would not have been opposed by America during the greater part of 1947, and a treaty concluded in the late summer or early fall might have concurred with the views expressed at Canberra. At the end of 1947, however, the United States began to modify the assumptions of its economic policy in Japan.

There were two reasons for the change in American thinking

³ N.Y.T., 17 Nov. 1947, p. 21-3.

⁴ See e.g. the communiqué issued by the Canberra conference of British Commonwealth nations, Department of External Affairs Press Release, C.C.)P.S./P.5, p. 1; also p. 88, above.

about the Japanese economy. The first was that the Japanese economic system seemed to be in a chronic state of imbalance, and the growing deficit had to be made up by the American taxpayer. The second was that Japan had come to be regarded by American strategists as an essential bastion against Russia in the Far East. An economically prostrate Japan would have no defence against Communism in Asia, just as, these same strategists reasoned, an economically prostrate Europe would be no bar to Communism in the West.

The economic situation in Japan at the end of 1947 was serious and little had been done to improve it. This was partly the fault of the original directives under which the Supreme Commander operated. The Basic Initial Post-Surrender Directive instructed MacArthur: 'You will not assume any responsibility for the economic rehabilitation of Japan or the strengthening of the Japanese economy. You will make it clear to the Japanese people that: You assume no obligations to maintain, or have maintained, any particular standard of living in Japan . . .'⁵ The occupation attitude which resulted from this directive was 'that the Japanese should solve the problems they had brought on themselves for themselves, that Japanese industry and foreign trade would revive more or less of their own accord in the context of anticipated Far Eastern and world revival, and that the occupation would last a year or two at most'.⁶ The last was very important, for if the occupation were to be short-lived, there was little need for the Allies to involve themselves with Japanese economic problems which were essentially long-term in character. At the same time, President Truman's directives were not the only cause of a lagging Japanese economy. There was undoubtedly also a general underestimation of the magnitude of Japanese economic problems in Supreme Headquarters and no little bungling of the measures that would have helped to solve the difficulties.

The developments which led to a revision of American policy towards the Japanese economy did not occur suddenly in the closing months of 1947. The Japanese economic position at the end of that year was serious, but it was hardly more serious than at the time of surrender. But by 1947 inflation and under-production were taking on the appearance of chronic problems.

⁵ Quoted in Edwin M. Martin, *The Allied Occupation of Japan*, p. 135.

⁶ Robert A. Fearey, *The Occupation of Japan, Second Phase: 1948-50*, p. 123.

The Far Eastern Commission had passed a policy decision early in 1947 which set the Japanese living standard as that 'prevailing in Japan during the period of 1930-34'.⁷ It was quite apparent, however, that Japan would have difficulty in attaining that standard, and occupation officers began to consider seriously what might be done about it.

At the beginning of 1947 a committee of engineering experts headed by Clifford Strike had visited Japan and on the basis of one month's study had recommended a reparations programme very much more lenient than that prepared by Edwin Pauley, President Truman's Reparations Commissioner. Later in the year Strike headed a larger group of engineers for the purpose of formulating a more detailed plan for reparations from Japan. The second group spent five months in Japan and concluded that there should be a vast cut in the industrial facilities made available for reparations removal. While Pauley had recommended stripping Japan of 990 million yen of industrial facilities, exclusive of primary war industries, the Overseas Consultants headed by Strike supported the removal of only 172 million yen of such facilities. In the face of these recommendations the United States became aware of the need to create a self-sufficient Japanese economy. The new American policy first found expression in a statement to the Far Eastern Commission. The American representative, General McCoy, told the commission that:

the establishment of a self-supporting economy in Japan, without which the achievement of the occupation cannot be consolidated, has not yet been accomplished . . . a much greater effort must be made to bring about the attainment of a self-supporting Japan with a reasonable standard of living. . . . The United States Government, recognizing that the cooperation of the Far Eastern Commission and its member states is essential to the successful accomplishment of a program for bringing about a self-supporting economy in Japan, requests favorable consideration of future policies to be presented to the Commission toward this end.⁸

Hardly had the Overseas Consultants issued their report when General William H. Draper, Under-Secretary of the Army, led a new mission to Japan to survey the level of industry to be left to the Japanese. After spending three weeks in Japan and Korea, the members concluded in a report subsequently to be known as the Johnston Report that even the Strike proposals had been

⁷ *Activities, 1946-7*, p. 85.

⁸ *History of FEC*, pp. 154-5.

unrealistic. It concluded that if Japanese production were to be increased, only a very small quantity of Japanese industrial facilities could be taken from Japan as reparations. Accordingly, the Johnston Committee not only recommended the scaling-down of reparations deliveries in the industrial sector, but also revised downward the number of enterprises classified as primary war facilities and subject to reparations transfer. The figures recommended for reparations removal by the various missions are summarized in Table II.

TABLE II
Recommended Removals for Reparations*
(in thousands of 1939 yen)

	<i>Pauley</i>	<i>Overseas Consultants</i>	<i>Johnston Committee</i>
Industry total	990,033	172,269	102,247
Primary war facilities	1,475,887	1,475,887	560,000
Total	2,465,920	1,648,156	662,247

* Jerome B. Cohen, *Japan's Economy in War and Reconstruction*, p. 425.

The problems these recommendations were designed to deal with were sizable. Spiralling inflation had been a curse since the very first days of the occupation. Prices rose from a base of 100 in September 1945 to 785 by the end of July 1948, and the money supply had grown by leaps and bounds.⁹ The Allied blockade of Japan before the end of the war had created a shortage of consumer items which exerted an inflationary pull on the price structure. When scarce raw materials, an insufficient supply of consumer goods, and excess purchasing power were combined, retail prices tended to outrun wage levels. The new-found political and economic strength of the unions helped them to keep up with rising prices, but the result was further inflation. Manufacturers were not able to set their official prices sufficiently in advance of wage demands to realize a profit; at the same time, wage demands were virtually irresistible. Increases in costs, due to wage rises, forced the Japanese manufacturer either to sell in the black market in order to make a profit or to demand a subsidy from the government as compensation for deficits incurred by selling on the legitimate market.

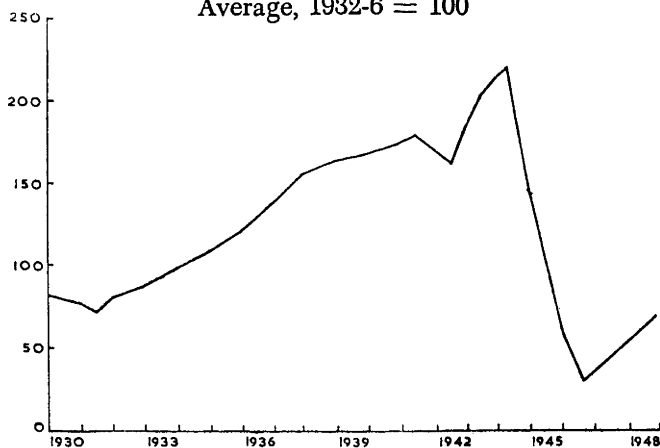
The pillar of the shaky economic structure was the Recon-

⁹ For a description of the Japanese inflation, see Jerome B. Cohen, *Japan's Economy in War and Reconstruction*, Chapter 7.

struction Finance Bank. The bank had been originally intended to finance purchases of capital equipment, but the mounting inflation forced it to become a major source for meeting the day-to-day expenses of manufacturing enterprises. In this fashion the bank itself became an agent of inflation. The Japanese government, either through direct subsidies or appropriations of the bank, made up the difference between pegged official prices and rising industrial costs, and in practice, the payment of subsidies or loans to business enterprises involved the creation of government deficits as well. The government could not calculate in advance how much costs would rise during the budget year.

While inflation was in train, industrial production lagged. By the middle of 1948 industrial production had risen only to 52 per cent of the 1930-4 level; if the Japanese were to attain a standard of living equivalent to that enjoyed in those years, it would be necessary not only to match 1930-4 production but to exceed it substantially, since the Japanese population had risen by fifteen millions in the interim. It was estimated that Japan needed 130 per cent of the 1930-4 output to reach a comparable standard of living. The Index of Industrial Production, below, illustrates the problem Japanese production faced in the years after the war.

Index of Industrial Production*
Average, 1932-6 = 100



* Supreme Commander for the Allied Powers, *Mission and Accomplishments of the Occupation in the Economic and Scientific Fields*, 1952, p. 18.

Probably the major difficulty was the unbalanced foreign trade. The shortages of raw materials hampered the growth of the export industry. In the textile industry, for example, cotton textiles could not be produced without imported cotton; the woollen industry was dependent upon Australian wool; and rayon production upon imported rayon pulp. If raw materials could not be obtained, production for export would be impossible; yet production for export was the only means by which the foreign exchange could be supplied to acquire stocks of raw materials. This vicious circle could be broken only by American aid, but in the first years America's aid to Japan consisted mainly of foodstuffs. While these alleviated the Japanese food shortage they did not contribute to the solution of the general problem of obtaining needed foreign exchange. The imbalance in Japan's foreign trade is illustrated in Table III.

TABLE III
Japanese Foreign Trade*
(in millions of dollars)

<i>Fiscal Year</i>	<i>Imports</i>	<i>Exports</i>	<i>Deficit</i>
1946	105.4	33.2	72.2
1947	390.0	155.7	234.3
1948	684.6	172.2	512.4

* Supreme Commander for the Allied Powers, *Mission and Accomplishments of the Occupation in the Economic and Scientific Fields, 1949*, p. 29.

The problem of reviving Japanese foreign trade was complicated by the fact that the majority of Japanese imports were from the United States. If Japan were to finance her own imports, therefore, dollar payments for her exports were required. As dollars were scarce currency at this period, however, the expansion of trade with Australia and other dollar-shortage countries was not likely to increase the Japanese dollar pool.

The impediments to increased production caused the occupation authorities to reconsider the measures taken to democratize the Japanese economy. The policy of dissolving the *Zaibatsu*, the coterie of Japanese industrial magnates which controlled the bulk of economic life in Japan, had been explained and defended on the ground that:

Japan's *Zaibatsu* . . . throughout the modern history of Japan have controlled not only finance, industry and commerce, but also the

government. They are the greatest war potential of Japan. It was they who made possible all Japan's conquests and aggressions. . . . Not only were the Zaibatsu as responsible for Japan's militarism as the militarists themselves, but they profited immensely by it. Even now, in defeat, they have actually strengthened their monopoly position. . . . Unless the Zaibatsu are broken up, the Japanese have little prospect of ever being able to govern themselves as free men. As long as the Zaibatsu survive, Japan will be their Japan.¹⁰

In fulfilment of the industrial democratization programme the occupation had required fifty-six members of ten family empires to surrender their stock to the occupation for sale to other shareholders. Eighty-three concerns were designated as holding companies, and of these thirty-two were dissolved. The rest were allowed to retain operating facilities, but were forced to dispose of their holdings in other companies. A law for the Elimination of Excessive Concentration of Economic Power led to the designation of 325 companies as subject to reorganization. In addition to these measures, Japanese control associations, which had previously governed competition and the right of entry in various industries, were dissolved. Top Japanese magnates were prohibited from holding public office or receiving public pensions or benefits, and several laws were passed to ensure the maintenance of free competition in Japanese industries.

By the spring of 1948 the United States was rethinking this programme, however, and the growing importance of economic revival in American eyes led it to water down some of its previous reforms. The report of the Johnston Committee in April noted that deconcentration of Japanese industrial concerns might hinder maximum output. The committee recommended that:

The period of uncertainty caused by [the] economic reform should be made short and the area of uncertainty lessened as rapidly as possible. The possible disturbing effects should be allayed by care not to hurt production, and by limiting reorganization to the minimum necessary to ensure responsible competition.¹¹

The report added the revealing sentence: "This we understand is the intention of the occupation authorities and is further assured by [the] establishment of an American review board to see that deconcentration plans do not adversely affect production

¹⁰ Pauley Report, quoted in Jerome B. Cohen, *op. cit.*, p. 427.

¹¹ Johnston Report, quoted *ibid.*, p. 426.

and the broad program to achieve economic recovery.¹²

The effect of the new recommendations was felt immediately. On 1 May 1948, it was announced that 194 of the 325 companies which had been designated as excessive concentrations of economic power would not be required to undergo reorganization. On 1 July the number was further reduced, and in August it was announced that the deconcentration programme would not apply to banks. The final result was that 297 of the 325 companies originally designated were declared not to represent excessive concentration, eleven were divided into independent companies, and seven were asked to divest themselves of certain holdings or to make other adjustments. The ten electric companies included in the original list were dissolved and reintegrated on a regional basis.¹³

In the field of labour relations as well as economic monopolies there was a weakening of the democratization effort as a result of the demand for industrial recovery. The occupation, under the stimulus of directives from the Far Eastern Commission, had encouraged a vigorous labour movement with political aspirations. A Labour Standards Law, prohibiting involuntary servitude and providing for minimum labour standards, was put into effect at the beginning of 1948. Other laws ensured the right to strike in private occupations and provided certain government workers with labour rights. Workers charged with the protection of the public safety were not allowed labour privileges, and while administrative officials were not permitted to strike they were allowed to engage in collective bargaining activities. The majority of government employees, those operating government enterprises, were allowed to strike providing that they waited until after a thirty-day mediation period.¹⁴

The Communists had managed to win a substantial influence in several of the unions of government workers. Twice before the summer of 1948, General MacArthur had moved to prevent strikes of Communist-dominated government workers' unions which might have jeopardized the recovery effort. In July 1948 MacArthur wrote to Prime Minister Ashida recommending that the National Public Service Law be amended to prevent strikes by all categories of government employees. The Supreme Commander claimed that members of the public service 'owe

¹² Ibid.

¹³ See SCAP, *Mission and Accomplishments*, 1952, p. 36.

¹⁴ Fearey, *The Occupation of Japan*, pp. 77-8.

unconditional allegiance to the public trust' and affirmed that 'no person holding a position by appointment in the public service of Japan or in any instrumentality thereof should resort to strike or engage in delaying or other dispute tactics which tend to impair the efficiency of governmental operations'.¹⁵

In response to General MacArthur's recommendation the Diet enacted amendments to the labour laws which forbade government employees to strike or to engage in dispute tactics. The amendments further denied the right to engage in collective bargaining to all categories of government workers except those in the public corporations. These included government monopolies in railways, silk, tobacco, and camphor. This category of workers was permitted freedom to bargain collectively, but was not given the right to strike. Later amendments provided for secret election of union leaders and for an annual report on union accounts by a professional auditor.

Japan as a Bastion against Communism

The desire to encourage Japanese production and foreign trade in order to ease the drain on the American taxpayer was, however, not the only reason for America's interest in the rehabilitation of Japan, nor was it the most important or enduring. Economic factors had been the proximate causes of the shift in American policy, but political and military factors eventually came to overshadow them. The deteriorating international situation demanded a new policy towards Japan. By the first months of 1948 Soviet hostility to the West had been amply demonstrated. The failure of the Council of Foreign Ministers at the end of 1947 and the consolidation of the Soviet grip on Eastern Europe pointed to a renewed Soviet antagonism towards the capitalist powers. Finally, if Soviet intransigence had not yet become patent, the Czechoslovak *coup*, which occurred in February 1948, removed all doubts. The policy of co-operation with Russia which President Roosevelt had inaugurated and President Truman had sought to maintain simply would not work. The growth of Soviet antipathy to the West was not lost upon the American military. It is probable that the report of the Draper Mission, which reflected Army thinking on the question of Japanese economic levels, was animated by other than economic considerations. The political character of these proposals is suggested by the fact that the

¹⁵ *Ibid.*, p. 78.

final report, which revised sharply downward the estimates of the Overseas Consultants on the quantities of Japanese industrial facilities which might be made available for reparations, was prepared by a group of businessmen who were not equipped to make the careful engineering survey required to challenge the recommendations of the Overseas Consultants, and who spent only three weeks in both Japan and Korea. Yet the Draper Mission emerged with a reparations removals figure 40 per cent less than that of the previous group.

One source goes so far as to say that sections of the Department of the Army had begun to think of Japan as a possible ally in a future conflict with Russia as early as 1947.¹⁶ As one commentator has expressed it:

At first there was general agreement that the future danger in the Pacific and the Far East was a remilitarized aggressive Japan. To prevent the realization of this danger it was reasonable to strip Japan as completely as possible of surplus facilities in war-supporting industries, which it was originally agreed should be done by removing them as reparations. Later it became evident that the future danger in the Far East was not Japan but the Soviet Union. To meet this latter menace it would be helpful to assist Japan to become an industrialized country with a viable economy; it would therefore be inadvisable to remove any machinery which Japan might possibly use in support of its normal economy.¹⁷

The growing recognition of the role Japan might play in a struggle with the Soviet Union did not reflect itself only in economic measures. The United States began to expand its facilities at the Misawa air base, located at the extreme northern tip of Honshu and within easy range of the Russian installations at Vladivostok. America also began to reconstruct Japanese airfields and to restore Japanese ports for modern use. The reasoning behind these military moves was not hard to follow:

The Joint Chiefs of Staff are understood to be of the opinion that a peace treaty with Japan at this time, even if it could be negotiated, would be detrimental to all nations that fear Soviet aggression, including Japan.

According to this thesis, one of the greatest deterrents to Soviet aggression in Europe or the Middle East is the realization that the Soviet Union would have to fight a two-front war, in both Europe and in Asia.

¹⁶ Lewe van Aduard, *Japan from Surrender to Peace*, p. 78.

¹⁷ *History of FEC*, pp. 151-2.

So long as Japan is protected by United States troops, Soviet communism cannot dominate the Far East, and the Soviet Union cannot risk a war in which it might be attacked from the Japanese islands, it is held.¹⁸

A strong pro-Western Japan, fortified by augmented American garrisons, would provide a potent challenge to Communist moves in east Asia, and it would also serve to deter and prevent Russian action in Europe. Russia would hesitate to take adventurous steps in the west when she could be threatened from the east. Thus the American military came to think of Japan as a vital link in the chain forged to contain Soviet expansion. Japan herself was not to be an active participant in the fight against Communism, but she was to serve as a fortress-base from which the Western powers could carry on the struggle. Certainly by the end of 1948 the politico-military significance of the Japanese tie had come to overshadow the economic one. America began to change her policy towards Japan and towards a Japanese peace treaty in early 1947, well before politico-military considerations became dominant. But the economic reasons for a new policy in Japan were powerfully reinforced by political and strategic factors. To be a useful military base, Japan had to be virile economically; the third and preponderating negative to an early Japanese peace treaty was cast by the political and military balance of power in the Far East and in Europe.

Australian Reactions to the New American Policies

Australia was, on the whole, opposed to the new American policy towards Japan.¹⁹ While she did not dispute the need for the Japanese to develop a self-supporting economy, she was afraid that a Japanese economic revival would have serious political consequences for herself and her Pacific neighbours. The economic restoration of Japan contradicted the assumption of the early occupation days that Japan needed to be restrained and reformed, not cajoled or aided by the Allied nations. It was clear to Australia that to restore Japan industrially and to curtail the reparations programme would be to re-establish the economic foundation of military power. On this issue there was

¹⁸ James Reston, *N.Y.T.*, 12 May 1950, p. 4-2. Although this dispatch appeared much later than the events described in this chapter, it portrays accurately the new military approach to Japanese problems.

¹⁹ See e.g. Evatt's speech before Parliament, 8 Apr. 1948, *C.N.I.A.*, XIX, Apr. 1948.

a fallacy in both Australian and American thinking. Australia believed that the military potential of Japan could be destroyed without cutting the sinews of economic strength. America believed that Japan could be economically rehabilitated without re-creating a war potential. Both in fact were wrong. At some point economic revival and the growth of a military base were to become identical.

Of more particular significance to Australia, however, was the impact of the revival effort on the democratization measures. While Australia had placed great stress upon the desirability of smashing the Zaibatsu, America was abandoning the industrial deconcentration programme. This was of great concern to Australia, for the great Japanese industrial and financial family cliques had not only politically supported ultra-nationalism and militarism in the past but had actually furnished the economic and military sinews on which Japanese expansion depended. Australia had believed that the foundation of democracy in Japan would depend upon a virile trade union movement possessing full economic and political powers; yet the amendments to Japanese labour laws denied the right to strike to workers in government enterprises. Australia was the more opposed to the new labour regulations as government workers included not only civil servants but workers in telecommunications and transportation industries whose right to strike would in most countries have been an accepted fact.

But Australia did not object only to the programme for economic revival in Japan; she was perhaps more disturbed at the underlying premise of the American policies. Australia did not believe that Japan should be used as a pawn in the conflict with the Soviet Union or that the growing cold war should bring about an alteration in policy towards Japan. Indeed, as we shall see later, Australia believed that the dispute between Russia and the West should take second place to the need for placing firm restrictions on Japanese development.

American Policy and the Pacific Powers

There can be little question that the role America took in the first years of the occupation did not always conduce to Allied co-operation. There were times when General MacArthur needlessly offended Australia or other Pacific Allies, and the United States government itself often pursued a course in the Far Eastern Commission which its Pacific Allies found

difficult to understand or to justify. Neither the Far Eastern Commission nor the Allied Council for Japan lived up to their promise, and in both cases the United States was largely responsible for these deficiencies. The United States had decided that she would preserve her predominant position in Japan at a very early stage; yet she had decided that international co-operation in the direction of the occupation was essential. These two goals were not completely compatible, and when they were in conflict America most often chose to protect her own position at the expense of co-operation with her Allies. There was less justification for the attitude of America in the first two years of the occupation régime because the United States, Australia, and the other Pacific nations were broadly agreed on the course which should be followed in Japan; hence international co-operation would have worked if it had really been tried.

After 1947, however, the apparatus of co-operation was bound to falter. The growing Communist influence in Japan and the Communist advance elsewhere in Asia seemed to threaten Japan and to require measures of American protection.²⁰ By 1948 America believed that the Communist threat was the major world problem, and as the Marshall Plan seemed to hold the answer to the advancing Communist tide in Europe, the United States believed that it was not implausible to employ a similar strategy in Japan. The adoption by the United States of a militantly anti-Communist attitude and its impact on policy towards Japan was bound to create antagonism among the Pacific states. Australia, among others, was not completely convinced that Japan's economic revival was essential, or that it should take first priority among alternative policies. The tendency to look upon Japan as an ally against the Soviet Union was in the Australian view a leap from the frying pan into the fire. Since both states were dangerous, correct policy would be to guard against both, not to embrace one for the purpose of subduing the other. Thus, while Australia understood the reasons for the postponement of a Japanese treaty settlement, she could scarcely sympathize with all of them. The Chinese objection had been the proximate cause for the abandonment of treaty efforts, but in the long run it was not the operative factor. The mounting economic and foreign

²⁰ See Fearey, *The Occupation of Japan*, pp. 77-8; *N.Y.T.*, 5 Mar. 1948, p. 11-4; and 20 Feb. 1949, 4, p. 5-4.

trade crisis reinforced the Chinese negative, and the Communist threat became the *coup de grâce* to an early peace. Since it was clear that the Pacific Allies would press for a treaty with economic and political restrictions which would impede American attempts to create a Pacific bulwark against the further spread of Communism, the treaty was simply put off. The events of 1947-8 determined future attitudes towards a peace settlement. When a peace treaty meant the formal institution of occupation controls on Japan, the United States would wish to delay it and Australia would press for an early treaty: when, on the other hand, a peace treaty meant the restoration of Japanese sovereignty, the United States would urge a treaty and Australia would drag her feet.

GROWING DISAFFECTION

Afterglow of Harmony

Just as the change in American policy towards Japan was gradual, so the Australian reaction against the change developed only by degrees. As long as the peace conference still seemed a probability, Australia and the United States would not go their separate ways on Japan. The interim between agreement and disagreement permitted America and Australia to make some progress on the reparations issue. In August 1947 America and the other members of the Far Eastern Commission had agreed on the reduction of Japanese industrial war potential, and thus had taken one more step in the direction of a comprehensive reparations settlement. The new decision specified the industries from which Japanese excess capacity should be taken, but it did not set the levels to be removed in each case.¹ If these levels could be agreed on, the only remaining task would be to divide the reparations among the Allies.

Towards the end of 1947 the United States made a new attempt (which won the warm support of Australia) to reach an agreement on this question with other Far Eastern Commission members. Earlier in the year the United States had asked each of the countries represented on the Far Eastern Commission to state the percentage of reparations that it believed it was entitled to receive from the general pool, and to submit a percentage division of reparations shares for the other countries. The first and second attempts at formulation of such a schedule resulted in demands for well over 100 per cent of the reparations pool. This is shown in Table IV.

The high claim of 28 per cent, which Australia presented, was defended in the following terms:

Australia had contributed large numbers of troops from the very beginning . . . Australia's contribution in production was very great . . . Australia's strategic importance in the war could hardly be over-estimated . . . Australian forces had had to bear the brunt of the land fighting in New Guinea and the rest of the South Pacific until late 1942 . . .

¹ *Activities, 1947-8*, pp. 25-30.

. . . members have only scanty statistical data as to the losses and contribution of the other member countries . . . I refer particularly to the U.S.S.R. schedule which gives Australia 2.5 percent . . . To allot this figure to a country whose part in the Pacific war was second only to that of the United States is frankly an insult.²

TABLE IV
Share Requested by Each Country*
(%)

<i>Country</i>	<i>First Estimate</i>	<i>Second Estimate</i>
Australia	28.0	28.0
Canada	1.5	1.5
China	40.0	40.0
France	12.0	12.0
India	18.0	12.5
Netherlands	15.0	12.0
New Zealand	2.0	2.0
Philippines	15.0	15.0
U.S.S.R.	14.0	12.0
United Kingdom	25.0	25.0
United States	34.0	29.0
Total	204.5	189.0

* *History of FEC*, pp. 142-3.

The nations concerned were not able to reach an agreement on the proper apportionment of shares. As a result in November 1947 the United States offered a new approach to the problem. If the Far Eastern Commission countries would accept a revised American schedule of reparations shares, the United States would make available for redistribution to those countries on any mutually agreeable basis 18 of the 28 per cent it claimed of the reparations pool. The revised American schedule is shown in Table V:

TABLE V*			
	<i>Percentage</i>		<i>Percentage</i>
Australia	8	New Zealand	1
Canada	1	Philippines	8
China	30	U.S.S.R.	4
France	2	United Kingdom	10
India	4	United States	28
Netherlands	4		

* *History of FEC*, p. 148.

² *History of FEC*, p. 146.

In response to this offer the Australian delegate, Major Plimsoll, said:

. . . the Australian Government is prepared to support the proposal of the United States Government. We note that eight per cent is allotted to Australia. As a contribution toward an early acceptance of the proposal, the Australian Government offers to return to the pool on the same conditions as the United States Government five out of that eight per cent. Thus the Australian and United States Governments between them will be putting back into the pool nearly twenty-five per cent of the total reparations from Japan in industrial equipment . . .³

Despite this and other favourable responses by members of the commission, however, the United States schedule was not accepted. In the end the Far Eastern Commission was not able to reach agreement on the division of reparations shares.

The Australian leniency on reparations was reflected in another aspect of Australian relations with Japan at the end of 1947. In 1947 and after there was a growing divergence in Australian thinking about Japan which permitted relatively generous trade relations in the face of continuing political hostility. In January 1947 reports from Tokyo indicated that the Commonwealth government was negotiating a governmental trade deal with Japan that would result in the shipment of between 250,000 and 300,000 bales of Australian wool to Japan. The deal failed to materialize, however, because Japan was not willing to accept only inferior grades of wool while Australia would not send the better types.⁴ The result of the deadlock was that only about 7,500 bales of inferior quality wool were sent to Japan.

Australia had continually opposed the reopening of private trade with Japan before the peace settlement, but when her view did not prevail, she protected her interests by sending trade representatives to Japan. She even went so far as to ask for a larger quota of representatives than had been allotted to her by the Supreme Commander. A private trade arrangement with Japan was actually concluded in November 1947, but it was hampered by a provision which allowed the occupation to convert all its unused sterling into dollars at six-month intervals. This stipulation restricted Australia and other

³ *FEC*, 13 Nov. 1947, p. 1.

⁴ See Chifley statement, *C.P.D.*, 28 Feb. 1947, pp. 299-300.

countries in the sterling area in their purchases of Japanese goods because they did not wish to allow Japan to accumulate a sterling reserve which might become a drain on the sterling area's dollar pool. In February 1948, however, Prime Minister Chifley announced:

Arrangements have now been made with the Supreme Command Allied Powers which will, to some extent, overcome the difficulties created by the convertibility clause and permit two-way trade to be revived on a limited scale. The basis of the arrangement is that the Commonwealth Government will authorize the issue of licenses for the importation by private traders of certain essential goods from Japan thus providing Supreme Command Allied Powers with funds for the purchase of Australian wool and other products. . . .

An undertaking has been given by Supreme Command Allied Powers that the whole of the proceeds of permitted imports into Australia from Japan will be used for the purchase of Australian wool and other products and no question of conversion of marginal amounts into dollars will therefore arise.⁵

This arrangement benefited the occupation as much as Australia, for it replenished SCAP's sterling reserves and made possible the large-scale purchase of Australian wool. Increasing Australian trade with Japan was to be a feature of the remaining years of the occupation, and it continued to be largely independent of political considerations.

The agreement on reparations shares and Japanese trade, however, was quickly overshadowed by differences in attitude towards the occupation. The United States wanted to postpone a peace treaty and revive the Japanese economy; Australia wanted to go ahead with a treaty and to prevent Japan from developing an industrial war potential. The result of the disagreement was the Australian adoption of an independent role in the Allied Council for Japan and the Far Eastern Commission. Although the statements of the new Australian representative in the Council, Patrick Shaw, lacked the vigour and piquancy of those of his predecessor, Australian objections to the amendments to Japanese labour laws and to a coastal patrol for Japan were made entirely clear. In the Far Eastern Commission Australia opposed the resumption of international contacts with Japan and other American proposals which would have given the Japanese greater independence.

⁵ *Digest*, 22 Feb. 1948, pp. 28-9.

Evatt and the Japanese Problem

When Evatt was in Washington at the beginning of 1948 he pressed for a renewed attempt to conclude the peace with Japan. He was eventually forced to the conclusion, however, that America was not eager to forge ahead with a settlement. When he reported to Parliament in April, he stated the surprising view that the veto no longer was a prime obstacle to the Japanese peace. He said:

First of all, it is quite correct that the Soviet Union would claim, in connexion with such a peace settlement, the same veto as was exercised in relation to the treaty with Italy and which is exercisable in relation to the treaty with Germany. At the same time, my own feeling is that even the existence of such a veto need not necessarily preclude the reaching of a satisfactory arrangement in relation to Japan.⁶

The reasons for this paradoxical stand are not difficult to understand. As long as the United States and a majority of the Pacific nations were in a harmony of views, the Russian veto seemed the villain of the peace. When it became clear after the beginning of 1948, however, that the United States was no longer in agreement with all its Pacific Allies, the Russian negative was no longer a real stumbling block. (Of course, an American veto of peace proposals would have posed a real problem in any case, but it could reasonably be held that the United States would hesitate to use its power against an otherwise unanimous conference.) It was probably true also that Australia was becoming so anxious for a conference on Japan that she would have taken a conference with a veto rather than no conference at all. Particularly, Australia did not want to let the United States use the Russian demand for a veto as an excuse to delay a peace settlement.

Evatt was keenly aware of the change in American policies towards Japan which had led to this situation. He told the Australian House of Representatives:

But, of course, there have been changes, too, in the attitude towards the Soviet Union in the last few months. There have been in Japan visitors like Mr. Kennan. There is what is called the Strike Report and the Draper Report, and a great deal of newspaper discussion with regard to Japan, to the effect that it would not be wise to pursue the

⁶ C.P.D., 8 Apr. 1948, p. 747.

policy laid down in the Potsdam Declaration in regard to the industrial capacity of Japan and that it would be wise to review it. Some of the columnists and writers in the United States of America say quite openly—and this is a matter of the deepest significance to every Australian family—that it would be wise for Japan's industrial strength to be restored. That may mean, and may in some cases be intended to mean, the restoration of industries which might enable Japan to re-arm for war.

Why is this proposition put forward? The explanation is that some writers consider that such a situation would enable Japan, by being given capacity to re-arm, to be used as an instrument in a future struggle between the United States of America and the Soviet Union. . . . I say that it will be an evil day for Australia if Japan is given capacity to re-arm. Whatever promises Japan may give or may be thought ready to give, the safety of Australia cannot be secured against a repetition of what took place in 1942 unless the broad principles of the Potsdam Declaration are carried out, and Japan's capacity to wage war is not restored. This does not mean that the Japanese people are to be enslaved, and not given a reasonable standard of living. The very opposite should be the concern of those who look at the human beings that constitute this important nation. It is right that Japan should be a workshop, and that the Japanese people should have their industries. But it would be completely wrong if Japan were able to be reconverted into an arsenal which might possibly be used in one direction, but which might ultimately be used according to the wishes of the Japanese leaders, and turned in the direction of the South Pacific to the detriment of this country.⁷

Australia was fully aware of the relation between the Japanese question and the world situation. Evatt continued, 'I say that the Japanese situation is a by-product of the general international situation. It can be settled. Given such a general settlement, I think that it would not take more than a few days to make the Japanese settlement, for nearly every clause is contained in the Potsdam declaration or in the Far Eastern Commission advices.'⁸ The difficulty with the Australian attitude on this point, however, was that it allowed the tail to wag the dog. Australia proposed the resolution of world power conflicts in order to maintain the existing Far Eastern balance. The interpretation which seemed most plausible was an opposite one: the necessity for coping with a changed world balance of power would force readjustments in the pattern of Far Eastern alignment.

⁷ *Ibid.*, p. 747.

⁸ *Ibid.*, p. 748.

America Loosens Japan's Economic Bonds

The United States was busy providing substance for the Australian fears Evatt expressed. On 21 January 1948 the United States had given the first overt indication of its new policy towards Japan. General Frank McCoy told the Far Eastern Commission that:

. . . my Government believes that the Japanese Government and people, the Far Eastern Commission and its member states, and the Supreme Commander, recognizing the conditions which now require that more emphasis be placed on such a program, should take all possible and necessary steps, consistent with the basic policies of the occupation, to bring about the early revival of the Japanese economy on a peaceful self-supporting basis.⁹

He continued:

Greater efforts by the Japanese people, coupled with such assistance as the United States Government may be able to provide for a temporary period, should eliminate the burden on the American taxpayer of supporting the Japanese economy. While the American people will not continue indefinitely to subsidize the economy of Japan, the United States Government will shortly begin discussions in the Congress of a proposal to provide funds for the fiscal year 1949, in addition to funds requested for subsistence items, for the procurement of such imports as industrial raw materials and spare parts to assist Japan to expand the output of its peaceful industries toward a status of self-support.¹⁰

In March the way in which the programme which General McCoy had outlined would be implemented became clear. The Under-Secretary of the Army, General William Draper, announced that the programme to achieve Japanese self-sufficiency by 1952 or 1953 would require American expenditure of between \$480,000,000 and \$580,000,000 during the next fiscal year. General Draper also revealed that the United States did not consider itself bound by the 1930-4 level as a limit to Japanese industrial expansion. He claimed that the 1930-4 standard was to be used only for setting reparations totals. After reparations had been removed, Japan would be free to rebuild to a level above that of the standard of living in 1930-4.¹¹ This interpretation came as a considerable surprise in some quarters, for the decision on 'Determination of the Peaceful Needs of

⁹ N.Y.T., 22 Jan. 1948, p. 10-1.

¹¹ N.Y.T., 27 Mar. 1948, p. 6-7.

¹⁰ Ibid., p. 10-1, 2.

Japan', passed by the Far Eastern Commission in January 1947, had been regarded as limiting Japanese industry to 'the standard of living prevailing in Japan during the period of 1930-34'.¹²

America Attempts to Reduce Political Controls

When the United States decided to defer the negotiation of a Japanese peace treaty in order to bolster the Japanese economic structure, she also decided to relax her political control of Japan. One means of preventing Japan from going Communist was to strengthen the Japanese economy; another was to cultivate Japanese domestic sentiment by easing political controls. The latter was dictated by the delay of the peace treaty. If the postponement of the peace settlement allowed the United States to proceed with her economic plans for Japan, it also ran the risk of growing restiveness in the Japanese people. General MacArthur had expressed the view that the Japanese were ready for a peace treaty, and he had informed the American government that the United States should not wait too long for a peace conference. One means of meeting some of the difficulties of such a position would be to grant Japan certain attributes of sovereignty that would ordinarily be given in a peace treaty. The American government adopted the 'piecemeal peace policy' some time in 1948 and proceeded to give Japan greater freedom in the conduct of her own affairs.

General MacArthur was carrying out this policy when he announced in January 1948 that he would send a representative, accompanied by a Japanese technical expert, to a meeting of the Provisional Frequency Board of the International Telecommunications Union. The American Chairman of the Far Eastern Commission stated that the United States believed such action was within the authority of General MacArthur as sole executive for the Allied powers in Japan. Several representatives on the commission disagreed with the American opinion, particularly in view of the fact that the commission had before it a policy paper on 'Attendance at Inter-Governmental Conferences'. The Australian representative, Ambassador Norman Makin, expressed Australia's objection at some length:

The Australian delegation did not concur in the United States interpretation of the power of the Supreme Commander. . . . He could not agree that the action taken by the Supreme Commander had been appropriate in view of the fact that a policy decision was at the time

¹² *Activities, 1946-7*, p. 85.

of his action under consideration by the Commission. No people had greater respect for the Supreme Commander than did the people of Australia, but he must state that as long as certain powers resided in the Commission there was an obligation that its powers be respected and he felt therefore that the Supreme Commander did not have the authority to act unilaterally pending the Commission's policy decision. The Terms of Reference stipulated that the United States Government could issue interim directives in the absence of a Commission policy decision but it did not provide for the Supreme Commander to act on his own initiative. Furthermore, it was not apparent how the Supreme Commander as representative of the Allied Powers could have the authority to conclude bilateral arrangements with other countries on his own initiative. A failure on the part of the Commission to agree with a proposed United States proposal did not, he thought, mean that there was no policy. It meant rather that until altered by a Commission policy decision, Allied policy continued to be that no Japanese could leave Japan.¹³

In response to the Supreme Commander's action, Australia proposed a policy decision which provided that the Supreme Commander should send no representatives to international conferences until the commission had made a decision on the question. The Australian motion, however, failed to win approval.¹⁴

The commission was considering various draft policy decisions on the question of Japanese attendance at inter-governmental conferences at the time of the friction with General MacArthur. One draft, supported by the United States, would have permitted the Supreme Commander to appoint non-Japanese members of his staff as non-voting observers at international conferences and would have sanctioned the presence of Japanese technical personnel as well. The commission, after some months of debate, however, came to support a Soviet proposal which would have required the consent of the Far Eastern Commission before SCAP could send observers to inter-governmental conferences. The United States opposed this proposal on the grounds that the policy decision would require the Far Eastern Commission to make detailed administrative decisions that were outside its jurisdiction. As it was clear that the American view would ultimately spell the death of the Soviet proposal, various other policies were proposed. One American alternative provided that SCAP might appoint members of his staff as 'representatives or observers' at international

¹³ FEC, 18 Mar. 1948, pp. 3-4.

¹⁴ Ibid., pp. 6ff.

conferences, but it was speedily rejected by the majority of the commission. Ambassador Makin expressed the general view when he said: 'My Government . . . is unable to support any proposal which would state or even imply that SCAP's representative should attend at inter-government conferences in any other capacity than that of a non-voting observer.'¹⁵ Eventually, however, the commission reached agreement on a decision which provided:

1. Upon receipt of an appropriate invitation SCAP may appoint members of his staff as observers at inter-governmental conferences, attendance at which he deems to be in the interest of the occupation.
2. Members of SCAP's staff attending an inter-governmental conference on invitation as provided in paragraph 1, may be accompanied by Japanese technical personnel when deemed necessary by SCAP, and when the attendance of Japanese personnel is acceptable to the country acting as host to the conference.¹⁶

In several other ways the United States, abetted by the Supreme Commander, tried to loosen the political bonds on Japan and to increase her international contacts. In 1947 the United States had submitted a paper on the interchange of persons between Japan and other countries, which would have permitted Japanese citizens to travel overseas for various cultural purposes under certain safeguards. The individuals in question had to be approved by SCAP in advance, and they were forbidden to engage in propaganda or political activities while abroad. Despite these provisions, the Australian Ambassador led the opposition to the proposal, arguing that the matter could only be decided at a peace conference. China, the Philippines and the Soviet Union joined Australia in this view. America supported the paper on the grounds that it would increase Japanese contacts with the democratic world and further the process of democratization in Japan. It also stated that General MacArthur was under a great deal of pressure from individuals and organizations desiring to invite Japanese nationals abroad for cultural purposes. The United States stressed that the policy paper was urgent, thus indicating that it might send the paper as an interim directive or ask General MacArthur to implement the proposal on the basis of his general executive power. As it became evident that America would

¹⁵ *FEC*, 13 May 1948, p. 2.

¹⁶ *Activities*, 1947-8, pp. 22-3.

proceed on her own initiative if the commission did not agree to the policy decision, the opposition dwindled. Australia eventually agreed to go along with the decision on the assurance that the Supreme Commander would periodically review the status of Japanese nationals abroad, and not permit them to remain overseas any longer than necessary, and that the American government would furnish information on such trips.¹⁷ When the proposal was brought to a vote in the commission it was vetoed by the Soviet Union but General MacArthur carried out its provisions as 'sole executive for the Allied Powers in Japan'.

In January 1948 the United States submitted a policy draft which would have relaxed both political and economic restrictions on Japan. The paper was entitled 'Travel Outside Japan of Japanese Commercial Representatives' and it provided for 'travel or residence' abroad of Japanese trade representatives 'to the extent necessary for the restoration of the Japanese economy'. Provisions in the draft decision prohibited political or propaganda activities by Japanese representatives.¹⁸

The commission was reluctant to accept the American proposal in the form in which it had been received, and several amendments were suggested. The prohibition on political and propaganda activities was strengthened. Australia's feeling that 'during the period of the occupation, trade would best be carried on by Allied traders in Japan, with Japanese traders being allowed to go abroad only as a last resort',¹⁹ led to another amendment.²⁰ Two other important restrictions were written into the American policy decision. One provided that the travel of Japanese commercial representatives abroad:

should give Japanese no advantage over foreign nationals doing business with or in Japan. To this end foreign nationals in Japan should be given maximum freedom to develop trade, subject only to the economic controls required by reason of the occupation. Such controls should apply equally to Japanese and foreign nationals.²¹

The other required that: "The specific travel authorized herein and the extent thereof should be only that essential to raise Japan's foreign trade to a level consistent with her peaceful needs as defined by the Far Eastern Commission."²²

With the addition of these amendments, Australia found that

¹⁷ *History of FEC*, p. 82.

¹⁹ *History of FEC*, p. 95.

²¹ *Ibid.*

¹⁸ *Activities, 1947-8*, p. 36.

²⁰ *Activities, 1947-8*, p. 36.

²² *Ibid.*

she could support the American proposal. Her representative told the commission:

Australia had entertained serious apprehensions regarding the possibility of commercial representatives indulging in propaganda activities. He felt, however, that the present proposed policy covered the situation adequately and afforded appropriate safeguards. Nevertheless, Australia would continue to exert vigilance regarding the conduct abroad of those commercial representatives allowed to leave Japan.²³

The Japanese Coastal Patrol

Further Australian apprehensions were expressed in both the Allied Council and the Far Eastern Commission when a Japanese coastal patrol was debated. In February 1948 the Far Eastern Commission had passed a policy decision prohibiting military activity in Japan. Less than two months later a plan to create a Japanese Maritime Coastal Patrol was announced. In the discussions which followed, the right to patrol Japanese coasts was not questioned, but there was disagreement on whether the Japanese would be permitted to arm their patrol vessels. Australia, New Zealand, China and the Soviet Union expressed the view that the arming of the vessels themselves, in addition to the side-arms which the crews would be allowed to carry, would violate Far Eastern Commission policy. This concern led directly to a New Zealand resolution which would have held up action on the coastal patrol plan until the commission could assure itself that the plan did not violate previous policy. The resolution read: ' . . . the Japanese should not set up or operate any coastal patrol or coast guard service until the Far Eastern Commission has had an opportunity of considering the matter.'²⁴ The resolution gained a majority vote but was defeated by an American veto.

In defence of the bill which had been submitted to the Japanese Diet to authorize the patrol, American representatives argued that the proposal did not contravene existing policy. They sought to show that the coastal patrol was a form of water police and thus that it would fall under the same restrictions which applied to land police. United States spokesmen agreed that if the Japanese patrol vessels were armed, there would be a violation of Far Eastern Commission directives; they pointed out, however, that the plans for a coastal patrol

²³ *History of FEC*, p. 96.

²⁴ *FEC-305/11*.

did not involve arming of the vessels. A SCAP official testifying before the Steering Committee of the commission indicated that the Supreme Command had abandoned plans for a one-pound gun on the patrol boats because of existing occupation policy.

Australia was apparently satisfied by these assurances, but her representative on the Allied Council called a special meeting to take up another aspect of the question. Patrick Shaw stated at the meeting:

All I wish to do is to draw the attention of the Council to the importance of this bill which authorizes the re-establishment of the Coast Guard force under the control of the Japanese. Unfortunately the first public statements about this bill were contained in Japanese press reports repeated by foreign correspondents which gave to the world an exaggerated account of the Japanese forces contemplated under the bill. . . . A perusal of this bill indicates that the more sensational details of the earlier press reports were inaccurate. The fact remains, however, that the principles involved in the legislation were important enough to warrant some prior advice at least either to the Members of this Council or to the Far Eastern Commission.²⁵

The American Chairman, William J. Sebald, replied that because there was no order to the Japanese on the subject, the Supreme Commander was not legally obliged to consult the council in advance.²⁶ Shaw rejoined: 'I cannot . . . accept the contention, that as there was no order to the Japanese on this subject, that there was no obligation to consult the Council.'²⁷

The Japanese Right to Strike

A major issue which caused Australian irritation over the progress of the occupation was the question of amendments to the Japanese labour laws. General MacArthur's letter to the Japanese Prime Minister had stated: 'No person holding a position by appointment or employment in the public service of Japan or in any instrumentality thereof should resort to strike or engage in delaying or other dispute tactics which tend to impair the efficiency of governmental operations.'²⁸ The Japanese government issued a temporary ordinance at the end of July 1948 carrying out the suggestions in the Supreme Commander's letter. The Russians raised strenuous objections to this procedure in both the Far Eastern Commission and

²⁵ A.C.J., 28 Apr. 1948, p. 1.

²⁶ Ibid., p. 3.

²⁷ Ibid., p. 14.

²⁸ *History of FEC*, p. 171.

the Allied Council, and the Australian member on the council demurred at some aspects of the action. Shaw questioned the apparent permanency of General MacArthur's measures:

In other words [he said] the immediate reason for the cancellation of the right to strike of all Government employees was that starvation and disaster would otherwise threaten large sections of Japanese people. I am not in a position to query the Supreme Commander's estimate of the seriousness of the situation. He alone has the executive responsibility. The point I am making is that the curtailment of rights of any kind, including the right to strike, may be justified in an emergency situation. Great care should be taken, however, in curtailing any human rights by long term legislation.²⁹

Shaw also noted the apparent failure to maintain a distinction between the administrative corps and employees in government enterprises:

I am not questioning the denial of the right to strike of public servants in what we would term clerical and administrative grades. On this point the Supreme Commander's directive is explicit. General MacArthur, however, made a distinction between Government servants proper and employees in Government enterprises. In the subsequent announcements of the Japanese Government I have not seen this distinction clearly recognized. We know that in the modern state Government employment often embraces what would normally be considered the sphere of private enterprise. In such government enterprises, government employees should not necessarily be restricted in the same ways as government servants proper.³⁰

The final position of the Supreme Command, as we have seen above, was to preserve a distinction between government servants and government employees; the latter, however, were still denied the right to strike.

America Abandons Industrial Deconcentration in Japan

Perhaps the most significant American decision of the year 1948, from the Australian point of view, was the further weakening of the policy of industrial deconcentration. In 1947 the United States had formulated a policy paper on 'Excessive Concentration of Economic Power in Japan' embodying the recommendations of the American Edwards Mission on Japanese combines. The criteria which the policy paper laid down for determining excessive concentration were as follows:

²⁹ A.C.J., 28 Aug. 1948, p. 17.

³⁰ *Ibid.*, p. 18.

'any private enterprise or combination operated for profit is an excessive concentration of economic power if its asset value is very large; or if its working force . . . is very large . . . or if it produces, sells or distributes a large proportion of the total supply of the products of a major industry'.³¹ When the United States reversed its policy towards the economic rehabilitation of Japan, however, these criteria were abandoned. The Deconcentration Review Board, created for the purpose of ensuring that the deconcentration programme did not obstruct Japanese recovery, established a different standard. It required that: 'No order should be issued under the Deconcentration Law unless there is a showing of a *prima facie* case that the company "restricts competition or impairs the opportunity for others to engage in business independently in any important segment of business".'³² Mere size, then, was no longer a sufficient criterion for reorganization of an enterprise. In response to the new attitude, the United States first suspended her participation in the discussions of her earlier policy paper; then she withdrew her support on the ground that 'the major points of procedure set out in that document already had been implemented in Japan . . .'³³

Although there was no immediate Australian rejoinder to the American action, it may be presumed that the Australian government was considerably disturbed by the new American policy towards the Zaibatsu. The United States' view was in fact a tacit acknowledgment that she did not wish to carry out the deconcentration programme as originally conceived. The failure to reorganize the great preponderance of Japanese corporations originally named as excessive concentrations of economic power was testimony to this fact. As Australians had believed that the successful democratization of Japan could be achieved only if the Zaibatsu were smashed, the American refusal to proceed with the proposal for deconcentration seemed bound to be viewed with disfavour in Canberra.

Australia Makes Concessions

The new American policies towards Japan placed Australia in an embarrassing dilemma. On the one hand she felt that the American measures to bolster the Japanese economic edifice

³¹ *History of FEC*, p. 199.

³² Fearey, *The Occupation of Japan*, p. 62.

³³ See McCoy statement, *History of FEC*, pp. 200-1.

might lead to the re-creation of a Japanese war potential and to the weakening of Japan's democratic impetus. On the other hand Australia was aware that she could not make a complete break with the United States on the question of Japan. There was an important reason for this. The members of the Australian Cabinet, particularly the Prime Minister, knew that their security in the Pacific region would probably depend upon America. The events of the Pacific War had proved that Britain would not be able to give effective help in all contingencies, and Prime Minister Curtin's appeal to America in 1941, despite its extreme tones, was based on a clear recognition that America was the only friendly nation which could do so. It was paradoxical but true, then, that the only nation which could protect Australia from Japan was the one which seemed dedicated to a revival of Japanese strength. Thus Australia had to tread a fine line in her dealings with America: she would have to express her opposition to America's lenient measures in Japan, but at the same time she could not press her case so far as to risk losing American aid in the event of another Pacific War. The events of 1948 and afterwards were a good illustration of Australia's dual policy. While she made it quite clear that she was not pleased with many aspects of the American régime in Japan, she made concessions on many issues.

The most important of these was economic. In 1947 Evatt had taken quite a stringent view of Japanese economic capacity;³⁴ in 1948 he was able to state: '... though Australia seeks to retain security controls, she does not, I repeat, seek to limit Japan's productive capacity. The Australian attitude on the Far Eastern Commission on the question of levels of Japanese industry is full evidence of this.'³⁵ In June Australia had informed the Far Eastern Commission that she was removing her objections to the capacities proposed for the nitric acid and chlorine industries, and was willing to accept some aluminium capacity provided that no aircraft industry was planned. The paper on levels of industry which Australia now supported was considerably more lenient than America could have been given to expect. The levels proposed in most cases were no more drastic than those provided in the early decisions which set up the interim reparations removals programme, and in some cases they were even milder. Thus the policy decision proposed to

³⁴ *C.N.I.A.*, XVIII, Aug. 1947, p. 473.

³⁵ *C.N.I.A.*, XIX, Sep. 1948, p. 599.

take no more facilities from Japan, on the whole, than what had been designated as 'obvious excess capacity' in 1947.

Prime Minister Chifley echoed the new note in Australian policy when he stated: 'I agree broadly with the views expressed in the United States committee's report regarding Japan's industrial capacity and the necessity to multiply by eight or nine times her present trade in order to sustain a reasonable standard of life.'³⁶ Australia, moreover, was prepared to do her part in the expansion of trade with Japan. In June 1948 a comprehensive sterling payments agreement, replacing the interim arrangement of November 1947, was reached. The new arrangement permitted all Japanese trade with the sterling areas, save that in cotton textiles, to be financed in sterling. While the interim agreement had covered only private trade, the new arrangement applied equally to private and governmental trade. At the request of SCAP representatives the trade in cotton textiles was to be subject to dollar payment because Japan needed dollars to purchase raw cotton from the United States. As a result Australia and representatives of the Supreme Commander reaffirmed their earlier understanding that trade between the two countries would be balanced. In November 1948 Chifley announced that an agreement had been reached between occupation authorities and five British Commonwealth countries for trade to a minimum value of £(S)55,000,000 in the year ending 30 June 1949. This total was three and one-half times as large as that of the previous year, and Australia was to have about £(A)6,000,000 of the total share.

Political considerations aside, of course, the developing Australian-Japanese trade was of almost as much benefit to Australia as it was to Japan. There were other ways, however, in which Australia evinced a more favourable attitude towards affairs in Japan. In June 1948 the Minister for the Army, Mr Chambers, announced that an Australian parliamentary delegation would visit Japan to see the Allied occupation at first hand. Four Government and three Opposition members were named to the delegation to be led by Mr Leslie Haylen, Labor member. During the parliamentary recess in July, the seven-member delegation toured Japan and held extensive briefings with General MacArthur's staff. The Australian legislators also called on Emperor Hirohito to assure themselves 'that the

³⁶ *Digest*, 19 May 1948, p. 6.

authority of the Emperor [has] been reduced to the level of a constitutional monarch in a democratic state such as our own'.³⁷

When the delegation reported to the Australian House of Representatives in September, its views were quite conciliatory. The leader of the delegation stated, 'I am not afraid to admit my admiration of the American plan for Japan.' Others also seemed to be impressed with what General MacArthur had done in Japan. The speakers stressed that the occupation officials had provided them with a great deal of information. One spoke favourably about a report which recommended a severe reduction in reparations claims against Japan. Mr Davidson, Opposition member from Capricornia, noted that American officers in SCAP tended too easily to claim that Japan had been magically transformed into a democracy, but stated, 'we can report to the House that very great progress has been made in the task of building a democratic nation in Japan'.³⁸ The sentiments of the entire delegation were reflected in the observations of one member. He told the House:

Our first consideration is that we must prevent, at all costs, a resurgence of militarism in Japan. The second is not inconsistent with the first. We should press for the democratization of Japan, and that means giving to the people the possibility of achieving a reasonable standard of living. I went to Japan with a good deal of pessimism about the future. I returned to Australia with less pessimism, because I believed that Japan, if given proper treatment for a period of years has a reasonable chance under supervision of becoming a democratic country.³⁹

America Moves Further towards Liberation of Japan

The changes in Australian policy as a result of the new American attitude towards Japan did not, however, bring about agreement with the United States. The willingness to expand Australian-Japanese trade, the acceptance of a measure of Japanese economic revival, and the generally favourable tone of the reports of the Australian parliamentary delegation to Japan did not disguise the major differences which still existed between America and Australia. In fact, as Australia moved to accommodate herself to changes in American policy, the United States seemed to move further towards acceptance of a Japanese resurgence. These trends in the policies of the two

³⁷ *Age*, 22 July 1948, p. 1.

³⁹ *C.P.D.*, 17 Sep. 1948, p. 572.

³⁸ *C.P.D.*, 9 Sep. 1948, p. 351.

countries suggested that they would be even further apart at the end of 1948 than they had been at the beginning.

America was expanding her military facilities in Japan. During the year Japanese airfields extending from Kyushu to Honshu and Hokkaido were being enlarged and renovated. A new base at Misawa just 700 miles from Vladivostok and purporting to cost £3,250,000 was under construction, and at Yokosuka the old Japanese naval base had been reconstructed and improved by American forces. The American thinking behind the new policy was frankly summarized by one occupation official in the following words:

If you find it necessary to station troops in a country as a military precaution against some other country, it obviously is desirable that the country in which you have your troops should be self-sufficient. . . .

We don't want to regard Japan as our military ally. But it can profitably become a military bastion and make our own task much less expensive if it can feed and clothe itself and generally carry on normal self-sufficient Government without our aid.

You might say that, in a nutshell, is the object of our general military approach.⁴⁰

Unfortunately, from the American point of view, very little progress towards the attainment of Japanese economic stability had been made in 1948. Industrial production had risen but prices were still not under control, and the foreign trade problem seemed as far from solution as at any previous time. In the second half of the 1948 fiscal year the trade deficit stood at \$265.4 million. The lack of a single exchange rate complicated the problem of foreign trade. Japanese exports were sent abroad at an undervalued rate, thus giving a misleading impression of the ability of Japanese goods to compete in a world market. Japanese imports were brought in at an overvalued rate, thus contributing to a mistaken apprehension of the number of foreign goods Japan could afford to buy. Sooner or later a reckoning had to come, and Japan would either have to sacrifice a part of her foreign market or else bring the rampage of imports to a halt; if, moreover, the final value of the yen were set too high, a favourable balance of trade would never be attained.

The result of the still unsatisfactory economic situation in Japan was an American interim directive to General MacArthur

⁴⁰ *Age*, 8 June 1948, p. 2.

on economic stabilization. The Australian representative in the Far Eastern Commission told the delegates that:

His Government had no real objection to the substance of the interim directive as worded. . . . Other delegations had questioned the correctness of the United States procedure in handling the matter by means of an interim directive and it was the Australian opinion that . . . the United States had had ample time to submit a proposed policy for the consideration of the Commission, and that the Commission should not have been by-passed by the issuance of the interim directive. The Australian delegation . . . had always understood that issuance of an interim directive on questions which had not been previously under consideration by the Commission would be resorted to only in an emergency situation which arose almost overnight, requiring almost immediate action in Japan.⁴¹

The Australian objections to American policy on the matter were obviously affected by the recognition that if the Far Eastern Commission could not retain final policy control over Japan, the United States would be able to ease the restrictions on Japan at her own discretion. Australia did not oppose a moderate revival of the Japanese economy, but she was very much disturbed at the American view that Japan had to be rebuilt as a bulwark against further Soviet incursion in the Far East. Australia believed that as Japan was restored to independent nationhood she would reassert the policies which had led to the Japanese phase of World War II. Thus, near the end of the year, an Australian newspaperman commented: 'Australian Government officials give the impression that America's increasingly "soft" attitude towards Japan is Australia's greatest problem to-day.'⁴²

How far removed the situation of 1948 was from that of 1946 was signalized by the war crimes verdict of the Australian President of the International Military Tribunal for the Far East. Sir William Webb implicitly castigated the occupation authorities for not bringing the Emperor to trial. He stated in an individual opinion:

The authority of the Emperor was proved beyond question when he ended the war. The outstanding part played by him in starting as well as ending it was the subject of evidence led by the Prosecution. But the Prosecution also made it clear that the Emperor would not be indicted. This immunity of the Emperor, as contrasted with the part he played in launching the war in the Pacific, is I think a matter which this Tribunal should take into consideration in imposing

⁴¹ *FEC*, 30 Dec. 1948, p. 3.

⁴² *Age*, 30 Sep. 1948, p. 2.

sentences. It is, of course, for the Prosecution to say who will be indicted; but a British court in passing sentence would, I believe, take into account, if it could, that the leader in the crime, though available for trial, had been granted immunity.⁴³

Mr Justice Webb's sentiments harked back to an object of Australian policy that now seemed both impossible and forgotten. While in 1946 Australia was primarily concerned at the failure to bring the Emperor to trial, in 1948 Australia was objecting to the American policy of rehabilitating and rebuilding the Japanese as a nation.

⁴³ *C.N.I.A.*, XX, Mar. 1949, p. 336.

THE SECOND OVERTURE FOR A PACIFIC PACT

Introduction

From the Australian point of view there were two reasons why a Pacific pact was needed in 1949. The first was that the United States was continuing her 'piecemeal peace policy' and restoring powers to Japan that would ordinarily wait upon a peace settlement. The second was that Communism was on the march in the Far East. A Pacific defence treaty, including the United States, could protect Australia against threats from either quarter. To obtain the defence pact, Australia could not move too far from the policies of the United States.

Theoretically it did not seem that there would be great difficulty in reaching agreement on a Pacific pact, or, for that matter, on the basic points of a Japanese settlement. If the United States was building a bastion in Japan against increasing Communism in the Far East, she should have been more than willing to establish a Pacific defence structure. If a strong Japan would prevent Soviet encroachment in one part of north-east Asia, a Pacific pact would operate throughout the Asian area as a deterrent to Communism. It seemed that the Pacific pact would do what the United States was seeking to accomplish in Japan, but on a much vaster scale. At the same time, if Australia was genuinely frightened by the Communist advance in the Far East, there seemed to be no formidable objection to agreement on Japan. If the Communist menace was primary, Australia should have been eager to set up a Pacific bulwark in Japan to defend against it.

In fact, of course, neither of these attitudes prevailed. Though the United States was disturbed by Communism in the Far East, she was not willing in 1949 to proceed with a pact that would alienate some Asian powers, even though it might exercise a deterrent effect upon the Soviets and their minions. And though Australia wanted a Pacific pact partly because of her fear of Communist encroachment, she certainly was not willing to use Japan as a Far Eastern stronghold of the free democracies. Neither Australia nor the United States was

willing to accept the logical conclusion of the premise that the Communist menace dwarfed all other problems. The divergence between Australia and the United States continued during 1949 and perhaps even widened during that year.

America's Piecemeal Peace Policy

Two clear series of developments led Australia and other countries to broach the Pacific pact proposal. The first was the change in the American policy towards Japan which has been partly described in the preceding two chapters. At the minimum the United States wished to revive Japan as a strong point in the American and Western defence against Communism in the Far East. At the maximum America sought to use Japan as an ally who would participate in all but a military sense in the Western coalition against Communism.

This piecemeal peace policy, which had been inaugurated in 1948, was designed to reconcile General MacArthur's request for a treaty of peace with the American military's desire to maintain the military privileges of the occupation. In the Far Eastern Commission the United States had pressed for measures that would permit the occupation to be represented by full voting delegates at international conferences, but the commission would agree only that representatives of the Supreme Commander could participate as non-voting observers at such gatherings. In October 1948 the commission, under considerable American pressure, agreed that Japanese commercial representatives could be permitted to travel abroad for specified purposes. On 1 September 1948 General MacArthur, as the 'responsible authority' in Japan, told the Japanese government that he believed it was time for Japan to become a full member of the International Telecommunications Union. The Diet voted to adhere and, together with General MacArthur's approval, sent this notification of accession to the Atlantic City Convention to the Secretary-General of the Union. The Far Eastern Commission was informed of Japan's adherence in January 1949.

Australia and seven other members of the commission were disturbed by the Supreme Commander's action. The Australian representative did not object to Japanese adherence to technical inter-governmental conventions; indeed, he said that 'such adherence might be desirable', but he continued:

However, from a purely legal point of view, it seemed to the

Australian Government that two questions were involved: (a) was the Japanese Government in existing circumstances competent to perform an act of adherence to an international convention and to assume responsibility for carrying out its obligations under such a convention; (b) did SCAP have the authority to permit such adherence? With regard to the first of these points, the Australian Government felt that the United States had perhaps read more into the Commission's policy than had been intended. That is, it seemed to have read into the policy a permissive sense which from a strictly legal point of view the Australian Government did not think existed or was intended. It was the Australian viewpoint that all aspects of Japan's foreign relations must remain in the hands of the responsible authority until there had been a peace conference, and that this responsible authority was the Far Eastern Commission, with the Supreme Commander acting as its agent.¹

And he concluded that 'faulty procedure had been used to achieve an end which was not in itself objectionable and was in fact desirable'.

Other aspects of America's piecemeal peace policy were to encounter even greater opposition from Australia. In April 1949 the United States proposed a new policy paper entitled 'Japanese Participation in International Relations'. The paper included this provision:

The F.E.C. decides as a matter of policy that SCAP, subject to his discretion and continued control, should permit Japan to participate with other nations or groups of nations in such international relations, conventions, meetings, consular arrangements or other bilateral or multilateral accords as Japan may be invited to enter into, accede to, attend or participate in and as SCAP shall consider to be in the interests of the occupation.²

The policy paper was designed to enable Japan to participate in all kinds of international relations, including even the establishment of diplomatic relations. The paper ran into overwhelming opposition in the commission, however, and the United States did not use her initiative to put it into effect in Japan. The Australian representative told the commission that:

altogether apart from the question of the Japanese Government's fitness at this stage to assume wide responsibility in international relations, it was the view of the Australian Government that Japan could not appropriately be re-admitted into the comity of nations

¹ *FEC*, 10 Mar. 1949, pp. 9-10.

² *FEC*, 21 Apr. 1949, p. 8.

with full voting rights at international conferences as long as a technical state of war existed between Japan and the Allies.³

When the United States realized that she could not win approval for the general paper on international relations, she offered two restrictive proposals in its stead. One paper would have permitted Japan, with the approval of the Supreme Commander, to join other countries in conferences and agreements of a technical nature. The other would have allowed Japan with SCAP approval to appoint agents in those countries willing to receive them to handle questions involving trade or the civil status of property rights of Japanese citizens living abroad. The United States buttressed her two proposals by press statements, and hinted broadly that the Supreme Commander might permit Japan to resume certain international functions if the Far Eastern Commission did not pass appropriate policy decisions. In November the United States went even further. The Director of the Northeast Asian Affairs of the Department of State called representatives of the Far Eastern Commission countries to his office and stated the American view that the Supreme Commander could permit the Japanese to establish consular-like offices in countries willing to receive them. At the same time, the United States member of the Steering Committee pointed out that there were precedents for ex-enemy states resuming certain international functions in advance of a peace treaty. In that same month the United States, Britain, and France had agreed that the Federal Republic of West Germany could establish consular and trade relations with 'those countries where such relations appear advantageous'.

When the two papers were brought to a vote in the Steering Committee of the commission, however, Australia opposed both decisions, though they received majority approval. In the final commission voting, Australia abstained in the light of an amendment which made the papers more palatable.⁴ The amendment provided: 'Before leaving Japan, Japanese agents appointed in accordance with the provisions of this policy decision, should be instructed to refrain from engaging in propaganda or subversive activities of any kind.'⁵ In the end both papers were

³ *FEC*, 26 May 1949, p. 1.

⁴ *FEC*, 12 Jan. 1950, p. 2.

⁵ *History of FEC*, p. 102. The Australian delegate summed up the position as follows: 'It remains the firm opinion of the Australian Government that Japan cannot appropriately be restored to an equal footing with other nations at international conferences or in international agreements as long as a technical state of war obtains, and that it is for the Peace

defeated by Soviet veto, but both were put into effect in Japan, either through General MacArthur's executive power or America's interim directive authority.

Another phase of America's piecemeal peace policy was continuing in Japan. While the United States was trying to re-establish Japan's international status in the Far Eastern Commission, she was trying to rebuild an economic machine that would enable Japan to sustain international responsibilities. The prime economic task of the occupation at this stage was to put into effect the economic stabilization directive that had been issued to General MacArthur in December 1948. In order to carry out the new programme, the President of the Detroit Bank, Mr Joseph M. Dodge, had been sent to Japan and armed with all economic authority. The major problem he faced, as we have seen above, was the runaway inflation which was fed by government borrowing from the Bank of Japan and an increasing note issue. In the external field, the system of multiple exchange rates allowed Japanese export producers to be artificially insulated from the effects of foreign competition and the Japanese consumers to receive foreign imports at abnormally low prices. The imbalance in foreign trade was permitted only by the generous aid of the American taxpayer. When Dodge took the economic helm early in 1949, he noted: 'There seems to be astonishingly little comprehension among the Japanese people of the real situation of their country. Nothing should have been expected as the result of the war but a long term of hardship and self-denial. The nation continuously has been living beyond its means.'⁶

The measures he adopted to put an end to the 'hothouse economy' in Japan were highly orthodox. A first requirement was a balanced budget to end the spiralling inflation which stemmed in large part from governmental over-spending. The balance finally attained, however, was reached not through a wholesale slashing of expenditures but by the cancellation of certain uneconomic projects, the discharge of unneeded workers, and the more effective collection of taxes at the existing rates. The indiscriminate lending of the Reconstruction Finance Bank was halted, thus ending the practice of financing current output out Conference to decide whether Japan should be permitted once again to take her place along with other nations at international conferences' (ibid., p. 104).

⁶ Fearey, *The Occupation of Japan*, pp. 131-2.

of loans designed to facilitate expansion and investment. The efficiency of utilization of raw materials was improved. Previously the stock of available raw materials had been divided among a large number of producers each operating at a high unit cost. Dodge saw that raw materials were concentrated among relatively few efficient producers, thus permitting the maximum use of resources in certain plants and a low cost per unit of output. In April 1949 an exchange rate of 360 yen to the dollar was established, and the disparity of payments, which sanctioned a higher return to the Japanese export producers than was actually paid by the foreign importer, was abolished. The fixing of a single rate of exchange eliminated this indirect subsidy to the Japanese producer and forced the higher cost export concerns to rationalize their production and bring both costs and prices into line with those prevailing in the world market. A Counterpart Fund—a sum of yen equal to the amount of American aid—was created to facilitate both capital construction and debt retirement.

Gradually Japan's economic mechanism began to respond to Dodge's ministrations. Consumer prices levelled off and even declined and the note issue of the Bank of Japan decreased. Industrial production attained 80 per cent of the 1932-6 level in July 1949, and the trade deficit was reduced. The difference between imports and exports had been \$500 millions in the 1948 fiscal year; in 1949 it was not substantially over \$300 millions. It did not seem, however, that a complete foreign balance would be achieved at an early date.⁷

As a recognition of Japan's true economic plight and the mounting Communist threat dawned upon the American government, it began to reconsider its policy on reparations. Increasing production for export would be required in order to produce a favourable balance of trade, and internal economic stabilization depended in part upon greater production. If further reparations were to be taken from Japan, Japanese production would be impaired. General MacArthur was quite aware of this relationship, and shortly after he received the economic stabilization directive he informed the American government that he would not be able to carry out its provisions and still continue with the programme of reparations. The result of General MacArthur's dilemma was the revision of the American position on

⁷ See Fearey, *loc. cit.*; and SCAP, *Mission and Accomplishments, 1949*, p. 29.

reparations. On 12 May 1949, General McCoy told the Far Eastern Commission:

During the last year and a half the United States has had drastically to revise its earlier estimates of the quantity of reparations which Japan could afford to pay, in the light of the Overseas Consultants and Johnson [*sic*] Committee reports, made available to the Far Eastern Commission on March 2 and May 19, 1948, respectively, and of the critical state of the Japanese economy.

The Japanese economy is a deficit economy and must be expected to remain so for some years to come. As a deficit economy it must husband all its resources to speed the day of self-support. During 1948 the United States, which has borne Japan's deficits for almost four years, furnished economic aid to Japan in the amount of some 500 million dollars, and another 400 million was expended for the support of the occupation forces . . .

. . . in December the United States Government was compelled to direct the institution by the Japanese Government of a comprehensive economic stabilization program.

. . . The stabilization program can succeed, however, only if the entire Japanese nation devotes itself single-mindedly to the achievement of the stabilization objective, unimpeded by burdens not directly related to that objective. Extraction of further reparations from Japan, both by injecting such an impediment and through the cost of dismantling, packing and transporting the reparations facilities, would seriously jeopardize the success of the stabilization program.

. . . Japan, in the best of circumstances, faces an extremely difficult task in maintaining a larger population than it has ever possessed before on the meager resources of the Japanese homeland alone. Facing this task it has no resources surplus to its peaceful needs.

. . . Further reparations from Japan would jeopardize the success of the Japanese stabilization program, to which the Japanese people and Government have been directed to bend all their efforts and on which the success of our common occupation objectives and the progressive reduction of the United States aid burden in Japan depend.

In the light of these conclusions the United States Government has decided that it must rescind its interim directive of April 4, 1947, thereby bringing to an end the Advance Transfers Program. It has also decided to withdraw its proposal of November 6, 1947, on Japanese reparations shares. Finally, the U.S. Government must make known that it has no intention of taking further unilateral action under its interim directive power to make possible additional reparations removals from Japan.⁸

As one American official commented:

⁸ *History of FEC*, p. 158.

By the procedure outlined in this statement the U.S. Government, without violating any policy decisions of the Far Eastern Commission or the terms of reference of the Commission and without issuing any interim directive which could be questioned, terminated for the period of the occupation further reparations from Japan. . . . No reparations program during the occupation could be made effective without a policy decision of the Commission, which would require the vote of the United States.⁹

The Australian reaction to these developments was bound to be ambivalent. It did not seem that Australia would now insist on large quantities of reparations from Japan; hence, the mere ending of the reparations programme would not evoke a hostile response from Canberra. The implications of America's stand on reparations, however, were destined to be viewed with disfavour in Australia. Australia had made significant concessions in coming to support the paper 'Level of Economic Life in Japan', and she had always insisted that the Japanese economy must be restricted in certain industries in order to prevent the re-creation of a Japanese military potential. At one point in 1948 an Australian representative told the commission that '... his Delegation considered the subject of Level of Economic Life in Japan to be the most important subject under consideration at any level of the Commission'.¹⁰ But the American decision on reparations meant in practical terms that the United States would be opposed to any limits on Japanese industry. As General McCoy told the commission: 'Facing this task [of self-support] it [Japan] has no resources surplus to its peaceful needs.'¹¹

The proposal to set limits on the economic life of Japan was intimately connected with the decision on 'Reduction of Japanese Industrial War Potential', passed in 1947. The terms of that decision provided that the peacetime capacity levels to be established in the commission's decision on levels of economic life in Japan would lapse by 1 October 1949 if the occupation did not end before that date. Of course, the commission had not made a decision on the level of Japanese economic life by the target date (nor was there any prospect that it would) but several members wished to continue the restriction until the commission could make a decision. In the latter part of 1949 Australia warmly supported Russian and Chinese proposals to

⁹ *Ibid.*, pp. 158-9.

¹⁰ *Ibid.*, p. 160.

¹¹ *Ibid.*, p. 158.

this end, even though they were destined to receive an American veto.

Thus, Australia found the 'new look' in American policy not precisely to her taste. The 'piecemeal peace policy' threatened to return to Japan sovereign privileges which Australia stressed should be accorded only in a peace treaty. The new economic policies adopted by the United States held the promise of the creation of a Far Eastern arsenal in Japan and seemed to provide the material substance for Japan's new international role. If Japan seemed well on the road to a resumption of a normal international status, it was time to look to Australian defences in the Pacific. In realistic terms these consisted almost wholly of the American military. Japanese revival then, seemed to lead directly to Australian support for a Pacific pact paralleling the North Atlantic Treaty.

The Growing Communist Threat

The second series of developments which encouraged Australia to broach the proposal for a Pacific pact once again was the world Communist offensive, which by the first months of 1949 had reached formidable proportions. In Europe the satellite states had been 'liberated' by Communist armies and rendered subservient to Moscow. In February 1948 the Czech *coup* seemed to put at rest any lingering hope that the Russians would be willing to live harmoniously with the rest of the world, and later in the year the Berlin Blockade provided a concrete case of Communist hostility to the West. The Australian Minister for External Affairs was in a position to appreciate the significance of the *démarche* more than most, because, as President of the General Assembly, he was charged with one of the mediation efforts designed to end it. The growing conviction in Europe that the Soviets were bent on a course hostile to the West led in 1948 to the creation of the Brussels Alliance and in the early part of 1949 to the broadening of the Brussels pact into the North Atlantic Treaty and the inclusion of the United States. The impasse caused by Russian policy prevented further progress in the disposition of issues arising from World War II.

Communist strategy at this period seems difficult to understand even from the standpoint of Soviet interests. The Soviet naggings, obstructionism, and obstinacy at a series of international discussions goaded the West on many issues which were

not of central importance. It was not only that the Soviet Union resolved, as Arnold Toynbee suggests, that the one imperative was the creation of a line of buffer states in eastern Europe;¹² it rather seemed that the Communist rulers were convinced by some perverse ideological doctrine that the capitalist powers would form a common front against Communism as soon as World War II ended. This notion ran against the arguments of Stalin's own *Economic Problems of Socialism in the USSR*, but it unquestionably had strong proponents in the Kremlin hierarchy. The Soviets very nearly seemed to assume capitalist hostility: by acting on that premise, of course, they succeeded in bringing that hostility into existence.¹³ This was perhaps the outstanding blunder of Stalinist diplomacy.

In the Far East the Communist threat was harder to detect than it was in Europe, but it was far more potent. The combination of Nationalism and Communism in the movements of Indo-China and China obscured the true nature of the Communist challenge. Yet the impenetrable barrier set up at the 38th parallel in Korea seemed to herald the transference of Soviet European policies to the Far Eastern sphere, and the new militancy of Communist organizations in a host of Far Eastern countries testified to the serious character of the Communist menace. In Indonesia a Communist revolt had to be quelled in 1949, and Communist political movements in India, Malaya, Burma, Japan, the Philippines, and Indo-China had become a significant force.

Australia Proposes

Thus it was that the proposal for a Pacific defence treaty, paralleling the NATO alliance, had two roots: one was hostility to a reviving Japan; the other, fear of a growing Communist power. It was paradoxical but intrinsic in the Far Eastern situation that the American policies designed to resuscitate Japan which aroused Australian concern also demanded the expression of the utmost cordiality and confidence in the American government. For if it was America that sought to awaken the Japanese giant, it was also America that could deal him a knockout blow if the occasion arose. Australia, there-

¹² Arnold and Veronica M. Toynbee (eds.), *The Realignment of Europe, Survey of International Affairs, 1939-1946*, pp. 21-2.

¹³ See George F. Kennan, 'The Sources of Soviet Conduct' in *American Diplomacy: 1900-1950*, p. 109.

fore, could not afford to drift aimlessly away from the United States.

When Australia again raised the question of a Pacific alliance she could reasonably hope that the American negative of the Manus negotiations would not be repeated. In 1946 the American reason for avoiding a commitment to her Pacific Allies smacked of isolationism. In 1949 it could be hoped that the developing Communist threat would bring about a more favourable American attitude.

In a statement to the Australian House of Representatives in February 1949 Evatt set the stage for the Pacific pact proposal. He dwelt first of all upon the 'harmonious' relations existing between Australia and the United States.

An integral part of Australia's foreign policy is, and has been, a maximum degree of co-operation with the United States, especially in relation to the Pacific and South-East Asia. In point of fact the co-operation of Australia with the United States of America—very close in time of war when President Roosevelt assisted us so much as Chairman of the Pacific War Council, and General MacArthur was Supreme Commander of the South-West Pacific, including all of our forces—is being confirmed and strengthened to-day by President Truman, whose courage and perseverance have been matched by his constructive 'fair deal' plan for the world announced at his recent inaugural. I do not want there to be any mistake about this matter. The relationship between our two countries is one of close and cordial comradeship.¹⁴

(This sounded a little as if Evatt wished to dispel a prevailing impression that the United States and Australia were at political odds.) Evatt then went on to endorse the principle of Pacific regional co-operation.

Australia [he said] has always recognized the importance of regional consultation and co-operation, both in matters of security and in matters of social and economic welfare. That approach is perfectly consistent, not only with British Commonwealth co-operation, but also with the Charter of the United Nations. For instance, valuable and important European and American regional organizations have already been established in accordance with the Charter of the United Nations, which, as a general rule, requires Security Council authorization in cases of enforcement action. In addition, Article 51 of the Charter explicitly recognizes the inherent right of individual or collective self-defence in the case of armed attack pending the

¹⁴ *C.P.D.*, 9 Feb. 1949, p. 85.

taking of enforcement measures by the Security Council itself. In accordance with these principles of regional co-operation, Australia and New Zealand made a special agreement for consultation in 1944 and subsequently both countries initiated the South Pacific Commission for international co-operation aiming at the welfare of the peoples of the South Pacific islands under the sovereignty of Australia, New Zealand, the United Kingdom, the United States, the Netherlands and France. Regional consultation and co-operation in South-East Asia and the Pacific are strictly in accordance with the practice of the United Nations and of the British Commonwealth.¹⁵

Very shortly after this statement, an event occurred in Tokyo which caused Australia to be more forthright in her advocacy of a Pacific defence treaty. Mr Kenneth Royall, the American Secretary of the Army, told reporters that the United States would be reconciled to the loss of Japan in the event of war and that some Pentagon sources already advocated an early withdrawal from Japan.¹⁶ In the light of past policy it is difficult to understand the American position at this stage, but it probably should not be taken as an indication that America's commitment to Japan had been weakened. There seemed to be little doubt that the United States would be involved in war if Japan were attacked by a hostile power, but there was considerable doubt that America would fight to the death to protect the Japanese frontier. This doubt had parallel manifestations in European planning. While the policy of 'containment' of the Soviet Union implied that the United States would resist Russian incursions at constantly shifting geographic points, many defence planners thought mainly in terms of resistance at the core of Soviet power, not at the periphery. This thinking was to be antecedent of the policy of 'massive retaliation'.

But whatever the true reasons for Royall's statement, it immediately raised doubts in many quarters about the degree of United States commitment in the Pacific, and the hue and cry abroad led to a series of disclaimers by high officials of the Department of the Army. Australia was disturbed at the apparent suggestion that the United States might pull out of Japan,

¹⁵ *Ibid.*, pp. 86-7.

¹⁶ See *N.Y.T.*, 15 Feb. 1949, pp. 5-1, 13-4; 16 Feb. 1949, p. 1-2; 17 Feb. 1949, p. 10-2; and *Canberra Times*, 23 Feb. 1949, p. 1. Because of the *furor* caused by Royall's remarks, denials were issued by Army Department officials, and later by Secretary Royall himself. The newspaper correspondents who attended the Tokyo interview, however, stood by their case that Royall had been the source for the new American policy and that the views attributed to him had been correctly reported.

and Australian sources in Tokyo expressed concern at a very early stage. Shortly afterwards the Australian Ambassador in Washington, Norman Makin, delivered a memorandum to Secretary of State Acheson on the question. In the Australian Parliament ministers were subjected to searching questions on the Royall statement. Mr R. G. Menzies, Leader of the Opposition, stated in Parliament on 15 February:

Do we, in Australia, desire to see the United States of America remain in Japan? If we do, for what purpose, to what end, and for how long? What contribution have we to make to that matter in negotiations and discussions with the United States of America? I confess that I have never understood quite clearly the approach of this Government. At times I would have thought that the furthest spreading out of American interest in the Pacific would have been one of the greatest things that could happen to us. Here is a great nation which is bound to be our friend, not a potential enemy. Sometimes I have felt that that idea was received coldly. Let us now hear from the Government how it approaches that problem, because in the last day or two it has been in the air. It is fantastic to be bandying words about fine theories and airy paper schemes at a time when lawless and revolutionary forces are on the war-path in Europe and in Asia, and when the human rights of peaceable men and women can be defended only by resolute decisions and the real substance of strength, by complete unity of British policy and action, and by a deep, friendly, and enduring association with the Government and people of the United States of America.¹⁷

Australian anxieties that the United States might withdraw its Pacific defence line far to the east were based on a true calculation of Australian interests. However much Australia might disagree with American conduct of the Japanese occupation, she could not afford an American withdrawal as in this area Australia had to rely mainly upon the protective arm of the United States. Thus the rumoured withdrawal led even more surely to an Australian desire to commit America once and for all to the defence of the Pacific.

The prospective Atlantic Pact provided the first opening. On 14 March Mr J. J. Dedman, Minister for Defence, told the press that a Pacific pact was to be expected soon. A regional defence pact for the Pacific had always been in the mind of the Commonwealth government. Dedman added: 'This would mean a regional pact along lines comparable with the Atlantic

¹⁷ *C.P.D.*, 15 Feb. 1949, p. 275.

pact, but many problems have to be ironed out before anything useful can be said publicly. . . . We would like to see membership of the group spread over the largest possible area, including countries on the other side of the Pacific as well as countries on this side.¹⁸ And he went on to explain that the pact should include countries outside as well as inside the British Commonwealth. American states fringing the Pacific in addition to the United States would be asked to participate.

Despite noncommittal American reaction to these proposals, Australia decided to send the permanent Secretary of the Defence Department, Sir Frederick Shedden, to visit the United States for the purpose of discussing Pacific military planning, and in May Evatt made a surprise visit to Washington to confer with American officials about a Pacific pact. Apparently he planned to use two arguments to support the Pacific defence idea. The first was that Russia should not be led to believe that America was uninterested in Pacific defence; the second was an Australian fear that the Communist sweep through China might eventually encompass Burma, India, and other Far Eastern areas. In the middle of May, Prime Minister Chifley could announce: 'Planning for the Pacific area is . . . proceeding parallel with corresponding planning for the North Atlantic area.'¹⁹

America Disposes

Just three days after the Australian Prime Minister's statement, however, Secretary Acheson threw cold water on the pact idea. 'The United States,' he said, 'is not currently considering participation in any further collective defense arrangements other than the North Atlantic Treaty.'²⁰ Acheson pointed out that some of those who recommended a Pacific defence treaty modelled upon the lines of the North Atlantic Pact might not have studied the way in which the North Atlantic Treaty had evolved. The American Secretary noted the dangers to world peace in the Asian situation, but he said he agreed with Prime Minister Nehru of India that a Pacific defence pact could not take shape in Asia until the present conflicts within Asia itself had been resolved. While Mr Acheson thus sought to show that America was hesitant to join a Pacific defence grouping in May 1949,

¹⁸ *Age*, 15 Mar. 1949, p. 1.

¹⁹ *Digest*, 15 May 1949, p. 12.

²⁰ *N.Y.T.*, 19 May 1949, p. 10-6.

he also brought forward a method whereby the United States might be induced to join a pact at a later time.

The negotiation of the Atlantic Pact was begun after a treaty among the European states themselves, the Brussels Pact, had been agreed to in 1948. The United States had joined the defence alliance only after the states in the area immediately endangered had exercised initiative to provide for their own protection. If a similar pattern were to be followed in the Pacific it would require the formation of a pact embodying the major Pacific and free Asian states. If such a grouping could be created, Secretary Acheson's statement held out hope that the United States might be prevailed upon to join a comprehensive Pacific defence treaty.

The prospects for the success of such a procedure were not altogether bleak. The Nationalist régime in China seemed only too willing to join in creating a Pacific treaty whose first task would have been to defeat the Chinese Communists. The South Korean government under Syngman Rhee had voiced its approval of a Pacific pact, and the Philippines seemed ready to participate. The obstacles to practical universality were India, Burma, and Indonesia. The Indian Prime Minister had stated several times that India would hesitate to participate in defence discussions or to join a Pacific military pact, but many believed that Communist activity in China, Burma, and Malaya might change his mind.

Meanwhile the adherents of a Pacific pact concerted strategy. In July Chiang Kai-shek visited President Quirino of the Philippines to discuss the formation of a non-military Pacific union that would be palatable to the three neutralist states. The conferees reportedly agreed that the Philippines, Nationalist China, and South Korea should form the nucleus of a Pacific grouping. Thereafter, Siam, Indonesia, India, Australia, and New Zealand would be invited to join. The union would look to the United States for leadership. The final communiqué, after two days of discussions, did not rule out military co-operation, though no military provisions were included. It stated:

A preliminary conference of authorized representatives of those countries desiring to participate in formation of a union shall be convened at the earliest possible moment to devise concrete measures for its organization.

It is our hope that other countries in Asia and the Pacific will eventually respond to the highest aims of the proposed union.²¹

The results of the conference, however, did not provoke a favourable reaction. Washington sources said that the Pacific pact proposal was still regarded as premature, and in New Delhi further objections were voiced. The Indian government, it was announced, was not thinking in terms of any Pacific pact with south-east Asian countries. A government spokesman said: 'In view of the disturbed conditions in this region and the peculiar internal problems in several countries, India thinks in terms of only collaboration or cooperation with the Far Eastern nations in a general way.'²²

Despite these reservations, the proponents of a Pacific treaty continued their efforts. Generalissimo Chiang met with President Rhee of South Korea in August, and Mr Quirino proceeded to the United States to argue for a pact proposal. In an address to the United States Senate on 9 August, the Philippine President sought to comply with the procedure laid down by the American Secretary of State. He supported the formation of a Pacific union to halt the advance of Communism by non-military means. He made it clear that the Pacific union would be patterned on the Western union of the Brussels Pact. In the course of his remarks, Mr Quirino stated: 'I realize fully that there are strong reasons why the United States may not too readily welcome the obligations that its active participation in this project would entail. I have not, therefore, made such participation a necessary condition for the initiation of the project itself.' He went on to state that if, after the project had been organized, 'the United States and the other democracies should desire to offer such help as should lie in their power to give, it need hardly be said that the offer will not only be warmly received, but justly blessed'.²³ President Truman raised the flagging hopes of the union's adherents by stating on the same day that President Quirino would not return to Manila empty handed.

American reassurances, however, did not mean that America was ready to go ahead with a pact, and the non-military character of the proposed union did not succeed in overcoming India's objections. An Indian government spokesman stated that

²¹ Baguio communiqué, *N.Y.T.*, 12 July 1949, p. 3-1.

²² *N.Y.T.*, 16 July 1949, p. 6-8.

²³ *N.Y.T.*, 10 Aug. 1949, p. 1-2, 3.

India did not intend to help set up an organization chartered solely for the purpose of fighting Communism. India's view was, on the contrary, that a demonstrably anti-Communist pact would strengthen the Soviet grip on Red China. Nevertheless, India would send representatives to a conference if such were held, despite her view that an early meeting would be 'ill-timed'.

The discussions between Secretary Acheson and British Foreign Secretary Ernest Bevin in September revealed that the United States was also dragging her feet on the pact question. Apparently America was afraid that the pact might be used to involve the Western powers in a struggle on the Chinese mainland. It hardly seemed likely that the United States would support Chiang in such a struggle scant months after she had issued an official White Paper which laid the burden of blame for the Chinese fiasco squarely on the Generalissimo's shoulders. It was clear, too, that the practical universality of support which NATO had achieved in Europe could not be duplicated in the Far East. India, Burma, and Indonesia seemed sure to veto an alliance against Communism. The danger of proceeding without the newly independent states was that their eventual adherence to a military treaty would be jeopardized and the Asian area fragmented into different blocs, the very existence of which would tend to foment rivalry. Foreign Secretary Bevin seems to have harboured his own objections to a partial Pacific alliance which would have included some Commonwealth members but excluded others.

Australia Reassumes the Initiative

While the fate of a Pacific pact was held in abeyance, the Australian people voted to unseat the Labor régime of J. B. Chifley and to elect the Liberal Party, led by R. G. Menzies. The change did not involve a major reorientation of Australian foreign policy, and the Liberals' attitude towards Japan was no more conciliatory than that of the Labor government. Nevertheless, the Liberals had consistently championed a close friendship with the United States and had been unrelenting critics of the Australian stand on the negotiations over Manus Island. While the Labor government had allowed the negotiations for a Fulbright Exchange agreement to drag on and had not brought certain other matters to a conclusion, the Liberals would seek to bring all pending negotiations to a speedy conclusion. Even before the election, Mr Ryan, member for Flinders,

aply expressed the Liberal attitude towards the United States when he said:

There is a great difference between our approach to the United States of America and its approach to us. It is very much in our interest to cultivate friendly relations with that great nation. It would not matter much to the United States of America if we were written off completely, for we have nothing to offer it. Therefore, it is up to us to cultivate in the United States of America interest in ourselves.²⁴

As this attitude could be taken as generally representative of the attitude of the newly-elected Liberal-Country Party coalition towards the United States, it followed that the new government would press with equal vigour for a Pacific defence treaty with the United States. The new Minister for External Affairs, Mr Percy Spender, advocated a Pacific regional pact as a counterpart to the North Atlantic Treaty on 20 February 1950. Just three weeks later, he told the Australian Parliament:

It is . . . thought desirable that all governments that are directly interested in the preservation of peace throughout South and South-East Asia and in the advancement of human welfare under the democratic system should consider immediately whether some form of regional pact for common defence is a practical possibility. The concept of a Pacific pact is of course not a new one, but it seems to me that this concept has in the past been surrounded by a great deal of confusion. After the North Atlantic Pact had been drawn up and concluded last year, a number of people fell victim to an easy assumption that what could be done in Europe and the Western Hemisphere could be done just as effectively in Asia and the Far East. Others again have felt quite sincerely that a counterpart in the Pacific area of the North Atlantic Pact, lacking its military commitments and emphasizing political, economic or cultural co-operation, would meet the needs of the area. What I have in mind is something between these two conceptions. I fully realize that, under conditions as they are to-day, the North Atlantic Pact is not capable of being transposed to the Pacific. On the other hand, I find it hard to imagine that a multilateral agreement that had nothing to do with defensive arrangements would be of much use in meeting a sudden emergency. What I envisage is a defensive military arrangement having as its basis a firm agreement between countries that have a vital interest in the stability of Asia and the Pacific, and which at the same time are capable of undertaking military commitments. I would like to think that Australia, the United Kingdom, and, I fervently

²⁴ *C.P.D.*, 5 Oct. 1949, pp. 946-7.

hope, other Commonwealth countries, might form a nucleus, and that such other countries as might wish to do so should be given the opportunity of associating themselves with it, providing, as I have said, that they are capable of contributing military commitments. I have in mind particularly the United States of America, whose participation would give such a pact a substance that it would otherwise lack. Indeed, it would be rather meaningless without the United States of America.²⁵

This appeal for a Pacific regional organization seemed designed to bridge the gap between those states which conceived only of an anti-Communist military alliance and those which were willing to pledge themselves only to economic and cultural co-operation. Specifically, Spender's speech held open the door to the most important Asian member of the British Commonwealth, India. Evatt, the former Minister for External Affairs, quickly gave Spender's proposal his blessing. 'Such a regional arrangement, if it could be obtained,' he said, 'could do nothing but good from the standpoint of security.'²⁶

In the United States, meanwhile, the American Secretary of State went out of his way to welcome Spender's suggestion that the democracies should give thought to the creation of more effective methods of co-operation in those areas in which their vital interests were affected. Thus encouraged, the Australian Minister for External Affairs left on a goodwill trip to the Philippines, where he sought to explore further the possibilities of a Pacific pact.

Shortly after Spender's trip to the Philippines, however, old objections arose in a new form. The Philippines President had called a meeting of Asian nations at Baguio in May, and the results of the conference seemed to spell the end of the Pacific pact idea. From the very beginning there was no prospect that military co-operation among Asian nations would be established by the conference, and just prior to its meeting the Philippines Foreign Minister had to deny that the conference would be aimed against Communism. After the conference convened it appeared that the delegates from India, Pakistan, and Ceylon had not been empowered to make political commitments. The final communiqué on 20 May showed a firm commitment to do practically nothing. 'Joint action' was approved for unstated purposes, and in the political realm the conference agreed that there should be consultations through

²⁵ *C.P.D.*, 9 Mar. 1950, p. 632.

²⁶ *C.P.D.*, 16 Mar. 1950, p. 917.

normal diplomatic channels. President Quirino's optimistic statement, "The results were better than expected", merely affirmed the fact that even before the conference opened it had been clear that little would be accomplished.

Conclusion

Thus ended the second attempt to conclude a Pacific defence treaty. Despite the onward march of the Communists throughout Asia, several of the newly independent Asian states could not be persuaded to join a military pact that would be directed mainly against further Communist incursion. Despite the growing willingness of the United States to sponsor the pact idea, therefore, the pre-condition of American co-operation could not be obtained. If a universal Pacific treaty paralleling the North Atlantic Pact were to be negotiated, it would require the adherence not only of those nations concerned at the rising tide of Communism, but of India, Burma, Indonesia, Ceylon, and Pakistan as well. At the end of May 1950 there seemed no prospect that these countries could be induced to enter a Pacific treaty which would have military functions or require a political commitment. As a result, the initiative for a Pacific pact seemed to have been cast from the Pacific powers to the United States. Unless America would change her demand for practical universality for such a pact, a Pacific treaty could not be negotiated. This change in American policy could not take place until the conclusion of the Japanese peace treaty became an overriding aim of American foreign policy, an aim that would cut America's other policies to the cloth of a Japanese peace.

THE SECOND INITIATIVE FOR A JAPANESE TREATY

Introduction

When the United States gave up her attempts to conclude a peace treaty with Japan in 1947, she did so ostensibly because of the Chinese objection to a conference without the veto. In fact, however, as I have attempted to show, there were other important factors militating against an early Japanese settlement. The first of these was economic. If a treaty were to contain the relatively severe terms which were heralded by the Canberra Conference of British Commonwealth nations, Japan's economic crisis would continue as a drain on the American taxpayer. The attainment of economic self-sufficiency would have been postponed indefinitely by such a treaty. The second factor was strategic. No peace treaty envisaged in 1947 would have permitted the re-creation of a Far Eastern military bastion in Japan as a deterrent to international Communism. Indeed, a treaty at that time would have assigned Japan to no particular sphere of influence and would probably have sanctioned Russian membership on the Allied Supervisory Authority which was to oversee Japan's fulfilment of the peace terms.

But if the foregoing were good reasons for putting off a peace treaty, there were disadvantages in postponing the treaty for too long. The continued occupation permitted the United States to proceed largely unhampered with its own policies for Japan, but it also ran the risk of disaffection among the Japanese people. The 'piecemeal peace policy' adopted by the United States in 1948 provided a partial solution to the problems posed by the delay of the peace treaty, but it was a satisfactory answer only so long as it could be carried into effect. Eventually there would be the problem of the restoration of normal diplomatic relations, and this hurdle could be surmounted only at a peace conference. There was the additional problem posed by the attitude of Australia and other Pacific Allies. The further America went with her piecemeal peace policy, the greater pressure the Pacific nations brought upon her for an immediate peace settlement. Australia had formed much of her policy in the Far Eastern

Commission on the assumption of an early treaty and had consistently opposed America's piecemeal policy in Japan. The concessions which America made, Australia argued, should be granted only in a treaty of peace. Australia also continued to express dissatisfaction with the manner in which the Japanese problem was being handled by the great powers. Dr Evatt, Australian Minister for External Affairs until the end of 1949, continued to criticize the intrusion of issues external to the Pacific region. 'It is a fundamental mistake,' he said, 'to have our policies in relation to Germany and Japan determined merely as a by-product of our relationship with Russia.' In particular, Evatt questioned the policy of returning freedom of action to Japan:

The problems of France in relation to Germany [he noted] are analogous to those of Australia, New Zealand and the Philippines in relation to Japan. It is quite a simple philosophy. You re-arm Japan and remove all the restrictions to which it agreed in the Armistice and so develop its war potential, and you are quite satisfied that in any future struggle in the Far East Japan will do the bidding of the western democracies. That is a fallacy.¹

But Australia, Britain and other Pacific nations were not the only ones to bring pressure on the United States to go ahead with a peace treaty for Japan. At a meeting of the Council of Foreign Ministers in May, the Soviet representative, Mr Andrei Vyshinsky, proposed a meeting of the Big Four Foreign Ministers to discuss the preparation of a peace treaty with Japan. The Soviet proposal, which was obviously designed to upset America's plan to continue the occupation régime, did not win approval, but it added a propagandistic reason why the United States could not indefinitely delay a treaty conference.

Advantages of an Early Treaty

In addition to the pressure of her Allies and the Soviet Union, however, there were other factors which pointed to a treaty. Japanese economic revival was fairly well advanced,² and it was no longer certain that the participants in a Far Eastern treaty conference would conspire to deny to Japan the benefits of an enhanced production and foreign trade. Though Australia, for

¹ C.P.D., 21 June 1949, p. 1225.

² Figures for 1948-50 (industrial production for 1932-6 = 100):

Dec. 1948	68.9	Dec. 1949	82.2	Sep. 1950	98.9
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example, was disturbed at the possible political implications of an economically self-sufficient Japan, she was not averse to economic revival. In May 1949 Prime Minister Chifley stated in Parliament:

Within a measurable time, there will be a population of 80,000,000 in Japan, and it is impossible to keep them as economic serfs for all time. Although neither Germany nor Japan should be allowed to develop its war potential, or embark again upon the manufacturing of armaments, it is clear that the people of those countries must be permitted a decent standard of living.³

In fact the greater Japan's economic progress the harder it would be to curtail Japanese industry at a peace conference; thus, the economic accomplishments of Japan in 1949 provided a further reason for proceeding with a peace settlement.

General MacArthur's fear that a too-long-continued occupation might lead to restiveness among the Japanese people had significance over and above an American desire to maintain friendly relations with Japan. Japan was now coming to have a place in American strategic calculations. The growing antagonism of the cold war made Western retention of Japanese allegiance imperative. The longer the military occupation continued, the less likely it would be that cordial relations could be maintained between Japan and the Pacific Allies; the more necessary, therefore, became the conclusion of a peace treaty.

Obstacles to an Early Peace

At the same time the obstacles in the path to an early treaty were formidable. While Australia and other Pacific nations had come to accept certain aspects of American policy towards Japan, they were not disposed to agree to a treaty without some form of control over Japan; nor were they reticent in stating their criticisms of American policy. Though Australia had accepted a part of America's policy on economic revival, there were indications in 1949 that she would follow an independent course at the peace conference. The Australian attitude towards the Japanese labour laws was evidence that she had not been convinced of the desirability of all American measures. In the first months of 1949 the Australian delegation on the Far Eastern Commission submitted a policy proposal that would have applied the provisions of the Far Eastern Commission decision on

³ C.P.D., 18 May 1949, p. 13.

Japanese trade unions to workers in government enterprises. This policy, had it been approved by the commission, would have granted the right to strike to Japanese government workers and would have required a revision of the new Japanese labour laws. 'The essential point at issue,' the Australian representative said, '... was the contention that because the government was the employer of workers in government enterprises, those workers did not have the same ethical right to strike as did workers employed in private enterprises.'⁴ The official historian of the Far Eastern Commission has summarized the Australian position in the following words:

In the view of the Australian Government the legislation passed by the Diet on the rights and obligations of Government employees was not consistent with the policy decision of the Far Eastern Commission on Principles for Japanese Trade Unions. The Australian Government did not feel particularly concerned in regard to genuine civil servants but maintained that all government employees in government enterprises or industries, such as railroads, government monopolies, or communications, should have the same rights as employees in private industry. The Australian Government believed that the relatively large Communist vote in the Japanese election was due in considerable measure to General MacArthur's unwise handling of the labor problem in Japan.⁵

The United States member argued against the draft policy decision on the ground that it would directly result in the 'discrediting of the Supreme Commander' and that it would sanction strikes against the occupation. But when the Australian paper was brought to a vote in the Steering Committee, it was approved over the single dissenting vote of the United States. In the commission itself, however, no vote was taken on the proposal because Australia did not wish to force the United States to use her veto.

These and other issues indicated that Australia and the other participants in a Pacific peace conference in 1949 would make full use of their prerogative to amend or oppose American proposals. While the severity of economic restrictions which would result from a peace settlement had been lessened, therefore, it seemed that there would still be considerable opposition to American plans for Japan.

In addition to these factors, however, there were strategic

⁴ *History of FEC*, p. 173.

⁵ *Ibid.*

and political problems which would attend a peace settlement. While the continued Allied occupation would eventually bring America into popular disfavour in Japan, the heightening of friction between the United States and the Soviet Union made it very precarious for the United States to withdraw her forces in the hope that this gesture of goodwill would bind Japan to the Western camp. As the Japanese constitution forbade Japanese armed forces, the removal of American military protection would leave Japan at the mercy of the Communists; and yet, if Japan were to permit American forces to maintain bases in her islands after the peace treaty, domestic political enemies of the West would claim that the occupation control had not ended.

But even if the political problems involved in maintaining Western forces in Japan after the treaty were not insurmountable, there were still other problems. If contractual arrangements were to be made for the use or lease of particular bases, the American ability to defend the Japanese islands would be limited. The use of particular bases assigned in advance would make American forces vulnerable to pin-point attacks. This objection to post-treaty arrangements was frequently voiced in Pentagon circles. If a peace settlement with Japan were to limit American defence of Japan in such a fashion, the American military would prefer to continue the occupation and to enjoy its unlimited military rights.⁶

But perhaps the most formidable problem confronting a Pacific peace conference was the attitude of the now-Communist China and of the Soviet Union. The Communist powers would obviously not be a party to a Western-sponsored treaty, but could the United States go ahead without them? Many Japanese would be opposed to a 'separate peace' without the Communist nations because they conceived of themselves as neutrals. General MacArthur had once declared that he believed that Japan's future role should be that of a 'Switzerland of the Pacific'. This phrase, to the later distress of the United States, succeeded in capturing the Japanese imagination to a remarkable degree. The devastation caused by World War II tended to reinforce the conviction that Japan should never let herself become a partisan ally. To do so would involve the risk of total destruction if another war occurred. If a peace treaty were to be signed without the Soviet Union and China, the premise of neutrality would have to be abandoned, especially as such a peace would

⁶ *N.Y.T.*, 10 July 1950, pp. 1-3, 5-6.

leave Japan in a technical state of war with these two powers. If a treaty with Japan were to be concluded, then, the Western powers would face the not inconsiderable task of persuading Japan that her security would be best assured by a connexion with the West and not by the adoption of unarmed neutrality.

New Efforts towards a Treaty

Despite all the difficulties, the pressure of America's Pacific Allies was becoming well-nigh irresistible. On 13 June 1949 Dr Evatt hinted that if great power differences continued to prevent the solution of the Japanese problem, the question might be taken up in the United Nations, and at the beginning of September, the Australian Defence Minister, J. J. Dedman, said, 'We think that the peace talks should be held as soon as possible.'⁷ But perhaps the greatest leverage was exerted by the British government. In September, Foreign Secretary Bevin visited Washington for the express purpose of discussing a final settlement with Japan, and as a result of his visit it was announced that the United States and the United Kingdom had agreed on the urgent need for a Japanese treaty. Apparently, Bevin was willing to go along with a 'separate peace' without Russia and China, if it appeared that the two nations would raise definitive objections to Western proposals. An Australian correspondent printed the following dispatch:

Mr. Ernest Bevin, British Foreign Secretary, now favors a separate peace treaty with Japan if Russia and the Chinese Communist Government continue to insist that negotiations must be conducted through the Council of Foreign Ministers, it was learned from a usually reliable source in London.

It is understood here that Mr. Bevin pressed strongly during his September discussions with Mr. Dean Acheson in Washington for some means of ending the state of war with Japan. He contended that it would be unthinkable for British opinion, conscious of the immense part played in the Far Eastern war by the Dominion Governments, to accept a peace settlement through a body composed at most of the Big Five.⁸

In order to prepare for a conference when and if it came, Dr Evatt held a second Canberra conference on the Japanese treaty in November. Diplomatic representatives of Britain and New Zealand joined Australian officers in the discussions. The

⁷ *Canberra Times*, 1 Sep. 1949, p. 4.

⁸ *Age*, 9 Nov. 1949, p. 1.

official communiqués issued by this conference were fragmentary, but newspaper accounts agreed that the conferees expressed the opinion that the four-year delay in the peace discussions had already been far too long. The delegates were in accord that all attempts to exclude Australia or New Zealand from the Japanese talks should be strongly resisted. Available sources disagree on the attitudes of the British and Australian governments towards a peace conference without Russia, but a compromise was evidently proposed which would avoid the difficulty of a separate peace without the Communists. It was pointed out that the Russians might attend a conference not subject to the veto rule and still exercise their negative by refusing to ratify the treaty. (There was no indication, however, of the position Australia would take if Russia refused this compromise.)⁹ In the hope that a peace treaty might be in the offing, Evatt strengthened Australia's hand in Tokyo by appointing the former Australian Ambassador in Paris, Lieutenant-Colonel W. R. Hodgson, as the British Commonwealth member of the Allied Council for Japan.

While the Australian and British representatives were thrashing out peace issues in Canberra, the United States plans were proceeding apace. General MacArthur announced his own plans for a conference in November. The Supreme Commander believed that Russia and Communist China might be present at a peace conference, but only if they consented to British-American plans already well developed. An attempt by either power to insist on a veto at the peace conference would be flatly rejected. In General MacArthur's view the treaty terms would be simple and brief. After the treaty had been agreed upon, Japan would be invited to make provision for her own security by concluding a pact with other nations. Three possible courses were envisaged: Japan could be admitted to the United Nations, with a United Nations guarantee of her territorial integrity (necessary because of her renunciation of war and abolition of armed forces); she could be required to grant the United States air, navy, and army bases in the Japanese islands (a more likely course); or, finally, the British Commonwealth could participate in Japan's defence.

While General MacArthur was making his views known, the

⁹ See Lewe van Aduard, *Japan from Surrender to Peace*, pp. 123-4; *S.M.H.*, 5 Nov. 1949, p. 1; Percy Corbett, 'Negotiations with Allied Powers' (unpublished), p. 35.

State Department was formulating its own attitude. The plan which evolved apparently included at least the following points:

1. An end to the Allied occupation as soon as the treaty is ratified.
2. The orderly surrender by the occupation forces of the powers and duties of governing the country and their subsequent withdrawal.
3. A final clean-up of all reparations questions.
4. Final removal of territories from Japanese control in accordance with the wartime Cairo agreement as well as the surrendering of Japanese rights over Pacific mandate islands.
5. Guarantees of basic civil rights, including the basic principles of Western political democracy, such as free elections.
6. Commitments on Japanese membership in international organizations and treaties. It is now likely that the Japanese will be required to make friendship and trade treaties with the principal Allies, to stand for membership in the U.N., and to reestablish themselves in the family of nations.¹⁰

In addition the Department's plans for Japan dealt with the Japanese economy and with the problem of post-treaty security. The section on 'General Economic Relations' in the preliminary papers formulated by the State Department contained no restrictive provisions; the section on 'Security Respecting Japan' was left blank, pending the formulation of a Department view. It is fair to say, however, that the United States was thinking in terms of limitations which would prevent a Japanese military resurgence.¹¹

Japanese Objections

Allied plans for a separate peace, however, did not appear to win ready acceptance from the Japanese. The Japanese Prime Minister, Mr Yoshida, offered a qualified acceptance of the separate peace notion in November, but opposition in the Japanese Diet made it an uncertain prospect.¹² The Socialist Party, in particular, argued that Japan could not afford to take sides in the cold war. A separate peace concluded without Russia or Communist China would set both powers against Japan and would violate Japanese neutrality. Such a peace

¹⁰ *S.M.H.*, 8 Nov. 1949, p. 3. See also Burton Sapin, 'The Role of the Military in Formulating the Japanese Peace Treaty', in Gordon B. Turner (ed.), *A History of Military Affairs since the 18th Century*, p. 717.

¹¹ The *S.M.H.*'s Washington correspondent apparently talked with State Department officials at the time the 'preliminary papers' on a Japanese peace settlement were being drawn up. He definitely derived the impression that the U.S. was planning military restrictions on Japan.

¹² *N.Y.T.*, 12 Nov. 1949, p. 1-2.

would also impair the revival of Japanese trade with China and Russia and hamper the northern fishing industries. As these two countries would still remain at war with Japan, they might seize Japanese shipping, demand large reparations, or even invade portions of Japanese territory. But the real fear of the opponents of a separate peace was that if Japan were to be forced into a future war as the ally of the United States, she could become a principal battleground.¹³

Equally objectionable from the standpoint of some Japanese political leaders was the proposal that America be given military bases in post-treaty Japan. In his New Year's message to the Japanese people, General MacArthur had said that Japan had not abjured the 'inalienable right of self-defense against unprovoked attack' in her renunciation of war and military forces. The General added that 'by no sophistry of reasoning' could the Japanese constitution be interpreted to mean that Japan had forfeited the right to defend herself in all circumstances. In a statement issued later, General Courtney Whitney told reporters that the Supreme Commander's message meant that Japan had 'the right to conclude defensive alliances or deal with the United Nations for protection'. If the Japanese were attacked directly, they could 'fight back with all the power at their command'.¹⁴

Prime Minister Yoshida's support of MacArthur's statements in January 1950 led to renewed opposition in the Diet. It seemed clear to the Prime Minister's opponents that if Japan had not renounced the right of self-defence, she would seek an agreement with other powers to protect her, and such an agreement would inevitably involve foreign use of Japanese bases. As a result of opposition attacks, the Japanese Prime Minister refused to commit himself further on the possible grant of bases to the Western powers after a peace treaty.

As a result of the opposition expressed in Japan to a separate peace and to military agreements concluded in conjunction with a peace treaty that would limit Japanese neutrality, the second effort for a Japanese peace treaty seemed temporarily to have encountered a decisive obstacle. The treaty effort was to be continued and later brought to a successful conclusion in September 1951, but at the beginning of 1950 it appeared that the initiative for a treaty had been blocked.

¹³ Fearey, *The Occupation of Japan*, p. 189.

¹⁴ N.Y.T., 1 Jan. 1950, p. 19-1.

AUSTRALIAN POLICY AND JAPANESE
PEACE PROPOSALS*The Liberal Attitude towards Japan*

When the Liberal-Country Party coalition of Robert Menzies took office on 19 December 1949 the change of administration seemed unlikely to involve a change in policy towards Japan. The new group seemed to be favourable to closer relations both with the British Commonwealth and with the United States, and it was not so attached to the United Nations as the Labor group. But on Japanese policy the two parties seemed in agreement. As Leader of the Opposition, Menzies had welcomed Evatt's insistence upon an early peace treaty and had been equally disturbed at the American tendency to settle Japanese treaty issues through piecemeal occupation measures. The Liberal coalition no more than the Labor members wished the establishment of a Japanese war potential, the relaxation of all restrictions on Japanese industry, the resurrection of the Zaibatsu, or the weakening of the trade union movement. As Leader of the Opposition, Menzies had told the House in March 1947:

The second thing that has struck me is that on many matters mentioned by the Minister in his statement there is a great deal more common ground in this House than we may suppose. . . . That, perhaps, can be well illustrated by making a glancing reference to the problem of the Japanese settlement. The Minister, in his statement, dealt with the problem of the Japanese peace settlement. He said, and I agree with him, that the matter was not to be allowed to drag on indefinitely. He realizes, I think, as I do myself, that if a settlement with Japan is to wait for the reform of the Japanese economy, it may wait so long that the Japanese economy may never be reformed. I feel very strongly myself, although I see its difficulties, that if a settlement with Japan is to wait for the establishment of democracy in Japan, it may wait so long that democracy will never be established in that country. We cannot wait for a perfect state of affairs before we have discussions on a settlement with Japan. That, I think, is common ground between what the Minister has said and the views I am putting myself. There is, I think, common ground between us that—I use the Minister's words—'Japan must never again

be permitted to develop the means of waging war'. It is of no use being sentimental about Japan. Japan has broken all the laws of God and man in waging war, and it is not to be put into the position of launching war again.¹

At the same time the Liberals and their Country Party affiliates were not likely to underestimate the Soviet menace to the peace of the world. While Evatt had at one time advocated a compromise of differences between the West and the Soviets in order to pave the way for agreement on the Japanese question, it was not certain that the Liberal government would place Japan above the world-wide cold war.

The Colombo Conference and Working Party Discussions

The new government had to formulate its policies quickly because a meeting of the British Commonwealth had been called for January 1950 to discuss the Japanese peace treaty and other Far Eastern issues. The first problem which the new government had to weigh was whether to continue to press for an early peace treaty. The Colombo Conference and the special Working Party on the Japanese peace set up by it considered three proposals. The first of these was the indefinite continuance of the occupation régime. The second was an early peace settlement. The third course envisaged a mid-position which would involve a formal end of the occupation, yet the postponement of a treaty. Apparently Mr Percy Spender, the Australian Minister for External Affairs, approved the third course, at least in the early stages of the discussions.

This position diverged sharply from the policies of the Labor government, but the reasons for it are not difficult to understand. As long as it appeared that a peace conference would reflect the views of those governments who were most fearful of a Japanese resurgence, a peace treaty would reverse the trend of American leniency and place greater controls on Japan. This reasoning, of course, reflected Evatt's view that a peace treaty would probably stiffen the requirements that Japan would have to meet, and not the view of General MacArthur and others that a peace treaty would be designed to remove restrictions. If a peace treaty had been agreed to in August 1947 it was not unlikely that the American Department of State would have acceded to the generally restrictive treaty which

¹ C.P.D., 19 Mar. 1947, pp. 852-3.

Australia and other nations desired. As it became more and more evident that America would not be persuaded to accept a treaty which exacted reparations, limited Japanese industry to fixed levels, or provided for a post-treaty Allied supervisory authority, it seemed that an early peace treaty would be less to the taste of the Australian government. This was even more true after General MacArthur's New Year statement had seemed to call for Japanese initiative in the realm of self-defence. The proposal for an intermediate status for Japan—a status involving the end of the occupation without simultaneously endowing with legal force America's lenient policies towards Japan—was a conceivable compromise. An end to the Japanese occupation would at least quiet some of the unrest in Japan, and it would also tend to strengthen Japanese contacts with the free world. While Australia could press for an early peace in 1947, therefore, by 1950 there were reasons for delay.

The middle course favoured by Australia was not, however, adopted by the other Commonwealth nations. India, in particular, wished to get on with a Japanese peace treaty, and Australia bowed to majority sentiment. In his public statements, Spender did not waver from support of an early peace instrument.

The actual terms discussed by the Commonwealth Working Party were quite different from those considered in Canberra in 1947. There seemed to be general agreement that Japan should be allowed to develop a viable economic system, and there was a less rigid view on economic restrictions. Some representatives stressed that if Japan were hampered economically, her impetus towards democracy might weaken. While most of the nations thought that ship-building capacity should be reduced since this had been artificially inflated to serve a war-time fleet, there was not the previous insistence on limitations upon the tonnage and speed of Japanese merchant vessels. It seemed that all countries agreed that the manufacture or importation of arms should be prohibited, but New Zealand's further proposal to forbid synthetic rubber and oil production and to limit Japan's oil storage and refining capacity was not accepted.

The total number of restrictions proposed by various delegations at the Working Party meetings was formidable, and if they had been applied *in toto* Japanese recovery would have been checked. Nevertheless, no ready agreement on such an

imposing array of restrictions was obtainable, and there was a much more complete appreciation than there had been at the first Canberra conference of the benefit the Communist powers might reap from an economically depressed Japan.²

Perhaps the most important of the Commonwealth discussions from the Australian point of view were those which concerned post-treaty security. There was some consideration of the possibility of preventing Japanese rearmament, not by internal controls which would be an irritant in Japanese internal life, but by long-range control of raw materials. The obvious defect of such a proposal was that Russia and Communist China could furnish almost any material the Allies wished to deny to Japan. While Australia, New Zealand, and South Africa were persuaded that the raw materials control exercised from outside would have to be supplemented by some form of supervisory agency in Japan itself, the United Kingdom, Canada, and eventually India and other Commonwealth states were wary of physical controls in Japan. This position contrasted strongly with that taken at Canberra in 1947, when the supervisory authority had been regarded as an essential feature of a Japanese peace instrument.

Aside from the problem of protecting the Pacific states against Japanese military resurgence, there was the problem of protecting Japan from hostile attack. This was given much more emphasis in the Working Party meetings than it had received at Canberra.³ Three ways of defending Japan were considered. The first was a general pact among all the states which had fought Japan. It seemed clear to the conferees, however, that there was little prospect of the Soviet Union and Communist China agreeing to participate in such a pact on terms acceptable to the West. A second possibility was an arrangement among all the participants at a peace conference, with the exception of the Communist powers, to defend Japan. The Australian and New Zealand delegates objected to this alternative on the ground that an attack upon Japan might be only one phase of a general war in which the resources of the Pacific Dominions would already be fully committed. They were also concerned about the popular reception in their two countries of a pact which guaranteed the territorial integrity of Japan without providing any guarantee of their own security. The third possible course, and the one regarded as most acceptable, was a defence treaty

² Corbett, 'Negotiations', pp. 33-6.

³ *Ibid.*, pp. 33-4.

between the United States and Japan. The difficulty with this proposal was that the United States might sponsor a substantial Japanese rearmament effort in order to reduce her own military commitments. This possibility posed two threats for the Pacific Allies; the first, the threat of Japanese military aggression at some future time; the second, the chance that the United States might support a peace treaty which would place no limitations on Japanese rearmament. The Working Party made no direct recommendations on the three possible courses, but Australia stated that a security agreement between Japan and the United States which would allow American forces to remain in Japan would provide assurance against a regeneration of Japanese militarism.

The territorial provisions of the treaty did not prove as great a stumbling block as might have been expected. Though the conferees were themselves divided on the recognition of Communist China, a majority of the Commonwealth states were unhappy at the prospect of new territorial gains for the Communists. Most of the delegations were willing, therefore, that the treaty should require Japan to relinquish the title to Formosa and the Pescadores without specifying their ultimate fate, though it is likely that India pressed for a return of the territory to Communist China. It was believed that the United States would retain the administration of the Ryukyu and Bonin Islands, possibly in the form of strategic trusteeships under the United Nations Security Council. Australia, New Zealand, and South Africa wished to write into the treaty a clause whereby Japan would renounce all interest in the Antarctic area, and this proposal was accepted by the Working Party. In the end it was included as a paragraph of Article 2 in the final treaty. Australia also proposed that Japanese whaling and fishing, in the Antarctic and elsewhere, be brought under international regulation. The possibility of holding a conference to allocate fishing areas in the Far East was raised.⁴

The reparations question in the Working Party deliberations was 'largely a dead issue'. The Commonwealth nations expressed a measure of support for the American decision of May 1949 to take no further industrial reparations from Japan. They also agreed that reparations from current production were out of the question. Japanese gold and external assets, even those holdings in neutral countries, however, were to be made available for

⁴ *Ibid.*, p. 38.

reparations. The conferees apparently stressed that these sources should not go to cover occupation costs. Finally, the Commonwealth nations reaffirmed the Canberra decisions that the treaty should require Japan to prohibit militaristic political organizations and to uphold a charter of human rights.

The remaining problem to which the Working Party devoted its consideration was the question of representation at the peace conference. Apparently, Commonwealth members agreed that all countries represented on the Far Eastern Commission should attend the conference. It is probable that India's participation in the Commonwealth discussions had much to do with the final conclusion on membership in a projected peace conference.⁵ While it had seemed apparent in the last months of 1949 that both Britain and Australia would be willing to go ahead without the Soviet Union or Communist China, India clearly sought at Colombo and in the Working Party discussions later to persuade the Commonwealth representatives of the desirability of a comprehensive peace. The general conclusion which was apparently reached, however, was that the Soviet Union and the Chinese People's Republic were to participate in the peace discussions unless it was obvious that they would not do so on terms acceptable to the democratic nations. No final answer was found to the problem of how a Communist Chinese representative could attend a conference convened by the United States, a country which did not recognize his government. One alternative considered was the representation of a Chinese Communist delegate in the Far Eastern Commission; an invitation extended through that body might avoid the delicate question of diplomatic relations.⁶

On the issue of a Pacific pact India's influence also made itself felt. While it seemed that both Australia and the United Kingdom supported the idea of a Pacific pact prior to the Colombo conference, at the conference the British Foreign Secretary, Mr Bevin, apparently remained noncommittal on such a plan in deference to the view of Prime Minister Nehru. According to news dispatches, only the New Zealand Minister for External Affairs, Mr F. W. Doidge, showed any real inclination to press for a Pacific pact. It was clear, nevertheless, that Australia would welcome such a pact if the United States would join, and that the United Kingdom government would go along

⁵ *Ibid.*, p. 33.

⁶ *Ibid.*

if the pact committed the United States to Commonwealth interests in the Pacific.

On 9 March 1950, Spender outlined to the House his views on a settlement with Japan:

We have to make up our minds [he said] whether we are going to support a policy of holding the Japanese people down permanently or indefinitely, or whether we are going to allow them, under the necessary and essential safeguards, to resume a place as an industrial nation. If we decide on the second course, we must, in addition, make up our minds about what controls must be retained on Japanese industrial development. In the discussions at Colombo I emphasized that the Australian people, naturally enough, still entertain considerable hostility towards Japan, and I made it clear that every necessary precaution must be taken against any resurgence of Japanese militarism. At the same time, it is difficult to escape the conclusion that Japan will have to be allowed to become self-supporting by industrial production and trade. Whether we like it or not, there is little doubt that much of Asia at its present stage of development stands in need of many goods that Japan only is at present in a position to supply.

It was the view of the former Government, and it is the view of this Government, that a peace settlement ought to be reached with Japan as soon as possible. It's also the Government's view that Australia has an indisputable right to participate directly in the framing of the terms of peace.⁷

After recounting the steps in the negotiations for the Japanese peace treaty, Spender explained the source of Australian anxiety:

The United States has sought to restore to the Japanese Government a gradually increasing measure of responsibility for the conduct of Japan's internal and even external affairs.

This does not quite accord with the wishes of the Australian Government. We have a great deal of admiration for the manner in which the occupation of Japan has been conducted, even though we might not be altogether happy about certain aspects of it. But if present United States policy contemplates a gradual relaxation of control until a state of peace can be declared without even the formality of a treaty, Australia and other countries which have misgivings about Japan's future behaviour would run the risk of being presented with a *fait accompli*. We would prefer to see a comprehensive and orderly settlement worked out by the countries that

⁷ C.P.D., 9 Mar. 1950, p. 631.

took an active part in the war against Japan, a settlement that would allow Japan to become economically viable but which would at the same time contain proper safeguards against any recurrence of Japan's aggression. In this way we believe that the interests of the United States as well as those of the other Allies could be protected.⁸

The former Minister for External Affairs, Dr H. V. Evatt, did Mr Spender the credit of acknowledging that most of the government policy outlined by the Liberal Minister had represented Labor views of long standing. After reviewing basic principles of Labor policy, Evatt concluded: 'The conduct of foreign policy by Labour governments in accordance with the principles that I have stated in relation to the United Nations, the British Commonwealth, the Pacific region and South-East Asia undoubtedly reveals a substantial area of agreement between the Opposition and the Government.'⁹

Thus, the change of government in Australia did not noticeably affect Australia's policy in regard to Japan. Both Liberal and Labor parties sought to place restrictions upon Japan, and both shared a common apprehension that America's piecemeal peace policy might confront a peace conference, as Spender put it, with a '*fait accompli*'. The stand of the Australian member for the British Commonwealth on the Allied Council was sufficient indication that the Menzies government would continue to follow the independent policy in regard to Japan that had been laid down by its Labor predecessors. At the meeting of the council on 1 March Lieutenant-Colonel Hodgson succeeded in getting himself ruled out of order by the American Chairman, a feat that had not been accomplished even by the peppery Macmahon Ball. Colonel Hodgson sought to raise a question about the role of the Zaibatsu in Japanese banking. The United States had, as it has been noted previously, believed that an elimination of Zaibatsu elements in Japanese banking would place the Japanese recovery in jeopardy and had not pressed her deconcentration policies in the financial sphere. In response to Hodgson's question, Chairman Sebald ordered his remarks stricken from the record. When Hodgson protested that he had never heard a ruling like that before, the American Chairman answered cryptically, 'You have heard it now, Mr. Ambassador.' Colonel Hodgson's charge that eight banks controlled 80 per cent of the business of Japan was in substance,

⁸ *Ibid.*

⁹ *C.P.D.*, 16 Mar. 1950, pp. 911-12.

if not in detail, later confirmed by a report from Allied Headquarters.

But if the Liberal government was as stringent on the Japanese question as its Labor colleagues, there were other areas in which its attitude seemed to diverge in emphasis from that of its predecessors. The Liberals came to power with the conviction that the cordiality of Australian-American relations had declined, and they set themselves to establish Australia in America's good graces. One indication of this objective was the government's resumption of work on the pending agreements on double taxation and commerce and navigation which had lagged under the Chifley government. A second and perhaps more decisive indication of Australia's interest in American friendship was the continued non-recognition of Communist China. The United Kingdom had recognized the new People's Republic of China in January, and reports emanating from the Canberra conference in November of the previous year indicated that Australian diplomats believed that recognition was 'inevitable'. Despite the British initiative, the Menzies government continued to maintain diplomatic relations with Chiang Kai-shek.

The second factor suggesting that the new government might change the course of policy concerned the attitude towards the Soviet Union. While there is no indication that Evatt was not aware of Russian designs and Communist pressure in Asia (indeed, the Australian overture for a Pacific pact in 1949 cannot be understood except in the context of Soviet advance), the Liberals placed even more emphasis upon Communism as a primary world problem. While Evatt had criticized the Russians on many occasions for their use of the veto, he had at one point argued that the West should compromise its differences with the Soviets so that there could be final agreement on a Japanese peace treaty. The Liberal government, on the other hand, was considerably more pessimistic about the possibility of reaching a lasting agreement with Russia. Shortly after assuming office the Liberals sanctioned a more hostile policy towards the Soviet Union. In the Allied Council, for instance, the Australian delegate firmly supported American criticism of the delay in repatriating Japanese prisoners held in Siberia. Colonel Hodgson told the Council:

Why could not we suggest that the Supreme Commander invite the Soviet Government to accept, say, the Swiss Government as a protect-

ing Power, or as an alternative, ask the International Red Cross to come in to assume the responsibility of a protecting Power. Then their representatives can ascertain exactly what is the position, the extent of the truth of these allegations, statements of ill treatment and explain apparent discrepancies. Give us definite figures with the cooperation, we hope, of the Soviet authorities, and information of the outstanding prisoners to be repatriated. If there is nothing to hide, then surely the Soviet Union would welcome such a proposal. If it does not agree, then no doubt world public opinion will place the worst construction on the refusal.¹⁰

On 4 January Sebald announced that General MacArthur had accepted the Australian suggestion to seek the help of a neutral nation to gather information about the fate of 376,000 missing Japanese prisoners. On 5 January the Australian government presented a note to the Soviet Ambassador in Canberra, part of which read:

The Department of External Affairs presents its compliments to the Embassy of the Union of Soviet Socialist Republics and has the honor to inform the Embassy that the Australian Government is concerned at the large number of Japanese prisoners of war who appear to be still detained by the Union of Soviet Socialist Republics.¹¹

At a later meeting of the council, Colonel Hodgson recommended the retention on the agenda of the question of prisoner repatriation even though the Russians left the council every time it was brought up. Hodgson's activities on behalf of the Japanese prisoners held in Russia caused him to be proclaimed a 'hero' by the Japanese press, a designation that probably was not entirely to his liking. It was, nevertheless, testimony to his government's resolve to show where it stood on the Soviet issue.

Thus, though the new government's attitude towards Japan was to all intents and purposes identical with that of the previous government, its emphasis upon co-operation with the United States and its hostility to Russian manoeuvres held the promise that the outcome of its Pacific policy might be quite different. Subsequent events were to demonstrate the truth of this proposition.

¹⁰ A.C.J., 21 Dec. 1949, p. 25.

¹¹ A.C.J., 18 Jan. 1950, pp. 1-2.

THE UNITED STATES' INITIATIVE RESUMED

External Obstacles

When the United States resumed her initiative for a treaty of peace with Japan in the spring of 1950 there were many unsolved problems. The British Commonwealth Working Party meetings had revealed a more favourable attitude towards Japan than might have been expected, but there were still difficulties. Fortunately, from the American point of view, the Working Party had not agreed on definite limits for Japan's industrial development. The Commonwealth states, with the exception of Australia and New Zealand, had recognized that a post-treaty supervisory authority operating in the Japanese islands would be unworkable, and they were coming around to the view that provision would have to be made to assure Japanese security, as distinct from maintaining the security of the Pacific Allies against Japan. Nonetheless, it was quite clear that the Commonwealth nations would be wary of any proposals to rearm Japan, and, in particular, that they would oppose unlimited Japanese rearmament. This problem was of immediate significance because General MacArthur had announced on 1 January that it was inconceivable that Japan would not be allowed to defend herself against enemy attack. The meaning of 'self-defence' was not at that time very clear.

But if the British nations and the other Pacific Allies might be expected to oppose some of the American ideas on a treaty with Japan, the Japanese themselves raised obstacles. The Japanese Diet, like the Colombo conferees, had opposed a separate peace without Russia and Communist China. Until this attitude changed, there was little chance of progressing with arrangements for a peace conference. The Diet also seemed to be opposed to granting America the use of bases in Japan after the end of the occupation. This was the very provision that was envisaged by the United States.

Internal Obstacles

External impediments, however, were not the only difficulties. There seemed to be unresolved differences within the United

States government. The Defense Department, under Secretary Louis Johnson, had reservations about a Japanese peace which would jeopardize the military prerogatives enjoyed by the United States under the occupation. This view seemed cogent in the context of the Soviet advance in the Far East. The State Department and General MacArthur, on the other hand, wished to conclude a peace with Japan at the earliest opportunity. The longer America delayed a Japanese peace treaty, the more restive the Japanese people would become and the less likely they would be to remain friends of the West. Thus the progressive danger of Communism had a double effect: if it made comprehensive military rights in Japan mandatory, it made Japanese allegiance to the free world imperative. On the whole the State Department had the better case.

Even after an early peace was agreed upon, however, there were various practical problems. One of these was the Defense Department's objection to a treaty with Japan which would merely give America long-term rights to particular bases. If the defenders of Japan were to be confined to specific bases, their forces would be exceedingly vulnerable to attack, and their capacity to resist an all-out Communist invasion would be greatly diminished. There remained the problem then, of the terms on which America would station forces in Japan after a peace treaty.

Changes in the Japanese Attitude

Fortunately, all these problems were not of long duration. For reasons that are at present not completely explicable, the Japanese Diet and sections of the Japanese populace became more willing to accept a separate peace treaty during the first half of 1950. In the first few months of 1950 the Yoshida government had hesitated to endorse the stand in favour of a separate peace which it had taken in the previous autumn, and it refused to be drawn into an endorsement of American bases in Japan after a peace treaty. During March 1950 the opponents of a separate peace increased their attacks, and in late April all opposition parties except the Communists formed a Joint Foreign Policy Council to prevent a separate peace and to advocate Japanese neutrality. Despite the growing opposition, however, the Yoshida government began to expound its position more vigorously than before, and it brought under fire the notions of an overall peace and Japanese neutrality. On 8 May Yoshida

told a conference of prefectural governors that a separate peace had *de facto* existence as a result of the latitude given Japan by the occupation, and that the national interest dictated putting this settlement on a firm legal basis. On 1 June Yoshida issued a White Paper which formally declared Japanese willingness to conclude a separate peace pact. After reviewing the developments which had brought Japan to the verge of full sovereignty, the White Paper concluded:

It is the hope of everyone that a so-called over-all peace will be concluded; but we cannot be so nonchalant as to assert that it would be advisable to hope for over-all peace and have the present system of control continue indefinitely. Our nation should embark on a program of steadily achieving normal international status by concluding peace treaties with nations willing to accord it independence and equality.¹

As a result of the government's firm stand on these matters, newspaper opinion swung gradually to its support during May. Four or five leading Tokyo papers accepted, although with reservations, the necessity for concluding a separate peace and, equally important, for granting bases to America in post-treaty Japan. The Upper House election on 4 June, while it did not represent an overwhelming victory for pro-government forces, at least was not a repudiation of government policies, and it saw a substantial weakening of the Communist vote. The Liberal coalition did not lose its majority.

To the extent that reasons can be given to account for this change in Japanese attitudes, they may be summarized under two heads. The first was increasing American commitment to Japan; the second was the renewed manifestation of Communist hostility. Concerning the first of these, it would not be inaccurate to state that the United States was labouring under difficulties which she had partly created. MacArthur's statement on 3 March 1949 that Japan should become the 'Switzerland of the Pacific', and the provision in the Japanese constitution against arms were American doings. Significant also was the statement by the Secretary of the Army, Kenneth Royall, in February 1949, that America might withdraw her troops and not defend Japan against enemy attack. Secretary Royall's statement evoked a strong neutralistic reaction in Japan. If the United States was not

¹ N.Y.T., 2 June 1950, p. 5-7.

willing to defend Japan, then Japan could not afford to make enemies of other powers.

It was perhaps not appreciated in 1949 and early 1950 that the arguments against a separate peace and the establishment of American bases in post-treaty Japan rested on contradictory premises. According to one premise United States defence forces were unwanted; according to the other they were greatly desired but could not be obtained. Sooner or later this inconsistency was bound to become apparent and when it did an important segment of the argument for Japanese neutrality would collapse. The easiest way to reveal this inconsistency was through American statements reaffirming American military support of Japan and readiness to ally with her after a peace had been signed. Such statements were made at the end of 1949 and afterwards. In October the United States Army Chief of Staff, General J. Lawton Collins, told reporters that American forces in Japan constituted a 'stabilizing force for the entire Far East, and we intend to keep them here as long as it is necessary to do so'.² In December, the Under-Secretary of the Army, Tracy Voorhees, stated, 'I think our troops in Japan are more useful to us than they would be if withdrawn to the United States'.³ In April 1950 the new Secretary of the Army, Gordon Gray, hinted that United States forces would continue to be stationed in Japan, possibly even after a treaty of peace had been signed. The United States seemed so willing to defend Japan that she might sacrifice a peace treaty if it were necessary to do so. The paradoxical result was that those members of the American military who opposed a peace treaty because it would not provide sufficient military guarantees probably weakened the opposition to a separate peace and made a peace treaty more likely by stressing the degree of American commitment to Japan.

The second series of reasons for the new Japanese attitude is concerned with Communist actions. It was clear that the more hostile the Communist nations were, the greater would be the Japanese desire to link themselves with the United States. From this point of view the Treaty of Friendship, Alliance and Mutual Assistance signed by Communist China and Russia in February 1950 was a great fillip to the Western cause. In this pact the signatories pledged their 'determination to prevent, in co-operation, repeated aggressions by another state which might

² N.Y.T., 12 Oct. 1949, p. 16-1.

³ S.M.H., 14 Dec. 1949, p. 3.

unite in some form or other with Japan in her revival of imperialism, aggressions or aggressive actions'.⁴ This clause was received with surprise and anger in Japan since it suggested that Japan had already become 'imperialistic' and was a likely future enemy. One Japanese commentator reported:

Indeed this fact was enough to convince the Japanese Government and people that 'goodwill' could not be expected from Soviet Russia and Red China. It implied the possibility of their aggression on Japan on the pretense of self-defense from Japan's 'attempted aggressions'. If so, it was necessary . . . to provide in some way or another against these contingencies.⁵

Short of defensive rearmament (which no one considered a feasible alternative at this stage), Japan could make effective provision against the Communist threat only by joining the Western camp, negotiating a separate treaty, and sanctioning American use of Japanese bases. So when John Foster Dulles visited Japan to ask for the free allegiance of Japan to the Western cause, a favourable response was likely. The outbreak of the Korean War just three days later made that answer a foregone conclusion.

Continuing Difficulties within the American Government

Despite the fact that Japanese opposition to a separate peace had been reduced by the spring of 1950, a peace treaty was still not an immediate prospect. There were still disagreements within the American government which impeded further work on the treaty. The Secretary of State, Mr Dean Acheson, had hoped to be able to press ahead with peace plans at the Big Three Foreign Ministers' meeting in May. But he went to London without the agreement of the Joint Chiefs of Staff or of President Truman on a Japanese peace treaty policy. According to the usually well-informed James Reston of the *New York Times*:

The Joint Chiefs of Staff are understood to be of the opinion that a peace treaty with Japan at this time, even if it could be negotiated, would be detrimental to all nations that fear Soviet aggression, including Japan.

According to this thesis, one of the greatest deterrents to Soviet aggression in Europe or the Middle East is the realization that the

⁴ International Law Association of Japan, *Report on the National Policy and Public Attitude of Japan toward International Organizations, Especially the United Nations*, ii, 23.

⁵ *Ibid.*

Soviet Union would have to fight a two-front war, in both Europe and Asia.

So long as Japan is protected by United States troops, Soviet communism cannot dominate the Far East, and the Soviet Union cannot risk a war in which it might be attacked from the Japanese islands, it is held.

On the other hand, this thesis concludes, if the United States and the other Western powers made a separate peace with Japan, the Soviet Union would still be at war legally with Japan, and could exert great pressure on a weak Japanese Government to break up any alliance the Japanese might negotiate with the Western nations.⁶

The State Department believed that the postponement of a peace treaty would inevitably lead to Japanese hostility, and pressed for an early treaty, but President Truman apparently hesitated to take sides in the dispute. He would not permit Acheson to proceed with treaty matters in the London discussions until the differences had been cleared up. Though President Truman did not hold up work on a peace treaty beyond the middle of May, it is doubtful that the State and Defense Departments reached final agreement on an early treaty until after Korea.

Dulles Takes Over

Meanwhile, on 6 April 1950, John Foster Dulles was appointed by President Truman as Foreign Policy Adviser to the Secretary of State. Dulles had a long history of work in the diplomatic field. He had served at Versailles as an adviser on reparations questions; he had attended and participated in the work of the San Francisco Conference; in the 1944 and 1948 presidential campaigns he had been the foreign affairs consultant to Thomas E. Dewey, the Republican candidate. More important, as he was one of the prime spokesmen for the Republican Party in the field of international relations, his appointment to a post in the Department of State would strengthen the fabric of bipartisanship. Dulles and John Sherman Cooper, another Republican, were appointed as consultants to the Democratic Administration as a means of restoring the bipartisan foreign policy co-operation that had existed during the Marshall Plan and the North Atlantic Treaty era. Soon after Dulles had been approached on the subject of a position within the Democratic Administration, he had indicated a preference for work on the

⁶ *N.Y.T.*, 12 May 1950, p. 4-2.

peace settlement with Japan.⁷ Acheson immediately directed Assistant Secretary of State W. Walton Butterworth to fly to New York for the purpose of giving Dulles information on the treaty situation. Undoubtedly, Mr Dulles went over State Department proposals and reached his own conclusions. He considered and rejected a State Department draft treaty of some hundreds of pages and decided in favour of a shorter and less restrictive treaty.⁸ This was of considerable significance for it meant that America had abandoned the programme for a peace settlement which she had formulated in the fall of 1949. Dulles was apparently given immediate charge of the treaty negotiations when Assistant Secretary Butterworth, who had previously concentrated on treaty matters, was appointed Ambassador to Sweden.

On 18 May President Truman indicated his support of the State Department on the question of an early Japanese treaty. He announced to a press conference that he hoped a Japanese treaty was not too far off and that Secretary Acheson would be responsible for the negotiations. At the same time Acting Secretary of State James Webb announced that Dulles would be assigned to Japanese peace treaty matters. Shortly afterwards, Dulles and the two top Defense officials, Secretary Louis Johnson and Chairman of the Joint Chiefs of Staff, General Omar Bradley, made plans to visit Japan to talk matters over with General MacArthur. It was undoubtedly hoped that General MacArthur might help to resolve the differences still existing between State and Defense Departments on the question of military rights in Japan after a treaty had been signed. On the eve of Korea, General MacArthur revealed his opinions in an interview with *New York Times* correspondent, C. L. Sulzberger:

I wish to see a demilitarized Japan. But, naturally, that thought deals with the prospect of a world at peace. It is an ultimate aim. Neither side would profit by the arming of Japan. We don't care to use her as an armed ally but we don't want to see Russia or Communist

⁷ Dulles told Secretary Acheson: 'You'll never get anything done unless you select someone in whom you have confidence, give him a job to do, and then hold him to results. Look at the Japanese Peace Treaty—the department has been discussing it for four years without result. Why don't you give someone one year in which to get action, with the understanding that if he can't do it, he fails? Give him a target and enough authority to get there.' John R. Beal, 'Bull's Eye for Dulles', *Harper's Magazine*, CCIII, Nov. 1951, 89-90. (Based on confidential sources.)

⁸ See Bernard C. Cohen, *The Political Process and Foreign Policy: The Making of the Japanese Peace Settlement*, p. 127.

China use her against us. Japanese neutrality would be a benefit to everyone including not only Japan but also the United States, Russia and China. But we cannot see the country left open to a *coup de main* by Communist China or Russia.

My views concerning a neutralized and totally disarmed Japan do not necessarily apply to the immediate situation involving the period of a peace treaty and right afterward. I am talking of long-range terms. Japan may have to be protected during the interim. Possibly bases might have to be maintained with Japanese consent in order to protect her and to prevent her from being used against us.⁹

Clearly, General MacArthur would tell the military leaders and Dulles that a Japanese peace treaty should be negotiated at the earliest opportunity and that some military safeguards should be taken after the end of the occupation régime. The exact compromise was unclear; yet, it seemed certain that General MacArthur would largely take the part of the State Department in the discussions.¹⁰

By the time Dulles reached Tokyo his proposals were already in the process of formation. He was now apparently resolved on a completely non-restrictive treaty for Japan, and he had rejected previous State Department plans which would have continued some restrictions advocated by America's Allies. A major unsolved problem, however, was how the United States would secure the allegiance of Japan in the cold war struggle. Dulles, apparently with the approval of General MacArthur, eventually concluded that the only sure way of retaining Japanese loyalty was simply to ask for it and to give Japan an unfettered choice. Such a course probably seemed more dangerous and open-ended than in fact it was. Since the Japanese government had issued its White Paper and major Japanese newspapers had changed their stand, a favourable response was likely. A further argument for leaving the decision to the Japanese was that if Japan was to remain a Western bastion in the Far East, complete good faith and reciprocity was necessary. Unless a Japanese option for the free world was a free choice, it would not be a secure and stable choice, and Japan's very usefulness would be impaired. When Dulles told the Japanese people on 22 June that it was for them to decide on the desirability of American security guarantees, therefore, he was not risking as much as it seemed on the surface. Dulles

⁹ N.Y.T., 30 May 1950, p. 15-3.

¹⁰ See Burton Sapin, 'The Role of the Military in Formulating the Japanese Peace Treaty', p. 718.

noted that the world was divided into two parts, a free and a captive world, and he stressed that every nation had to decide which world it would belong to. He concluded, saying: 'Sooner or later the Japanese people will make their choice, and by so doing they will determine their future destiny. I am confident that when the hour of decision comes, the Japanese people will elect to become dependable members of the world that is free.'¹¹

This strategy was calculated to appeal to the contrary premises of Japanese neutralism. Instead of demanding Japanese support, it stated America's readiness to protect Japan if Japan desired that protection. This seemed to cut the ground from under those who claimed that Japanese support was indispensable to America and yet to appease those who feared that America would not support Japan militarily. Even if the Korean War had not suddenly renewed the threat of Communist militarism, it seemed likely that Japan would accept a separate peace and join the Western camp.

Korea and its Impact

The invasion of South Korea by North Korean forces on 25 June 1950 represented a watershed in the negotiations for the Japanese peace settlement. It was the final determinant of American policy on the major outlines of a Japanese treaty. It succeeded in composing differences within the United States government, even if it also raised new problems for America's Pacific Allies. In one way, Korea brought America and her Allies together: the United Kingdom, Australia, and New Zealand joined America in common resistance to aggression. In another way, Korea drove America and her Allies apart: it increased America's demands upon Japan and further removed restrictive provisions in a projected treaty. While before the Korean War America had not pressed for Japanese rearmament, after it, she advocated some kind of Japanese defence forces. Before Korea General MacArthur had told visiting Australian newspaper men that:

He did not anticipate any Japanese re-armament after a peace treaty was signed, and believed Japan should remain neutral in any future war, filling the same role that Switzerland and Sweden had played in Europe.

The General said there was not the slightest ground for any

¹¹ See Lewe van Aduard, *Japan from Surrender to Peace*, p. 160.

suspicion that the United States wanted to build up Japan so she could be an ally in any future war against the Soviet.

America had no such plan, though it was essential, on the other hand, that Japan should not be used by any other nation which might make war on America.¹²

These remarks were doubtless tailored for Australian domestic consumption and were disingenuous to a degree. The United States certainly felt that Japan should abandon her neutral role to the extent of concluding a separate peace and permitting American forces to remain after the treaty settlement. Beyond this, however, it was true that America had no plans for Japanese rearmament. Whether or not the Korean War merely spurred a decision that was in any case inevitable cannot be stated with authority. It is significant, however, that the *New York Times* military analyst, Hanson Baldwin, predicted Japanese rearmament hours before the Korean invasion occurred.

Under the post-war Japanese constitution [he wrote] the Japanese have forsworn the use of arms. Either this unrealistic provision must be abrogated—as it must be, in any case, in time—or we must accept the moral obligation of Japan's defense. . . .

Economically the retention of bases ought not to mean that we assume a perpetual obligation to furnish food and supplies for the Japanese economy; that economy must rehabilitate itself and that means in time a stronger Japanese merchant marine and greater opportunity for Japan to trade with the world and to supply itself. Nor can we undertake the sole burden of Japanese defense; gradually the Japanese must also assume some of this burden, or the retention of bases by the United States has little meaning.¹³

If the United States were to commit itself to defend Japan in a post-treaty bilateral pact, sooner or later the Japanese would have to raise forces to contribute to their own defence. The American Congress would not long permit the American military to defend nations that were not willing to defend themselves.

However such factors might have operated in the long run, the Korean War was the immediate stimulus to American plans for Japanese rearmament, and it was the Korean War which brought a decisive change in plans for a Japanese peace treaty. The first impact Korea had upon the United States government was to reconcile differences over the desirability of an early settlement. While President Truman had charged

¹² *Canberra Times*, 8 May 1950, p. 1.

¹³ *N.Y.T.*, 25 June 1950, 4, p. 5-4, 5, 6.

Secretary Acheson with the task of negotiating a Japanese peace settlement, there were indications as late as the middle of June that differences within the Department of Defense might put off a treaty. James Reston reported a resurgence of the thinking which had animated Secretary Royall when in February 1949 he hinted at an American military withdrawal from Japan. According to this line of argument, Japan should remain neutral in a world struggle between the Soviet Union and the United States simply because she was incapable of being defended. American troops in Japan, according to this view, might merely be a rod to draw Soviet lightning without providing effective protection against hostile attack. While the Soviet Union would not like to fight a two-front war, neither would the United States, especially since American bases in Japan would require a vast supply line, for both American forces and the Japanese people. To maintain such a line during all-out war, 'across an ocean as vast as the Pacific while we were trying to supply our troops and allies in Europe, would be an almost impossible task. Therefore . . . the occupation of Japan, while perhaps useful as a deterrent to war, would be a disastrous commitment if war broke out.'¹⁴ Until this sort of sentiment within the Department of Defense could be reconciled with that which favoured an American military commitment to Japan, progress in negotiation of a Japanese treaty could hardly be made. Of course, the Korean War showed that the problems of maintaining a Far Eastern supply line were not as formidable as supposed, and it also demonstrated the necessity for conventional ground forces on the spot to counter 'brush-fire' wars. Indeed, it could be argued that Korea occurred precisely because the United States failed to do in respect of Korea what she planned to do in connexion with a settlement with Japan: conclude arrangements for American troops to remain on a long-term basis.

Thus, the withdrawal school did not have much influence after 25 June. At the same time the crossing of the 38th parallel by North Korean forces put a final end to differences between State and Defense over an early treaty. Korea had made Japanese adherence to the Western group of nations a necessity. The way this could be best assured was to conclude an early and non-restrictive peace settlement. If the attack upon Korea was merely a prelude to the invasion of Japan, the Allied powers

¹⁴ *N.Y.T.*, 18 June 1950, 4, p. 3-5.

had to put themselves on the best possible terms with the Japanese people.¹⁵

In addition, the attack on South Korea stimulated American military and political leaders to reach agreement on the military rights they would seek after a peace treaty. A *New York Times* correspondent described the compromise as follows:

. . . for the safety of both Japan and the United States, it will be essential to negotiate some kind of agreement under which United States armed forces would have the right not only to maintain military bases in Japan, but to move troops freely around the Japanese islands.

Merely to maintain a few military or naval bases at specific points in Japan is not regarded in official quarters here as sufficient, since these bases would be vulnerable to atomic attack in the event of war. A defense force that had the agreement of the Japanese Government to move from place to place, however, would give the defense much greater latitude and, in the opinion of United States military experts, greater security.¹⁶

Such a compromise in fact would give the United States a near equivalent of the military rights she enjoyed under the occupation. It seemed that Japan could hardly object to such terms since the Korean struggle had in fact transformed the Japanese islands into an Allied supply base, and yet the Japanese had raised no objection. When four American divisions from the occupation force were sent into the fighting in Korea, the Japanese people created no disturbance.

Perhaps this was because the impact of the Korean War upon Japan itself was enormous. It seemed to shatter the last vestiges of neutralism. At one and the same time it made the Japanese aware of the military hostility of the Communist powers and of the readiness of the United States to defend her supporters in the Far East. The one convinced Japan of the dangers of neutrality; the other, of the reliability of the United States as a military ally. This was all the more true as Korea had been traditionally viewed in Japan as a buffer for Japanese security; if Korea fell into unfriendly hands, Japan herself would be in jeopardy. In August, therefore, the Japanese government in another White Paper formally announced its choice in response to Dulles's invitation. 'The Communists have marked Japan as a special prize,' the White Paper stated. 'The Japanese people are standing in a maelstrom of conflict. There is no room for

¹⁵ See Sapin, 'The Role of the Military in Formulating the Japanese Peace Treaty', p. 718.

¹⁶ *N.Y.T.*, 10 July 1950, p. 1-3; see also p. 5-6.

neutrality.¹⁷ The paper went on to say that the obvious Japanese choice lay with the free world. It seemed, therefore, that the Korean War had made acceptable to Japan all the demands of American policy expressed before 25 June.

But while Japan had moved to support the original American position of early June, the United States had now increased her demands. It was becoming increasingly evident that the United States would press an unwilling Japan to rearm to meet the Communist danger. Just a fortnight after the Korean invasion the Supreme Commander authorized the establishment of a 75,000-man National Police Reserve which could serve as the nucleus of a Japanese army should such a force be created. At the same time the Maritime Safety Board, a coast guard in miniature, was expanded to 8,000 men. On 18 August, in a letter to an American ex-servicemen's organization, General MacArthur hinted that Japan might have to be rearmed. The Supreme Commander told the organization:

Should the course of world events require that all mankind stand to arms in defense of human liberty and Japan come within the orbit of immediately threatened attack, then the Japanese, too, should mount the maximum defensive power which their resources will permit.¹⁸

The conditional clause qualifying the possibility of Japanese rearmament was eliminated in September. In that month a *New York Times* correspondent reported:

The United States will propose a Japanese peace treaty placing no restrictions upon Japanese rearmament, allowing the maximum of economic and commercial freedom and encouraging the admission of the former enemy into the United Nations and the community of anti-Communist Allies.¹⁹

The permissive character of the proposed peace treaty wording did not mask America's intention to rearm Japan if Japan would agree.

Japanese Rearmament

Japanese rearmament was sought by American negotiators after the Korean outbreak for a number of reasons. The first was strategic. American resources available for the defence of free nations against Communist militarism were limited. Lines of

¹⁷ *Canberra Times*, 21 Aug. 1950, p. 3. See also *London Times*, 4 Sep. 1950, p. 5, column f.

¹⁸ *N.Y.T.*, 18 Aug. 1950, p. 4-3.

¹⁹ *N.Y.T.*, 16 Sep. 1950, p. 1-6.

supply to all corners of the world were bound to be tenuous in the event of full-scale hostilities. Any defence burden which America's Allies could themselves assume would relieve pressure upon American resources and ease the degree of American over-commitment. Secondly, it was almost inconceivable that the United States should be willing to defend an area threatened by Communist attack that was not willing to defend itself. If the country was not firmly committed to the support of the free democracies in the cold war with the Soviet Union, it could not as a practical matter be defended in any case, since adequate defence depended upon the active co-operation of the host population. If the nation was fully bound to the free world in advance, then hesitancy to mount defence forces in its own protection would simply deny the logic of its own position. If Japan was wedded to the free world, deeply afraid of Communism, and yet not willing to rearm, an American guarantee of Japanese security would merely pre-empt Japanese responsibilities and allow Japan to become dependent upon the United States. If such a precedent were to be established and sanctified by practice, American military commitments would shortly outrun America's ability to fulfil them.

Thirdly, moreover, Congress would not permit the American military to help those who would not help themselves. The influential Vandenberg Resolution, supported by the State Department and approved by the Senate in June 1948, had provided that the American policy of negotiating military alliances with her allies to forestall the Communist danger should be subject to the principle of 'continuous and effective self-help and mutual aid'. This principle, enshrined in the Atlantic Pact and in the aid programme to Greece and Turkey, could not be violated in a Japanese settlement requiring the consent of the Senate. If Japanese rearmament were to be rejected by the Japanese, the United States could not give an iron-clad commitment to defend Japan.

But although Japan had moved in considerable degree towards acceptance of American policies, she was not yet willing to assume the burden of rearmament. The mounting of defence forces, it was thought, would not only add a further nail to the coffin of Japanese neutrality, it would violate the Japanese Constitution as well. Such matters, it was held, were not in the hands of any government to resolve at will.

Australia and a Pacific Pact

It is scarcely necessary to mention that Japan's opposition to rearmament was echoed in the Pacific Dominions and the Philippines. The Korean War had had an ambivalent impact upon Australian policy. In one sense it had brought Washington and Canberra closer together in their determination to resist the further spread of Communism; and it provided the opportunity for a closer *rapprochement* on the question of the means by which the Communist advance could be met. At the same time, by increasing American demands upon Japan and strengthening the American resolve to give a non-restrictive treaty to Japan, it forced Australia and the United States further apart. Briefly stated, while Korea improved the prospects of a Pacific pact, it diminished prospects for a Japanese peace treaty which Australia could support.

The second initiative for a Pacific defence pact failed when the Baguio conference showed that the countries of the Pacific region could not form the 'defense nucleus' which America had laid down as prerequisite to her own participation. At the same time, even before Korea, the State Department was looking more favourably on the Pacific pact idea. On 9 March 1950 Secretary Acheson told the House Foreign Affairs Committee that statesmen in the Pacific were working on the problem of a pact, and he hoped they would produce a solution. These sentiments seemed to be in marked contrast to the previous American view that a Pacific pact was 'premature'. Just one week later, Acheson went out of his way to welcome Spender's suggestion that the democracies should give 'thought to the creation of more effective methods of cooperative action in those areas where their vital interests are affected'.

It was with this new American attitude in mind that Spender proposed a fresh approach to a Pacific defence treaty. On 6 June he reviewed developments for the Australian House of Representatives. After mentioning the previous American insistence that the initiative for a Pacific treaty should come by way of a preliminary grouping among the Pacific countries themselves, Spender noted that little progress had been made and that some British Commonwealth countries had 'exhibited not merely reluctance but opposition to any such conception'. He then outlined a new procedure:

The suggestion that I made about the British Commonwealth taking

the initiative was not intended to exclude other initiatives. Any government that would contribute to the development of an effective regional organization in the Pacific area should be encouraged and supported; and we say that Australia alone, if we have a response from the United States of America, will be quite prepared to enter into such a pact with that country because we believe that it would be of great importance to both the United States of America and Australia, to the stability of the world, and particularly to the stability of the area in which we are geographically placed.²⁰

Thus Mr Spender invited the United States to abandon her criterion of practical universality for a Pacific treaty and to consent to contractual defence arrangements on a country-by-country basis. Australia, Spender indicated, would be willing to enter a pact with the United States even if all other countries with Pacific interests were not prepared to join. Australia was thus prepared to proceed without other Asian and Pacific Commonwealth members. The question remained, however, whether the United States would be ready to go ahead on such a basis. Despite her encouragement of efforts to form a pact nucleus in March, there was no assurance that America would stand behind the pact idea after the failure of the Baguio conference.

America and a Pacific Pact

Nevertheless, the United States did begin to look more favourably on Pacific pact proposals in the summer of 1950, even though some nations would have to be left out. There were a number of reasons for this. In the first place, while the military victories of the Chinese Communists in 1948 and 1949 had considerably disturbed the United States, the danger of Communist aggression in the Far East was not brought forcibly to its attention until 25 June 1950. In 1948 and 1949 Pacific Allies had not been needed for military tasks. The State Department argued that China's turning Communist could not have been prevented by strictly military means, and in August 1949 it issued a White Paper which blamed the Chinese débâcle on the bungling of Chiang Kai-shek. Until the beginning of June 1950, therefore, the United States had not felt a need for allies in the Far East sufficiently strongly to outweigh local opposition to a Pacific pact. After June, however, this need was more compelling. The United States entered the Korean War without

²⁰ *C.P.D.*, 8 June 1950, p. 4006.

a single Pacific power bound to her support. The military defeats of the first months of the struggle provided eloquent testimony to the desirability of allies, pledged in advance to take action in the event of a hostile attack and prepared militarily to make that action effective.

Not only did Korea show the need for military allies; it also provided a prime cause for revision of America's world-wide strategy. Up to the middle of 1950 the United States had tended to assume that the Communists believed Europe to be the decisive sphere and the most inviting area for Communist expansion. Accordingly the United States had supported the creation of NATO to deter Communist advance. She had taken no similar action in the Far East partly because she did not believe Asia was the primary goal of Russian policy. Even the war in China had not entirely convinced the United States that Communist moves in Asia were more than diversionary tactics designed to deflect attention from the central area of Communist concern in Europe. The Korean War, however, abruptly changed American assessments of the priority of Communist goals. The Far East, after Korea, seemed an independent objective, not merely a way-station on the road to Bonn, Paris, or London. The logical result of such a realization was a more favourable view of defence arrangements that might prevent further Communist victories. A Pacific pact, of whatever composition, would fill that requirement. The Congress was not unamenable to this line of reasoning, and on 11 July the House Foreign Affairs Committee 'endorsed unanimously proposals for a mutual defense pact throughout the Pacific area patterned after the North Atlantic Treaty, upon which the arms-aid program was built'.²¹

Australia and the United States

Although the Korean invasion made the general notion of a Pacific pact more palatable to the State Department, there were also reasons why the United States was more favourable to a pact with Australia. The Menzies government had come to power with a programme of improving relations with the United States, and the six principles of Australian policy enunciated by the new Minister for External Affairs were approved by Secretary Acheson. When the Korean attack occurred, an Australian air contingent was ordered into the fighting in support of the United

²¹ N.Y.T., 12 July 1950, p. 1-3.

Nations forces, and on 26 July it was announced that Australia would commit ground as well as naval and air forces to the Korean fighting. This announcement made Australia the first free nation after the United States to commit units from all three services to the Korean struggle. The military co-operation of the two nations heralded the re-establishment of the comradeship in arms which had existed in 1945. America was hard pressed in Korea and the offer of Australian ground forces at such a critical time must have been warmly welcomed in all sections of the American government. It would probably be correct to say that Australian-American relations attained a degree of cordiality in the summer of 1950 which they had not known since the days of the Pacific War.

When Prime Minister Menzies visited Washington in July, the warmth of his reception exceeded the normal requirements of diplomatic etiquette. In August the Australian Prime Minister received an overwhelming ovation from the United States Congress, and succeeded in obtaining a loan of \$250 million. While statements issued at the time of Mr Menzies's discussions in Washington tended to deprecate a Pacific pact as 'academic' in view of the co-operation in Korea, there seems little doubt that a treaty was discussed. On 4 August the Minister for External Affairs, Mr Spender, was able to tell the Liberal Party of the 'splendidly successful' visit of Mr Menzies to Washington. He added the significant words:

I foresee in a number of fields considerable development in the consultation which is now taking place between the Government of the United States and the Australian Government, and this is to me one of the most heartening achievements of which the present Government may with reason be proud.²²

Perhaps it was not entirely accidental that Spender was emboldened to make the following statement two days later:

I believe—it is my hope—that in any crisis, the Commonwealth and United States would act spontaneously and vigorously together, and this would be facilitated if we had the same kind of continuous consultation between the U.S. and Australia as we have had for a long period of time in the British family group. . . .

I feel, in the face of the advancing tide of world events in Asia, Australia must seek to revive the close working with our American friends which existed during the war. This relationship should, in

²² C.N.I.A., XXI, Aug. 1950, 582.

due course, be given formal expression within the framework of a Pacific Pact, although there are many who say the way in which the free nations of the world have come together in the Pacific does not make now necessary the existence of a Pact, but I am one who believes that that need still exists.²³

There were reasons other than the friendly relations flowing from the military co-operation in Korea that made the United States incline more favourably to a Pacific pact with Australia. If the *de facto* pact which the Korean operations represented made a *de jure* pact less necessary, it also made it less painful. A part of the American reluctance to conclude a Pacific agreement with Australia in 1946 could be laid to unwillingness to take on additional military commitments. The common action in Korea, however, seemed to demonstrate to the United States that Australian and American interests in the Far Eastern area were in any case identical. If this were so, a formal defence treaty that included the two nations would not place an additional burden upon American resources; it would merely formalize an existing identity of interests. This justification was offered by American diplomats at the time of the signing of ANZUS a year later.

There was one other reason for America's readiness to accept a Pacific pact with Australia after the outbreak of the Korean War. Korea had decisively changed American ideas of a peace settlement with Japan. While Japanese rearmament had not been actively contemplated by the United States before Korea, it had become a prime goal after it. Since such a policy was almost certain to be opposed by several Pacific Allies as a vast assault on the structure of Pacific security, it might be desirable to provide by a Pacific defence agreement the security that Japanese rearmament would take away. The United States may have hoped that a Pacific pact would win Australian acceptance of a Japanese peace treaty which placed no limitations upon Japanese rearmament.

Of course, the Korean War had not been wholly responsible for the change in American policy with regard to Japan. Dulles had had his own independent influence upon the course of policy, and he had apparently come to the conclusion, even before Korea, that Japan should have a non-restrictive treaty.²⁴ One source has it that Dulles was resolved not to repeat the

²³ *Ibid.*, pp. 582-3.

²⁴ B. C. Cohen, *The Political Process and Foreign Policy*, pp. 127-8.

errors of his old college professor, Woodrow Wilson.²⁵ When Dulles rejected the State Department's November principles, he apparently did so on the ground that limitations on the right to rearm and special guarantees of civil and political freedoms could not be enforced without Allied supervisory controls, and these would have involved just the kind of restrictions he was trying to avoid. If no enforcement provisions were to be included, the inclusion of formal restrictions would be a needless irritant. Australian opposition to this shift in American policy must have been intense because the very principles Dulles decided to delete had been regarded as minimum demands at the Commonwealth Working Party meeting. The Commonwealth nations reiterated the support they had voiced in Canberra in 1947 for a code of human rights. Australia and New Zealand were ready at no time to countenance unlimited Japanese rearmament.

Thus, even before Korea, American ideas had been moving away from those of Australia and the British Commonwealth. The proposals to rearm Japan, though perhaps not completely unexpected, were doubtless regarded as an enormous setback to Australian policy. We cannot state with certainty when Australia was apprised of the American intention to rearm Japan. But it seems likely that Mr Menzies may have got the first hint of it when he visited Japan in August on his return journey from the United States. On 17 August the Australian Prime Minister spent two hours conversing with General MacArthur on the position in Korea and future policy towards Japan.²⁶ On 18 August the Supreme Commander gave the first public hint of unlimited Japanese rearmament in his letter to an ex-servicemen's organization in the United States. Thus Menzies may have been informed of America's new plans and may have given Australian reactions to the possibility of Japanese rearmament. In any case, shortly afterwards a *New York Times* report indicated that the United States had become aware of growing opposition among her Pacific Allies to her policies for a Japanese treaty.

Problems of Negotiation

Ever since she had first broached her plans for a treaty with Japan, the United States had apparently favoured a peace

²⁵ Lewe van Aduard, *Japan from Surrender to Peace*, p. 158.

²⁶ *S.M.H.*, 18 Aug. 1950, p. 3.

conference composed of the Far Eastern Commission nations, with decisions taken by a two-thirds majority vote. This had been the proposal of the Working Party in May, and it had ostensibly been American policy for three years. America's acceptance of this peace conference formula had been based on the assumption that a majority of Pacific Allies would be willing to accept her proposals for a Japanese peace treaty. If either the United States or the Pacific powers were to change their views on a Japanese peace settlement, therefore, the proposal for a conference which would decide treaty terms by a two-thirds vote might be jeopardized. That was precisely what occurred in August 1950. The United States now favoured Japanese rearmament, a proposal very few members of the Far Eastern Commission would be likely to support. If a treaty with no restrictions on Japanese rearmament were to be accepted, it hardly seemed likely that it would be accepted in an unfettered conference of Far Eastern nations. American plans might be outvoted by a coalition of Australia, New Zealand, the Philippines, the United Kingdom, and other states. The alternative seemed to be to conduct negotiations between the United States and one nation at a time. A draft treaty acceptable to the United States and her Allies, agreed upon by bilateral talks, might be promulgated without a conference ever having been called. Perhaps it was not a coincidence that this mode of negotiation was winning American support less than a fortnight after the Australian Prime Minister left Japan.

The bilateral negotiation of a peace treaty had one other advantage for the Americans. As long as there were two Chinas, the convocation of a treaty conference would involve a decision as to which should attend. The United States would inevitably support a Nationalist Chinese delegate; the United Kingdom and some other Commonwealth members would advocate Communist Chinese participation. Of course, bilateral negotiations would not avoid this issue altogether, since the treaty had at some point to be signed. A conference of signatories would also raise the question of Chinese participation, even if it would avoid the additional complication of a Chinese Communist delegate at a plenary conference. The problem of the two Chinas, which was successfully by-passed in the summer of 1950, was revived with considerable heat in June 1951.

AUSTRALIAN-AMERICAN NEGOTIATIONS

In September 1950 negotiations for a Japanese peace treaty and a Pacific pact began in earnest. On 14 September President Truman announced that he had directed the State Department to begin a new effort to reach agreement on a Japanese treaty:

It has long been the view of the United States Government that the people of Japan were entitled to a peace treaty which would bring them back into the family of nations. As is well known, the United States Government first made an effort in 1947 to call a conference of the nations holding membership in the Far Eastern Commission to discuss a peace treaty with Japan. However, procedural difficulties at that time and since have prevented any progress. The United States Government now believes that an effort should again be made in this direction, and I have, therefore, authorized the Department of State to initiate informal discussions as to future procedure, in the first instance with those governments represented on the Far Eastern Commission, the ones most actively concerned in the Pacific war. It is not expected that any formal action will be taken until an opportunity has been had to assess the results of these informal discussions.¹

The President's vague remarks about 'procedure' were probably intended to make palatable the bilateral discussion technique which the United States proposed to employ. Mr Spender, Australian Minister for External Affairs, arrived in the United States in time to participate in these discussions and to represent Australia at the United Nations General Assembly meeting in New York. A more important purpose of his visit was to urge further negotiations for a Pacific pact.

Japanese Treaty Proposals

When Dulles and his deputy, John Allison, returned from their Tokyo mission, they began serious work on the terms of a treaty. Allison served as Chairman of a drafting committee on which both State and Defense Department officials were represented. On 8 September 1950, this group presented a memorandum to President Truman stating its conclusions. The

¹ S.D.B., XXIII, 25 Sep. 1950, 513.

President decided that the proposals were far enough advanced to permit discussion of the American memorandum with countries represented on the Far Eastern Commission, and Dulles was charged with the task. As later revealed, the American proposals for a peace treaty with Japan embraced seven points. The purpose of the treaty was to 'restore Japanese sovereignty' and 'bring Japan back as an equal in the society of free peoples'. The seven principles were as follows:

1. *Parties*—Any or all nations at war with Japan which are willing to make peace on the basis proposed and as may be agreed [should be included].
2. *United Nations*—Membership by Japan would be contemplated.
3. *Territory*—Japan would
 - a. recognize the independence of Korea;
 - b. agree to U.N. trusteeship, with the U.S. as administering authority, of the Ryukyu and Bonin Islands and
 - c. accept the future decisions of the U.K., U.S.S.R., China and the U.S. with reference to the status of Formosa, Pescadores, South Sakhalin and the Kuriles. In the event of no decision within a year after the Treaty [has come] into effect, the U.N. General Assembly would decide. . . .
4. *Security*— . . . pending satisfactory alternative security arrangements such as U.N. assumption of effective responsibility, there would be continuing cooperative responsibility between Japanese facilities and U.S. and perhaps other forces for the maintenance of internal peace and security in the Japan area.
5. *Political and Commercial Arrangements*—Japan would agree to adhere to multilateral treaties dealing with narcotics and fishing. Prewar bilateral treaties could be revived by mutual agreement. . . .
6. *Claims*—All parties would waive claims [which would include reparations] arising out of war acts prior to September 2, 1945, except that
 - a. the Allied Powers would, in general, hold Japanese property within their territories and
 - b. Japan would restore allied property or, if [the property were] not restorable intact, provide yen to compensate for an agreed percentage of lost value.
7. *Disputes*—Claims disputes would be settled by a special neutral tribunal to be set up by the President of the International Court of Justice. Other disputes would be referred either to diplomatic settlement, or to the International Court of Justice.²

² S.D.B., XXIII, 4 Dec. 1950, 881.

The American proposals for peace with Japan were noteworthy largely for what they omitted rather than for what they included. While the American plan of the previous November had apparently not envisaged Japanese rearmament, the new principles included no such restrictions. The section on security, indeed, talked not at all about the security of Japan's former enemies in the Pacific, but only about Japan's security against external attack. On that score, Australian fears were bound to be aroused. It should not be thought, however, that Australia opposed arrangements to protect Japan from external attack; indeed, she had favoured some such 'co-operative responsibility between Japanese facilities and the United States'. But whether Australia or the other Commonwealth countries would have been willing to increase their defence commitments to protect a former enemy power was highly doubtful, as the subsequent course of negotiations showed.

The claims provision could hardly have been welcomed by Australia even though she neither expected nor needed a large quantity of reparations. She had, however, hoped to make payments to the former prisoners of war held by the Japanese out of funds obtained from reparations. The territorial provisions of American peace plans had been substantially revised since those of a year previously. While the previous view of the State Department had been that Formosa and the Pescadores should be returned to China (and Communist China presumably was meant),³ the new provisions directed a settlement by the Big Four or ultimately by the General Assembly. The Labor Opposition in Australia was quick to challenge this feature of the American proposals. The only other controversial aspect of the plan was the procedure for negotiating the treaty. The provision that 'any or all nations at war with Japan' could join in discussions would reduce the role of the Far Eastern Commission nations. If a conference with full negotiating powers were to be held, the presence of all states at war with Japan, including the large Latin American group, might assure the

³ America was apparently resigned to a Communist take-over of Formosa prior to the Korean War. The American White Paper on China was extremely critical of Nationalist rule on Formosa. In these circumstances, the fulfilment of the Cairo Declaration most probably was intended to mean the restoration of Formosa to the Communist mainland government. In any case, the U.S. probably expected a Communist seizure of power before the Japanese treaty could be signed, and included a provision to accord with this contingency in its working paper drafts.

United States of a majority she could not otherwise obtain. Of course, the American plan was reassuring in that it provided that preliminary discussions were to be held among the Far Eastern Commission.

When Spender was first informed of the American plans for a Japanese peace treaty his reactions were extremely hostile. The American principles seemed to represent a 'sea change' from the proposals of 1947 and were quite different from the American views of a year earlier. The new plans for Japanese rearmament did not satisfy Australia, and the complete abolition of controls on Japanese fulfilment of the peace terms must have been resisted in Canberra. The establishment of a so-called 'supervisory authority' had been regarded by Australia as a central feature of any peace instrument, and the London discussions of the Commonwealth Working Party in May had shown that Australia, South Africa, and New Zealand still believed that some control mechanism would have to be set up in Japan itself.

Spender's statement to Parliament after he had returned to Australia indicated that in his discussions with Dulles, his primary emphasis was on security. If the possibility of Japanese military resurgence could be dealt with satisfactorily, Australia would agree to an otherwise lenient treaty. On 26 November he told the House of Representatives:

It is our view that, as has been stated by us before, an early peace settlement with Japan is desirable. This settlement must be of such a kind as to contain appropriate safeguards against any resurgence of Japanese militarism. . . . Our approach to a Japanese peace settlement must therefore be one of the most careful scrutiny of any proposals under which there could result a resuscitation of Japanese militarism.

Having said this, however, it is equally necessary for me to add that it is in our own interest to develop and maintain relations with Japan such as normally exist between two countries at peace. It is necessary, in addition, that Japan shall be permitted and encouraged to become economically viable. It is moreover in our interest to see that Japan shall not become a military vacuum which might be filled by forces or controlled by influences antagonistic to us. The problem of security in relation to Japan, therefore, is twofold. In the first place, we must ensure that our own security shall not be imperilled by the nature of the peace settlement with Japan. Secondly, we are concerned that the security of Japan itself shall not be endangered, because, in this latter event, our own security, too, might be affected.⁴

⁴ *C.P.D.*, 28 Nov. 1950, p. 3171.

At the end of his speech Spender summed up the problems which the Japanese peace settlement presented to Australia:

How can we prevent the resurgence of a militaristic Japan whilst at the same time allowing it to qualify for admission to the society of nations as a sovereign power? How shall we prevent it from becoming again a threat to the security of Australia while permitting it to have sufficient strength to resist the threat of international communism? How do we, in short, impose the conditions essential to secure Australia against future Japanese aggression whilst moving towards normal international relations between our two countries?⁵

He did not offer an answer to these questions in November 1950.

A Pacific Pact

Though the problem of peace terms for Japan was perplexing to Australia, other matters involving the United States had a more pleasant aspect. At long last it seemed that the Australian Minister for External Affairs was making progress with a Pacific pact. That, indeed, and not the Japanese peace treaty, was the main object of his visit to Washington. The strategy Spender followed in presenting the case for a pact was calculated to appeal to American conceptions of defence planning. When the Korean War occurred, some American officials had apparently argued that a Pacific defence treaty was unnecessary. The alliance forged through Allied military co-operation in Korea represented a confluence of interests that a formal treaty could only reaffirm, not create. Since Australian and American interests in the Pacific were identical, these officials reasoned, no pact was needed to bring them into greater harmony. It is doubtful that Mr Spender believed that Australian and American interests were in all respects identical; indeed, there were some issues, like the West New Guinea question, on which American and Australian interests diverged in emphasis. A Pacific pact, then, would protect Australian interests which would not otherwise be safeguarded. The possibility of an American reversion to isolation also called for a treaty which would commit the United States in the Pacific. In the Australian view, therefore, a Pacific pact would bring about a degree of harmony of interests which had not existed previously.

⁵ *Ibid.*, p. 3172.

The means which the Australian Minister employed to secure a pact, however, seemed to acknowledge the American premise that the interests of the two nations were identical. Spender ostensibly agreed with American thinking about Korea, but went on to press for improved consultation in the Pacific region. While the military decisions of NATO, involving the resources of America, Britain, France, and the Netherlands, had profound repercussions upon the Pacific commitments of those powers, Australia, a major Pacific nation, could not participate in its decisions. What was needed was some 'organic political agency' in the Pacific which would give Australia a voice in the problems of global and Pacific strategy. Through her Commonwealth connexions, Australia was committed to fight in Europe and the Middle East and had done so in two world wars. Portugal, Iceland, and Denmark had a voice in Atlantic world strategy as a result of their membership in the North Atlantic Council, but none of them had made contributions to victory in two world wars equal to those of Australia in Europe and the Middle East. Yet Spender did not draw the conclusion that Australia should be admitted to membership of the North Atlantic Treaty, because that would result in demands for admission from all continents. His conclusion was that a new regional council should be created in the Pacific to perform functions parallel to those of NATO. Such a Pacific council would end the traditional practice of allocating Pacific commitments as an inadvertent by-product of North Atlantic planning.

Spender urged that the new avenue of consultation be given formal expression in a regional pact, with a Pacific council, because only such an agency would provide for a regular exchange of views similar to that of the North Atlantic Council. A regional pact which would make Australia secure in the South Pacific would not only improve strategic planning on a global scale, it would also enable Australia to take on responsibilities in other areas. It would increase Australia's ability to participate in resistance to aggression wherever it might occur. In order to counter the theory that a formal Pacific alliance was unnecessary, Spender also pointed out that Korea had shown 'how ill-prepared the democracies usually are to meet aggression in conjunction when it suddenly takes place'.⁶ A Pacific defence treaty would prevent the last-minute scrambling for forces that occurred in the Korean episode.

⁶ *Canberra Times*, 18 Sep. 1950, p. 1.

Spender also maintained that a Pacific pact should be concluded even if not all the Asian states could be induced to join. Again Korea had shown the importance of a pact involving military commitments; if some nations were not prepared to make these commitments, they should not participate. On 13 September, he told a press conference in Washington that he envisaged an alliance including Australia, New Zealand, the Philippines, the countries of North America and those on the west coast of South America.⁷ The United Kingdom was not included in the list because at this stage the British seemed unwilling to commit themselves, in the face of Indian opposition. Spender went on to stress that he would welcome the adherence of India, Indonesia, and other south-east Asian countries to such a pact, but it was important that they be willing to undertake military commitments.

The reception the Australian Minister was given was undoubtedly warm and sympathetic. The Korean War had established a new comradeship between Australia and the United States and had earned American gratitude. A defence treaty with Australia would be viewed in the United States merely as a formal expression of a solidarity of Pacific interests which would require no new commitment of American resources. If Australia wished to make this relationship contractual by creating a treaty apparatus which would provide new avenues of consultation, such a procedure would be carefully considered.

The most formidable problem in the discussions was apparently not the military co-operation of Australia and the United States, but the composition of any pact that might be formed. The fact that India and other Asian neutrals would not be willing to enter such a grouping was less important after Korea than it had been before. More important, Korea and the Chinese military intervention convinced American defence planners that the United States should not become involved in a great land war on the Asian mainland. Thus, Spender's proposal that the pact could be limited to the offshore island nations bordering Asia was bound to appeal to Washington. In the course of his month's visit, Spender had discussions with President Truman, Secretary Acheson, Mr Dulles, Mr Dean Rusk and with the combined Senate and House Foreign Relations Committees. When he left in October, he had won important support for the

⁷ See *S.M.H.*, 15 Sep. 1950, p. 3; *Canberra Times*, 15 Sep. 1950, p. 7; *N.Y.T.*, 14 Sep. 1950.

Pacific pact conception among both Administration and Congressional leaders. Though the composition of a Pacific defence treaty could not yet be outlined, Spender left with the impression that the United States was in favour of a Pacific pact which would include Australia. This knowledge served to make more palatable the distasteful features of a non-restrictive Japanese peace treaty.

In his statement before Parliament on 28 November he could say:

I found in the United States that a most genuine friendship exists towards Australia and Australians, which, I need hardly say, is warmly reciprocated. The association between our two countries has never, at any time, been more intimate, and the discussions I have had could not have been on a more cordial or understanding basis. It might be said that there is no doubt at this moment that this warm-hearted nation would immediately and effectively come to our aid in the event of an act of aggression against Australia. But it is not one-way traffic in obligations with which Australia is concerned. . . . What we desire is a permanent regional basis of collective security, constructed in accordance with the United Nations Charter, which has as its pivotal point some obligation comparable to that set forth in Article 5 of the North Atlantic Treaty, namely that an armed attack upon one shall be deemed to be an armed attack upon all. We desire to see formal machinery set up to which, amongst others, the United States of America and ourselves shall be parties, which will enable us effectively to plan the use of our resources and military power in the interests of peace in the geographical area of the world in which we live. But world security problems cannot be dealt with in geographical compartments. We desire, therefore, to see established a political liaison between whatever Pacific regional security arrangement may be accomplished, and the existing North Atlantic and Western European organization, so that Australia shall not be denied its right to have a suitable voice in the determination of policy and the shaping of events which deeply affect Australia wherever they may take place.

It would be inappropriate for me to say at this moment what will be the outcome of my discussions in the United States of America. I shall content myself with saying that I am not without hope that at a comparatively early date it will be found possible to embody in formal machinery an acceptable solution of this important problem.⁸

Background of the Second Dulles Mission to the Far East

In the autumn Mr Dulles discussed American plans for the treaty with diplomats of other nations at the United Nations

⁸ C.P.D., 28 Nov. 1950, pp. 3169-70.

General Assembly session. In addition to Australia, the American negotiator held talks with the other Far Eastern Commission nations and with Russia's Jacob Malik. The results of these discussions led the State Department to go ahead with its plans for a treaty, but it had to take into account certain difficulties which had cropped up. Several Far Eastern Commission nations demurred at the idea of Japanese rearmament. Japan herself was opposed to military forces, and Australia, New Zealand, and the Philippines were fearful of reawakening Japanese militarism. To deal with the opposition of these Pacific powers to American plans for a treaty, Dulles was sent on a second mission to the Far East. 'He was made a special representative of the President, with the rank of Ambassador.'⁹ To formulate the terms of reference for Dulles's new mission, Secretary Acheson, Dulles, the Secretary of Defense, George C. Marshall and the Under-Secretary, Robert Lovett, met several times. It was agreed that Dulles would be given authority to explore the possibility of a collective security defence agreement which would embrace the offshore island chain fringing the Asian mainland. Because of the Defense Department's insistence that the United States should not become involved in a war on the mainland of Asia, no authority was given to make a more comprehensive defence pact.

The Dulles Mission in Japan

The Dulles Mission proceeded to Japan. Publicly, the American negotiator reiterated the American offer to participate in the defence of Japan, and again he indicated, 'that is not a choice which the United States is going to impose upon Japan. It is an invitation. The choice must be Japan's own choice.'¹⁰ But if Japan chose to enjoy full American military protection, she had to make some provision for her own defence, because ' . . . the United States does not make "definitive" security arrangements with other countries unless they undertake to provide "continuous and effective self-help and mutual aid" in accordance with the basic policy laid down by the "Vandenberg" Senate Resolution of June 11, 1948'.¹¹ Dulles had two tasks in Japan. The first was to persuade Japan to rearm, and the second was to secure Japanese participation in a

⁹ B. C. Cohen, *The Political Process and Foreign Policy*, p. 130.

¹⁰ John Foster Dulles, 'Security in the Pacific', *Foreign Affairs*, XXX, Jan. 1952, 176.

¹¹ *Ibid.*, p. 178.

regional collective security agreement in the Pacific. In neither case did he achieve the goal he had set for himself. He proposed to Prime Minister Yoshida that the United States was prepared at long last to make a peace treaty with Japan in exchange for Japanese rearmament, and he indicated that an army of half a million men could be mounted by Japan without too much difficulty. The Japanese Prime Minister, however, refused rearmament. Yoshida argued that the prevailing neutralism of public attitudes would not permit the creation of military forces. The Japanese government had moved a long way in the face of public sentiment against a separate peace and post-treaty military concessions to the United States. He did not believe it could go any further. The proposal for rearmament, moreover, was different in kind from the other measures which America had pressed on Japan. While a separate peace treaty and post-treaty bases were issues which a government could handle with a moderate legislative majority, rearmament seemed to require a change in the provisions of the Japanese Constitution which renounced war and stated that 'land, sea and air forces, as well as other war potentials, will never be maintained'.¹²

While Mr Dulles maintained that the constitution would not prevent Japan from exercising the United Nations Charter 'right of individual or collective self-defense',

. . . and that Japan could contribute to collective security forces called for by the United Nations or created pursuant to authorization of the U.N. Charter, particularly if this Japanese contribution, by reason of its composition and the nature of its responsibilities, could never be an instrument for national aggrandizement or aggression¹³

Yoshida remained firm against Japanese forces. The final consideration the Japanese Prime Minister advanced was that Japan could not afford even a modest rearmament effort. Yoshida explained later that the construction of 'a single battleship' would seriously derange the Japanese economy.

Despite these arguments, Dulles continued to press for a favourable decision, and finally the two negotiators decided to take the issue to General MacArthur. After hearing both sides of the case, General MacArthur suggested that a compromise might be for Japan to make a military contribution to the free world without creating armaments for her own

¹² Ibid.

¹³ Ibid., pp. 178-9.

use. The Japanese could utilize reserve industrial potential to make arms, munitions, and other supplies for the Allies fighting in Korea. This compromise was feasible economically since Japanese manufacture of munitions for the Pacific Allies could be paid for in vitally needed foreign exchange while Japanese rearmament would have to be financed by domestic funds. This proposal was finally accepted by the two diplomats.

The second purpose of Dulles's visit met with no greater success. Japan could hardly be expected to join a collective security defence system involving mutual defence commitments if she was not ready to undertake rearmament even in her own defence. On this issue the Yoshida government stressed that if Japan ever were to have a defence force, it should be a national force devoted to the protection of Japan's territorial integrity; a collective security pact would require Japan to allocate forces to protect other powers as well. Such a course could be sanctioned neither by a liberal construction of the Japanese Constitution nor by the prevailing neutralism of public sentiment. The rebuff of a collective security pact left the alternative of some kind of bilateral arrangement between Japan and the United States. This alternative was explored in detail when Dulles visited Japan again in April; but when he left Tokyo in mid-February neither object of his visit had been achieved. Japan had not agreed to rearm, and she had declined to participate in a Pacific pact with other nations.

Australia Accepts Limited Japanese Rearmament

Even before the talks between American and Japanese officials in Tokyo, the British Commonwealth had clarified its position on a Japanese treaty. From 4 to 12 January a London meeting of Commonwealth Prime Ministers considered the Japanese question once again. The major result of the discussions was the acceptance of some degree of Japanese rearmament. While Spender had opposed any measure of rearmament in his discussions in Washington, the tenor of the London meeting made it increasingly difficult to sustain such a stand. As the Minister explained in a subsequent statement to Parliament:

The London talks revealed . . . that the change in the world situation had at the same time had a marked effect on the approach of the United Kingdom Government and other British Commonwealth governments to the Japanese settlement. It was clear that the understandings on the basis of which a general measure of agreement had

been achieved in 1947, when the Japanese peace settlement was discussed at the British Commonwealth Conference in Canberra, were no longer completely or even largely accepted.

Whereas previously it had been accepted as fundamental that adequate safeguards against a revival of Japanese militarism should be written into the peace treaty, it was now argued that Japan should be allowed the means to defend itself against aggression, that no provision should be inserted in the treaty imposing limitations upon Japan's capacity to rearm, and that it would be dangerous to leave Japan incapable of defence against aggression. It was contended that Communist imperialism aimed at ultimate control of Japan with its industrial potential and extensive man-power, and that the entire burden of defending Japan could not remain indefinitely with the United States, which had already borne a tremendous weight of responsibility in this connexion.

It was suggested, moreover, that no action should be taken by the democratic governments which would have the effect of throwing Japan into the arms of the Communist powers, or of leaving a power vacuum in Japan, which might be filled immediately from within and without by forces hostile to the free nations of the world.¹⁴

These arguments did not result in Australian acceptance of a treaty which placed no limits on Japanese rearmament. Rather, the Australian Minister for External Affairs issued a statement on 11 January which reiterated Australia's opposition to such a treaty, but conceded that Japan would have to be allowed 'some capacity to defend herself against Communist aggression'.¹⁵ After this point Australia's efforts in negotiations were devoted to the presentation of proposals which would place some limit on Japan's access to arms.

The Commonwealth Prime Ministers reached other decisions which, from the Australian point of view, were probably less controversial. The British nations decided that Communist China should also participate in the negotiation of a Japanese peace treaty. This did not mean that if Communist China and Russia would not accept majority decision on Japanese peace proposals, the entire peace effort should be dropped. If the Communists were intransigent, Commonwealth countries seemed prepared to accept a separate peace, but they strongly urged that both Communist powers be allowed to join in treaty talks. This stand presented another obstacle to American plans for a

¹⁴ *C.P.D.*, 14 Mar. 1951, p. 483.

¹⁵ *N.Y.T.*, 12 Jan. 1951, p. 6-5.

treaty settlement. In June it was to prove a rock on which negotiations nearly foundered.

Dulles in Manila and Canberra

After Dulles left Tokyo, he flew to Manila where his main task seemed to be to pacify the Philippine government on reparations claims. He also told the Philippine people that the United States would not permit Japan or any other country to repeat the history of aggression written by World War II. Whether he broached the possibility of a regional security pact in which the Philippines could participate is uncertain. It is conceivable that pact discussions were either couched in exceedingly general terms or avoided entirely because of the snags which had cropped up in Tokyo. Dulles had been empowered to explore a pact which would include Japan; could he also consider a regional defence agreement without Japan? This issue was apparently to prove troublesome in Canberra as well.

Spender awaited the arrival of Ambassador Dulles with high hopes. The progress of discussions of a Pacific pact led him to believe that the major part of his negotiations with Dulles in Canberra would be devoted to a further elaboration of Pacific defence plans. Now that Australia had reached a position on Japanese rearmament that was more conciliatory than the one she had taken in October, there was reason for believing that Australia and the United States were not far apart on the Japanese issue. Australia would now condone Japanese defence forces though she wanted firm limitations on those forces written into a treaty and enforced by external controls on importation of raw materials.

The Australian Minister, then, was quite perplexed and disappointed when Mr Dulles did not go ahead with discussions of a Pacific pact when he visited Canberra. Instead, the American negotiator made a brief for a non-restrictive Japanese peace instrument and dilated upon the dangers of repeating a 'Versailles' settlement. It appears that Spender, disappointed by the American's failure to broach a defence pact and upset by his stand on Japanese rearmament, told Dulles flatly that Australia could not accept such a treaty.

The precise reason for the American diplomat's hesitation to continue with Pacific pact negotiations is not known. Possibly he felt that the Japanese negative to a regional defence pact

had so altered America's plans that he could not proceed with further negotiations. The United States had contemplated a security treaty which would link the Philippines, Australia, New Zealand, Japan and the United States; the New Zealand Prime Minister had brought word of such a plan when he returned from the United States at the end of the year. It is probable that the United States believed such a pact would be accepted by the Pacific Dominions because it would create a Pacific council to allocate defence burdens. In this way, Australia and New Zealand would obtain a control over Japanese rearmament that America would not write into a peace treaty. The result of such a proposal would have been similar to the European Defence Community plan which gave France a role in planning German defence contributions. Notwithstanding the advantages which the United States believed such a plan would have, the Japanese had rejected it, and Australia would not in any case have been disposed to accept it. Australian public opinion would have resisted a pact in which Japanese divisions might be used to protect Australia, even though the United States were brought in.

If this account is correct, Dulles did not broach the pact question immediately because he had to get authority to conclude a regional pact without Japan. This authority seemed the more important because Australia had stated that she could not accept America's Japanese peace plans without some security agreement with the United States. Eventually, Dulles did advert to the Pacific treaty proposal, and the burden of the negotiations from that point on was concerned with the security treaty. Before he left Australia, what was to be known as the ANZUS Pact had been initialled by the negotiators.

ANZUS Negotiations

These negotiations were complicated by a number of difficulties. The first problem concerned the question of membership. The United States did not wish the British to participate for two reasons. America wished to exclude all colonial powers on the ground that a British delegate representing Malaya or a French delegate sitting for Indo-China would make the treaty less likely to be accepted in the sensitive Asian nationalist capitals. This consideration was not unreal in the light of the hoped-for possibility that the pact would eventually be expanded to include

many more Asian countries. On the other hand, for strategic reasons, the American military were very much against expanding the pact. Korea and the Chinese Communist intervention there had decisively influenced American defence planners against engagement on the Asian mainland, and it was for this reason that the Defense Department had insisted that the pact should include only the countries of the 'offshore island chain'. Britain had possessions in Malaya and Hong Kong and might have wanted American assistance to defend them against Communist violence. The conclusion, in American thinking, was to leave Britain out.

Nor does it seem that the British were unduly alarmed at their exclusion. The British Far Eastern expert, Sir Esler Dening, participated in the discussions in Canberra and was not dismayed at the conclusions reached. The Labour government which he represented, moreover, had been reported as opposed to a Pacific treaty only a short time previously. Both Australia and New Zealand, and particularly New Zealand, were, however, disturbed at the thought of a treaty without the United Kingdom. Australian and New Zealand defence planning was linked very closely with Britain's, and after the United States, British adherence to a Pacific pact was viewed as most logical. Such considerations proved decisive in excluding the Philippines. The two Pacific nations felt strongly that if Britain were to be left out, the Philippines should not be included. In the view of Australian planners, the defence commitments to Britain were so strong that to admit a third country would be to create new bonds without loosening the old. There was the further possibility that leakages within the Philippine security system might make detailed military planning impossible. Withal, Australia would have accepted Philippine adherence had the United States pressed the point.

The United States did not insist, however, and the Australian, New Zealand, and American negotiators went ahead at Canberra to draw up a tripartite pact. A draft of the treaty was initialled before Dulles left Australia. The terms of the treaty were determined in considerable measure by political and constitutional requirements in the United States. Article II provided:

In order more effectively to achieve the objective of this Treaty the Parties separately and jointly by means of continuous and

effective self-help and mutual aid will maintain and develop their individual and collective capacity to resist armed attack.¹⁶

This provision is identical with Article 2 of the North Atlantic Treaty and has its antecedents in the famous Vandenberg Resolution of June 1948. By adhering to it, Australia accepted the very stipulation which Japan could not endorse. 'Continuous and effective self-help and mutual aid' entailing military preparedness was a pledge Australia would honour, but Japan would not. The Australian commitment to Article II was not merely formal. As Casey later pointed out:

This is not a theoretical matter. Australia is giving practical evidence of its readiness to concert its defense efforts with the efforts of the free world. We have undergone the most stern test, the commitment of armed forces from all the services on a significant scale in Korea. We were not obliged to do this under the ANZUS Treaty, but the guarantees provided by the Treaty help free us from concentrating exclusively on our own local defense and enable us to assist in remedial action at more distant points.¹⁷

There was also an American constitutional problem which impinged on the ANZUS negotiations. Dulles had been a Senator from New York when the North Atlantic Treaty had been debated by the Senate in 1949. The parties to that treaty agreed 'that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all'. The treaty went on:

consequently they agree that if such an armed attack occurs, each of them . . . will assist the Party or Parties so attacked by taking forthwith individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic Area.¹⁸

Commenting on this wording, Dulles wrote:

This language of the North Atlantic Treaty gave rise to an extended constitutional debate in the United States Senate, a debate in which I participated. Many Senators felt that if the United States by treaty determined that an attack upon Western Europe would be the same as an attack upon the United States, the President would then be under an affirmative duty to use our armed forces for an area defense of Western Europe just as for the defense of the United States itself. Some Senators felt that this unduly enlarged the respon-

¹⁶ Cited in R. G. Casey, *Friends and Neighbors* (1955 ed.), p. 66.

¹⁷ *Ibid.*, p. 67.

¹⁸ Cited, *ibid.*, p. 68.

sibility and authority of the President as against that of the Congress.

It seemed unnecessary and unwise to revive this domestic constitutional issue in connection with the Pacific security treaties.¹⁹

Instead of framing the provisions of the tripartite security treaty on the model of NATO, the American negotiators recommended the adoption of the wording of the Monroe Doctrine. And so it was provided in Article IV that:

Each Party recognizes that an armed attack in the Pacific Area on any of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes.²⁰

Traditionally, the language of the Monroe Doctrine had been taken to mean that the United States would resist by armed force if need be any attempt to regard the American continents as 'subjects for future colonization by any European Powers'. Dulles apparently believed that the inclusion of similar language in a tripartite security agreement would commit the United States as strongly to the defence of the two Commonwealth powers as the Monroe Doctrine pledged America to defend the western hemisphere against hostile incursion.

There has been an extended debate in Australia concerning the binding character of the obligations in the security agreement. Two Australian political scientists have commented:

In Article 5 of the North Atlantic Treaty Organization, each Party agrees, in the event of an armed attack against one or more of them, that it 'will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force . . .' The reference to the use of armed forces was carefully omitted from the ANZUS agreement. There was some feeling in Australia that this suggested the United States might not be prepared to commit herself as far in the Pacific as in the Atlantic.²¹

D. C. S. Sissons writes:

The corresponding obligation in the Pacific Pact is much weaker. Each party agrees that an armed attack on any of the parties '*would be dangerous to its own peace and safety*' and declares that '*it would act to meet the common danger in accordance with its constitutional*

¹⁹ Dulles, 'Security in the Pacific', p. 180.

²⁰ See Casey, *op. cit.*, pp. 67-8.

²¹ W. Macmahon Ball and H. Wolfson, 'Australia's Relations with Japan since 1945', Institute of Pacific Relations Papers, 1954, p. 9.

processes'. Is this not an open proclamation to the world that America regards the Pacific as of secondary importance and that she is reluctant to commit herself to extreme measures there?²²

On the other hand, another Australian scholar commented:

The assumption regarding mutual defence commitments is not borne out by an examination of the relevant articles in the two treaties. Each has its loophole, but it is at least arguable that of the two the ANZUS article is the more binding, since the commitment is hedged only by the phrase 'in accordance with its constitutional processes', whereas in the North Atlantic Treaty the hedge is that each Party is obligated only to 'such action as it deems necessary'.²³

Dulles took a mid-position when he told the Senate Foreign Relations Committee:

The question of what we do is, in the case of each of the countries involved, a question for it to decide in the light of the fact that there is recognition that it is a common danger, and that each will act in accordance with its constitutional processes to meet that danger.

Just what will be done is something which would perhaps be considered by the council that is established, or by the consultations that would take place under the treaties.²⁴

In any case Dulles tried to resolve doubts about American commitments in the Pacific region when he told the Senate Foreign Relations Committee in January 1952, 'There is really no doubt in any quarter that an armed attack upon Australia, New Zealand, or the Philippines would in fact, involve the United States.'²⁵

In Article V 'an armed attack on any of the parties' was 'deemed to include an armed attack on the metropolitan territory of any of the Parties, or on the island territories under its jurisdiction in the Pacific or on its armed forces, public vessels or aircraft in the Pacific'.²⁶ Under this provision Australia would be bound to aid the United States in the event of an attack upon American trust territories or on the Ryukyu or Bonin Islands, or in case of an attack on American forces in Japan. Theoretically, it might be committed to go to war when an American plane was shot down over the Formosa Strait. In

²² 'The Pacific Pact', *Australian Outlook*, VI, Mar. 1952, p. 23.

²³ Leicester C. Webb, 'The South-East Asia Collective Defence Treaty', p. 8.

²⁴ U.S. Senate, Committee on Foreign Relations, *Japanese Peace Treaty and Other Treaties Relating to Security in the Pacific*, 82nd Congress, 2nd Session, p. 62.

²⁵ *Ibid.*, p. 14.

²⁶ Casey, *op. cit.*, p. 69.

fact, this was not to be the case. Australia in return derived particular protection from the inclusion of 'island territories under its jurisdiction'. This designation would include Australian territories in Papua and New Guinea and would provide insurance in the unlikely eventuality of a military contest between Australia and Indonesia over New Guinea.

In order to meet the Australian view that the machinery of consultation in the Pacific had not grown with its European counterpart, Article VII established a 'Council, . . . to consider matters concerning the implementation of this Treaty'. It is out of the compass of this study to comment upon the activity of this council; suffice it to say that it has been of considerable importance from the Australian point of view. Article VIII hinted at the 'development of a more comprehensive system of regional security in the Pacific area', of which the three nations would form a part. In so doing the negotiators obliquely referred to a time when India and other Asian states might be willing to join a Pacific pact involving military commitments. Article X provided for the indefinite duration of the treaty. In this respect, the ANZUS Pact is more rigorous than NATO. The former allows any party to terminate its membership in the ANZUS Council after a year's notice, but it does not permit withdrawal; the latter permits withdrawal after twenty years.

Peace Treaty Negotiations

At some point in the discussions, the conferees returned to the subject of a peace treaty with Japan. Australia had agreed reluctantly to limited Japanese rearmament at the Commonwealth Prime Ministers' meeting in January. Spender, however, was not disposed to go much further. On 14 March 1951 the Australian Minister indicated to the House of Representatives the views he had argued before Mr Dulles:

. . . the Japanese Treaty should be based, *inter alia*, on the following two main considerations:—

- (1) It should provide effective and reasonable limitations on Japanese rearmament including controls on imports of strategic materials.
- (2) Effective regional security in the Pacific, along the lines that have been canvassed on more than one occasion, should be established.

The Australian Government continues to be of the opinion that,

in applying the first of these principles to the actual terms of the peace treaty, the treaty itself should contain adequate safeguards against any resurgence of Japanese militarism and should in particular include explicit restrictions on Japanese rearmament, particularly naval construction and rearmament.²⁷

The limitations Spender envisaged were undoubtedly those on long-range weapons—submarines, great battle fleets, and long-range aircraft. The external control of exports of strategic materials would also, in the Australian view, place some needed limits on Japanese rearmament, even though the materials which the West declined to supply might be contributed by Communist powers eager to win Japanese allegiance.

Japanese Rearmament: Contrasting Views

The issue of controls upon Japanese rearmament is of sufficient importance to warrant a closer view of Australian policy and of the American rejoinder. The Prime Minister stated the Australian case in the following terms:

Are both defensive armament and offensive armament to be included in Japanese rearmament? Japan, to be defended against invasion, does not, for example, need long-range submarines. Nor does she need long-range surface ships of war. She may need them against us, or against you [the United States]. But does she need them against the common prospective enemy?²⁸

Mr Menzies then pointed out that the rapid Japanese advance of 1941-2 had depended in large measure on the potent Japanese navy and mercantile marine. He continued: 'It is this recollection which gave rise to the repeated Australian request, made to both Washington and London, that in any permitted Japanese rearmament there should be a prohibition upon the creation of naval units of a long-range, i.e. an offensive, character.'²⁹ These Australian views take on greater cogency when it is recalled that the Japanese themselves were opposed to their own rearmament. It is conceivable, even probable, that at one stage the Japanese government and people would have welcomed an article in the peace treaty reaffirming their constitutional prohibition against war and the maintenance of military forces. If this were true, why should the United States and Britain insist upon a peace treaty with Japan without limitations upon

²⁷ C.P.D., 14 Mar. 1951, p. 485.

²⁸ R. G. Menzies, 'The Pacific Settlement Seen from Australia', *Foreign Affairs*, XXX, Jan. 1952, 190-1.

²⁹ *Ibid.*, p. 191.

rearmament? The United States, in particular, did not seem to object to Australian views on the character of Japanese rearmament. When Japanese defence forces eventually were re-created, they did not possess the long-range components Australia had inveighed against.

Three considerations seem to have been influential in both American and British thinking about treaty restrictions on the Japanese right to rearm.

The first of these was stated well by James Reston of the *New York Times*:

The official intention is that the United States should provide the air and naval power for the defense of the region and that Japan's contribution should be made up exclusively of land forces.

The United States does not, however, wish to bind itself or Japan irretrievably to this prohibition by putting the prohibition into a treaty, lest the Soviet Union or its allies should increase the tension in the Far East and take aggressive actions that would force the non-Communist powers, for their own protection and Japan's, to approve the formation of Japanese air and naval units.³⁰

The second was the fear of formulating a treaty which a less pacifically inclined Japanese government could use as an excuse for embarking on a path of military expansion. The lesson of Versailles weighed more heavily upon Dulles than contemporary commentators imagined.³¹ Speaking of the treaty, he explained:

It is . . . designed to close an old war on terms which will not provoke another war. To that end, the victors have made a treaty of reconciliation, eliminating from it all trace of hatred and vengefulness. They sought, both in the manner of their negotiations and in the substance of their terms, to avoid the humiliations and the discriminations which victors usually impose upon the vanquished either because passion supplants their reason or because they think that is the way to discourage a defeated nation from going to war again. History shows that such a course in fact spurs the vanquished to seek revenge.³²

If a non-restrictive treaty were to be concluded, its non-restrictive character had to apply to rearmament provisions as well as to other portions of the text. Non-restriction as a goal of treaty making was not designed to assuage the offence to a pro-Allied Yoshida régime which took no offence; it was designed to take

³⁰ *N.Y.T.*, 3 Sep. 1951, p. 1-8.

³¹ See B. C. Cohen, *The Political Process and Foreign Policy*, p. 128.

³² Dulles, 'Security in the Pacific', p. 175.

the *revanche* issue away from those who were not such willing Western co-operators, leaders who would not appear for a decade or even a score of years.

But the provision which probably evoked the greatest American and British opposition was Australia's plan for enforcement.³³ A treaty prohibition on armaments without enforcement would be better and less humiliating than a provision for limited armament with external controls. But it could be only the lesser of two evils. If a restriction on armaments were given formal expression in a peace treaty, and yet not enforced by tangible sanctions, it would constitute a needless irritant to Japanese public sentiment at some future time. If, on the other hand, a treaty contained limitations backed by external controls of raw materials, it would exacerbate Japanese relations with the free world, without succeeding in its enforcement object. The pressure for a lenient Japanese peace settlement had been exerted largely because only such a settlement could free Japan from the burdens of a humbling military occupation, stimulate good feeling towards the West, and thus make possible a firm adherence to the free world. A treaty with Japan which failed to remove Allied controls would, from this point of view, be no better than the continuation of the occupation. The United States was resolute that it would not continue to enforce a semblance of occupation after the peace treaty. Great Britain, at least on the question of rearmament, apparently shared that view. Thus, the continuance of controls upon rearmament after a treaty was unworkable because the major Allied powers would not make it work. It was impossible because an attempt to apply controls, whether effective or not, could drive Japan into the arms of the Soviets. Casey, writing as Minister for External Affairs, stated the case of the other Allied nations as effectively as any advocate of their cause:

These views of ours [that restrictions should be placed on Japanese rearmament] did not prevail for the simple reason that the great majority of those countries concerned with the negotiation of the Treaty did not consider that limitations on Japan's armed forces could be adequately policed and that, moreover, to put this limitation on

³³ Bernard Cohen describes Dulles's attitude: 'Since he was earnestly seeking to make a firm and useful ally out of Japan, it would have been self-defeating to impose restrictions successfully, and disastrous to impose them unsuccessfully' (op. cit., p. 128).

Japan's sovereignty would make it more difficult to obtain the close association of Japan with the free world.³⁴

Yet in February 1951 Australia had made her proposals to Dulles and the result was at least formally in doubt.

Other Japanese Issues

In regard to the other treaty provisions suggested by the United States, Australia had the following views:

The Government has agreed that all countries represented on the Far Eastern Commission and, in addition, Ceylon and possibly two other countries, should be invited to become parties to the treaty. The Soviet Union is entitled to participate in discussions on the treaty and the door should be left open for such participation. Neither it nor any other power, however, can be accorded the power of vetoing any such treaty. It seems to be generally agreed, and Australia certainly supports the view, that Japan should renounce all claims to and rights in Korea, whose independence it would recognize, Formosa, the Pescadores, the Ryukyus, the Bonins and all pre-war Japanese mandated islands; that Japan should accept the existing United States trusteeship . . . for the Ryukyus and the Bonins; and that Japan should renounce all special rights and interests in China.

There is general approval for the view, which we support strongly, that Japan should be required under the treaty to accept the obligations in Article 2 of the United Nations Charter, which deals with the settlement of disputes by peaceful means, obliges members to refrain from threat of the use of force in their international relations and contains an undertaking to refrain from assisting any state against which the United Nations has taken preventive or enforcement action. The Government, of course, accepts the concept of a supplementary bilateral treaty to be concluded between Japan and the United States outside the scope of the peace treaty, giving to the United States the right to station forces in Japan after the ending of the occupation. It is also agreed that Japan should accept the principles of the Universal Declaration of Human Rights and undertake to secure them to all persons under Japanese jurisdiction; that Japan should be obliged to agree and adhere to multilateral treaties dealing with narcotics and fishing; that the Allied Powers should, in general, retain Japanese property in their territories, whilst Japan, for its part, should restore Allied property or make payment in yen to compensate for lost value. In addition, the Australian Government is pressing strongly for the payment by the Japanese Government of adequate compensation for the sufferings of Australian prisoners of war who endured ill-treatment over a long period in Japanese hands. Solemn assurances have been

³⁴ Casey, *op. cit.*, p. 58.

given to these men and to the relatives of those who died as prisoners of war.³⁵

These views seemed to be in general accord with those of the United States on other aspects of the treaty. The United States wished to make no final disposition of Formosa, the Pescadores, South Sakhalin, and the Kuriles, and Australia agreed with her. The stipulation that Japan should accept Article 2 of the United Nations Charter and the Universal Declaration of Human Rights was to be included in the preamble to the treaty, and Australia was later to secure a provision in the treaty (Article 16) which required Japan to indemnify 'those members of the armed forces of the Allied Powers who suffered undue hardships while prisoners of war of Japan' and allocated Japanese assets in neutral countries for this purpose.

A 'Quid Pro Quo'?

The fact that negotiations for the Japanese peace treaty were carried on concurrently with those for a Pacific pact has led many to conclude that the tripartite security agreement was accepted by the United States as a *quid pro quo* for an unrestricted Japanese peace settlement. This assumption is correct in certain ways and misleading in others. The ANZUS Treaty was not regarded by either the United States or Australia as an instrument which would serve merely to offset in Australian eyes the damage to the structure of Pacific security caused by the unleashing of Japan. If such a view were accurate, one would have expected to see a proposal for a Pacific pact take shape only after America's lenient terms for Japan had been announced. In fact, of course, the Pacific pact proposal had been broached in various ways since the early part of 1946. Evatt had first conceived of a Pacific defence pact in the war years, and he had sought an agreement which would have provided for the reciprocal use of bases as early as March 1946. In 1949 the Labor government led a new effort to conclude a Pacific treaty patterned on the North Atlantic Alliance. The stimulus for these various efforts, moreover, was only partly the fear of a revived Japan. Evatt's stress upon a Pacific defence pact with the United States cannot be understood except in the context of a burgeoning Communist menace in the Far East; the Liberal government's efforts towards a treaty were

³⁵ C.P.D., 14 Mar. 1951, p. 484.

directed in no small measure towards the erection of defence barriers which would stem the tide of Communism.

At the same time the ANZUS pact was a *quid pro quo* in the sense that Australia would have refused to accept the lenient treaty with Japan unless she had secured a defence pact with the United States. Spender's refusal to proceed with Japanese treaty negotiations when Dulles did not broach the defence treaty is clear testimony to this fact.

PRELUDE TO THE PEACE CONFERENCE

Problems of the Peace Settlement

When Mr Dulles returned to the United States, he went to work immediately on a draft treaty. The American negotiator had much to take into account as a result of his trip. As it appeared that Japan would not agree to rearmament in the immediate future and neither Japan nor Australia would consider Japanese participation in a Pacific security pact, a new method of bringing Japan into the Western group had to be conceived. A bilateral treaty between Japan and the United States was the only acceptable alternative; yet, it would be difficult to write terms for any such agreement. America could not pledge herself to defend Japan unless the Japanese promised in return to provide 'continuous and effective self-help and mutual aid', and this Prime Minister Yoshida declared the Japanese could not do.

Dulles also had to consider Australian objections to the peace settlement. Spender had asked for external controls on the importation of strategic raw materials, and for certain limitations on rearmament in the treaty. Specifically, the Australians wanted long-range weapons banned. American diplomats, as we have seen, entertained no brief for these proposals, but they would at least have to be considered, even if in the end they were rejected.

A most important problem was the British view that Communist China should play a role in the negotiation of the Japanese treaty and should sit at the final conference at which the treaty would be signed. A less pressing but still significant issue concerned British attitudes towards economic provisions of the treaty. Even more than Australia at this stage, the United Kingdom wanted key restrictions on Japanese industry, particularly shipbuilding, written into the treaty.

Finally, the vexed reparations issue remained. Although the United States had put a practical end to reparations payments from Japan under the occupation, several nations renewed their claims in connexion with a peace treaty. The Philippines, Indonesia, and Burma wished heavy reparations, the Philippine

claim alone running into billions of dollars. Whether these nations would sign a treaty which would 'waive all claims against Japan' was highly doubtful.

America Goes Ahead

Despite these unresolved problems, sufficient progress had been made in Tokyo, Manila, Canberra, and Wellington to permit the formulation of a treaty draft. There were anxious days in March when it seemed that Australian opposition to a non-restrictive treaty would not be overcome by the prospect of a Pacific defence agreement. British opposition also mounted. Nevertheless, on 31 March Dulles announced the American proposals for a peace with Japan in a speech at Whittier College. He proposed to dispose of limitations on Japanese rearmament by adopting a United Nations Charter provision which recognized the 'inherent right of individual and collective self-defense'. He noted opposition to Japanese rearmament both in Australia and Japan, but stated that no nation able to make a dependable contribution to its own security should get a 'free ride'. Yet he invited Japan to 'share the protection of [an] immense deterrent power which, in the words of the United Nations Charter, "shall not be used, save in the common interest"'.¹ He went on to give the American answer to Australian advocacy of a restrictive treaty, and concluded:

. . . in the last analysis the United States cannot, in justice to its own people or indeed to others, become cosponsor of a peace settlement which in our judgment, made after ample consideration without arrogance and in humbleness of spirit, would throw unnecessary and intolerable burdens of a military or economic character upon the United States and jeopardize the lasting peace that the war was fought to win.²

This speech was the final American answer to Australian requests for limitations in the treaty settlement. While the Australian Minister for External Affairs announced that his country would continue to work for restrictive clauses, the issue was now closed as far as America was concerned.

The British were also preparing a draft treaty for Japan, and when a team of British negotiators arrived in the United States in April, the atmosphere was cordial. The British had prepared

¹ 'Essentials of Peace with Japan', S.D.B., XXIV, 19 Apr. 1951, 578.

² *Ibid.*, p. 580.

a more detailed document and their phrasing was later adopted on many points. The issues which caused great differences in June did not come to the forefront in April. But trouble was brewing. Acceptance of the British view that Formosa should be restored to the mainland government and the Communists invited to participate in the negotiation and final signature of the treaty became more difficult because of developments in the United Nations Command. The dismissal of General MacArthur on 11 April rallied rightist partisans by the score. American appeasement of a nation recently branded an 'aggressor' by the General Assembly could hardly take place in the face of such opposition. There is, in any case, very little evidence that Secretary Acheson would have sought to pacify China even if such a course had been politically feasible. The MacArthur controversy probably served to give State Department diplomats an incontrovertible case for doing what had been resolved upon long in advance.

A Third Visit to the Far East

Mr Dulles seized upon the return of General MacArthur as justification for yet a third trip to the Orient. This one was ostensibly and in part actually for the purpose of reassuring the Japanese people of American intentions to go ahead with the treaty, regardless of the name of the military commander in Japan. Dulles also worked to complete negotiation of the American-Japanese security agreement, which was to accompany the peace treaty. The terms that were finally agreed upon included this provision:

The United States of America, in the interest of peace and security, is presently willing to maintain certain of its armed forces in and about Japan, in the expectation, however, that Japan will itself increasingly assume responsibility for its own defense against direct and indirect aggression.³

The terms hinted at another discussion of Japanese rearmament. Yoshida was unwilling to promise Japanese defence forces in the immediate future, but may have taken a more sanguine attitude towards an eventual Japanese contribution. The terms did not commit the United States to an iron-clad guarantee of Japanese security. If American forces in Japan were attacked, the United States would doubtless fight back, but she was not

³ U.S.-Japan Security Treaty, *S.D.B.*, XXV, 17 Sep. 1951, 464.

pledged to defend Japan. Nor did the agreement anticipate that the protective American umbrella would be maintained for all time. As long as Japan could not accept the Vandenberg formula, the United States could not undertake binding commitments.

The Security Treaty is Announced

While Dulles was in Tokyo, his plans for a tripartite security agreement were accepted. On 18 April President Truman formally announced plans to negotiate a security pact among the United States, Australia, and New Zealand:

The Governments of Australia and New Zealand, in connection with the reestablishment of peace with Japan, have suggested an arrangement between them and the United States, pursuant to articles 51 and 52 of the United Nations Charter which would make clear that in the event of an armed attack upon any one of them in the Pacific, each of the three would act to meet the common danger in accordance with its constitutional processes; and which would establish consultation to strengthen security on the basis of continuous and effective self-help and mutual aid.⁴

On the same day in an address to the National Women's Press Club, Secretary Acheson said:

In the case of Australia and New Zealand, we recall with regard and affection our association in World War II. Without formal arrangements, it has been [nevertheless] clear that our fates have been joined. Discussions of a Japanese peace settlement raised the desirability of saying more formally what had become an underlying fact. Hence our desire to proceed with more specific plans of this sort mentioned by the President.⁵

This line of reasoning, of course, reflected the American interpretation of the relation between American and Australian interests since the Korean War. An ANZUS treaty would involve no new obligations; it would merely formalize a pre-existent harmony of interests. For the Australian Minister for External Affairs, however, a mutual defence pact with the United States immensely enhanced Australian security and pledged American power to a cause not always of obvious interest to the United States. The reactions in Australia and New Zealand to the American announcement were, of course, jubilant. In the United Kingdom, the Foreign Secretary, Mr Herbert Morrison, acknow-

⁴ *S.D.B.*, XXIV, 30 Apr. 1951, 699.

⁵ *Ibid.*, p. 685.

ledged that his government would have liked to join the pact which America announced, but that it would in any case support the result achieved. The plans for both Pacific security agreements and the Japanese treaty were apparently approved in elections which took place in Japan and Australia in April.

The London Negotiations

Meanwhile, British and American diplomats were making considerable progress in the reconciliation of their drafts of a Japanese peace treaty. When Dulles went to London to reach a final accord in June, however, disagreement flared into the open. The *New York Times* reported that he had been sent abroad with strict instructions to insist that Nationalist China should sign the Japanese peace treaty, and that the Peking régime should be kept out of the negotiations until it had ceased its intervention in Korea. Dulles was also pledged against economic restrictions on Japan and in favour of a clause that would merely detach Formosa from Japan without specifying its ultimate disposition. The British government was not amenable to these demands. It argued not only that a Communist Chinese representative should be allowed to sign the treaty, but that a draft of the Western proposals for a treaty be sent to Peking for comment prior to the final signing. British diplomats also held that Formosa should be restored to the mainland government though they did not insist on an immediate transfer of control. Finally, the British now seemed to be more worried than the Australians about a liberal economic settlement with Japan.

The London negotiations were conducted in a difficult atmosphere. On 5 June Dulles revealed that the conferees were considering various formulae but had not reached agreement on any one. As the American negotiator had to leave for Paris discussions very shortly afterwards, there was a real possibility that agreement would not be reached. According to the *New York Times* correspondent in London, Dulles hoped to reach accord with the British by abandoning the American demand for a Nationalist delegate at the treaty signing in exchange for withdrawal of the British proposal to seat a Communist representative. The Cabinet, however, was not willing to accept such a compromise. The British negotiators apparently also asked that the Japanese gold reserve be allocated for reparations, a request scarcely likely to find favour with the Dulles mission.

On 8 June it was reported that Morrison, the British Foreign Secretary, had accepted a compromise that would have left Japan the final choice of a Chinese signatory. This proposal failed to win Cabinet approval, however, and when Dulles left for Paris at the end of the week, agreement had not been reached.

On the very day that Dulles left for Paris, the Soviet Union advised the United States that it would be willing to consent to a general conference of all the belligerents of the Pacific War. The Russian note maintained, '... not a single country which participated in the war against Japan must be excluded from preparation and signature of a Japanese peace treaty'.⁶ As interpreted by State Department sources, however, the note was deemed to hint at a prior meeting of the Council of Foreign Ministers, a proposal which all the Western nations had opposed since 1947.

When Dulles returned to London on 13 June, he found Cabinet more favourable to the compromise proposal. Discussions with Dulles's aides, particularly John Allison, Chief for Northeast Asian Affairs of the Department of State, had created a more receptive attitude. In this, two factors undoubtedly played a part. The American negotiators were pressed very sharply from Congressional circles not to allow an unrepentant 'aggressor' under a United Nations Assembly resolution to participate in the peace negotiations. Allison must have made it clear that the United States had gone as far as it could possibly go, and that the Dulles mission might have to return to the United States without an agreement. Secondly, the Russian note, presented at a time of friction between the United States and Britain, could only be regarded as a hastily fabricated attempt to divide the free nations. As the Russian interest in an Anglo-American cleavage waxed, the British desire to reach agreement also increased. At any rate, the two Allied nations announced on 14 June that the negotiations had 'resulted in full agreement between them on the draft treaty and on all other main problems outstanding'.⁷

The agreement embodied the previous formula: Japan was to choose the Chinese government with which she desired to conclude a treaty. Apparently Dulles also gave an undertaking to Britain that a memorandum would be published stating

⁶ Russian note, *N.Y.T.*, 11 June 1951, p. 1-6.

⁷ Anglo-American communiqué, *N.Y.T.*, 15 June 1951, p. 5-1.

America's intention to refrain from influencing the Japanese choice between Chinese governments. On economic matters, the American view prevailed, and a non-restrictive treaty was agreed upon. In addition, it was decided that the treaty would make no final disposition of Formosa. The accord reached at London enabled the two governments to formulate a joint draft of a Japanese treaty which was communicated to all the Far Eastern Commission nations and to Ceylon and Indonesia on 5 July. Seven days later, the proposed text was released to the press and public; simultaneously the United States, Australia, and New Zealand, initialled the ANZUS pact.

Australia Accepts a Non-restrictive Treaty

Prior to the July announcement of a Japanese peace draft the Australian government had sought to warn the Australian people of the nature of the settlement impending. Mr R. G. Casey, the new Minister for External Affairs, restated the four principles of his government's policy towards Japan in these words:

First, there must be appropriate safeguards against any resurgence of Japanese militarism. Secondly, Japan should be allowed to resume normal peaceful relationships within the comity of nations and in association with the democratic world. Thirdly, Japan should be given the opportunity through the exploitation of its own resources and normal international trade, to establish a reasonable standard of living for its people. Fourthly, Japan must be kept secure against forces hostile to the democratic countries.⁸

He went on to point out that there were practical obstacles to the achievement of all these aims. Australia would have to take into account the attitudes of other countries, particularly those of the United Kingdom and the United States. While any number of theoretical restrictions might be imposed upon Japan in a peace treaty, the United States was the only power which could enforce them in practice. The dilemma Australia faced, Casey continued, was 'the need to consider not only security against Japan but also the security of Japan'.⁹ Australia required a defence against both dangers. Since the United States could not be expected to protect a disarmed Japan for all time, Japan had to make some defence preparations of its own to fend off possible attack. The real issue, he went on, was:

⁸ *C.P.D.*, 21 June 1951, p. 277.

⁹ *Ibid.*, p. 279.

. . . whether, and if so, to what extent, there should be written into the peace treaty specific limitations on the size or types of armed forces which Japan should be allowed to maintain. The Australian Government has sought to insist that there should be such limitations, at least as regards naval construction and long-range military and naval aircraft. The United States of America and other countries have, however, advanced the contention that such limitations could only be effective by the consent of Japan because it would be impracticable to ensure their observance by force, and that the imposition of restrictions on Japanese sovereignty would make it more difficult to obtain the close association of Japan with the free world.

Notwithstanding these arguments, the Australian Government has continued to press the view which, however, is not shared by a majority of the countries which fought against Japan, that the treaty should contain limitations on armaments which might be used for purposes of aggression, and which would not be justified by the strict requirements of self-defence, in particular naval construction and long-range military and naval aircraft.¹⁰

Casey did not hold out much hope, however, that the Australian view would be accepted, and he went on to list the restrictions on Japanese militarism which would operate even if formal limitations were not included in a peace treaty. The Japanese armed forces, first of all, had been demobilized and dispersed and the Japanese economy could not sustain a large rearmament effort in the near future. The territorial provisions of the treaty stripped Japan of the island strongholds from which she might launch an invasion of territory in the southern hemisphere. The Japanese political climate, moreover, was not congenial to rearmament. Finally, the projected American-Japanese security agreement which would permit the United States to station troops in Japan and the ring of American Pacific island bases would provide needed safeguards.

After the ANZUS and Japanese peace drafts were released in July, Casey continued his explanation of the related problems of a Japanese peace and Pacific security. He noted that the 'heart' of the ANZUS treaty

is contained in Article 4, under which each party recognizes that 'an armed attack in the Pacific area on any of the parties would be dangerous to its own peace and safety', and declares that it would 'act to meet the common danger in accordance with its constitutional processes'. As in the case of the North Atlantic Treaty, on which this treaty is modelled, the precise action to be taken by each party

¹⁰ *Ibid.*

is not specified. Australia is not bound, and the United States could not accept an obligation to make an immediate formal declaration of war, which, under the United States Constitution, is the prerogative of the Congress. But, as the United States Secretary of State has expressed it, 'our fates have been joined', and the intention is that an attack on one should be regarded as an attack on all, and that all three will resist together.

No less important than the mutual defence obligation, and perhaps of even greater long-range significance, is the establishment of a council to put the treaty into effect. Although relations between Australia and New Zealand have been on the basis of the most intimate consultation, and though there has been close consultation for a number of years, through diplomatic channels, with the United States, there has been no formal machinery in the Pacific on the lines of the Council of the North Atlantic Treaty Organization. The council will be so organized as to be able to meet promptly at any time in the event of any threat to the territorial integrity, political independence or security of any of the parties. It will also make possible planning for joint action in the event of, or in anticipation of, an armed attack.¹¹

Casey then turned to the Japanese peace draft.

As I have made plain before in this House, we are under no illusions that democracy has as yet taken firm root in Japan. But we are faced with a dilemma for which, I submit with respect, none of the honorable members who has criticized the proposed treaty has been able to provide the answer, although each of them has posed it. What we have to do, in short, is to steer a path between the alternative perils of an aggressive fully rearmed Japan, which can again threaten us single-handed as it did before, and a defenceless and economically prostrate Japan that will present an easy prey to communism and which might become an important part of the general Communist threat to world peace.

The draft treaty represents, in the opinion of the Government, a genuine endeavour to steer a middle course between these two dangers. We should have wished that the document might have contained definite limitations on the right of the Japanese to rearm and perhaps, in particular, restrictions on Japanese use of long-range military and naval aircraft and large naval vessels. But, at the same time, we have felt bound to acknowledge that Japan must be allowed, and perhaps even encouraged, to make some provisions for its own self-defence.¹²

The words used made it clear that Australia would accept the Japanese treaty even though the provisions she wished for were

¹¹ *C.P.D.*, 13 July 1951, p. 1709.

¹² *Ibid.*, p. 1710.

not included. In one particular, Australia had succeeded in writing in new provisions. Casey told the House: 'The draft treaty now provides for the handing over of all Japan's assets held in neutral and ex-enemy countries to the International Committee of the Red Cross for liquidation and distribution on an equitable basis among prisoners of war and their dependants.'¹³ Such a provision had been a goal of Australian policy for many months, and it was, perhaps, the major contribution which Australia made to the final document.

The Labor Opposition vehemently objected to Mr Casey's reasoning on the Japanese question but could propose no alternative course, save a refusal to sign the treaty. Typical of Labor objections was the statement by Leslie Haylen:

The treaty proposes the complete rearmament of Japan . . . This treaty, when concluded, will make us an ally of Japan. If honorable members consider both sides of the Pacific pact they will conclude that this is the inevitable outcome of that agreement. Japan, in short, will get a peace that will give it everything. Australia will get a peace that will give it nothing . . .

We are all forced to the conclusion that, despite all that we have done by feats of arms and loyalty to the United Nations Australia's special problems in the Pacific are ignored in this treaty . . .

If the rearming of Japan were an absolute defence measure and if, beyond doubt, it would be the answer to any proposed aggression from Russia, it could be accepted. Even the oddity, if not the positive danger of arming an enemy but recently defeated, could be condoned if there were positive indications of that nation's future loyalty. But at best this is a guess. What will happen if that is a horrible and grotesquely bad guess? . . . In view of these facts, there is a strong case for deferring the peace treaty with Japan.¹⁴

Attitudes of Other Countries

While the tripartite security pact sweetened the bitter pill of the Japanese peace treaty for Australia, other countries still entertained objections. The Soviet Union was opposed to a treaty which it viewed as a step towards Japanese aggression against itself and Communist China. In the Philippines a Liberal Youth League rally gaily burned Mr Dulles in effigy, and the Philippine government officially rejected the peace draft. Nationalist China was concerned because it had not received an invitation to sign, and India, Burma, and Indonesia also had reservations. The last two nations were disturbed by the absence of repara-

¹³ *Ibid.*, p. 1711.

¹⁴ *C.P.D.*, 10 July 1951, pp. 1186-90.

tions; India believed that Formosa should be consigned to the mainland and objected to American plans to station troops in Japan after the treaty. India also sought a return of the Ryukyus to Japan. American policy planners hoped that some of the objections could be met by a second draft of the treaty which was to be drawn up after comments had been received. It seemed likely that Philippine objections could be overcome by the same device which had persuaded Australia and New Zealand to sign the pact: a defence treaty with the United States.

The Soviet Union Accepts

Sponsors of the draft were confident that most if not all objections could be overcome; suddenly, however, the Soviet Union threatened to upset Western schemes. Unexpectedly, the Soviet government announced that it would send a delegation to San Francisco for the obvious purpose of reopening issues which the United States hoped previous diplomatic negotiations had closed. The Russians wanted a conference which would have power to alter the Western draft; if such an open conference were held, the grievances of many of America's Allies might receive a full airing, and the Russians could conceivably emerge as the champions of America's Allies. It became more important, therefore, to ensure that the rules of procedure which the conference adopted would not permit substantive changes in the draft treaty. The United States had never envisaged a conference with the right of amendment; the terms of the invitation specified that the conference was 'for conclusion and signature of a Treaty of Peace with Japan on the terms of that [submitted] text'.¹⁵ The Soviet acceptance, however, made it necessary to formulate strict rules of procedure.

Revised Terms

On 15 August Britain and the United States announced the final draft of the Japanese treaty, revised on the basis of Allied criticisms. In its new form, the Japanese obligation to pay reparations was strengthened. The original reparations clause stated the Japanese obligation to pay reparations 'in principle'. The new draft stated that Japan should make reparations and, while the first version had indicated that the Japanese economy could not stand the burden of reparations, the revised formula

¹⁵ S.D.B., XXV, 30 July 1951, 186.

was that Japan could not make complete reparation immediately. The original phrasing had it that reparations should be paid 'through the skill and industry of the Japanese people'. The new wording required Japan to enter into negotiations aimed at compensating Allied powers for damage suffered in war by making available the services of the Japanese people in production, salvage, and other work. Additions were also made to the wording of the provision on compensation to former war prisoners. The new phrase provided that the fund raised from Japanese assets in enemy or neutral countries should be distributed by the International Red Cross to 'appropriate national agencies'.

The new wording of the reparations clauses was designed to appeal to nations like the Philippines, Burma, and Indonesia which had submitted large reparations bills. Philippine adherence to the treaty was made certain on 16 August when the State Department announced it would sign a defence pact with that country. Two days later reports from New Delhi indicated that India would not accept the treaty. While Burma and India abstained, Pakistan and Indonesia announced their intention to attend the conference.

Pacific Security Pacts

On 1 September the United States, Australia, and New Zealand signed the ANZUS treaty at the ancient Spanish garrison, the Presidio, in San Francisco Bay. The Australian Ambassador in Washington and former Minister for External Affairs, Mr Percy Spender, signed with the following words:

This treaty, directed to regional security in the Pacific, fashioned within the framework of the Charter of the United Nations, and dedicated to its high and noble purposes, takes the first step towards what we hope will prove to be an ever widening system of peaceful security in this vital area. In this sense particularly Australia welcomes the conclusion of a similar security treaty between the United States of America and the Republic of the Philippines.

With a proper sense of the great honor that now falls to my lot and in deep humility asking the blessing of Almighty God upon this undertaking, on behalf of His Majesty's Government in Australia and of my countrymen, I attach my signature to this treaty.¹⁶

Secretary Acheson was less melodramatic:

¹⁶ 'U.S., Australia, New Zealand Sign Tripartite Security Pact', *S.D.B.*, XXV, 24 Sep. 1951, 497.

I have said 'new' ties. Actually, these ties are not new. They have been created, growing stronger, with each year, over a long period of time. Only this treaty—the Tripartite Security Pact—is new. And it only puts into words the strong ties and purposes already in existence.¹⁷

Two days before, the United States had signed a similar Pacific security agreement with the Philippines and she was preparing to sign the defence agreement with Japan at the conclusion of the peace conference.

Japan on the Eve of the Conference

At the opening of the Japanese peace conference in San Francisco on 4 September, therefore, a ring of Pacific security agreements embracing Japan, the Philippines, Australia, and New Zealand was being formed. Invitations to the Japanese conference had been accepted by fifty-two nations, including the Soviet bloc, though Yugoslavia, Burma, and India had declined to attend. The Japanese had gained an impressive array of freedoms even before the peace treaty was concluded. Japanese consular functions had been re-established in foreign countries, and Japan had become a member of a number of technical international organizations. In the economic realm, Japan had attained a greater measure of sufficiency than many of its late enemies in the Pacific War. Production in many items had passed pre-war peaks, and strides which would shortly lead to full rehabilitation had been made in others. Trade with the sterling area had vastly increased, so much so that Australian exports to Japan were running at an annual level above £A50 million. In early September Japan agreed to abolish the previous requirement that sterling balances would be subject to conversion into dollars. This long-awaited excision promised an even higher level of Australian and Commonwealth trade with Japan. So great was the amount of latitude restored to Japan even before the treaty that she was in practice largely in command of her internal sphere and possessed considerable autonomy in foreign affairs as well. The Japanese treaty would only complete the restoration of powers. The San Francisco Conference met to ratify facts that were in large measure already accomplished.

¹⁷ *Ibid.*, p. 495.

THE TREATY, PEACE CONFERENCE, AND
AUSTRALIAN RATIFICATION*The Treaty*

The final text of the Japanese peace treaty as presented to the assembled delegations at San Francisco on 4 September 1951 was a compromise; no single power had unhindered sway in the peace terms. The United States compromised in the inclusion of reparations provisions; the United Kingdom gave up economic restrictions; Australia acceded to a treaty which placed no limitations upon Japanese rearmament. The United States, more than any other power, however, determined the broad outlines of the settlement. In the end, the treaty was what Mr Dulles had wanted: a peace of reconciliation, not a peace of vindictiveness. Important limitations upon Japan's future behaviour were stated in the Preamble. Japan there declared its intention to apply for membership in the United Nations; to conform to the principles of the United Nations Charter; to advance the objectives of the Universal Declaration of Human Rights; to seek in Japan conditions of stability and well-being laid down in the Charter; and to abide by internationally accepted fair trade practices.¹ No sanction was provided for Japanese fulfilment of these obligations. Mr Dulles believed that no state would actually enforce sanctions; to include them without enforcement would constitute an unnecessary irritant.

Chapter I terminated the state of war with Japan and recognized the sovereignty of the Japanese people over Japan. Chapter II defined the territory over which Japan was to exercise control. Fundamentally, the terms of the Potsdam Declaration were carried out with the restriction of Japanese sovereignty to the four principal Japanese islands and to certain minor islands. The independence of Korea was recognized; title to Formosa and the Pescadores as well as to South Sakhalin and the Kuriles was renounced. No specification was made as to the ultimate disposition of these islands. Neither Russian title to the last two nor Nationalist or Communist Chinese title to the first

¹ See Appendix.

two was acknowledged. Japan also gave up all claims to the mandated islands she had received after World War I. Chapter II contained a clause which had its origin in Australian and New Zealand proposals at the Working Party meetings during 1950: Japan was required to abjure all rights and interests in Antarctica. Under Article 3 of Chapter II Japan retained sovereignty over the Bonin and Ryukyu Islands to the south but agreed that they should be placed under United States trusteeship.

Chapter III dealt with security. Japan accepted the obligations of Article 2 of the United Nations Charter and in particular the undertakings to 'settle its international disputes by peaceful means . . . to refrain in its international relations from the threat or use of force against the territorial integrity or political independence of any State . . . to give the United Nations every assistance in any action it takes in accordance with the Charter . . .'² The Allied powers in return pledged their fidelity to Article 2 of the United Nations Charter in their relations with Japan. From the Australian point of view, the most fateful provision regarding security read as follows: 'The Allied Powers for their part recognize that Japan as a sovereign nation possesses the inherent right of individual or collective self-defense referred to in Article 51 of the Charter of the United Nations and that Japan may voluntarily enter into collective security arrangements.'³

Japan was thereby allowed a defence force, and no limitations were placed upon it. Article 6 of Chapter III provided for the removal of occupation forces from Japanese territories within ninety days after the coming into force of the treaty. It did not, however, prevent the stationing of foreign forces in Japan on the basis of agreements with Allied powers. The latter stipulation permitted the United States to retain her troops in Japan as provided in the Japanese-American proposed security treaty. Some nations had suggested to the United States that Japan should be allowed the right of individual, but not collective, self-defence as a means of forestalling Japanese military involvement with other countries.⁴ America rejected this proposal on the ground that Japan could not defend herself without help from outside. Article 6 also provided for the repatriation of all

² U.S. Department of State, *Conference for the Conclusion and Signature of the Treaty of Peace with Japan*, p. 315.

³ *Ibid.*

⁴ Statement by John Foster Dulles, *ibid.*, p. 80.

Japanese prisoners not previously returned to Japan. This clause was in response to the failure of the Soviet Union to account satisfactorily for the 376,000 Japanese soldiers taken as prisoners by the Russians at the close of the war.

Chapter IV referred to economic matters. Dulles summarized these provisions saying: "The text is somewhat technical but the words add up to this: Japan is not subjected to any permanent discriminations and disabilities, her economy is unrestricted and no limitations whatever are placed upon her right to trade with each and every country."⁵ The Allied states were given the right to revive such treaties as existed before the war with Japan as they desired, and Japan agreed to enter into negotiations with the Pacific Allies on the regulation of fishing, commerce, and air transport. Pending the conclusion of such treaties Japan was to extend most favoured nation treatment to Allied powers on the basis of reciprocity. Chapter V stated Japan's obligations to make reparation to Allied states for damage and suffering caused by the war, but it recognized that Japan's resources were not then sufficient to pay just reparations and at the same time maintain a viable internal economy. While Japan might not be able to pay substantial monetary reparations, however, she was required to enter into negotiations with Allied powers for the purpose of making reparation 'for the cost of repairing the damage done, by making available the services of the Japanese people in production, salvaging and other work . . .'.⁶ It was thought that Japan might receive raw materials from an Allied country and process them without cost, thereby providing appreciable reparations for the country concerned. In addition to these reparations in kind, the treaty recognized that each Allied state could seize Japanese non-diplomatic property within its jurisdiction. Article 16 represented an important Australian contribution to the treaty. It provided for the transfer of Japanese assets in neutral and ex-enemy countries to the International Committee of the Red Cross whence they would be given on an equitable basis to Allied powers for distribution to former war prisoners of the Japanese and their families. Allied property within Japan was to be returned; where this was impossible, compensation was to be made in blocked yen. Neither Korea nor China was invited to sign the treaty; the former was excluded because it was never formally at war with Japan; the latter because the conferees

⁵ *Ibid.*, p. 82.

⁶ *Ibid.*, p. 319.

could not agree on the proper government to represent China. Nevertheless neither state was deprived of the benefits which it received under the terms of the peace treaty.

Chapter VII outlined the procedure of ratification. The treaty would not come into effect within the first nine months after its ratification by Japan until it had been ratified by a majority (including the United States) of the Far Eastern Commission countries and by Ceylon and Indonesia. After nine months, ratification by any state would bring the treaty into effect between Japan and that state.

The Conference

The opening of the conference for the signature of the Japanese peace treaty on 4 September brought fears and hopes to a climax. Hopes that Japanese issues might finally be definitively settled were buoyed by the knowledge that the United States and her allies had reached a compromise agreement on the text of a treaty. Fears that the Soviet bloc might upset that agreement in a last ditch effort were engendered by the sudden Soviet decision to attend the conference. The Western powers had formulated and circulated a set of draft rules of procedure designed to prevent amendment of the draft text. The draft rules reaffirmed the terms of the invitation which called the conference for the 'conclusion and signature' of the Anglo-American text, and stipulated that only the governments which had been previously invited could attend, thus stanching a possible Soviet manoeuvre to seat Communist China. Finally, the draft rules limited the comments of each delegation on the treaty to one hour. If the draft rules of procedure were adopted by the conference, the Soviet bloc would have no opportunity to upset or amend the Western draft. The democratic nations fully expected a whole day's debate on procedure.

President Truman opened the treaty conference and praised both the treaty and General MacArthur's administration of the occupation. After dilating upon the reforms which the occupation had accomplished in Japan, he stated that the treaty:

does not contain the seeds of another war. It is a treaty of reconciliation, which looks to the future, not the past.

The treaty reestablishes Japan as a sovereign, independent nation. It provides for the restoration of Japanese trade with other nations, and it imposes no restrictions upon Japan's access to raw materials. The treaty recognizes the principle that Japan should make repara-

tions to the countries which suffered from its aggression. But it does not saddle the Japanese people with a hopeless burden of reparations which would crush their economy in the years to come.⁷

Mr Truman went on to speak about the problem of security in the Pacific:

If real security is to be attained in the Pacific, the free nations in that area must find means to work together for the common defense . . . It is vital that Japan be included, as soon as possible, in appropriate security arrangements for keeping the peace in the Pacific. This is necessary for her own protection and the protection of other countries.⁸

On the following day the debate over the rules of procedure occurred. When the Temporary President of the conference, Secretary Acheson, declared the session open, he immediately recognized the New Zealand Ambassador to the United States, Sir Carl Berendsen, for the purpose of making a motion. Sir Carl moved the adoption of the Anglo-American draft rules of procedure. The motion was seconded by the representative of Cuba. The Soviet delegate, Mr Gromyko, then rose to introduce a new topic: the admission of Communist China to the conference sessions. Mr Gromyko contended that the question of participation in the conference was prior to the question of adopting procedural rules, and he asked that the conference turn its attention to the need for Communist Chinese participation. Acheson then ruled the Soviet delegate out of order on the ground that the matter under consideration was the adoption of rules, not the participation in the conference of other governments. Gromyko disputed this and asked for a full-scale debate into the propriety of the Chair's ruling. Acheson in return sanctioned a ten-minute debate, with one speaker for the Chair and one against. The representative from Poland, Mr Stefan Wierblowski, spoke for five minutes against the Chairman's ruling and then the following interchange ensued:

The Temporary President of the Conference—Dean Acheson: The time of the Delegate from Poland has expired. Does any delegate wish to speak for 5 minutes in favor of supporting the Rules of Procedure?

The Delegate from the United Kingdom.

The Delegate of the United Kingdom—K. C. Younger (Minister of State): Mr. Chairman—

(The Polish Delegate continued talking.)

⁷ S.D.B., XXV, 17 Sep. 1951, 448.

⁸ Ibid., p. 449.

The Temporary President of the Conference—Dean Acheson: The Delegate will please take his seat.

The Delegate will please take his seat. Your time has expired. Will you please take your seat.

The Delegate of Poland—Stefan Wierblowski: I am asking, Mr. Chairman, that the Conference make it its ruling regarding whether I can speak only 5 minutes or if I can speak longer.

The Temporary President of the Conference—Dean Acheson: The Delegate is out of order.

The Delegate of Poland—Stefan Wierblowski: My country is a sovereign nation and its Delegation has the right to put forth its position. . . .

The Temporary President of the Conference—Dean Acheson: Please take your seat. You will have an opportunity to discuss other matters later in this Conference. At the present moment we are discussing whether or not the ruling of the Chair is to be sustained. You have had your 5 minutes. You will please take your seat.

The Delegate from the United Kingdom is recognized.

(The Polish Delegate continued talking.)

The Temporary President of the Conference—Dean Acheson: The Delegate is out of order. He will kindly take his seat.

(The Polish Delegate continued talking.)

The Temporary President of the Conference—Dean Acheson: The Delegate will kindly take his seat. He is out of order. The Delegate will kindly take his seat. He is out of order.

The Delegate from the United Kingdom has the floor.⁹

The delegate from the United Kingdom, Mr Younger, then supported the Chairman's ruling. When a vote was taken thirty-five of the fifty-two nations attending the conference supported the Temporary President's position and three opposed it. Gromyko then served notice that he would bring up the question of Chinese Communist participation in the conference immediately after the rules of procedure had been adopted. Wierblowski then rose to speak against the Anglo-American draft rules. He proposed the creation of a committee to formulate rules of procedure. The Committee would make its report the following day. The Chairman then announced that it would be his policy to defer a final vote on all alternative proposals and amendments to the draft rules of procedure until the entire debate on the rules had ended. Then he would put a vote on the alternative proposals in order and finally the draft rules

⁹ U.S. Department of State, *Conference for the Conclusion and Signature of the Treaty of Peace with Japan*, p. 44.

themselves. Both the Soviet and Czechoslovakian delegates supported the Polish motion. Then several other amendments were made to the draft rules by the Eastern European delegates. The amendments of the Soviet Union would among other things have allowed delegates to speak for more than one hour on the treaty text; they would have permitted statements by delegations to be incorporated in the permanent record of the conference without the consent of the presiding officer; they would have allowed delegates the right to make more than one speech without specific conference approval; and they would have permitted two speakers to oppose a motion of closure. The delegate from Czechoslovakia presented an amendment which would have transformed a conference for the signature of an already formulated text into a working conference which would itself formulate the text of a treaty. The amendment required the appointment of a political committee, an economic committee, a military committee, and a drafting committee; these committees would make their report to the conference prior to statements on the treaty by any delegations and presumably would be charged with the function of preparing the treaty itself.¹⁰

After a very limited debate on the Anglo-American draft rules of procedure by non-Soviet delegations, the representative of the Dominican Republic moved that the debate be closed. A closure motion being non-debatable, it was put at once and approved, twenty-five votes to eight, with nineteen abstentions. At this point the conference turned to the proposals put by the Polish, Russian, and Czechoslovakian delegates. The proposal of the first to appoint a committee on rules of procedure was defeated forty-four to three; the proposals of the second were defeated by various majorities ranging from forty-two in favour and three opposed to thirty-three in favour and three opposed; the amendment of Czechoslovakia was defeated by forty-four votes to three. The conference then returned to the original New Zealand motion on behalf of the Anglo-American draft rules. The Western rules were approved by a vote of forty-eight to three. In just two and one-half hours the Communist challenge to the conference had been defeated. Mr Spender, then the Australian Ambassador in Washington and Australian representative at the conference, apparently felt that the motion to end debate was premature and that the Western steamroller

¹⁰ *Ibid.*, pp. 65-8.

had moved a bit too smoothly. At any rate, after the adoption of the Western rules further attempts to admit Communist China to the sessions could be ruled out of order; the rules limited participants to those invited by the United States to attend the conference. A ruling by the Temporary President, Mr Acheson, to this effect was upheld by the nations assembled, forty-six votes to three with two abstentions.¹¹ Immediately after this issue was decided, the conference elected Messrs Acheson and Spender President and Vice-President of the conference, respectively.

At the second plenary session Mr Dulles and Mr Kenneth Younger, as representatives of the two sponsoring powers, addressed the delegates. Dulles dwelt on the leniency of the treaty. He said: 'The treaty before us is a step toward breaking the vicious cycle of war-victory-peace-war. The nations will here make a peace of justice, not a peace of vengeance.'¹² Younger stressed the compromise of views represented in the final text. He also noted that although the treaty did not contain any limitations on the Japanese right to rearm, 'Such a pact of course in no way indicates an intention on the part of the United States to build up the armed forces of Japan to a point where she could again become a danger to her neighbors. The British Government are entirely satisfied that no such intention exists, and that the aim of the arrangement between Japan and the United States is to ensure that Japan herself cannot become a victim of aggression.'¹³

The Soviet delegate, Mr Gromyko, then presented his country's objections to the Western text. Though the adopted rules of procedure did not permit him to offer formal amendments to the treaty draft, he did make detailed proposals for change. His *de facto* amendments would have confirmed Chinese Communist sovereignty over Formosa and the Pescadores, Soviet sovereignty over the southern half of Sakhalin Island and the Kurile Islands and Japanese sovereignty over the Ryukyus and the Bonins. The Soviet proposals would also have prohibited the stationing of foreign troops in Japan and prevented Japan from joining any military alliances. The Russian amendments would have limited Japan to an army of 150,000 men, a navy of 25,000 and an air force of 20,000. The naval vessels were to be limited to a total tonnage of 75,000 and only 200 fighter and reconnaissance aircraft were to be allowed. Bombers were prohibited.

¹¹ *Ibid.*, pp. 70-1.

¹² *Ibid.*, p. 74.

¹³ *Ibid.*, p. 94.

Under the Russian proposal, no limitations were placed on Japan's peaceful industry or access to raw materials, but a reparations conference of the nations occupied by Japan during the Pacific War would set the final total of reparations payments. Finally, ratification of the peace treaty by Communist China, the Soviet Union, the United Kingdom, and the United States would be necessary before it could take effect.¹⁴

This hotch-potch of proposals was designed to appeal to all nations holding grievances against the Anglo-American draft. The Japanese were favoured by the retention of the Ryukyus and the Bonins while Australia was supposed to take comfort from the limitations upon Japanese defence forces. India and the Soviet bloc were appeased by the prohibitions on the stationing of foreign troops and on military alliances. The reparations clauses were intended as a sop to the Philippines, Burma, and Indonesia, while the return of Formosa and the Pescadores was tailored to suit the Chinese Communists and Labour elements in British nations. This attempt at squaring the circle was regarded as such by the conference delegates, and the debate proceeded almost as if the Soviet counter-proposals had not been made.

On 7 September Mr Spender presented Australia's views on the draft treaty and directed a few well-placed gibes at the Soviets:

How are we to take seriously the representative of Soviet Russia, who pretends to be concerned that the Japanese shall be given these freedoms, not one of which Russia is prepared to give to its own people or the peoples of the nations that are subject to its iron domination? . . . How long does anyone imagine that I or any other delegate who has criticized Russia here during this Conference would be allowed to remain free or our families not subjected to degradation and imprisonment if we expressed the views in Russia that we have in this Conference?¹⁵

In regard to the treaty, he said:

While . . . Australia is prepared to accept the treaty as it stands, we reserve our right to continue to follow up the question of compensation with the Japanese Government. We are not without hope that the Japanese people may be willing to make some additional gesture of recompense to those men.¹⁶

The Australian government had sought limitations upon the

¹⁴ Ibid., pp. 119-22.

¹⁵ Ibid., pp. 249-50.

¹⁶ Ibid., p. 246.

Japanese right to rearm, upon the extent of her shipbuilding capacity, and upon the manufacture of atomic weapons, but 'we have found that this was not the view of the vast majority of countries represented here and that . . . is a fact, and an inexorable one, to which we have had to pay regard.'¹⁷ Australia's acceptance of the treaty, however, did not mean in Spender's view that Australia entertained no doubts as to the Japanese reformation.

We have yet to be satisfied [he said] that freedom is now in full flower in Japan; that militarism has been completely eradicated; that the evils of huge monopolies have been utterly destroyed; and that the roots of the police state have been wholly torn from their soil.

For . . . it is in our judgment too facile a thesis to lay the blame for the armed aggression of Japan over many years in Manchuria, in China, in Southeast Asia and the Pacific exclusively upon the shoulders of Japanese military leaders. For the people of every nation must accept their share of responsibility for the conduct of their leaders.¹⁸

The final working session of the conference saw a renewal of the Russian opposition to the draft treaty. The Soviet delegate was permitted to speak again, and he availed himself of the opportunity to inquire the fate of the amendments to the treaty which he had proposed. The American President, Acheson, noted that the Soviet amendments had never been placed formally before the conference, but had only been included in the initial Soviet statement. The Polish delegate questioned whether the conference was endeavouring to reach a just peace settlement with Japan or was merely ratifying the Anglo-American peace plan. If Russian amendments were not entertained, the conference would be a mere ceremony. The Polish representative said, 'It is not our fault and we are not responsible for the fact that there was no deep and honest exchange of opinions here, that is the basic procedure for every international conference.'¹⁹ Dulles, as the American delegate, replied that the terms of the invitation to the conference had stated that it was for the purpose of signing the proposed text. If the Soviet Union and Poland did not plan to sign the treaty, they had wasted their time in attending the conference.

Before the session ended, the Japanese Prime Minister, Mr

¹⁷ *Ibid.*, p. 251.

¹⁸ *Ibid.*, p. 244.

¹⁹ *Ibid.*, p. 273.

Yoshida, addressed the delegates. He expressed a degree of disappointment at the provisions of the treaty which stripped away the Japanese empire, and he regretted that delegates from China, India, and Burma had not attended the conference. Deploring the 'sinister forces of totalitarian oppression and tyranny', he noted, ' . . . we must, in order to ward off the danger of war, seek help from a country that can and will help us.'²⁰ But while Japan should take adequate security measures, this would not raise the old Japanese peril.

Japan, beaten and battered, dispossessed of her overseas possessions and resources, is absolutely incapable of equipping herself for modern warfare to such an extent as to make her a military menace to her neighbors. For that she has not the materials; she has not the means; she has not the will. . . . We will not fail your expectations of us as a new nation dedicated to peace, democracy, and freedom. . . . We have listened here to the delegates who have recalled the terrible human suffering, and the great material destruction of the late war in the Pacific. It is with feelings of sorrow that we recall the part played in that catastrophic human experience by the old Japan.²¹

On 8 September the conference proceeded to give its final approval of the treaty. In all, forty-nine nations signed the treaty with Japan; only the three Communist countries declined to affix their signatures.

Australian Ratification

While Australia signed the treaty, there was a substantial segment of Australian opinion opposed to it. The Leader of the Opposition, Dr Evatt, spoke heatedly against the treaty while the Prime Minister, Mr Menzies, put the arguments in favour. Menzies set the tone and approach that Liberal-Country Party members were to take when the treaty came up for ratification in the Australian Parliament. His basic argument centred around American reluctance to occupy Japan indefinitely. If American forces were withdrawn, provision would have to be made for Japan's defence, and the only realistic alternative was to allow Japan to make her own defence arrangements. If Australians insisted upon a disarmed Japan, they would have to be able to answer the tacit American rejoinder: 'If you feel Japan ought not to be given any arms to defend herself, would you please

²⁰ *Ibid.*, p. 279.

²¹ *Ibid.*, pp. 280-1.

raise a force from Australia to go over there to defend her instead?' 'That,' Mr Menzies said, 'was a jolly awkward question.'²²

Casey followed a similar line of argument when the treaty was presented to Parliament for ratification:

If honorable members are not willing to accept it, I would ask them what alternative they would propose, what other course they would have followed had the decisions of policy been in their hands. Let me emphasize again what I have said before—that the Government's policy has not been based on the naïve assumption that the reforms that have been initiated in Japan will necessarily be maintained indefinitely and that Japan has established itself forever as a peace-loving democracy. There is some chance that a democracy may evolve in Japan, even though not necessarily a democracy on the American and European models. But whether or not this happens—and we must at least give it the chance to happen—the immediate problem that we have to consider, from the point of view of the security of Australia and the stability of Asia and the Pacific, is the security of Japan, even more than security against Japan.²³

Even though the treaty had not restricted Japan's right to rearm, Casey pointed out certain mitigating circumstances:

1. The Japanese were virtually defenceless.
2. They had not shown any eagerness to assume responsibility in their own self-defence.
3. Japan had lost all the advantages of control over territories outside the home islands.
4. She had lost her former access to raw materials on the Asian mainland.
5. United States troops would have continued use of military bases within Japan and would remain in effective occupation of many Japanese island territories for an indefinite period.
6. The conclusion of the ANZUS Pact had made a substantial contribution to Australian security.

And if Australia had not succeeded in inserting specific limitations on Japanese rearmament into the treaty text, she had made three important contributions to its provisions. Mr Casey said:

I have already mentioned that Australia was mainly responsible for securing the insertion of the provision for payment of compensation to prisoners of war from the proceeds of Japanese assets in neutral and ex-enemy countries. In addition, we were instrumental

²² *S.M.H.*, 9 Sep. 1951, p. 7.

²³ *C.P.D.*, 6 Feb. 1952, p. 24.

in strengthening the provisions pertaining to the renunciation of territory, particularly in relation to possible Japanese claims in Antarctica. The reference in the preamble of the treaty, and again in Article 5, to Japan's acceptance of the obligations set forth in Articles 2, 55 and 56 of the United Nations Charter were included at our request.²⁴

The Opposition concentrated on the dangers a rearmed Japan would hold for Australia. Evatt questioned whether the forces of Japan would be used in the interests of the Western democracies and against those of Russia and China, and answered his own query in the following words:

The forces of Japan will be used by the Japanese Government solely in the interests of Japan. Perhaps, they may play with the Western democracies for the time being. Should a war occur between the Western democracies on the one hand, and Russia and China on the other, Japan might remain neutral; or it might be prepared to enter the conflict on the side on which its interests would be best served in the long run.²⁵

In answer to the dilemma the Minister for External Affairs had posed, Evatt made two points. The first was that the peace terms with Japan violated the terms of surrender and the decisions of the Far Eastern Commission. 'If Australia had said, "We should insist upon the terms of the agreement", none of the other parties to the agreement could possibly have said, "We will not be bound by the solemn terms of surrender or by the Far Eastern Commission's decision".'²⁶ And the second was that the Minister for External Affairs had asked: 'What is the alternative to the ratification of the peace treaty with Japan? The alternative appears from everything that has been said about the subject in the House. It is to seek a binding international agreement—to stick to an international agreement.'²⁷ And he concluded:

I submit to the House that the choice lies between adherence to the broad principles of the agreement to which I have referred and a repudiation of them. The security danger to Australia involved in insisting upon the performance of the surrender and post-

²⁴ *Ibid.*, p. 23. Article 2 of the Charter required all U.N. members to 'refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state', and to 'settle their international disputes by peaceful means'. Articles 55 and 56 pledge members to promote higher standards of living and full employment.

²⁵ *C.P.D.*, 21 Feb. 1952, p. 234.

²⁶ *Ibid.*, p. 231.

²⁷ *Ibid.*, pp. 234-5.

surrender agreements was comparatively small, but the danger involved in unlimited rearmament of Japan on the theory that the Japanese will always ally themselves with the Western powers seems to be very great indeed. I agree that the Pacific security pact is an important factor to be considered, but under this treaty Japan will increasingly have a free hand, not only in the north Pacific but also in the south Pacific. . . . We have had no opportunity to seek an amendment of the treaty. We as a Parliament had no chance to place our case before the peace conference. We have either to accept the treaty with its provision for the unlimited rearmament of Japan or oppose its ratification. I believe that it is the duty of the Labour party to oppose ratification and we intend to do so.²⁸

The debate raged back and forth, with Government speakers challenging members of the Opposition to propose any feasible alternative to ratification of the Japanese peace treaty, and Opposition members insisting that if Australia were to refuse the treaty, a desirable result would follow. Some Labor supporters suggested that an Australian rejection would lead the United States to give up the treaty; others hinted that an Australian abstention would be a suitable protest against arbitrary American policies.

When Casey replied on 27 February, he noted:

The Opposition has avoided entirely the challenge that I issued in my second-reading speech that it should name its alternative to this treaty, either now or at any time in the past. Not a word has been said in answer to that challenge. . . . All that has been said is that Australia should refuse to ratify the treaty. The inference is that if that were done, some better treaty would be or could be forthcoming. That is complete nonsense. Article 26 of the present treaty lays down that Japan can make terms of peace with countries which do not sign or ratify this treaty—and Australia might be one of them—on the same or substantially the same terms as are provided in the present treaty and can do so within three years. In other words, at this stage there is no form of treaty that Australia can enter into except this treaty or some other treaty substantially on the same lines.²⁹

The Japanese peace treaty bill passed all stages in the House of Representatives in the early morning of 28 February 1952.

The Tripartite Security Treaty was brought before the House for ratification at the same time as the Japanese Peace Treaty. While the Labor Party opposed the peace treaty with Japan, it

²⁸ *Ibid.*, p. 236.

²⁹ *Ibid.*, 27 Feb. 1952, pp. 486-7.

supported the ANZUS pact, but it sought to belittle the achievement of the Menzies government. The security treaty was on the one hand unnecessary: the interests of Australia and the United States were so completely interlinked in the Pacific that no pact was necessary to confirm that fact. The treaty was, therefore, less than a fundamental contribution to Australian security. On the other hand, the treaty did not provide the automatic sanctions which the North Atlantic alliance seemed to require of its signatories. There was no provision in the ANZUS pact analogous to the stipulation in the Atlantic treaty that each party would regard an attack upon one member as an attack upon all. Finally, Labor supporters argued that the notion of a Pacific pact was of ancient vintage, and that, in fact, the Labor government had first laid plans to obtain the armed support of the United States in the Pacific. The bills to ratify the peace treaty and the security pact passed all stages of Parliament by 6 March 1952.

The Japanese peace treaty attained the required number of ratifications and entered into force on 28 April 1952; the ANZUS pact took effect the day after.

CONCLUSION

The ratifications of the Tripartite Security Treaty and the Japanese Peace Treaty brought to a temporary conclusion the problem which Japan posed for Australia in the immediate post-war years. They did not solve this problem to Australia's complete satisfaction, but they made an acceptable disposition of it. This *dénouement* could scarcely have been anticipated in 1945. In six short years, Australian diplomacy shifted from the most stringent repression of the Japanese to the most liberal restoration of Japanese sovereignty. While Australia had pressed in 1945 for a cathartic and enduring occupation, requiring total reform of Japanese political, economic, and military existence, she eventually accepted a short, beneficent occupation, the dilution of important economic and military reforms, and the re-creation of a Japanese war potential. In the end, Australia signed a treaty which not only provided for unlimited Japanese rearmament, but which seemed designed to encourage the Japanese to form military alliances with other states. The Japanese peace treaty of 8 September 1951 was in many respects the precise opposite of the settlement desired six years previously. How can this apparent *volte-face* be explained?

One means of approach to this question stresses that the reversal is more apparent than real. According to this view, Australia never fundamentally changed the assumptions of her policy in regard to Japan; she merely changed the surface manifestations of that policy. The fear of Japan and Japanese aggression did not diminish with time; only the means for containing that aggression changed. While in 1945 it seemed that a severe occupation and a harsh peace settlement would appropriately serve Australian diplomacy in Japan, in 1951 the ANZUS pact and not the Japanese peace treaty was the main guarantee of Australian security. What Australia had attempted to obtain through direct controls upon Japan in 1945, she obtained in 1951 through the indirect control of a military alliance with the United States. ANZUS was the indispensable *quid pro quo* for Australian ratification of the Japanese peace treaty.

When one surveys the course of Australian policy towards Japan, this explanation has a considerable merit. The calls for a Pacific defence treaty issued by Australia in 1937, 1944-5, 1947, 1949 and 1950 are testimony to Australia's fear of the Japanese menace in the Far East. The greater the American desire to restore peace to Japan on a piecemeal basis, the more urgent became Australian appeals for a Pacific pact. Australian support of Pacific security planning in 1949 and 1950 while the United States was liberating Japan from occupation restraints took on an imperative immediacy. Spender's refusal in February 1951 to continue discussions of a Japanese peace without limitations on Japanese rearmament unless the United States was prepared to discuss simultaneously the question of a Pacific security agreement indicates that the two problems were indissolubly linked in Australian eyes. While the Japanese peace settlement detracted from Australia's security, the ANZUS pact reinforced it.

There is, in consequence, something to be said for the view that while the objectives of Australian policy did not change fundamentally, the methods of achieving those objectives altered significantly. At the same time, it is implausible to argue that the Australian attitude towards Japan did not undergo a perceptible transformation. Australia had argued for a treaty with economic and military limitations as late as the Working Party discussions of the spring of 1950; only in January 1951 was she persuaded to accept a measure of Japanese rearmament, and not until the following month did she confront the prospect of a treaty with no limitations on Japanese militarism. Ideally, Australia wished a restrictive Japanese peace *and* a pact with the United States; in the event she obtained only the latter. The latter might represent a vital pound of cure, but the former constituted an even more important ounce of prevention. It is, therefore, only partially true that fundamental Australian policy towards Japan remained unchanged in the period immediately following the war and that the methods of 1951 were regarded as wholly satisfactory surrogates for the methods of 1945. In 1951 Australia accepted considerably less in the way of protection against Japan than she had hoped to obtain six years earlier. Australian policy may not have made a complete revolution but it traversed a substantial arc.

Part of this journey can be explained by the pressure of the United States of America. America bore the major burden of

the Pacific War; she brought the war to a close without genuine consultation with her Allies. She sought a dominant role in the occupation of Japan, and in the Terms of Reference for the Far Eastern Commission and the Allied Council for Japan she succeeded in drafting an occupation apparatus largely amenable to her control. General MacArthur did not permit the Allied Council to assume an important role in the administration of Japan, and the State Department never allowed the Far Eastern Commission to embarrass MacArthur's conduct of the occupation. The form of Allied control persisted; its content was determined mainly by American directives. In these circumstances Australia never could be in a position to dictate policy for Japan; perforce she had to respond to American policies as they appeared in the various occupation organs. America permitted Japan to resume international contacts, to rebuild a powerful economic machine, to avoid in the main the economic deconcentration measures first proposed, to escape reparations deliveries, and to send whaling expeditions to the Antarctic over the opposition of Australia. The policy towards Japanese labour followed by the Supreme Commander was never to the taste of Australian government. But though the course of the American-dominated occupation of Japan was not generally approved by Australia after 1947-8, she could not afford a public or private breach with the United States. Australian policy in the Pacific was confronted with a dilemma after 1948. Although the United States was proposing to return to the Japanese attributes of sovereignty which Australia believed should wait upon a peace settlement and therefore was taking a course which Australia could only oppose, America was the only nation which could provide Australia with the necessary security against a Japanese attack in the event of war. If the United States, in other words, had to be opposed on the first count, she had to be favoured on the second. The United States was the one nation in a position to undermine *and* to protect Australian security. A break between the two powers, therefore, could not be risked. In the end, when the United States pressed for a non-restrictive treaty with Japan, Australia acquiesced.

But American pressure and the vital place the United States held in Australian defence calculations does not provide a wholly satisfactory explanation of the change in Australian policies over a six-year period. Australia did not simply yield to irresistible pressure. She might have refused the peace settle-

ment early in 1951, occasioned America great embarrassment, and perhaps even have delayed a treaty. The Japanese settlement had been stalled once before when one of America's Pacific Allies interposed a veto. Indeed, there was consternation among American diplomats in March 1951, when it was feared that Australia might raise new objections. Australia consciously chose to have both the Japanese treaty and the ANZUS pact rather than a continuation of the occupation and no security pact. If Australia had believed that Japan was the only danger to the Pacific peace, she could have rejected the Japanese treaty and gambled on her future relations with America; as it was she chose ANZUS and gambled on her future relations with Japan. Because Japan was not the only potential disturber of the Far Eastern peace, Australia could place a defence pact with the United States over the maintenance of curbs on Japan.

Not a negligible part of Australia's changed attitude towards Japan occurred as a result of the growing recognition of the Soviet threat in the Far East. The attempt to keep Japan subservient remained plausible until the challenge of a new force dramatically upset the balance of power in the Pacific. At that point the menace of Japan had to be reconsidered in the light of the menace of the Soviet Union and Communist China. If it was true that Japan might create a problem a decade hence, the Communists might attack at any time. The Communist danger, moreover, was not only nearer in time, it was more potent than any threat which might be posed by the Japanese. It was so formidable, in fact, that the democratic nations needed not merely to maintain their position but to increase their strength to offset the gains which the Communists had made in China, Indo-China, and in the domestic lives of a number of Asian countries. The natural desire to counter Communist gains in the Far East led irretrievably to a re-evaluation of the position in Japan. Japan became a pivotal nation because the free states had been unable to find any make-weight to balance Soviet advances in Asia, while a host of allies were available to stanch Russian advances in Europe. The attempt to liberate Japan from occupation restraints and to conclude a non-restrictive peace was an effort to add a modest weight to the Western cause in the Pacific. The nature of the problem of redressing the Far Eastern balance, moreover, required the Allied powers to add Japan to their side of the scale if they were to make sure that she would not fall on the Soviet side. Thus, occupation policies of industrial

revival, economic aid, and the conclusion of an early and lenient peace treaty seemed necessary. Increasingly, the Pacific nations, Australia included, were brought to the conclusion that if they did not end the occupation on friendly terms, leaving a strong Japan, they would run the risk of subversion from within or conquest from without. Australian adoption of a new attitude towards Japan cannot be fully understood without reference to the Soviet threat. If Japan had continued to be regarded as the most dangerous potential enemy in the Pacific, Australia would in all probability not have accepted the peace treaty, nor would she have laid so much stress upon the ANZUS pact. If Japan had been the only threat, a harsh peace or a prolonged occupation would have been a sufficient policy; ANZUS was necessary in part because it was imperative to guard against threats from several quarters—not only from Japan, but from the Communist nations as well.

The Soviet threat alone, however, does not provide a sufficient explanation of the course of Australian policy towards Japan. If Australia had been totally convinced that the Soviets and the Japanese represented comparable threats to the Pacific peace, then the lesson would be to guard against both threats simultaneously. It would not have been to embrace one as an ally in order to gain strength against the other as an enemy. One does not encourage friendship with a nation whose intentions one knows to be hostile. Appeasement only works where the possibility of peaceful conduct remains open; where hostile intent is confirmed, it merely postpones the final reckoning and undermines its terms. No rationale could be given for using Japan as an ally against Russia unless there was some hope that she could be made an ally. The mutations of Australian diplomacy towards Japan, then, cannot be explained solely in terms of the burgeoning Communist threat; a complete account must take into consideration the changing attitudes towards Japan's protestations of peaceful intent.

A part of Australia's changed attitude towards Japan stems from a changed assessment of the dangers Japan holds for future peace in the Pacific. This appraisal reflects in some measure the new peaceful demeanour of the Japanese. The lessons of the Pacific War were very real to the Japanese people, and the rewards of ultra-nationalism and militarism proved to be slight compared with their costs in both human and material terms. For the first time in recent Japanese history the assumption that

arms bring security was brought into question. Because of Japan's disastrous experience with the Pacific War, there were many Japanese who applauded the merits of neutrality when General MacArthur coined the phrase, 'Switzerland of the Pacific'. Though the prohibitions in the Japanese Constitution on military forces were written by General MacArthur, they find an echo in the sentiments of the Japanese population. When Dulles tried to convince the Japanese of the merits of substantial rearmament and collective security, he found that they had learned MacArthur's precept only too well. As far as I can discover, the absence of limitations upon the Japanese right to rearm has no antecedent in deep-seated Japanese yearnings for rearmament. If it had been left to Japanese and Australians alone, they might more easily have reached agreement on the security provisions of the peace treaty than did Australia and the United States.

Another strand in the changed Australian assessment of Japanese intentions originates in Japan's diminished relative power position in the Far East. At the time the peace settlement was mooted, the Japanese armed forces had been demobilized and dispersed and the Japanese economy could not sustain a large rearmament effort. The territorial provisions of the draft treaty stripped Japan of the island strongholds from which an invasion of the south-west Pacific might be launched. The projected American-Japanese security treaty provided insurance by stationing American forces in Japan, and the ring of America's Pacific bases furnished additional protection. More important for the long term, whatever her absolute strength, Japan's relative power was now dwarfed by other Leviathans. If Japan embarked upon a suicidal enterprise of invasion once again during a period of general peace, her advance would be halted by nations far more powerful than she is now or will ever be in conventional or nuclear weapons. If she moved southwards in a time of thermonuclear war, her advance might escape notice, but it would be a minuscule addition to the dangers already confronting Australia. In comparison to the perils presented by a Communist mass attack, the Japanese danger is minor, and if it is minor, it can be discounted on a scale of priorities. The recognition of Japan's relative impotence has not escaped Australian scholars. Professor C. P. FitzGerald writes: 'It would seem obvious that it is now impossible for Japan to return to her pre-war policy of imperialist aggression.

Apart from the consolidation of China and her alliance with Russia, which shuts her out of any hope of continental empire, it is certain that American opinion would never countenance a Japanese annexation of islands or territories in the South-West Pacific.' But he goes on to argue that Japanese forces might be stationed in some area vital to Australian security at American request. If the Japanese were to occupy an area, they would to all intents and purposes control it.¹ In regard to this contention, two points can be made: first, that the possible use of Japanese forces to occupy troubled areas in peacetime would depend on the consent of the nation concerned. Given the fears engendered by the late Pacific War, such consent might be difficult to obtain. Second, that the use of Japanese forces for occupation purposes in wartime would depend upon the consent of the United States and of Japan herself, and it would require an adequate and balanced Japanese military contingent. None of these three conditions are met at the present time, nor are they likely to be met in the foreseeable future. The United States intends to use Japanese forces for the defence of the home islands and has not pressed Japan to mount the special long-range forces necessary for an overseas military operation. The bulk of Japanese forces today are in land contingents which would depend upon American logistic support to carry on operations outside the home islands. If the Japanese military were to be used to occupy areas in the western Pacific, moreover, the United States would have to take over the defence of the Japanese islands. It was to avoid this contingency that America first asked Japan to rearm. The Japanese themselves continue to be reluctant to take on military responsibilities outside Japan, and it is for this reason that they have refused to make a collective security commitment in the western Pacific area. A nation which is not willing to defend its fishermen against South Korean depredations is unlikely to rush to the defence of another people by sending occupation forces overseas.

But the changed attitude and power position of Japan does not provide a complete account for the shift in Australian policy in the six years after the war. The national interests of any state are always a complex amalgam of historical, traditional and cultural traits which are not fully subject to rational dissection.

¹ 'Australia and Asia' in Gordon Greenwood and Norman Harper (eds.), *Australia in World Affairs, 1950-55*, pp. 217-19.

Australian diplomacy with regard to Japan did not shift simply because of the ANZUS pact, unremitting American pressure, the development of the Communist threat or the reduced position of Japan. It was affected also by the endeavour to create a new reception in Asia, a reception which would reflect the gradual change of historical and cultural attitudes. Australia, like America, has oscillated between equally unsatisfactory policies of isolationism and incipient interventionism in the world at large. Only with World War II did America begin to 'come of age', and Australia began a new political metamorphosis in international affairs at the same time. Aloofness or unconcern was a sufficient policy as long as Australia never had to come to terms with Asia. The Pacific War, however, made imperative the working out of a new relationship with Asia founded on novel social attitudes. Social 'uniqueness' had to be replaced by social 'reciprocity'. The attitude towards Japan as well as the attitude towards Malaya, Indonesia, Singapore, India and other Asian states has been affected by the recognition that new and more cordial ties have to be developed between Australia and her Asian neighbours.

Thus, a not unimportant part of the revised attitude towards Japan has to be explained in terms of the new and self-conscious effort to create a better impression of Australia in Asia. The Pacific War facilitated and impeded this effort. It facilitated the development of a new and co-operative attitude towards Asia by making Australians aware of the problem of the Near North and of the fact that Asia no longer could be safely ignored. It impeded the adoption of a new attitude by vindicating the occasional premise of past Australian thinking that Asia might be hostile. The first response required a congenial attitude; the second, an attitude of hostility. Both, in fact, as we have seen,² had their role in Australian diplomacy after World War II. The attitude towards Japan, like the attitude towards Indonesia, has lineaments of both attitudes. At last, however, a cautious and tentative co-operativeness emerged. Though it was perhaps more difficult to consummate a political reorientation towards Japan than towards any other Asian country, Australia did seek a better and more reciprocal relationship. While the old attitudes have not been entirely eliminated, they are expressed less often. At the diplomatic level Australian relations with Japan have been improving, and Japanese diplomats in

² See Chapter 1.

Australia have shown an enlightened awareness of the difficulties of Australia's position. As Spender said in 1950: '... it is in our own interest to develop and maintain relations with Japan such as normally exist between two countries at peace.'³ More than this, it is in Australia's interest to seek a special link with the Asian countries nearby, for these countries are likely to have a special influence on developments in the western Pacific region in the years to come.

In the end, Australia's policy towards Japan reflected the hesitating readjustment of attitudes towards neighbouring countries which began with World War II. Australia and America emerged from their isolation in 1945 and began to participate in international developments on a continuing basis. The problems consequent upon this participation are manifold. If Australia and America are to continue to follow successful international policies, they must continue their progressive modification of underlying social attitudes. Both nations in the past and to some degree even in the present have felt themselves 'unique' socially and economically. Australia has not regarded herself merely as a projection of England; America has not looked on herself merely as a projection of Europe. The two countries have been different from other countries, and their diplomacy has been testimony to this fact. The problem, however, is that successful diplomacy in 1961 requires nations to treat each other on an equal footing; 'uniqueness', however expressed, is simply untenable under the conditions of modern international relations. The problem for both Australia and the United States, then, has been to modify a pre-existent national ethos at the behest of international imperatives. For Australia, the alteration of old habits of thought will involve an eventual end to the absolutist character of White Australia and an even more cordial response to Asian nations. When this reorientation is complete Australia may be able to play the role for which geography has destined her: she may be able to constitute a vital bridge between East and West, carrying the best of Western traditions to the underdeveloped peoples and transmitting the best of Asia to the Western nations.

³ C.P.D., 28 Nov. 1950, p. 3171.

Appendix

TREATY OF PEACE WITH JAPAN¹

Whereas the Allied Powers and Japan are resolved that henceforth their relations shall be those of nations which, as sovereign equals, co-operate in friendly association to promote their common welfare and to maintain international peace and security, and are therefore desirous of concluding a Treaty of Peace which will settle questions still outstanding as a result of the existence of a state of war between them;

Whereas Japan for its part declares its intention to apply for membership in the United Nations and in all circumstances to conform to the principles of the Charter of the United Nations; to strive to realize the objectives of the Universal Declaration of Human Rights; to seek to create within Japan conditions of stability and well-being as defined in Articles 55 and 56 of the Charter of the United Nations and already initiated by post-surrender Japanese legislation; and in public and private trade and commerce to conform to internationally accepted fair practices;

Whereas the Allied Powers welcome the intentions of Japan set out in the foregoing paragraph;

The Allied Powers and Japan have therefore determined to conclude the present Treaty of Peace, and have accordingly appointed the undersigned Plenipotentiaries, who, after presentation of their full powers, found in good and due form, have agreed on the following provisions:

CHAPTER I

PEACE

Article 1

(a) The state of war between Japan and each of the Allied Powers is terminated as from the date on which the present Treaty comes into force between Japan and the Allied Power concerned as provided for in Article 23.

(b) The Allied Powers recognize the full sovereignty of the Japanese people over Japan and its territorial waters.

¹ Source: U.S. Department of State, *Conference for the Conclusion and Signature of the Treaty of Peace with Japan*, pp. 313-26.

CHAPTER II
TERRITORY*Article 2*

(a) Japan, recognizing the independence of Korea, renounces all right, title and claim to Korea, including the islands of Quelpart, Port Hamilton and Dagelet.

(b) Japan renounces all right, title and claim to Formosa and the Pescadores.

(c) Japan renounces all right, title and claim to the Kurile Islands, and to that portion of Sakhalin and the islands adjacent to it over which Japan acquired sovereignty as a consequence of the Treaty of Portsmouth of September 5, 1905.

(d) Japan renounces all right, title and claim in connection with the League of Nations Mandate System, and accepts the action of the United Nations Security Council of April 2, 1947, extending the trusteeship system to the Pacific Islands formerly under mandate to Japan.

(e) Japan renounces all claim to any right or title to or interest in connection with any part of the Antarctic area, whether deriving from the activities of Japanese nationals or otherwise.

(f) Japan renounces all right, title and claim to the Spratly Islands and to the Paracel Islands.

Article 3

Japan will concur in any proposal of the United States to the United Nations to place under its trusteeship system, with the United States as the sole administering authority, Nansei Shoto south of 29° north latitude (including the Ryukyu Islands and the Daito Islands), Nanpo Shoto south of Sofu Gan (including the Bonin Islands, Rosario Island and the Volcano Islands) and Parece Vela and Marcus Island. Pending the making of such a proposal and affirmative action thereon, the United States will have the right to exercise all and any powers of administration, legislation and jurisdiction over the territory and inhabitants of these islands, including their territorial waters.

Article 4

(a) Subject to the provisions of paragraph (b) of this Article, the disposition of property of Japan and of its nationals in the areas referred to in Article 2, and their claims, including debts, against the authorities presently administering such areas and

the residents (including juridical persons) thereof, and the disposition in Japan of property of such authorities and residents, and of claims, including debts, of such authorities and residents against Japan and its nationals, shall be the subject of special arrangements between Japan and such authorities. The property of any of the Allied Powers or its nationals in the areas referred to in Article 2 shall, insofar as this has not already been done, be returned by the administering authority in the condition in which it now exists. (The term nationals whenever used in the present Treaty includes juridical persons.)

(b) Japan recognizes the validity of dispositions of property of Japan and Japanese nationals made by or pursuant to directives of the United States Military Government in any of the areas referred to in Articles 2 and 3.

(c) Japanese owned submarine cables connecting Japan with territory removed from Japanese control pursuant to the present Treaty shall be equally divided, Japan retaining the Japanese terminal and adjoining half of the cable, and the detached territory the remainder of the cable and connecting terminal facilities.

CHAPTER III SECURITY

Article 5

(a) Japan accepts the obligations set forth in Article 2 of the Charter of the United Nations, and in particular the obligations

(i) to settle its international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered;

(ii) to refrain in its international relations from the threat or use of force against the territorial integrity or political independence of any State or in any other manner inconsistent with the Purposes of the United Nations;

(iii) to give the United Nations every assistance in any action it takes in accordance with the Charter and to refrain from giving assistance to any State against which the United Nations may take preventive or enforcement action.

(b) The Allied Powers confirm that they will be guided by the principles of Article 2 of the Charter of the United Nations in their relations with Japan.

(c) The Allied Powers for their part recognize that Japan

as a sovereign nation possesses the inherent right of individual or collective self-defense referred to in Article 51 of the Charter of the United Nations and that Japan may voluntarily enter into collective security arrangements.

Article 6

(a) All occupation forces of the Allied Powers shall be withdrawn from Japan as soon as possible after the coming into force of the present Treaty, and in any case not later than 90 days thereafter. Nothing in this provision shall, however, prevent the stationing or retention of foreign armed forces in Japanese territory under or in consequence of any bilateral or multilateral agreements which have been or may be made between one or more of the Allied Powers, on the one hand, and Japan on the other.

(b) The provisions of Article 9 of the Potsdam Proclamation of July 26, 1945, dealing with the return of Japanese military forces to their homes, to the extent not already completed, will be carried out.

(c) All Japanese property for which compensation has not already been paid, which was supplied for the use of the occupation forces and which remains in the possession of those forces at the time of the coming into force of the present Treaty, shall be returned to the Japanese Government within the same 90 days unless other arrangements are made by mutual agreement.

CHAPTER IV POLITICAL AND ECONOMIC CLAUSES

Article 7

(a) Each of the Allied Powers, within one year after the present Treaty has come into force between it and Japan, will notify Japan which of its prewar bilateral treaties or conventions with Japan it wishes to continue in force or revive, and any treaties or conventions so notified shall continue in force or be revived subject only to such amendments as may be necessary to ensure conformity with the present Treaty. The treaties and conventions so notified shall be considered as having been continued in force or revived three months after the date of notification and shall be registered with the Secretariat of the United Nations. All such treaties and conventions as to which Japan is not so notified shall be regarded as abrogated.

(b) Any notification made under paragraph (a) of this Article may except from the operation or revival of a treaty or convention any territory for the international relations of which the notifying Power is responsible, until three months after the date on which notice is given to Japan that such exception shall cease to apply.

Article 8

(a) Japan will recognize the full force of all treaties now or hereafter concluded by the Allied Powers for terminating the state of war initiated on September 1, 1939, as well as any other arrangements by the Allied Powers for or in connection with the restoration of peace. Japan also accepts the arrangements made for terminating the former League of Nations and Permanent Court of International Justice.

(b) Japan renounces all such rights and interests as it may derive from being a signatory power of the Conventions of St. Germain-en-Laye of September 10, 1919, and the Straits Agreement of Montreux of July 20, 1936, and from Article 16 of the Treaty of Peace with Turkey signed at Lausanne on July 24, 1923.

(c) Japan renounces all rights, title and interests acquired under, and is discharged from all obligations resulting from, the Agreement between Germany and the Creditor Powers of January 20, 1930, and its Annexes, including the Trust Agreement, dated May 17, 1930, the Convention of January 20, 1930, respecting the Bank for International Settlements; and the Statutes of the Bank for International Settlements. Japan will notify to the Ministry of Foreign Affairs in Paris within six months of the first coming into force of the present Treaty its renunciation of the rights, title and interests referred to in this paragraph.

Article 9

Japan will enter promptly into negotiations with the Allied Powers so desiring for the conclusion of bilateral and multi-lateral agreements providing for the regulation or limitation of fishing and the conservation and development of fisheries on the high seas.

Article 10

Japan renounces all special rights and interests in China, including all benefits and privileges resulting from the provi-

sions of the final Protocol signed at Peking on September 7, 1901, and all annexes, notes and documents supplementary thereto, and agrees to the abrogation in respect to Japan of the said protocol, annexes, notes and documents.

Article 11

Japan accepts the judgments of the International Military Tribunal for the Far East and of other Allied War Crimes Courts both within and outside Japan, and will carry out the sentences imposed thereby upon Japanese nationals imprisoned in Japan. The power to grant clemency, to reduce sentences and to parole with respect to such prisoners may not be exercised except on the decision of the Government or Governments which imposed the sentence in each instance, and on the recommendation of Japan. In the case of persons sentenced by the International Military Tribunal for the Far East, such power may not be exercised except on the decision of a majority of the Governments represented on the Tribunal, and on the recommendation of Japan.

Article 12

(a) Japan declares its readiness promptly to enter into negotiations for the conclusion with each of the Allied Powers of treaties or agreements to place their trading, maritime and other commercial relations on a stable and friendly basis.

(b) Pending the conclusion of the relevant treaty or agreement, Japan will, during a period of four years from the first coming into force of the present Treaty

(1) accord to each of the Allied Powers, its nationals, products and vessels

(i) most-favored-nation treatment with respect to customs duties, charges, restrictions and other regulations on or in connection with the importation and exportation of goods;

(ii) national treatment with respect to shipping, navigation and imported goods, and with respect to natural and juridical persons and their interests—such treatment to include all matters pertaining to the levying and collection of taxes, access to the courts, the making and performance of contracts, rights to property (tangible and intangible), participation in juridical entities constituted under Japanese law, and generally the conduct of all kinds of business and professional activities;

(2) ensure that external purchases and sales of Japanese state

trading enterprises shall be based solely on commercial considerations.

(c) In respect to any matter, however, Japan shall be obliged to accord to an Allied Power national treatment, or most-favored-nation treatment, only to the extent that the Allied Power concerned accords Japan national treatment or most-favored-nation treatment, as the case may be, in respect of the same matter. The reciprocity envisaged in the foregoing sentence shall be determined, in the case of products, vessels and juridical entities of, and persons domiciled in, any non-metropolitan territory of an Allied Power, and in the case of juridical entities of, and persons domiciled in, any state or province of an Allied Power having a federal government, by reference to the treatment accorded to Japan in such territory, state or province.

(d) In the application of this Article, a discriminatory measure shall not be considered to derogate from the grant of national or most-favored-nation treatment, as the case may be, if such measure is based on an exception customarily provided for in the commercial treaties of the party applying it, or on the need to safeguard that party's external financial position or balance of payments (except in respect to shipping and navigation), or on the need to maintain its essential security interests, and provided such measure is proportionate to the circumstances and not applied in an arbitrary or unreasonable manner.

(e) Japan's obligations under this Article shall not be affected by the exercise of any Allied rights under Article 14 of the present Treaty; nor shall the provisions of this Article be understood as limiting the undertakings assumed by Japan by virtue of Article 15 of the Treaty.

Article 13

(a) Japan will enter into negotiations with any of the Allied Powers, promptly upon the request of such Power or Powers, for the conclusion of bilateral or multilateral agreements relating to international civil air transport.

(b) Pending the conclusion of such agreement or agreements, Japan will, during a period of four years from the first coming into force of the present Treaty, extend to such Power treatment not less favorable with respect to air-traffic rights and privileges than those exercised by any such Powers at the date of such coming into force, and will accord complete equality of oppor-

tunity in respect to the operation and development of air services.

(c) Pending its becoming a party to the Convention on International Civil Aviation in accordance with Article 93 thereof, Japan will give effect to the provisions of that Convention applicable to the international navigation of aircraft, and will give effect to the standards, practices and procedures adopted as annexes to the Convention in accordance with the terms of the Convention.

CHAPTER V CLAIMS AND PROPERTIES

Article 14

(a) It is recognized that Japan should pay reparations to the Allied Powers for the damage and suffering caused by it during the war. Nevertheless it is also recognized that the resources of Japan are not presently sufficient, if it is to maintain a viable economy, to make complete reparation for all such damage and suffering and at the same time meet its other obligations.

Therefore,

1. Japan will promptly enter into negotiations with Allied Powers so desiring, whose present territories were occupied by Japanese forces and damaged by Japan, with a view to assisting to compensate those countries for the cost of repairing the damage done, by making available the services of the Japanese people in production, salvaging and other work for the Allied Powers in question. Such arrangements shall avoid the imposition of additional liabilities on other Allied Powers, and, where the manufacturing of raw materials is called for, they shall be supplied by the Allied Powers in question, so as not to throw any foreign exchange burden upon Japan.

2. (I) Subject to the provisions of sub-paragraph (II) below, each of the Allied Powers shall have the right to seize, retain, liquidate or otherwise dispose of all property, rights and interests of

(a) Japan and Japanese nationals,

(b) persons acting for or on behalf of Japan or Japanese nationals, and

(c) entities owned or controlled by Japan or Japanese nationals,

which on the first coming into force of the present Treaty were

subject to its jurisdiction. The property, rights and interests specified in this sub-paragraph shall include those now blocked, vested or in the possession or under the control of enemy property authorities of Allied Powers, which belonged to, or were held or managed on behalf of, any of the persons or entities mentioned in (a), (b) or (c) above at the time such assets came under the controls of such authorities.

(II) The following shall be excepted from the right specified in sub-paragraph (I) above:

- (i) property of Japanese natural persons who during the war resided with the permission of the Government concerned in the territory of one of the Allied Powers, other than territory occupied by Japan, except property subjected to restrictions during the war and not released from such restrictions as of the date of the first coming into force of the present Treaty;
- (ii) all real property, furniture and fixtures owned by the Government of Japan and used for diplomatic or consular purposes, and all personal furniture and furnishings and other private property not of an investment nature which was normally necessary for the carrying out of diplomatic and consular functions, owned by Japanese diplomatic and consular personnel;
- (iii) property belonging to religious bodies or private charitable institutions and used exclusively for religious or charitable purposes;
- (iv) property, rights and interests which have come within its jurisdiction in consequence of the resumption of trade and financial relations subsequent to September 2, 1945, between the country concerned and Japan, except such as have resulted from transactions contrary to the laws of the Allied Power concerned;
- (v) obligations of Japan or Japanese nationals, any right, title or interest in tangible property located in Japan, interests in enterprises organized under the laws of Japan, or any paper evidence thereof; provided that this exception shall only apply to obligations of Japan and its nationals expressed in Japanese currency.

(III) Property referred to in exceptions (i) through (v) above shall be returned subject to reasonable expenses for its

preservation and administration. If any such property has been liquidated the proceeds shall be returned instead.

(IV) The right to seize, retain, liquidate or otherwise dispose of property as provided in sub-paragraph (I) above shall be exercised in accordance with the laws of the Allied Power concerned, and the owner shall have only such rights as may be given him by those laws.

(V) The Allied Powers agree to deal with Japanese trademarks and literary and artistic property rights on a basis as favorable to Japan as circumstances ruling in each country will permit.

(b) Except as otherwise provided in the present Treaty, the Allied Powers waive all reparations claims of the Allied Powers, other claims of the Allied Powers and their nationals arising out of any actions taken by Japan and its nationals in the course of the prosecution of the war, and claims of the Allied Powers for direct military costs of occupation.

Article 15

(a) Upon application made within nine months of the coming into force of the present Treaty between Japan and the Allied Power concerned, Japan will, within six months of the date of such application, return the property, tangible and intangible, and all rights or interests of any kind in Japan of each Allied Power and its nationals which was within Japan at any time between December 7, 1941, and September 2, 1945, unless the owner has freely disposed thereof without duress or fraud. Such property shall be returned free of all encumbrances and charges to which it may have become subject because of the war, and without any charges for its return. Property whose return is not applied for by or on behalf of the owner or by his Government within the prescribed period may be disposed of by the Japanese Government as it may determine. In cases where such property was within Japan on December 7, 1941, and cannot be returned or has suffered injury or damage as a result of the war, compensation will be made on terms not less favorable than the terms provided in the draft Allied Powers Property Compensation Law approved by the Japanese Cabinet on July 13, 1951.

(b) With respect to industrial property rights impaired during the war, Japan will continue to accord to the Allied Powers and their nationals benefits no less than those heretofore

accorded by Cabinet Orders No. 309 effective September 1, 1949, No. 12 effective January 28, 1950, and No. 9 effective February 1, 1950, all as now amended, provided such nationals have applied for such benefits within the time limits prescribed therein.

(c) (i) Japan acknowledges that the literary and artistic property rights which existed in Japan on December 6, 1941, in respect to the published and unpublished works of the Allied Powers and their nationals have continued in force since that date, and recognizes those rights which have arisen, or but for the war would have arisen, in Japan since that date, by the operation of any conventions and agreements to which Japan was a party on that date, irrespective of whether or not such conventions or agreements were abrogated or suspended upon or since the outbreak of war by the domestic law of Japan or of the Allied Power concerned.

(ii) Without the need for application by the proprietor of the right and without the payment of any fee or compliance with any other formality, the period from December 7, 1941, until the coming into force of the present Treaty between Japan and the Allied Power concerned shall be excluded from the running of the normal term of such rights; and such period, with an additional period of six months, shall be excluded from the time within which a literary work must be translated into Japanese in order to obtain translating rights in Japan.

Article 16

As an expression of its desire to indemnify those members of the armed forces of the Allied Powers who suffered undue hardships while prisoners of war of Japan, Japan will transfer its assets and those of its nationals in countries which were neutral during the war, or which were at war with any of the Allied Powers, or, at its option, the equivalent of such assets, to the International Committee of the Red Cross which shall liquidate such assets and distribute the resultant fund to appropriate national agencies, for the benefit of former prisoners of war and their families on such basis as it may determine to be equitable. The categories of assets described in Article 14 (a) 2 (II) (ii) through (v) of the present Treaty shall be excepted from transfer, as well as assets of Japanese natural persons not residents of Japan on the first coming into force of the Treaty. It is equally understood that the transfer provision of this

Article has no application to the 19,770 shares in the Bank for International Settlements presently owned by Japanese financial institutions.

Article 17

(a) Upon the request of any of the Allied Powers, the Japanese Government shall review and revise in conformity with international law any decision or order of the Japanese Prize Courts in cases involving ownership rights of nationals of that Allied Power and shall supply copies of all documents comprising the records of these cases, including the decisions taken and orders issued. In any case in which such review or revision shows that restoration is due, the provisions of Article 15 shall apply to the property concerned.

(b) The Japanese Government shall take the necessary measures to enable nationals of any of the Allied Powers at any time within one year from the coming into force of the present Treaty between Japan and the Allied Power concerned to submit to the appropriate Japanese authorities for review any judgment given by a Japanese court between December 7, 1941, and such coming into force, in any proceedings in which any such national was unable to make adequate presentation of his case either as plaintiff or defendant. The Japanese Government shall provide that, where the national has suffered injury by reason of any such judgment, he shall be restored in the position in which he was before the judgment was given or shall be afforded such relief as may be just and equitable in the circumstances.

Article 18

(a) It is recognized that the intervention of the state of war has not affected the obligation to pay pecuniary debts arising out of obligations and contracts (including those in respect of bonds) which existed and rights which were acquired before the existence of a state of war, and which are due by the Government or nationals of Japan to the Government or nationals of one of the Allied Powers, or are due by the Government or nationals of one of the Allied Powers to the Government or nationals of Japan. The intervention of a state of war shall equally not be regarded as affecting the obligation to consider on their merits claims for loss or damage to property or for personal injury or death which arose before the existence of a state of war, and which may be presented or re-presented by the Government

of one of the Allied Powers to the Government of Japan, or by the Government of Japan to any of the Governments of the Allied Powers. The provisions of this paragraph are without prejudice to the rights conferred by Article 14.

(*b*) Japan affirms its liability for the prewar external debt of the Japanese State and for debts of corporate bodies subsequently declared to be liabilities of the Japanese State, and expresses its intention to enter into negotiations at an early date with its creditors with respect to the resumption of payments on those debts; to encourage negotiations in respect to other prewar claims and obligations; and to facilitate the transfer of sums accordingly.

Article 19

(*a*) Japan waives all claims of Japan and its nationals against the Allied Powers and their nationals arising out of the war or out of actions taken because of the existence of a state of war, and waives all claims arising from the presence, operations or actions of forces or authorities of any of the Allied Powers in Japanese territory prior to the coming into force of the present Treaty.

(*b*) The foregoing waiver includes any claims arising out of actions taken by any of the Allied Powers with respect to Japanese ships between September 1, 1939, and the coming into force of the present Treaty, as well as any claims and debts arising in respect to Japanese prisoners of war and civilian internees in the hands of the Allied Powers, but does not include Japanese claims specifically recognized in the laws of any Allied Power enacted since September 2, 1945.

(*c*) Subject to reciprocal renunciation, the Japanese Government also renounces all claims (including debts) against Germany and German nationals on behalf of the Japanese Government and Japanese nationals, including intergovernmental claims and claims for loss or damage sustained during the war, but excepting (*a*) claims in respect of contracts entered into and rights acquired before September 1, 1939, and (*b*) claims arising out of trade and financial relations between Japan and Germany after September 2, 1945. Such renunciation shall not prejudice actions taken in accordance with Articles 16 and 20 of the present Treaty.

(*d*) Japan recognizes the validity of all acts and omissions done during the period of occupation under or in consequence

of directives of the occupation authorities or authorized by Japanese law at that time, and will take no action subjecting Allied nationals to civil or criminal liability arising out of such acts or omissions.

Article 20

Japan will take all necessary measures to ensure such disposition of German assets in Japan as has been or may be determined by those powers entitled under the Protocol of the proceedings of the Berlin Conference of 1945 to dispose of those assets, and pending the final disposition of such assets will be responsible for the conservation and administration thereof.

Article 21

Notwithstanding the provisions of Article 25 of the present Treaty, China shall be entitled to the benefits of Articles 10 and 14 (a) 2; and Korea to the benefits of Articles 2, 4, 9 and 12 of the present Treaty.

CHAPTER VI
SETTLEMENT OF DISPUTES

Article 22

If in the opinion of any Party to the present Treaty there has arisen a dispute concerning the interpretation or execution of the Treaty, which is not settled by reference to a special claims tribunal or by other agreed means, the dispute shall, at the request of any party thereto, be referred for decision to the International Court of Justice. Japan and those Allied Powers which are not already parties to the Statute of the International Court of Justice will deposit with the Registrar of the Court, at the time of their respective ratifications of the present Treaty, and in conformity with the resolution of the United Nations Security Council, dated October 15, 1946, a general declaration accepting the jurisdiction, without special agreement, of the Court generally in respect to all disputes of the character referred to in this Article.

CHAPTER VII
FINAL CLAUSES

Article 23

(a) The present Treaty shall be ratified by the States which sign it, including Japan, and will come into force for all the

States which have then ratified it, when instruments of ratification have been deposited by Japan and by a majority, including the United States of America as the principal occupying Power, of the following States, namely Australia, Canada, Ceylon, France, Indonesia, the Kingdom of the Netherlands, New Zealand, Pakistan, the Republic of the Philippines, the United Kingdom of Great Britain and Northern Ireland, and the United States of America. The present Treaty shall come into force for each State which subsequently ratifies it, on the date of the deposit of its instrument of ratification.

(b) If the Treaty has not come into force within nine months after the date of the deposit of Japan's ratification, any State which has ratified it may bring the Treaty into force between itself and Japan by a notification to that effect given to the Governments of Japan and the United States of America not later than three years after the date of deposit of Japan's ratification.

Article 24

All instruments of ratification shall be deposited with the Government of the United States of America which will notify all the signatory States of each such deposit, of the date of the coming into force of the Treaty under paragraph (a) of Article 23, and of any notifications made under paragraph (b) of Article 23.

Article 25

For the purposes of the present Treaty the Allied Powers shall be the States at war with Japan, or any State which previously formed a part of the territory of a State named in Article 23, provided that in each case the State concerned has signed and ratified the Treaty. Subject to the provisions of Article 21, the present Treaty shall not confer any rights, titles or benefits on any State which is not an Allied Power as herein defined; nor shall any right, title or interest of Japan be deemed to be diminished or prejudiced by any provision of the Treaty in favor of a State which is not an Allied Power as so defined.

Article 26

Japan will be prepared to conclude with any State which signed or adhered to the United Nations Declaration of January 1, 1942, and which is at war with Japan, or with any State which previously formed a part of the territory of a State

named in Article 23, which is not a signatory of the present Treaty, a bilateral Treaty of Peace on the same or substantially the same terms as are provided for in the present Treaty, but this obligation on the part of Japan will expire three years after the first coming into force of the present Treaty. Should Japan make a peace settlement or war claims settlement with any State granting that State greater advantages than those provided by the present Treaty, those same advantages shall be extended to the parties to the present Treaty.

Article 27

The present Treaty shall be deposited in the archives of the Government of the United States of America which shall furnish each signatory State with a certified copy thereof.

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INDEX

INDEX

- Acheson, Dean: ANZUS Pact, 224-5; Occupation policy, 14; peace conference, 230-3, 235; Treaty of Peace with Japan, 153, 171, 173, 177; U.S. withdrawal from Japan, 140
- Admiralty Islands, 58
- Aircraft manufacture (Japanese): Canberra (1947) Conference, 88; prohibited, 122
- Allied Control Council, 15
- Allied Council for Japan: American policy, 19-20, 46-51, 54, 55-6, 105, 243; Australia, 21, 56, 85, (British Commonwealth representative) 25, (peace proposals) 73, (prisoners of war) 165-6, (Zaibatsu) 165; China (Nationalist), 92; creation, 46; enlargement, 52-3; functions, 19, 46; India, 21; Maritime Coastal Patrol, 110, 118-19; membership, 25; Moscow decisions, 19, 20, 21, 46; policy (economy) 74, (health) 74, (Japanese Constitution) 31, 33-6, 45, (labour) 110, 119-20, (land) 53, 75, (local government elections) 74; procedural difficulties, 46-52, 54, 55, 56; SCAP (directives) 47-54 *passim*, (jurisdictional disputes) 26, 46-50, (relations) 50, 54; U.K. proposals, 18; U.S.S.R., 15, 47-53 *passim*
- Allied Occupation of Japan: achievements (MacArthur), 73; America, 17-18, 20, 71, 104-5, 243; Angaur Island, 67, 80, 82; Australia, 13, 14, 17, 18, 74, 163; control council, 15, 18; demilitarization, 54, 56, 73, 86; democratization, 54, 56, 73, 85, 86, 98, 99, 100, 104, 116, 122, 123-4; disarmament, 54, 73, 86; early peace settlement (Australia) 73-4, 83-94 *passim*, 103, 105, 106, 110, 111, 150, (economic) 98-9, 100-1, 104, (MacArthur) 114, 129, 150, (U.S.A.) 102-3, 106, 110, 111, 114, 158-9, (Zaibatsu) 86, 98-9; economic deconcentration, 99-100, 104, (America) 120-1, 164, 243, (Australia) 121, 122-3, 164, (Zaibatsu) 88, 104, 121, 157, 164-5; Emperor as war criminal, 22; Far Eastern Advisory Commission, 15, 18-19, 22, 23, 24; Far Eastern Commission (conflict with American policies) 14, 19, 20, 75-80, 95, 100-1, 104-5, 113-20 *passim*, (economic policy) 95, 113-14, (functions) 15, 16, 19-21, 22, (relations with SCAP) 18, 19, 28-40, 46-56, 75-7, 114-15, 128-31, (veto) 21; fishing and whaling, 75-80; industrial relations, 100-1, 119-20, 151; international contacts (Japanese) 80-1, 110, 114, 129-32, (SCAP) 81, 114-18; Japanese economy, 94-105 *passim*, 110, 113-14; military forces, 23; policy, 13, 14, 15, 55-6, 83, 85, 106; post-treaty supervision, 73, 74, 84, 87, 88-9; Potsdam Declaration, 22, 23, 24; trade (sterling conversion), 109-10; war criminals, 12, 16, 17, 22-3; *see also* Allied Council for Japan; Australia; Far Eastern Commission; Reparations; Supreme Commander for the Allied Powers; United States of America
- Allied Supervisory Authority: America, 159, 186; Australia, 8, 73-4, 84, 87, 167, 191; Canberra (1947) Conference, 88-9; Colombo Conference, 167, 191; Dulles, 186; New Zealand, 89, 167, 191; purpose, 86; SCAP, 73, 84, 86-7; U.S.S.R., 148
- Allison, John, 188, 218
- Aluminium, 41, 122
- American bases in Japan, *see* Japan; United States of America
- Angaur Island, 67, 80, 82

- Antarctica: fishing and whaling (Allied objections) 38, 75-7, 79, (America) 76, 77, 80, 243, (Australia) 75-6, 78-9, 243, (F.E.C.) 75, (SCAP directives) 38-9, 75, (U.K.) 77; territorial renunciation, 161, 227, 238
- ANZUS Pact (Tripartite Security Treaty): American views, 201-6 *passim*; Australia (diplomacy) 241-8 *passim*, (relations with U.S.) 66, (views) 185, 202-6 *passim*, 220-1, 237; initialled, 219; negotiations, 201-2, 216-17; New Zealand, 201-2, 205, 216, 219, 221, 224; ratification, 239-40; relation to Japanese peace treaty, 205-6, 211-12, 220, 237-48 *passim*; signed, 66, 185, 224-5; terms, 202-4; U.K. reaction, 202, 216-17; *see also* Pacific pact
- Arnold, General Henry H., 63
- Ashida, Hitoshi, 100
- Atlantic Charter, 5
- Atomic research (Japanese), 88
- Australia: Agreement with New Zealand, 5, 58-9, 139; Communism, 129, 244-6, (Asia) 105, (China), 165, (Far East) 128, 141, (Japanese) 105, 199; Far Eastern Advisory Commission, 15; Far Eastern Commission, 110, (powers) 15-18, (Vice-Chairmanship) 26-8; Manus Island, 57-66, 138, 144; Pacific bases, 57-68 *passim*; Pacific (regional defence) pact, 5, 57-9, 138-9, 140, 162, (Canberra negotiations) 200-2, (Communism) 128, 136-7, 141, 165, (Labor Government proposals) 136, 138-9, 140-1, (Liberal Government proposals) 145-6, (membership) 141, 146, 194-5, 202, (NATO counterpart) 137, 140, 141, 145-6, 193, 195, (Pacific Council) 193, 201, (peace proposals) 139, 185, 195, 200, (piecemeal peace policy) 128, 129, 136, (prerequisites) 141-2, 181-2, (terms) 202-6, (Washington negotiations) 184-5, 192-5; Pacific power status, 12; Parliament, 70, 111, 122, 124, 138, 181, 191-2, 206-7, 219-22; policy, 81-2, 84-7, 241-9; prisoners of war, 16, 190, 210-11, 224, 237; San Francisco Conference (Spender), 234-5; South Pacific Commission, 139; traditional social attitudes, 1-2, 4-7, 9, 247-9; Treaty of Peace with Japan (policy) 241-9, (ratification) 236-9; *see also* Allied Occupation of Japan; ANZUS Pact; Far Eastern Commission; Japan; Pacific pact; Supreme Commander for the Allied Powers
- Australian Country Party, 145, 157, 236
- Australian Labor Party, 66, 144, 164, 211, 222, 240
- Baguio, 146, 181, 182
- Baldwin, Hanson, 176
- Ball, W. Macmahon: Allied Council for Japan, 25, 49, 51n., 52, 53, 164; Japan (labour) 53, (land) 53, 55, (reforms) 72, 74-5; Occupation, 78, 85; SCAP directives, 48, 54
- Bank of Japan, 133
- Berendsen, Sir Carl, 230
- Berlin blockade, 136
- Bevin, Ernest, 144, 153, 162
- Blamey, General Sir Thomas, 62-3
- Bonin Islands, 161, 189, 205, 210, 227, 233, 234
- Bradley, General Omar N., 173
- British Commonwealth, *see* Commonwealth of Nations
- British Commonwealth Occupation Force, 25, 83
- Brussels Alliance, 136, 142
- Burma: Canberra (1947) Conference, 74n., 87; Commission, In., 137, 141; Pacific pact, 144, 147; reparations, 69, 213, 224, (U.S.S.R. proposal) 234; San Francisco (1951) Conference, 222
- Butler, Robert A., 64
- Butterworth, W. Walton, 173
- Byrnes, James, 15, 27, 64
- Cairo Conference, 88, 90, 155, 190n.
- Canada, 74n., 108, 160
- Canberra, 82, 89, 121, 135, 159, 181, 191, 200, 214

- Canberra Conference (1947), 74, 82-3; American proposals, 87; Australian-American concurrence, 90; civil and democratic reforms, 88; Constitution, 88; demilitarization and disarmament, 88, 89; economic controls, 88, 89; post-treaty supervision, 88-9; territorial provisions, 87-8, 89; voting procedure, 82-3
- Canberra Conference (1949), 153; representation, 154; U.S.S.R., 154; voting, 154, 162; *see also* Colombo Conference; Japanese peace settlement
- Casey, Richard G. (now Lord): ANZUS Pact, 203, 220-1, 237, 239; Manus Island, 60, 61; peace treaty, 219-20, 221, 237-9; rearmament (Japanese), 8, 209-10, 219-22, 237-41
- Ceylon, 146, 147, 210, 219
- Chambers, Cyril, 146, 147, 210, 219
- Chiang Kai-shek, 142, 143, 144, 165, 182
- Chifley, Joseph B.: Australian-U.S. relations, 82, 84; Japan (economy) 123, 150, (peace conference and treaty) 82-7, (surrender) 13, (trade) 110; Pacific bases, 62-3; regional security, 62-3; relations with MacArthur, 82, 84, 85; Manus Island, 62, 66
- China, People's Republic (Communist China), 93, 122, 144; alliance with Russia, 247; attitude to Japan, 170-1; Australia (threat to), 244; Formosa, 190n., 215, 223, 226, 233-4; Japanese peace treaty, 160, 213, 215, 217, 218; Korean War (impact on U.S.A.), 183, 194, 202; nationalism and Communism, 137; neutral Japan (MacArthur), 173-4; Pacific pact, 182; peace conference representation (Japan's choice), 218-19; Pescadores, 190, 226, 233; recognition, 162, 165; San Francisco Conference (1951), 230, 234; separate peace with Japan, 152, 153, 162, (raw materials) 160; Treaty of Friendship, etc. (with Russia), 170; U.S. diplomatic relations, 162
- China, Republic (Nationalist China): Australia's attitude, 4, (extraterritoriality) 6, (Japanese trade) 23; civil war, 92, 93, 142, 144; F.E.C. Vice-Chairmanship, 27; Formosa, 190n.; Japan (economy) 23, 156, (international contacts) 80-1, 116; Manchuria, 92; Maritime Coastal Patrol, 118; Pacific pact, 142-4 *passim*; peace treaty objections, 91-4, 105-6; policy in F.E.C. and Allied Council, 92; reparations, 68, 108; representation at peace conference, 187, 217, (Japanese choice) 218-19; Sino-Russian Treaty (1945), 93; veto, 92
- Chu, Lieutenant-General Shih-ming, 53
- Cold War, 150, 155, 174, 180
- Collins, General J. Lawton, 170
- Colombo Conference and Working Party on Japanese Peace Treaty (1950): Australia, 158-64 *passim*; America, 167, 168; Canada, 160; Commonwealth, 167, 168; components and voting rights at peace conference, 187; economic restrictions, 159, 160; fishing and whaling, 161; human rights, 186; import controls, 160-1; India, 159, 160, 162; Japanese defence pact, 160, (Japanese objections) 167, 168-70; New Zealand, 160; Pacific pact, 162-3; rearmament, 159, 160, 161, 199, 242; reparations, 159, 161-2; representation at peace conference, 162; restrictive peace, 158-9; South Africa, 160; territorial provisions, 161; *see also* Canberra Conferences
- Colombo Plan, 6
- Commonwealth of Nations: American Pacific bases, 62, 63; Australia (defence link) 3, (foreign policy) 164; Evatt peace proposals, 74, 148; Japan (rearmament) 167, 190, (security) 167, (separate peace) 167, (trade) 123; Occupation Force, 83; Pacific pact, 138, 181-2; Prime Ministers' Conference, London (1951), 198-200; representation on Allied Council and F.E.C., 154; *see also* Canberra Conferences; Colombo Conference

- Communism and Communists: Asia and the Far East, 10, 128, 129, 137, 147, 211-12, 244, (balance of power) 7, 112, 170; American bases in Japan, 152, 168, 170, 174, 177, 178; Australian concern, 128, 244-5, 248; Europe, 136; Formosa, 161, 215; government workers' union (Japan) 100; hostility to Japan, 170-1; influence on American defence, 202; Korean War, 177-8; Japan, 101-6, 137, 148, 168, 169, 173-4, (defence) 102-3, 160, 168, 170-2, (economy) 101-2, 104, 160, (rearmament) 102, 168, 180, 199, 207, 209, 233, (reparations) 133; Pacific pact, 136, 141, 143, (Burma) 144, 147, (Ceylon) 147, (India) 144, 147, (Indonesia) 144, 147, (Nationalist China) 142, 144, (Pakistan) 147; peace treaty, 162, 199, 213, 215, 217, 233-6, (separate) 152, 162, 169-70, 172; strategy, 136-7; two-front war, 171-2, 177; *see also* China, People's Republic, and Union of Soviet Socialist Republics
- Constitution, Japanese: American bases, 152, 156; civil rights, 88; Collective Security Pact, 198; Diet, 30-7 *passim*; Far Eastern Commission, 28-37 *passim*; Meiji, 32; rearmament, 152, 176, 180, 197-8, 246; revision, 28-37
- Cooper, John S., 172
- Cotton textiles, 98, 123
- Council of Foreign Ministers, 13, 21, 92, 101, 149, 153, 171, 218
- Curtin, John, 123
- Czechoslovakia, 101, 136, 232
- Davidson, Charles W., 124
- Deconcentration Review Board, 121
- Dedman, J. J., 140, 153
- Democratization, *see* Japan
- Denfield, Admiral Louis E., 64, 65
- Denmark, 193
- Derevyanko, Lieutenant-General Kuzma, 47, 48, 51, 53
- Dewey, Thomas E., 172
- Dodge, Joseph M., 132-3
- Doidge, F. W., 162
- Dominican Republic, 232
- Draper, Major-General William H., 95, 101, 102, 113; report (also called Johnston report), 96, 111, 134
- Dulles, John F., 172, 206; ANZUS Pact, 201-5; Japanese peace conference (1951), 226, 235; Japanese peace treaty (1950), 173-5, 185-6, 188-90, (1951) 196-8, 200-1, 208, 213-18, (American proposals) 188-9, (offer to Japan) 196-9; London negotiations (1951), 217-18; missions to Japan (first: 1949), 171, 174-5, (second: 1950), 196-8, 246, (third: 1951) 215-16; regional security (Pacific) pact, 197-8, 200-2; *see also* Japanese peace settlement
- Dutch New Guinea, *see* New Guinea, West
- Economic Commission for Asia and the Far East, 81
- Economy, Japanese: Allied Control, 84; American policy, 22-3, 25, 26, 56, 72, 91, 93-103, 113-14, 121, 125-6, 132, 148, 150, 243, (Australian attitude) 111-12, 122-3; controls, 87-9, 91, 93-4, 159-60; counterpart fund, 133; deficit, 94; Dodge mission, 132-3; Draper mission (Johnston report), 95-6, 99, 101, 102, 111, 134; economic stabilization directives, 125, 126, 132, 134; Elimination of Excessive Concentration of Economic Power (law for), 99; industrial capacity, 68, 87, 93-4, 112, 122-3, 133-5, 157, 163-4, 167, 225, (deconcentration) 88, 99-100, 104, 120-2, 164, 243, (Draper report) 222-3, 224, (excess) 40-2, 107-8, (Johnston report) 95-6, 99, 101-2, 113, (Overseas Consultants) 71, 95, 96, 102, (Pauley report) 41, 43, 71, 95, 96, (production) 95-100, 124, 132-4, 135, 163, 167, 225; inflation, 94-8 *passim*, 132-5; living standards, 96-7, 113-14; Pauley report, 71, 95, 96; raw materials, 98; Reconstruction Finance Bank, 96-7, 132; rehabilitation, 94, 121, 228, 234; revival, 22-3, 113-14, 149-50; SCAP, 22-3, 72, 121, 125-6, 132; shipbuild-

- ing, 159; stabilization, 125-6, 132; Strike Mission (Overseas Consultants), 71, 95, 96, 102, 134; trade, 98, 113, 117-18, 125-6, 132-3, 149-50, 155, 163, 228, (Australia) 8, 109-10, 123, 225; U.K., 213; Zaibatsu, 86, 88, 98-9, 104, 121, 157, 164-5; *see also* Reparations
- Edwards mission, 120-1
- Eggleston, Sir Frederic, 25
- Elimination of Excessive Concentration of Economic Power, 99
- Emperor of Japan, *see* Hirohito
- Europe, 1, 2, 3, 102, 136-7, 138; Australian military commitments, 193; Communist goal, 183; Eastern, 101; two-front war, 102, 172, 177
- Evatt, Herbert V., 81-5, 111-12, 122-3, 157-8, 164; Far Eastern Advisory Commission, 15-17; Far Eastern Commission (veto) 21, (Vice-Chairmanship) 27-8; fishing and whaling, 38; Manus negotiations, 57-64 *passim*; Occupation, 21, 24, 26, 27, 74, 85, 149; Pacific pact, 61-6 *passim*, 138-9, 165; Pacific War Council, 11; peace treaty (1947) 72-4, 83-7 *passim*, (1948) 111-12, (1949) 153; rearmament, 238-9; reparations, 25, 42-3; strategic trusteeships, 70; veto, 17, 21, 111; *see also* Australia; ANZUS Pact; Pacific pact
- Far East: Communism, 128, 137, 141, 183, 244; Japan (rearmament) 208, (role) 102-3, 136; Pacific pact, 145-7 *passim*; U.S.A. (forces) 170, 178, (need for allies) 182; *see also* individual countries
- Far Eastern Advisory Commission, 15, 18, 19-20, 23, 54, 73
- Far Eastern Commission: American policy, 67-8, 71, 74, 95, 104-5, 113-14, 125-6, 129, 130-1; Australia, 15-18, 26-8, 110; Canberra (1947) Conference, 89; China (Nationalist), 92; Constitution (Japanese), 28-37 *passim*; fishing and whaling, 37-40, 52, 53, 75-80; food supply, 44-5; functions, 18-21; implementing legislation, 36; international contacts, 80-1, 110, 114-18, 129-32; labour, 43-4, 100, 110, 119-20, 150-1; Maritime Coastal Patrol, 110, 118-19; membership, 46n.; Moscow decisions, 18-19, 21, 23; powers and duties, 15, 16, 18, 19, 20; reparations, 40-3, 68-9, 107-9, 122, 134-5; SCAP jurisdiction, 26-32 *passim*, 39-40, 47-8, 50, 75, 76, 81, 118-19, 130, 243; terms of reference, 15, 16, 18-21 *passim*, 51n., 69, 115, 243; U.K. proposals, 18; Vice-Chairmanship, 26-8; *see also* Allied Council for Japan; Constitution, Japanese; Economy, Japanese; Supreme Commander for the Allied Powers
- FitzGerald, Charles P., 246
- Food and Agriculture Organization, 81
- Formosa: American proposals, 189, 190; ANZUS provisions, 205; disposal, 219, 226, (Indian views) 223, (U.K. views) 215, 217, (U.S.S.R. proposals) 233-4
- France, 7, 61, 107, 131, 139, 149, 193, 201
- Fulbright Exchange Agreement, 144
- Germany, 7, 111, 149, 150, 201; West Germany, 131
- Gray, Gordon, 170
- Gromyko, Andrei, 27, 230, 233, 234
- Guam Island, 63
- Halifax, Lord, 27
- Haylen, Leslie, 123, 124, 222
- Hensel, H. Struve, 58
- Hilldring, Major-General John H., 76, 78
- Hirohito, Emperor of Japan: as war criminal (Australian views), 12, 17, 23, 126-7, (effect on Occupation) 22; authority, 123-4; Occupation policy, 56; trial, 26, (exemption) 16
- Hodgson, Lieutenant-Colonel W. R., 154, 164, 165, 166
- Hokkaido, 88, 125
- Hong Kong, 202
- Honshu, 88, 102, 125
- Human rights, *see* United Nations Organization

- Iceland, 193
- India: American bases, 223; anti-communism, 144; Australia's attitude, 248; Colombo Conference, 162; Formosa, 223; Pacific pact, 142-7 *passim*, 162; Peace treaty, 74n., 159, 222-3, 224; reparations, 108; Ryukus, 223; San Francisco Conference (1951), 224, 225
- Indo-China, 137, 202, 244
- Indonesia: Australian attitude, 6, 248; Communism, 137; Pacific pact, 142, 144, 147, 194; Peace treaty, 219, 222, 224; reparations, 68, 213, 222-3, 224, (U.S.S.R. proposals) 234; San Francisco Conference (1951), 229; West New Guinea, 66, 206
- International Court of Justice, 189
- International Military Tribunal for the Far East, 25, 126
- International Red Cross, 165, 166, 222, 224, 228
- International Telecommunications Union, 114, 129
- International Whaling Agreement, 76, 78
- Japan: American bases, 152, 154, 156, 167, 168, 169, 171, 174, 176, 178; atomic research, 88; Bank of Japan, 133; civil rights, 88, 155; commercial representatives, 116-17; Communist threat, 100-6 *passim*, 114, 129, 133, 137, 148, 160, 168-75 *passim*, 244-5; defence, 152, 154, 156, 159, 160-1, 167, 174-7, 180, 197-8; demilitarization, 54, 73, 86, 88, 159-60, 173-4; democratization, 54, 56, 73, 85, 86, 88, 98-100 *passim*, 104, 116, 122-4 *passim*, 221; Diet, 156, 167-8, (Constitution) 30-7 *passim*, (international contacts) 129, (labour relations) 101, 151, (Maritime Coastal Patrol) 118, (separate peace) 155, 167; disarmament, 54, 86, 88, 159; fishing and whaling, 37-40, 53, 75-80, 189, 210, 243; food supply, 44-5; international contacts, 80-1, 110, 114-18, 129-32, 225, 243; Korean War, 171, 175-9; labour relations, 43-4, 86, 88, 96, 100-1, 104, 151, 243; land reform, 53, 86; living standards, 95, 97, 112-14 *passim*, 135, 150; mandates, 69-71, 72, 155; Maritime Coastal Patrol, 118-19; Maritime Safety Board, 179; National Police Reserve, 179; neutralism, 152-3, 155, 156, 168-70 *passim*, 174-80 *passim*, 197-8, 245-6; Pacific pact, 196-8, 200-1; prisoners of war (repatriation) 165-6, 227-8, (reparations) 190, 210-11, 222, 224, 237; phosphate project (Angaur I.) 67, 80; rearmament, 112, 118-19, 169-70, 171, 191, 199, 245-6, (America) 161, 163, 167, 174-6, 185-6, (Australia) 103-4, 201, 220-2, 227, 236-8 *passim*, (Colombo Conference) 159-60, (control) 220-2, (Dulles mission) 174-5, 196-8, 200, (limitations) 88, 220, 221; separate peace, 152-3, 155-6, 167-80 *passim*, 197-8; shipbuilding, 159; surrender, 12; U.S.-Japan Security Treaty, 215-16, 217, 220, 246; *see also* Allied Council for Japan; Economy, Japanese; Far Eastern Commission; Japanese peace settlement; Reparations; Supreme Commander for the Allied Powers
- Japanese peace settlement: Allied (post-treaty) supervision, 73-4, 84, 87, 88, 159, 167, 186, 191; America's first (1947) proposals, 82-3, 93-4, 148-9, (China) 91-3, (Commonwealth objections) 83, (procedure) 82, (U.S.S.R.) 91-3, (veto) 82; America's second (1949) proposals, 155, (Japanese objections) 155-6, (opposition) 155-6, (U.K.-U.S. discussions) 153, (U.S.S.R. pressure) 149; America's third (1950) proposals, 188-91, (Australia's views) 163-4, 206-7, 210, (British Commonwealth London meeting) 198-9, (Defense Department) 172, 173, (drafts) 189, 190, 213-15 *passim*, 223-4, (London negotiations) 217, (negotiations) 188, 196, (obstacles) 167-72, (opposition) 222-3, (procedure) 189, 190, (representation) 188, 199, (State Department) 171-4 *passim*, (U.S.S.R. participation) 218, 222; Aus-

- tralia, 163-4, 196-201 *passim*, 206-7, 214, 242, (1947 proposals) 72-3, (America) 74, 84, (Commonwealth) 74, (early peace) 73, 84, (MacArthur) 73, 83-4; bilateral negotiations, 187, 188, 213; civil and human rights, 155, 162, 186, 211; Communism, 91, 105-6, 114, 129, 136, 152, 168, 169, 171, 174, 199; demilitarization, 73, 88, 233-4; disarmament, 219-20 (Colombo Conference), 88, (MacArthur) 73; Defense Department (U.S.), 172, 173, 177; Dulles (draft treaty) 213, (non-restrictive treaty, 1950) 185-6, 188-9, 208-9, 213-14, 233, (U.S. 1947 proposals) 173; early peace (America), 93-104 *passim*, 114, 167, 173, 176-7, (Australia) 73, 84, 149-50, 159, 163-4, (Colombo Conference) 158, (MacArthur) 73, 150, (Nationalist China) 92-4, (obstacles) 151-2, (U.S.S.R.) 91, 92; economic proposals (America) 90, 91, 93, 103, 106, 155, 159, 219, (Australia) 163-4, (Canberra 1947 Conference) 88, (Colombo Conference) 159, (U.K.) 213; fishing and whaling, 161, 189, 210; import controls, 84, 160; Japanese security, 159, 171, 180, 197, 213-19 *passim*, 227, (American bilateral agreement) 161, 176, 189, 215, (Australia) 190, 206, 220, 224, (constitutional provisions) 152, 156, (defence pact) 160, (Dulles mission) 196-8, (Philippines) 225, (Vandenberg resolution) 180, 196, 216; Korean War, 175-6, 178-9, 181, 185; lenient peace, 208, 209, (America) 91, 207-8, 209, 214, 219-22, 226, 229-30, 233, (Australia) 84, 185, 207, 209-11, 213, 214, 226, (Dulles's views) 185-6, (U.K.) 207-8, 209, 214, 226; MacArthur proposals (1949), 154; merchant vessels, 159; militarism, 102, 207, 219, 220, 234-5; narcotics, 189, 210; occupation (post-treaty) 73, 155, 158, 159, 227, 241; Pacific pact (Australia), 128, 200, 211-12, 214, 244; political restrictions, 106, 186, 189; prisoners of war, 210-11, 224, 228, 237; procedure, 189, 190-1, 223-4, 229, 230-3; rearmament (America) 161, 186, 187, 208, 209, (Australia) 198-9, 200-1, 206-7, 208, 209, 220-3, 234-9 *passim*, 242, (Colombo Conference) 159, 160, (Dulles mission) 196-8, (Japanese objections) 180, 207, 213, 215, (Korean War) 175-6, 185, (U.K.) 207-9; representation, 225, (America) 187, 199, 217-19, (Australia) 187, (Canberra 1947 Conference) 89, (Ceylon) 210, (China, Communist) 162, 187, 199, 217-19 *passim*, (China, Nationalist) 162, 218, 229, 230, (Colombo Conference) 162, (India) 162, (New Zealand) 187, (Philippines) 187, (U.K.) 187, (U.S.S.R.) 162, 218, 229, 230; separate peace (America) 91, (Canberra 1949 Conference) 154, (Commonwealth) 199, (Japan) 152, 155-6, 167-9 *passim*, 171, (U.K.) 153, 154, 162, (U.S.S.R.) 91; shipbuilding, 159; U.K. proposals, 153, 214-15, (voting) 217; U.S.S.R., 149, 218, 229-30, 233-5; veto, 90, 91, 92, 111, 210; *see also* ANZUS Pact; Canberra, Colombo, San Francisco Conferences; Reparations; Pacific pact; Treaty of Peace with Japan
- Johnson, Louis, 168, 173
 Johnson, Nelson, 27
 Johnston report, *see* Draper report
- Kennan, George F., 111
 Koo, Wellington, 27
 Korea: independence, 226; North, 175; Republic, 102, 137, 142, 177, 247
 Korean War (1950): America (allies) 182-3, (defence planning) 182-3, 192, 202, (peace treaty planning) 171, 175-7 *passim*, 185; Australia (armed forces) 182-4, 203, (relations with U.S.A.) 185, 192, 194, 216; Communist China, 218; Japanese industrial and military potential, 198; Pacific pact, 181, 183, 185, 192-4, 202
 Kure, 83
 Kurile Islands, 189, 211, 226, 233
 Kyushu, 88, 125

- Labor Standards Law (Japan), 100
 League of Nations, 69
 Liberal Party (Australia), 26, 144-5, 158, 164, 165, 184, 211, 236
 Liberal Party (Japan), 169
 London, 183, 207, 217 (negotiations) 172, 198
 Lovett, Robert A., 196
- MacArthur, General Douglas, *see* Supreme Commander for the Allied Powers
 McCoy, Major-General Frank R., 77, 79, 80, 95, 113, 134-5
 Makin, Norman, 78-9, 81, 114-15, 116, 140
 Malaya, 69, 137, 142, 202, 248
 Malik, Jacob, 196
 Manchuria, 42, 92, 235
 Mandates, Japanese, 69-70, 72, 155; *see also* United States of America, strategic trusteeships
 Manila, 142, 200, 214
 Manus Island, 57-66, 69, 138, 144; *see also* Pacific pact
 Marshall, General George C., 80, 196
 Marshall Plan, 105, 172
 Meiji Constitution, 32
 Menzies, Robert G.: Australia-U.S. relations, 140, 144, 157, 183-4; Communist China (recognition), 165; Japan, 157-8, 186, (rearmament) 186, 207, 236-7; U.S.S.R., 158; Washington visit, 184
 Middle East, 102, 172, 193
 Misawa, 102, 125
 Monroe Doctrine, 3, 203
 Morrison, Herbert, 216, 218
 Moscow, 18, 19, 136
 Moscow Conference of Foreign Ministers, 18, 19, 21, 28, 29, 69
- Narcotics, 189, 210
 National Public Service Law (Japan), 100
 Nationalism: American, 1-3; Australian, 1-2, 3, 4; Chinese, 136; Indo-Chinese, 136; Japanese, 245-6
 Nationalist China, *see* China, Republic
 NATO, *see* North Atlantic Treaty
 Nauru, 69
 Nehru, Jawaharlal, 141, 162
 Netherlands, 60; colonialism, 6; Pacific pact, 61, 139; U.S. strategic trusteeships, 71
 Netherlands East Indies, *see* Indonesia
 Neutralism: Burma, 142; India, 142; Indonesia, 142; Japan, 152-3, 167-70 *passim*, 175, 176, 178-9, 180, (MacArthur) 174, 175-6
 New Delhi, 143, 224
 New Guinea, 3, 60, 66, 69, 107, 206; West, 6, 66, 192
 New Zealand: Agreement with Australia, 5, 58, 59, 139; Far Eastern Commission, 27-8; Japan (coastal patrol) 118, (defence pact) 160, (fishing and whaling) 38, 76, 161, (food supply) 45, (imports) 159, (international contacts) 81, (mandates) 71, (Peace treaty) 74n., 82, 154, 187, 223, (rearmament) 149, 186, 196, (reparations) 108; Manus Island, 61, 62; Pacific pact, 61, 62, 142, 162, 194, 201; South Pacific Commission, 139; *see also* Allied Council for Japan; ANZUS Pact
 North Atlantic Treaty: American support, 183; Australia, 193; compared with ANZUS, 202-6, 220, 240; counterpart for Pacific pact, 136, 137, 140-1, 144, 145, 147, 193-4, 211; origin, 141-2; support for, 144
 Northcott, Lieutenant-General (now Sir) John H., 25
 Norway, 14
 Novikov, Nikolai, 27
- Oil, 87, 159
 Overseas Consultants, 95, 101, 134
- Pacific (regional defence) pact, 5, 57-9, 138-9, 140, 162; American attitude, 141-2, 143, 147, 182, (Pacific bases) 57-66, (peace proposals) 139, 185, 195, (piece-meal peace policy) 128, 129, (pre-requisites) 141-2, 181-2, (treaty with Japan) 215-16; Australia, 242, (and Asia) 5, (New Zealand agreement) 5, 58-9, 139, (proposals, 1949) 136, 138-9, 140-1, 211-12, 240, (proposals, 1950) 145-6, (reciprocal use of bases) 60-1, 63-4, 65; Burma,

- 144, 147; Ceylon, 146, 147; China, 142-3; Colombo Conference, 162; Communism, 128, 136-7, 141, 143-4, 146, 157, 165; France, 59, 61, 201; India, 142, 143-4, 146, 147, 162; Indonesia, 142, 144, 147; Japanese security, 190, 225; Korean War, 181-3, 185, 192, 194, 202; Malaya, 201; membership, 62, 141, 142, 143, 146, 194-5, 201-2; NATO, (comparison) 142, 144, (counterpart) 137, 140, 141, 145-6, 147, 183, 193, 195, 204; negotiations, (Canberra) 200-2, (Dulles) 191-2, 196-7, (Manila) 200, (Tokyo) 196-8, (Washington) 184-5, 192-5; Netherlands, 61, 139; New Zealand, 61, 62, 142, 162, 194, 201; Pacific Council, 193, 201; Pakistan, 146, 147; Philippines, 146, 147, 194, 200, 201, 202, 205, 225, (proposals) 142-3, 144; regional defence pact, 5, 57-9, 182, 240; Siam (Thailand), 142; terms, 202-6; U.K., 59, 61, 62, 144, 162, 201, 202; *see also* ANZUS Pact
- Pacific War, *see* World War II
- Pacific War Council, 11, 138
- Pakistan, 74n., 87, 146, 147, 224
- Palau Islands, 80; *see also* Angaur Island
- Papua, 66, 206
- Paris, 183, 217, 218
- Pauley, Edwin, 41, 95
- Pauley report, 41, 71, 95, 96
- Peking, 217
- Pentagon, *see* United States of America, Defense Department
- Pescadore Islands: American proposals, 189, 190, 211; Australian views, 210; Colombo Conference, 161; San Francisco Conference, 226; U.S.S.R. proposals, 233
- Philippines: Communism, 137; invasion, 58; Japan (economy) 23, (international contacts) 81, 116, (mandates) 71, (Peace treaty) 224, (rearmament) 149, 181, 196, 222, (reparations) 68, 108, 224, 234; U.S. Security Treaty, 225; White Australia policy, 6; *see also* Pacific pact
- Plimsoll, Major James, 35, 36, 37, 108
- Poland, 230-2, 235
- Portugal, 5, 193
- Postal Congress, 81
- Potsdam Conference, 88, 90
- Potsdam Declaration: America, 33, 90; Australia, 12, 22, 90; Canberra Conference, 89; Far Eastern Commission, 30, 33, (and MacArthur) 31; Japanese surrender, 12, 112, 226; principles, 17
- Prisoners of war: Australian, 10, (reparations payments) 190, 210-11, 222, 224, 237; Japanese (repatriation) 165-6, 227-8
- Quirino, President, 142, 143, 146, 147
- Rayon, 97
- Reconstruction Finance Bank, 96-7, 132
- Regional defence pact (Pacific), *see* ANZUS Pact; Pacific pact
- Reparations: Allied claims, 42, 43, 107-8; America, 8, 68, 71, 101-3, 108, 110, 133-5, 159, 243, (peace proposals) 189, 223-4; assets, 41-2, 95-6, (external) 42-3, 162, 217; Australia, 8, 25, 40, 42-3, 55, 103, 122, 124, 135, (claim) 107-8, 109, (prisoner-of-war payments) 190, 210-11, 222, 224, 228, 237, (removal programme) 69; Burma, 69, 213, 222-3, 224; Canada, 108; Canberra (1947) Conference, 161-2; China (Communist) 156, (Nationalist) 68, 108; Colombo Conference 161-2; 'excess capacity', 40-2, 68, 71, 134-5; Far Eastern Commission, 40-2, 68, 71, 134-5; France, 108; gold reserves, 217; India, 108; Indonesia, 68, 213, 222-3, 224; interim removals programme, 69; limited, 228; MacArthur, 71-2, 133; Malaya, 69; Nauru, 69; Netherlands, 68, 108; New Guinea, 69, 107; New Zealand, 108; Papua, 69; Philippines, 68, 108, 213-14, 224; San Francisco Conference, 226, 228; separate agency, 42; Treaty of Peace, 42, 229-30; U.K., 69, 108, (gold reserve) 217; U.S.S.R., 108, 156, 234; *see also* Economy, Japanese
- Republican Party (U.S.A.), 172
- Reston, James, 103, 171-2, 177, 208

- Rhee, Syngman, 142, 143
 Roosevelt, Franklin D., 69, 101, 138
 Royall, Kenneth, 139, 140, 169, 177
 Rubber, synthetic, 87, 159
 Rusk, Dean, 194
 Russia, *see* Union of Soviet Socialist Republics
 Ryan, Rupert S., 144
 Ryuku Islands: American proposals, 189, (Australian views) 210; ANZUS commitments, 205; Colombo Conference, 161; Indian views, 223; San Francisco Conference, 227; U.S.S.R. proposals, 233, 234
- Sakhalin Island, 189, 211, 226, 233
 San Francisco Conference on Japanese Peace Treaty (1951): participants, 224, 225; procedure, 229, 230-3; terms, 226-9
 San Francisco Conference on United Nations Organization (1945), 11, 172
 Sansom, Sir George, 27
 Sebald, William J., 119, 164, 166
 Separate peace, *see* Japanese peace settlement
 Shaw, Patrick, 110, 119, 120
 Shedden, Sir Frederick, C., 63
 Shidehara, Baron Kijuro, 53; cabinet, 30
 Shikoku, 88
 Shinto, state, 88
 Siam, *see* Thailand
 Siberia, 165
 Singapore, 248
 Sino-Japanese War (1937), 4
 Socialist Party (Japan), 155-6
 Soda ash, 41
 South Africa, *see* Union of South Africa
 South America, 194
 South Pacific Commission, 65, 139
 Soviet Union, *see* Union of Soviet Socialist Republics
 Spender (now Sir) Percy C.: American visit, 188; ANZUS Pact, 201, 224; Colombo Conference, 158, 159; San Francisco Conference, 234-5; *see also* ANZUS Pact; Japan, rearmament; Japanese peace settlement
 Steel, 41, 87
- Sterling area, 110, 123; restricted conversion, 109
 Strategic trust territories, *see* United Nations Organization; United States of America
 Strike, Clifford, 71, 95
 Strike report, 71-2, 95, 111
 Sulzberger, C. L., 173
 Supreme Commander for the Allied Powers, 19, 20, 54, 67, 76-7; Angaur Island, 80; Australia, 13, 14, 17, 18, 74, 163, (labour laws) 100, 119-20, 150-1, (Parliamentary delegation) 123-4, (right to strike) 101, 119, 120, 150-1; authority, 17, 18, 20, 25, 26, 31, 46, (Moscow decisions) 28, 30; Basic Initial Post-Surrender Directive, 94; Basic Post-Surrender Policy, 87; Canberra (1947) Conference, 87; commercial representatives, 117, 129, 131; Constitution, 28-37 *passim*; Defense Department (U.S.), 173, 177; demilitarization, 26; demobilization, 54, 73; democratization, 54, 56, 73, 85, 124; directives, 14, 20, 47-8, 50, 51, 54, 132, 133, (power to issue) 19, 67; disarmament, 26, 54, 56; dismissal, 56; Dulles mission, 173; Evatt (relations with), 82, 83; fishing and whaling, 37-40, 52, 53, 75-80; food supply, 44, 45; foreign trade, 23, 52; functions, 19; 'gloved hand' policy, 13, 56; implementing legislation, 36; Initial Post-Surrender Directive, 16, 17-18, 23, 24; international conferences, 81, 115-16, 129; international contacts (Japanese), 80, 81, 114-17 *passim*, 129, 130, 131; Korea, 198; labour (law) 119-20, 150, (relations) 101, 150-1; Labor Standards Law, 100; land reform, 53; Maritime Coastal Patrol, 118-19; merchant marine, 52; National Public Service Law, 100; neutralism, 152, 169; Occupation, 22, 23, 26, 49, 104-5, 243, (achievements) 85, (duration) 23, 150, (policy) 54, (post-treaty) 73; peace proposals, 114, 129, 154, 158, 167, 174, (Australian) 73, 85-6; phosphate project, 80; political freedom, 116;

- political reforms, 88; prisoners of war, 16, 166; rearmament, 173-4, 175-6, 179, 197; reparations, 71, 133; right to strike, 101, 119, 120, 150-1; self-defence (Japanese) 156, 158, 167; State Department (U.S.A.), 74, 155, 158-9, 168, 173; surrender supervision, 84; textile industry, 52; trade unions, 26; transoceanic shipping, 52; war criminals, 22; *see also* Allied Council for Japan; Far Eastern Commission; Economy, Japanese; Reparations; United States of America
- Sweden, 173, 175
- Switzerland, 166, 175
- Sydney Morning Herald*, 59, 60
- Thailand, 142
- Tokyo, 15, 84, 109, 139, 140, 169, 198, 200, 214, 216
- Toynbee, Arnold, 137
- Trade unions (Japanese): Australian attitude, 43-4, 85, 86, 150-1, 157; Canberra (1947) Conference, 88; Communism, 100; MacArthur, 100, 151; National Public Service Law, 100; right to strike, 100-1, 119, 120, 150-1; strength, 96, 104
- Treaty of Peace with Japan (1951): Australia, 236-9; Japanese acceptance, 236; text, 251-66; U.S.S.R. objections, 233-5; *see also* Japanese peace settlement
- Truk Island, 63
- Truman, Harry S.: foreign policy, 138; Initial Post-Surrender Directive, 14, 15, 87, 94; naval expenditure (U.S.A.), 64; Pacific pact, 143, 194, 216, 230; Peace treaty, 171-6 *passim*, 188-9, (San Francisco Conference) 229-30; reparations, 95; strategic trusteeships, 69-71
- Two-front war, 102, 172, 177
- Union of South Africa, 74n., 160, 191
- Union of Soviet Socialist Republics: Communist China, 144, 171, 174, 247; Eastern Europe, 101; Japan as American ally (U.S. State Department), 102; Pacific pact, 144; peace conference, 229, 230, 232-4; peace treaty, 91, 149, 152, 153, 154, 160, 162, 172, 189, 199, 218, 222-3, 233-4, 235; prisoners of war (Japanese), 166, 228; rearmament, 207, 209; relations with West, 101-2, 136-7, 149, 152, 174, 223, 229; two-front war, 102, 172, 177; veto, 21, 26, 69, 111, 136, 154; *see also* Allied Council for Japan; Far Eastern Commission; Communists and Communism; Economy, Japanese; Reparations
- United Kingdom: American Pacific bases, 59, 62; Cabinet, 217, 218; Canberra (1947) Conference, 74, 83; Canberra (1949) Conference, 153, 154; China (Communist) 213, 217, (Nationalist) 217; Colombo Conference, 160; Formosa, 215, 217; Pacific pact, 139, 144, 145, 162, (exclusion) 194, 201-2, 216-17; separate peace, 153, 154, 162; South Pacific Commission, 139; strategic trusteeships (Japanese mandates), 70, 71; *see also* Allied Council for Japan; Far Eastern Commission; Economy, Japanese; Japanese Peace settlement
- United Nations Charter: collective self-defence, 195, 197, 214, 216, 224, 227; Japan, 226, 227; settlement of disputes (Article 2), 210, 211
- United Nations Organization, 222; General Assembly, 190, 215, 218; Japan, (Peace treaty) 189, (membership) 226; strategic trusteeships (Japanese mandates), 67, 69-71, 155; Universal Declaration of Human Rights, 210, 226
- United States of America: bases (Japanese) 152-6 *passim*, 167-78 *passim*, (Pacific) 57-66, 223; Canberra (1947) Conference, 82-3, 87-90 *passim*; Communist expansion, 91-2, 100-3, 105, 106, 128-9, 136-7, 152, 165; Constitution (Japanese), 29-37, 152, 176, 180, 197, 246; Defense Department, 102, 168, 172-4 *passim*, 177, 189, 190, 213-15, 223-4; dominance in Far East, 14, 18-21, 68, 104-6, 242-3; Japan (as military bastion) 94, 101-6, 125-6,

- 128-9, 148, 152, 172, 174, (possible withdrawal from) 139-40, 152, 169-70, 177; Manus Island, 57-66, 138; policy (anti-Communist) 102-6, 168, 169, (economic) 91, 93-103 *passim*, 110, 148, 150, 190, 213-14, 243, (Japan as bastion) 91, 101-3, 148, (Japanese rearmament) 152, 167, 174-80 *passim*, 186-7, 190, 196-8, 208-9, 213, 246, (Occupation) 14-20 *passim*, 243, (peace treaty) 74, (piecemeal) 71-2, 111-14, 129-31, 136, 148-9, 157-9 *passim*, 164, (political controls) 114, 186; South Pacific Commission, 65, 139; State Department (Communist China) 182, 215, (F.E.C.) 243, (Pacific pact) 181, 183 (peace treaty) 74, 155, 158-9, 168, 173, 188, 196; strategic trusteeships, 67, 69-71, 155; strategy, 139; traditional social attitudes, 1-4, 249; *see also* Allied Council for Japan; ANZUS Pact; Far Eastern Commission; Economy, Japanese; Japan; Japanese peace settlement; Pacific pact; Supreme Commander for the Allied Powers; Reparations
- Vandenberg Resolution, 180, 196, 203, 216
- Versailles Conference, 3, 172, 200, 208
- Veto: Australia's views, 18, 21, 111, 165; Far Eastern Commission, 21, 23, 26, 27, (U.S.A.) 18, 33, 67, 80, (U.S.S.R.) 69, 132; Peace treaty, 165, 210, (Pacific allies) 91, 244, (San Francisco Conference, 1945), 11 (U.S.S.R.) 91, 154
- Vladivostok, 102, 125
- Voorhees, Tracy, 170
- Vyshinsky, Andrei, 149
- Wang, Shih-chieh, 92
- Ward, Eric, 55
- Washington, 63, 90, 141, 153, 1181, 184, 192, 194, 207
- Webb, James, 173
- Wei, Tao-ming, 27
- White Australia policy, 4, 6, 2419
- White Papers: American, on China, 144, 182; Japanese, 169, 1174, 178-9
- Whitney, General Courtney, 48, 49, 156
- Wierblowski, Stefan, 230-1, 2335
- Wilson, Woodrow, 2, 186
- Wool, 97-109
- World War I, 227
- World War II, 126, 137; America, 243; Australia, 108, 249; Japan (devastation) 236, (role) 4, 1152, 246; Pacific War, 122, 184, 216, 225; Philippines, 200
- Yalta Conference, 88, 90
- Yokosuka, 125
- Yoshida, Shigeru, 155, 156, 1169, 197, 198, 208, 213, 215, 236
- Young, Kenneth, 231, 233
- Yugoslavia, 225

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