

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

(12) The occupying forces of the Allies shall be withdrawn from Japan as soon as these objectives have been accomplished and there has been established in accordance with the freely expressed will of the Japanese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

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

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

APPENDIX 3

BASIC POST-SURRENDER POLICY FOR JAPAN

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

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

PREAMBLE

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