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CHANGES NO. 4

to

SANACC SUMMARIES OF ACTIONS AND DECISIONS

30 November 1947

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COPY NO. 42

30 November 1947

STATE-ARMY-NAVY-AIR FORCE COORDINATING COMMITTEE

CHANGES NO. 4

TO

VOLUMES I, II, III, AND IV DATED 1 NOVEMBER 1946 AND
VOLUMES V AND VI DATED 1 SEPTEMBER 1947 OF
SANACC ACTIONS AND DECISIONS

Note by the Secretaries

To incorporate recent decisions of the Committee therein, holders of SANACC Summaries of Actions and Decisions are requested to make the following changes:

a. Substitute the attached revised pages 17A, 94, 115C, 183C, 270, 349E, 375A, 380E, 388G, 395A, 431B, 484R, 490, 499, 508A, 517A, 566, 570, 573, 580, 626, 646, 650, 680, 693, 697, 701, 720, 729 and 735 and destroy the superseded pages by burning.

b. Insert new pages 17B, 260D, 330B, 330C, 330D, 330E, 431C, 431D, 431E, 443G, 443H, 484S, 490A, 508B, 509A, 511C, 531D, 547A, 566A, 570A, 580A, 600A, 604A, 604B, 604C, 626A, 669A, 670A, 720A, 736, 737, 738, 741, 742, 743, 744 and 745.

W. A. SCHULGEN

V. L. LOWRANCE

J. P. GARDINER

Secretariat

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questions in the three departments the resolutions of which did not appear to be worth the time and effort involved.

(SWN-5206-6 Mar 47) The Committee approved the State Member's proposal on 3 April 1947 and SWNCC 12/5 to 12/13, inclusive, were removed from active consideration.

SWNCC 12/14 dated 6 October 1947 was a report by an ad hoc committee designated to prepare a study on status of the Committee of Three and SWNCC under the National Security Act of 1947. It was concluded that:

1. Pending a review at a later date of relationships between the State Department, the National Security Council, Military Establishment and the Secretary of Defense, SWNCC should be renamed the State-Army-Navy-Air Force Coordinating Committee and reconstituted with the addition of an Air Force Member. Members of the reconstituted Committee should be Assistants or Under-Secretaries of their respective Departments.

2. The Committee of Secretaries ("Committee of Three") will take into account the new relationships established by the provisions of the National Security Act and will determine the composition of this Committee.

3. The terms of reference of the State-Army-Navy-Air Force Coordinating Committee should be that as set forth in Appendix "B" and should be approved by the Secretaries of State, Defense, Army, Navy and Air Force.

The ad hoc Committee recommended that: (1) SWNCC approve the above conclusions and (2) after approval by SWNCC the provisional terms of reference of the State-Army-Navy-Air Force Coordinating Committee as set forth in Appendix "B" be forwarded to the Secretaries of State, Defense, Army, Navy and Air Force for final approval and signature by the Secretaries of the respective Departments. At its 60th meeting on 3 October 1947 the State-Army-Navy-Air Force Coordinating Committee (SANACC) approved SWNCC 12/14.

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SANACC 12/15 dated 5 November 1947 circulated for information and guidance the provisional terms of reference of the State-Army-Navy-Air Force Coordinating Committee.

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rights of through passage be granted the U.S. forces; and finally the JCS perceived no objection to giving the French, with proper safeguards with regard to transit rights, the State of Baden, the State of Wurttemberg and the Province of Sigmaringen but, Frankfurt and surrounding territory should remain in the U.S. Zone as General Eisenhower felt that it was the only logical place for a U.S. Headquarters. The Committee approved SWNCC 44/1 as announced in SWNCC 44/2 dated 5 May 1945 and the information contained in the enclosure was transmitted to the Secretary of State.

SWNCC 44/3 dated 8 May 1945 circulated for information and guidance letters from the Secretaries of War and Navy to the Secretary of State. These letters were based on the recommendations of the JCS who concur in the recommendation of General Eisenhower that the bridgehead of the Rhine east of Koblenz in the state of Hessen-Nassau comprising Unterwesterwaldkreis, Unterlahn Kreis and Sankt Goarhausen Kreis should be given to the French if they ask for it. This supersedes the last two sentences of paragraph 7 b (3) and paragraph 8 of enclosure to SWNCC 44/1.

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a. All research in Japan, of either a fundamental or applied nature, in the field of atomic energy should be prohibited, including:

(1) All research or development which has for its purpose the production of fissionable atomic species;

(2) All research or development which has for its purpose the separation or concentration of fissionable species of atomic isotopes from naturally occurring isotope mixture of a chemical element.

b. All development or construction in Japan which has for its purpose the utilization of atomic nuclear energy should be prohibited.

c. The mining, processing, and refining of radioactive materials in Japan for authorized purposes, such as radium for medical uses, should be permitted only in those instances specifically approved by the Supreme Commander for the Allied Powers and under his surveillance."

SWNCC 52/25/D dated 21 February 1947 referred a memorandum by the Secretary of JCS to SFE for appropriate action. The JCS memorandum enclosed SCAP's report on Industrial Disarmament and Economic Control of Japan in response to paragraph 17 c, SWNCC 52/7 (Appendix). The Subcommittee for the Far East determined that no further action is required on this matter in view of the SWNCC 302 Series. Based upon request of the Acting Chairman, SANACC, the directive contained in SWNCC 52/25/D was cancelled on 26 November 1947.

SANACC 52/26 dated 17 November 1947 referred a letter received by the JCS from SCAP requesting disposal instructions of impounded radioactive stockpiles in Japan, to the Subcommittee for the Far East for preparation of a draft reply after the views of the Atomic Energy Commission have been obtained.

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"14. Any undemocratic workers' organization or their affiliates, such as the patriotic industrial associations, should be dissolved and not allowed to revive. No new workers' organizations with militaristic, ultra-nationalistic, fascist, or other totalitarian aims should be permitted.

"15. Persons who have been imprisoned because of activity or 'dangerous thoughts' in connection with trade unions and other labor organizations should be released.

"16. The balance sheet and table of income and expenditure of each trade union showing also the source of large contributions should be available for public inspection. Safeguards such as annual audit by a professionally competent auditor appointed by the members should be taken to ensure the accuracy of these statements."

SWNCC 92/4/D dated 6 May 1947 referred to SFE for study and report a message from SCAP regarding the above directive in which he asked if Neutral Nations having missions in Japan were authorized trade representatives on same basis as Allied Nations. SCAP requested that if the above directive did not authority be granted as he considered it highly desirable to accord Neutral Nations this privilege.

SANACC 92/5 dated 17 November 1947 was a report by the Subcommittee for the Far East in response to SWNCC 92/4/D. It was concluded that SCAP should continue to deal with missions of neutrals so as to facilitate trade and achieve the objectives of the occupation. No official trade representative should be appointed for such countries. It was recommended that upon approval, the JCS be requested provided they have no objections from the military point of view, to dispatch a message to SCAP setting forth above conclusions.

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SWNCC be held in abeyance pending receipt of these comments. The Navy Member felt that the ad hoc committee had given primary weight to the political considerations involved and insufficient weight to the military and security aspects of the problem. Accordingly, the JCS were requested to submit their comments.

SWNCC 137/10 dated 27 June 1947 was a memorandum by the War Member proposing further changes to SWNCC 137/6. This paper was also forwarded to the JCS in connection with their consideration of SWNCC 137/6 to 137/9, inclusive.

SWNCC 137/11 dated 18 September 1947 circulated a revision of Appendix "C" of SWNCC 137/3 by the Secretariat in light of changes made therein by the Bureau of the Budget.

SWNCC 137/12 dated 23 October 1947 was a memorandum by the Army Member approving SWNCC 137/11 subject to certain amendments.

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SWNCC 144 Series - Aviation Fuel for Swedish Air Force.

SWNCC 144 dated 2 June 1945 was a memorandum by the Joint Chiefs of Staff in response to identical letters to the Secretaries of War and Navy from the Secretary of State. The State letter referred to Joint Chiefs of Staff approval for continuation after 31 December 1944 of a basic quarterly allowance of 30,000 metric tons of petroleum products for Sweden until the close of hostilities in Europe and for which the State Department felt should be continued after the cessation of European hostilities until the post-war programs have been agreed upon and inaugurated. The State was concerned about a recent request for 100/130 octane and 73-77 octane unleaded by the Swedish Government and requested the views of the Joint Chiefs of Staff on the following points:

- a. Reasonable annual programs for the 100/130 octane and 73-77 octane unleaded aviation gasolines.
- b. A reasonable size of inventory of these products in Sweden.
- c. Since the 1080 tons of 100 octane on hand March 31 is five years old, should this amount be disregarded in State consideration.

The Joint Chiefs of Staff perceived no objection to the Swedish request and submitted the following opinions on the above questions:

- a. A reasonable annual program for 100/130 octane and 73 octane unleaded aviation gasolines should be based upon the outcome of discussions to be undertaken in Stockholm with respect to post-war activities at which time the training and operational program of the Swedish Air Forces should be clearly stated and aviation fuel requirements determined upon agreements reached.
- b. Six months' supply.
- c. Should be disregarded.

On 8 June 1945 (SWNCC 144/1) the Committee approved SWNCC 144 and the opinions contained therein by the Joint Chiefs of Staff were forwarded to the Secretary of State.

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SWNCC 176/30 dated 4 August 1947 was a report by an ad hoc Committee for formulation as a matter of urgency a proposed course of action to be adopted by the United States Government to prevent serious deterioration of the unsettled political situation in Korea. It was recommended that:

a. In the event that present impasse in the Joint Commission continues until 7 August, the letter in Appendix "C" be dispatched to the Foreign Minister of the USSR, and on 18 August the letter in Appendix "D" be dispatched to the Foreign Ministers of the USSR, United Kingdom, and China; these letters to be made public upon notification of their delivery.

b. In the event of breakdown in Joint Commission negotiations in Korea prior to 7 August, that the letter in Appendix "D" be immediately dispatched with appropriate publicity, to the governments of the Soviet Union, United Kingdom, and China.

c. If no agreement can be reached between the four powers regarding the proposals contained in the Annex to Appendix "D", on 10 September the United States publicly announce its intention of submitting the whole Korean problem to the next session of the General Assembly of the United Nations beginning 16 September.

d. In the event the Soviet Union refuses to consider the U.S. proposals on Korea, or otherwise delays progress, the United States inform with appropriate publicity, the other three powers of its intention to submit the whole problem to the General Assembly of the United Nations.

e. A State Department working group immediately be formed to prepare the Korean case for submission to the United Nations, consulting as appropriate with representatives of the War and Navy Departments.

f. The Far Eastern Subcommittee of SWNCC, after the

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receipt of General Wedemeyer's report, prepare a study of the political and economic considerations which will be involved should it become desirable or necessary to grant independence in South Korea.

g. Grant-in-Aid legislation for South Korea be prepared for submission to the next session of Congress.

h. The information policy in Korea be appropriately revised by the Foreign Policy Information Subcommittee of SWNCC.

SWNCC 176/30 was approved by the Committee on 6 August 1947 with the War member making the following comment:

"I note, however, that although the Conclusions of the paper indicate that the proposed course of action is not rigid and may have to be modified by developments, that is not made completely clear in the Recommendations. While proposed course of action appears to be sound, the War Department wishes to make clear its understanding that the State Department may have to make necessary modifications in the light of developments."

SWNCC 176/31 dated 15 August 1947 was a message from COMGENUSAFIK to JCS and forwarded by JCS requesting the basis of reply. This message, which was referred to the State-War-Navy Coordinating Subcommittee for the Far East for preparation of a draft reply, states in preliminary study, of interim directive contained in WARX 82886 brings out certain practical discrepancies between what is directed and the ability to accomplish, particularly with reference to limitations on expenditures of appropriated funds.

SWNCC 176/32 dated 24 September 1947 was the following proposed reply to COMGENUSAFIK message contained in SWNCC 176/31:

" 1. COMGENUSAFIK will continue to get needed supplies

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from the Japanese economy through CINCFE for occupational needs in dependent housing, including building material.

" 2. The Japanese economy, through SCAP, will be compensated in U.S. dollars, now appropriated or to be appropriated, for supplies shipped to Korea to meet the direct needs of the U.S. forces in Korea, including building materials for dependent housing.

" 3. Korea will continue to be supplied with essential civilian supply imports from Japan in accordance with paragraph 18 b (2) (b) of SWNCC 176/29.

" 4. Appropriated funds, consistent with the appropriations already made or to be made by the Congress, can be used for dependent housing in Korea. USAFIK will continue current dependent housing programs to the extent required to meet needs. Standard of facilities to be provided will be the minimum consistent with the prospective period of tenure of occupation personnel. Although won expenditures may continue, no payments in U.S. dollars for goods, services, rentals or facilities procured in Korea will be made, however, until pay-as-you-go policy is implemented.

The only items of building materials which will be supplied from ZI are those items which cannot be obtained from CINCFE resources and for which substitutes are not available locally. American building materials which have been or will be furnished CINCFE under approved project 4-J-DEV may also be used. No land will be purchased for USAFIK needs. For planning purposes it will be assumed that leaseholds or other appropriate rights will be obtained in land on which construction is to be accomplished. Final disposition of real estate will be subject to later policy determination.

" 5. USAFIK will construct housing for State Department and any other U.S. personnel on official business and their dependents provided such personnel are working on behalf of USAFIK, and assisting in USAFIK's mission in Korea.

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"6. USAFIK still comes under CINCFE for construction and policy connected therewith. USAFIK will continue to be afforded the same relative priority in obtaining construction materials from Japan for use in dependent housing as if afforded to U.S. forces in Japan."

SANACC 176/33 dated 7 Nov 1947 was a memorandum by the Army Member recommending that early steps be taken to prepare the study recommended by para 5f of SWNCC 176/30 (that the Far Eastern Subcommittee of SWNCC, after receipt of General Wedemeyer's report, prepare a study of the political and economic considerations which will be involved should it become desirable or necessary to grant independence to South Korea) giving due consideration to the advisability of establishing South Korean armed forces.

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(Added by Changes No. 4, 30 Nov 47)

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SWNCC 186/27, dated 18 June 1947, was a study by SFE on its own initiative to determine the disposition of ex-Japanese combatant vessels which are the share of the U.S. Government. The paper was forwarded to the JCS for comment from the military point of view.

SWNCC 186/28 dated 10 July 1947 was a memorandum by the JCS recommending certain changes to SWNCC 186/27.

SWNCC 186/27 as amended by SWNCC 186/28 was approved by the Committee on 21 July 1947; the JCS were requested to advise SCAP regarding the decision to allot certain ships of the U.S. share to the Navy for targets; and the State Department was requested to approach the French and Chinese Governments with an offer of certain ships of the U.S. share provided the Attorney General had determined that these vessels could be legally transferred to those governments (SWN-5576).

On 24 July 1947 the State Member advised that the State Department had received replies from the Governments of U.K., U.S.S.R. and China regarding the Division of ex-Japanese combatant ships (Appendix "C" to SWNCC 186/23) and in the absence of any objection by these governments to the destruction of those vessels that could not be placed in operable condition within 60 days (Annex "C" to Appendix to SWNCC 186/18/D), the State Department felt that SCAP should be advised to destroy or scrap such vessels. In SWN-5582 dated 24 July 1947 the Secretariat requested authority from the War and Navy Members to advise the JCS that SCAP could now authorize the destruction of ex-Japanese destroyers and surface combatant vessels of lesser tonnage which cannot be rendered operable within 60 days.

SANACC 186/29 dated 10 November 1947 circulated for information a letter from SCAP enclosing a list of Ex-Japanese minor war vessels for division among the Four Powers showing the disposition and present status of the vessels listed in SWNCC 186/18/D (revised) as of 1 October 1947.

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SWNCC 202/5/D dated 8 January 1947 referred to the Rearmament Subcommittee for study and recommendation a statement by the War Member in which he stated that sufficient equipment to implement all presently contemplated programs was not physically available to the War Department and recommended that the Rearmament Subcommittee be directed to submit recommendations to SWNCC with a view to establishing a national policy to include priorities of various commitments, any legislation which might be required, and such other aspects of the problem as may be revealed by its study.

SWNCC 202/6/D, dated 15 January 1947, referred SWNCC 202/4 to the Rearmament Subcommittee for study in connection with their consideration of SWNCC 202/5/D.

SWNCC 202/7/D dated 25 August 1947 withdrew SWNCC 202/5/D thereby cancelling the directive contained therein and the directive contained in SWNCC 202/6/D. In view of this action SWNCC 202/4 was referred to the State-War-Navy Coordinating Subcommittee for Rearmament for study and recommendation.

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(Revised by Changes No. 4, 30 Nov 47)

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On 21 March 1947 the JCS forwarded CM-IN 3524 dated 20 March 1947 in which OMGUS requested information as to whether or not he should invite restitution missions from Bulgaria and Albania, and if Albania was considered a co-belligerent, ex-enemy or allied nation. The message was referred to the State Department for the basis of a reply and based on a draft prepared by that Department the JCS transmitted the following message to OMGUS as WAR 97434 dated 3 May 1947:

"State Department desires that initiative regarding restitution missions come from Albania and Bulgaria and that you extend no invitations for time being. Please advise promptly any approach made to you by Bulgaria or Albania. Request you supply information regarding Bulgarian and Albanian property eligible for restitution (amounts, types, values).

"State Department does not classify Albania as ally co-belligerent, or ex-enemy. Its incorporation into Italy was never recognized, and it is not a UN. Albania is therefore in a special category. However, from point of view of restitution this is considered of no consequence since conditions of restitution to Albania were laid down clearly in SWNCC 204/5 as amended and are not dependent on Albania political status."

SWNCC 204/29 dated 14 July 1947 was a message from OMGUS in reply to Appendix "D" SWNCC 204/22 (WARX 88566) which stated that a paper had been introduced for quadripartite discussion which recommended that certain principles be adopted covering restitution of securities from Germany.

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SWNCC 206/52 dated 1 July 1947 was a memorandum by the JCS proposing further amendments to SWNCC 206/29 to allow for the release of information pertaining to cryptography and cryptographic devices without the necessity of referring it to MIC in each case. This paper was referred to MIC for recommendation.

SWNCC 206/53 dated 8 July 1947 was a memorandum by the State member stating that he was withdrawing his memorandum contained in SWNCC 206/41/D because it had been overtaken by events. Accordingly the Directive contained therein was cancelled.

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(Revised by Changes No. 4, 30 Nov 47)

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SWNCC 208/20 dated 26 November 1946 was a memorandum by the Navy Member enclosing a report of proceedings and the Special U.S.-U.K. Supplement (Floating Docks) to the Report of the Tripartite Naval Commission and recommending that SWNCC approve this supplement in behalf of the U.S. Government. The Committee approved SWNCC 208/20 on 12 December 1946; the Navy Department was requested to advise the U.S. member of the Commission; and the supplement was forwarded to the Department of State for retention and inclusion in the original report of the Commission.

SWNCC 208/21 dated 29 August 1947 was a memorandum by the Navy Member which forwarded the United States signed copy of the Report of Proceedings dated 28 June 1947, together with the Third Supplement to the Report of the Tripartite Naval Commission and the Summary Report of Work of the Tripartite Naval Commission from 14 August 1945 to 28 June 1947. The Tripartite Naval Commission recommends that each of the three governments:

- a. Approve the Third Supplement, and that it be embodied in the Report of the Tripartite Naval Commission dated 6 December 1945.
- b. Approve the Summary Report of the Commission.
- c. Upon approval of the Summary, dissolve the Tripartite Naval Commission.

The Navy Member recommended that the State-War-Navy Coordinating Committee approve on behalf of the United States Government the above recommendations.

By informal action on 24 October 1947, the State-Army-Navy-Air Force Coordinating Committee approved SANACC 208/21.

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"c. Commercial and export-import banking services for foreign private traders, subject to foreign exchange controls and other applicable regulations established by SCAP."

SWNCC 226/7 dated 22 July 1947 was a memorandum by the War Member in which he stated that attention should be directed as a matter of first importance to the need for additional banking services incident to the accomodation of Military and accredited personnel and to the financing of Japanese foreign trade. He also stated that in a recent teleconference the Supreme Commander for the Allied Powers recommended that, as a proper criterion, an applicant bank possess "recognized experience in foreign banking and demonstrated ability to handle world-wide accounts." In view of the foregoing considerations the War Member recommended that SWNCC 226/6 be amended.

SWNCC 226/8 (revised) dated 30 September 1947 was a statement by the State Member taking exception to statements made by the War Member in SWNCC 226/7 and further recommending that the Supreme Commander be informed that the U.S. Government considers that he already has requisite authority in this matter.

SWNCC 226/9 dated 9 September 1947 was a statement by the State Member which recommended that:

a. Paragraph 15 e. of the Conclusions in SWNCC 226/4 be amended to read as follows:

"Commercial remittance facilities between the United States and Japan will be open to any person, natural or juridical, in Japan, including Japanese nationals, subject to such rules and regulations as SCAP may prescribe."

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b. The JCS be requested to transmit to CINCFE the cable in Appendix "A" hereof, for his guidance and implementation.

c. The State Department be requested to issue the press release in Appendix "B" hereof; and

d. A copy of the press release in Appendix "B" hereof, be transmitted to the U.S. Member of the FEC in advance of its release to the press, for the information of the governments represented on that Commission.

SWNCC 226/10 dated 30 September 1947 was a statement by the War Member which approved SWNCC 226/9 subject to the following amendment in paragraph 3 of the proposed cable to CINCFE in Appendix "A" of SWNCC 226/9:

"Disposition dollar proceeds all such remittances subject to provisions paras 5 and 6 ourad WAR 80684 (Sep 46) as amended by ourad WAR 88433 (Dec 46), except that to the extent U.S. Army disbursing officers hold Japanese yen in their official accounts, such yen already acquired with dollars will be utilized in making outpayments of yen."

At its 60th Meeting on 3 October 1947 the State-War-Navy Coordinating Committee approved SWNCC 226/6 as amended by SWNCC 226/8 and the following cable was dispatched to CINCFE as WAR 88573 on 17 October 1947:

"1. Pursuant SANACC action, U.S. Government considers it to be within your present authority as SCAP, and approves such action if determined upon by you, to license foreign branch banks in Japan to render, subject to foreign exchange controls and other applicable

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(Added by Changes No. 4, 30 November 1947)
(Revised 10 February 1948)

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regulations established by you, (A) all necessary normal banking services in connection with Japanese export-import trade, (B) such services as may be made available to you, in connection with trading activities initiated by you, and (C) such services as may be rendered to private foreign traders. It is believed that branches of foreign banks licensed to operate should not at present be permitted to perform services locally for Japanese nationals.

2. It is believed that representatives of qualified and interested foreign banks should be permitted to enter Japan for the purpose of surveying in advance desirability of establishing or reestablishing branches in Japan.

3. The term "foreign banks" as used herein is intended to include banks of all countries except enemy or ex-enemy countries.

4. It is proposed to release following to press at time to be notified by you:

The Supreme Commander for the Allied Powers in Japan announced today that provision has been made for the establishment in Japan of branches of foreign banks with recognized experience in foreign banking and with facilities to handle world-wide accounts, for the purpose of providing banking services in connection with the restoration of Japanese foreign trade on a limited private basis.

According to a survey made in Japan by the Supreme Commander for the Allied Powers, the need for banking services of this nature is not very great owing to the relatively small volume of Japanese foreign trade in the present stage of the occupation. A small number of branches of foreign banks, it was pointed out, would be ample to provide the required facilities and render the necessary services. However, representatives of qualified and interested foreign banks will be permitted to enter Japan for the purpose of surveying in advance the desirability of their establishing or reestablishing branches in Japan.

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In accordance with the Supreme Commander's policy of non-discrimination, qualified U. S. and other foreign banks will be licensed to open and operate branches in Japan to perform normal commercial and export-import banking services subject to such limitations as may be imposed by the Supreme Commander in view of the availability of physical facilities to accommodate offices and personnel of branches of foreign banks in Japan and in view of other relevant factors. It was pointed out that the question of adequate physical facilities in Japan continues to be a serious one, and may be the factor which in practice will limit the number of branches of foreign banks in Japan.

Banks of enemy or ex-enemy countries, other than Japan, however, will not be permitted to establish and operate branches in Japan."

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to

SWNCC SUMMARIES OF ACTIONS AND DECISIONS

1 August 1947

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COPY NO. 36

1 August 1947

STATE-WAR-NAVY COORDINATING COMMITTEE

CHANGES NO. 3

TO

VOLUMES I, II, III, AND IV OF SWNCC
ACTIONS AND DECISIONS DATED 1 NOVEMBER 1946

Note by the Secretaries

To incorporate recent decisions of the Committee therein, holders of SWNCC Summaries of Actions and Decisions are requested to make the following changes:

a. Substitute the attached revised pages 17, 108, 115-C, 173, ~~183-C~~, 260-C, 330, 349-D, 352, 375, 380-D, 382, 388-F, 422-A, 431-A, 484-M, 489, ~~499~~, 511-A, ~~517-A~~, 539, 552-A, 562, and destroy the superseded pages by burning.

b. Insert new pages ~~17-A~~, 108-A, 173-A, 244-B, 244-C, 244-D, 260-D, 283-A, 283-B, 283-C, 283-D, 283-E, 283-F, 283-G, 283-H, 283-I, 283-J, 283-K, 283-L, 283-M, 330-A, ~~349-E~~, ~~375-A~~, ~~380-E~~, ~~388-G~~, 422-B, ~~431-B~~, 443-F, 484-N, 484-O, 484-P, 484-Q, ~~484-R~~, 511-B, , 555-A, 555-B, 555-C, and 562-A.

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SWNCC 12 Series - Procedure-Joint Chiefs of Staff and SWNCC

On January 6, 1945 the Chairman, SWNCC, addressed a letter to Admiral Leahy in which he requested Joint Chiefs of Staff views on procedure to be adopted for communicating between the State-War-Navy Coordinating Committee and the Joint Chiefs of Staff. The Joint Chiefs of Staff reply dated 23 January 1945 and the Chairman SWNCC's letter were circulated for consideration by the Committee as SWNCC 12 on 26 January 1945. In a memorandum dated 6 February 1945 the Chairman, SWNCC, in behalf of the Committee accepted the procedure proposed by the Joint Chiefs of Staff and the proposed procedure was circulated for information in SWNCC 12/1.

At their 3rd Meeting the Committee approved SWNCC 12/2 dated 20 February 1945 which set up the procedure for the Operation and Functions of the Secretariat, SWNCC.

SWNCC 12/3 dated 10 March 1945 circulated for information an extract of the minutes of the 10th Meeting which defined the proper method for SWNCC to communicate with the JCS and to make replies to inquiries made by the Secretary of State to the Secretaries of War and Navy.

SWNCC 12/4 dated 26 October 1945 circulated a Statement by the Secretaries of State, War and Navy, in which authority of the State-War-Navy Coordinating Committee was defined and is considered the "Charter" of the Committee.

SWNCC 12/5 to SWNCC 12/13, all dated 12 February 1947, circulated proposed "Terms of References" for the SWNCC Secretariat and all SWNCC subcommittees. These "Charters" were prepared on the initiative of the SWNCC Secretariat in collaboration with the Subcommittees. On 4 March 1947 the State Member proposed to the War and Navy Members that these "Charters" be withdrawn from active consideration by the Committee inasmuch as it appeared that this series of papers had raised unnecessary

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questions in the three departments the resolutions of which did not appear to be worth the time and effort involved.

(SWN-5206-6 Mar. 47) The Committee approved the State Member's proposal on 3 April 1947 and SWNCC 12/6 to 12/13, inclusive, were removed from active consideration.

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of State, was requested to present this directive to EAC as representing the views of this government in this matter.

SWNCC 50/1/D dated 18 January 1946 referred a memorandum from the Joint Chiefs of Staff on "Organization for Further Proceedings Against Axis War Criminals and Certain Other Offenders" to the European Subcommittee for study and recommendation. The enclosure to this memorandum contained a revision of the original directive which the JCS desired to issued to the C.G., USFET in view of the failure of the four governments to reach an agreement in EAC or the Control Council.

SWNCC 50/2 dated 20 December 1946 was a report by the Subcommittee for Europe in response to SWNCC 50/1/D and recommended that the directive in SWNCC 50/1/D be cancelled and that the Joint Chiefs of Staff be advised along the following lines:

"a. The present program of War Crimes in operation in Europe and the recent enactment by the Control Council in Germany of Directive 38 and Control Council Law No. 10 make unnecessary the publishing of an amended JCS 1023 paper.

"b. It is the policy of the United States Government that the recommendations of the International Military Tribunal at Nuremberg be adopted regarding the punishment of members of an organization or group declared criminal by the tribunal and regarding the amendment of Control Council Law No. 10 to prescribe limitations on the punishment of such persons (including the abolition of the death penalty)."

SWNCC 50/3 dated 27 January 1947 announced the approval of SWNCC 50/2 and the cancellation of the directive in SWNCC 50/1/D.

SWNCC 50/4 dated 28 May 1947 circulated for the information of the Committee a message from OMGUS in response to a message from the JCS as a result of the approval of SWNCC 50/3 (Appendix).

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The message advised that OMGUS was complying with the recommendations of the International Tribunal at Nuremberg regarding the punishment of an organization or group declared criminal by the Tribunal and had attempted to obtain an amendment to Control Council Law No. 10 to provide for elimination of the death sentence and limit the term of imprisonment to 10 years for individuals convicted of membership in an organization or group of this nature. However, the U. S. paper was not accepted in the legal directorate of ACC due to the refusal of the Soviet Member to consider it. OMGUS indicated however that the legal directorate had later agreed to forward the paper to the Coordinating Committee, ACC, showing concurrence of the French, British and U. S. representatives of the legal directorate.

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a. All research in Japan, of either a fundamental or applied nature, in the field of atomic energy should be prohibited, including:

(1) All research or development which has for its purpose the production of fissionable atomic species;

(2) All research or development which has for its purpose the separation or concentration of fissionable species of atomic isotopes from naturally occurring isotope mixture of a chemical element.

b. All development or construction in Japan which has for its purpose the utilization of atomic nuclear energy should be prohibited.

c. The mining, processing, and refining of radioactive materials in Japan for authorized purposes, such as radium for medical uses, should be permitted only in those instances specifically approved by the Supreme Commander for the Allied Powers and under his surveillance."

SWNCC 52/25/D dated 21 February 1947 referred a memorandum by the Secretary of JCS to SFE for appropriate action. The JCS memorandum enclosed SCAP's report on Industrial Disarmament and Economic Control of Japan in response to paragraph 17 c, SWNCC 52/7 (Appendix).

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organization, for the establishment of adequate control over liberated areas in China, including Manchuria and Formosa, and for the maintenance of internal peace and security.

SWNCC 83/18 dated 1 May 1946 circulated for information the directive in SWNCC 83/17 as signed by the President with the additional proviso that the strength of this Group would not exceed one thousand officers and men except as authorized by the President in the light of possible future political and military developments.

SWNCC 83/19/D dated 30 October 1946 directed SFE to initiate a broad study on the future policy of the United States towards China. The Subcommittee was also directed to use the studies set forth in the SWNCC 291 Series dealing with the security implications in Manchuria in the preparation of this policy paper.

SWNCC 83/20 dated 29 January 1947 circulated a memorandum by SFE which recommended that the directive in SWNCC 83/19/D be cancelled in view of:

- a. The President's statement of 18 December 1946, on the policy of the United States towards China,
- b. General Marshall's personal statement on the situation in China made on 7 January 1947, prior to his departure from Nanking, and
- c. General Marshall's appointment as Secretary of State.

SWNCC 83/21 dated 13 March 1947, circulated a memorandum by the State Member enclosing a memorandum of the State Department which listed 8 major questions regarding American Policy in China and an exchange of letters between the Secretary of State and the Secretary of War on this subject. The State Member requested that the Joint Chiefs of Staff prepare a study for SWNCC consideration on the questions raised by the Secretary of State. Accordingly the Joint Chiefs of Staff were requested in SWN-5223 on 13 March 1947 to prepare the study.

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SWNCC 83/22 dated 11 June 1947 circulated for SWNCC consideration a study by the Joint Chiefs of Staff in response to SWNCC 83/21. At a meeting on 26 June 1947 the Secretaries of State, War and the Navy discussed SWNCC 83/21 and agreed that the paper should be transmitted to the three departments for information. In view of this action the directive in SWNCC 83/19/D was withdrawn from SFE and SWNCC 83/21 was removed from the SWNCC agenda.

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"14. Any undemocratic workers' organization or their affiliates, such as the patriotic industrial associations, should be dissolved and not allowed to revive. No new workers' organizations with militaristic, ultra-nationalistic, fascist, or other totalitarian aims should be permitted.

"15. Persons who have been imprisoned because of activity or 'dangerous thoughts' in connection with trade unions and other labor organizations should be released.

"16. The balance sheet and table of income and expenditure of each trade union showing also the source of large contributions should be available for public inspection. Safeguards such as annual audit by a professionally competent auditor appointed by the members should be taken to ensure the accuracy of these statements."

SWNCC 92/4/D dated 6 May 1947 referred to SFE for study and report a message from SCAP regarding the above directive in which he asked if Neutral Nations having missions in Japan were authorized trade representatives on same basis as Allied Nations. SCAP requested that if the above directive did not authorize that such authority be granted as he considered it highly desirable to accord Neutral Nations this privilege.

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On 8 May 1947 the Far Eastern Commission adopted the following policy on "The Destination of Japanese Exports" which was transmitted to SCAP by the JCS on 15 May 1947 and became Serial No. 78:

"1. The primary objective in selecting the destinations of exports from Japan, subject to paragraphs 3 and 4, is to maximize the proceeds. Factors to be taken into account are price, the purchasing power of the currency for which the commodity is sold, and the availability of necessary imports which can be procured with the proceeds of the export.

"2. Commercial exports as distinct from commodity movements on reparations account or restitutions shall be made only to those recipients who agree to provide imports necessary for Japan in exchange or agree to pay for Japanese exports in foreign exchange usable for procuring necessary imports. Foreign exchange is considered usable under any of the following circumstances:

"a. Freely convertible into currencies which can be used for the purpose of procuring necessary imports.

"b. Inconvertible, but usable to pay for imports already or concurrently purchased, but not paid for.

"c. Inconvertible, but stable in value and subject to a specific agreement with the area within which the currency is valid-subject to the condition that excess balances of the currency in question arising from sale of Japanese exports, not usable for purchase of imports within a reasonable time period, will be made convertible into dollars.

"3. In determining the destination of exports from Japan of commodities in world short supply or commodities whose import is of substantial commercial importance to a member of the United Nations, consideration should be given to the interests of all members of the United Nations.

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Proper consideration should be given to the factors mentioned in paragraph 1 and also to other factors including the requirements of countries for the commodities concerned, any new situations or demands arising in postwar circumstances and the prewar patterns of trade, so long as the prewar patterns of trade reflect current economic needs of the countries concerned.

Taking into account the foregoing principles, the Inter-Allied Trade Board may recommend individual treatment for different types of exports.

"4. For allocated commodities the price should be the same to all recipients and should in general be fixed according to the following principles:

"a. The price should be the established world price where such a price exists.

"b. Where there is no established world price the price should be fixed in equitable relation to export prices of equivalent goods from other sources and to the domestic prices in the recipient countries which have substantial markets for the commodity."

On 8 May 1947 the Far Eastern Commission adopted the following policy on "The Sources of Japanese Imports" which was transmitted to SCAP by the JCS on 15 May 1947 and became Serial No. 77:

"1. The primary objective in selecting the sources of imports into Japan should be to minimize the cost and difficulty of procurement. Factors to be taken into account are price, terms of purchase other than price, and assurances of meeting scheduled requirements.

"2. In determining the sources of imports into Japan of commodities in world short supply due consideration should be given to the needs of countries other than Japan in addition to the factors mentioned in paragraph 1.

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"3. In procurement of commodities in world surplus or in procurement of any commodity whose export to Japan is of substantial commercial importance to a member of the United Nations while primary consideration should be given to the objectives outlined in paragraph 1 above, consideration should also be given to such other relevant factors as the interest of all members of the United Nations, including any new trade situations or demands arising in postwar circumstances and the prewar patterns of trade, so long as the prewar patterns of trade reflect current economic interests of the countries concerned. Taking into account the foregoing principles the Inter-Allied Trade Board may recommend individual treatment for different types of imports.

"4. This statement of policy will in no way be permitted to jeopardize the fulfillment of United States responsibilities for the prevention of such widespread disease or civil unrest as would endanger the occupying forces or interfere with military operations."

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c. Determination of schools and other installations which may be made available to foreign students lies within the province of the War and Navy Departments.

d. Vacancies should be allocated by the War and Navy Departments in accordance with the assigned priority and on the basis of the vacancies available and the volume of applications for training received. Definite priority as to quotas and preferred schools should be given requests from nations in Group I, but the principle should be followed that nations in Group II should receive reasonable consideration. If a question raised by the Department of State regarding the allocation of any quota cannot be adjusted through direct contact with the Department concerned, it should be considered by the SWNCC.

e. Detailed procedures for the receipt of applications for training will be established by the respective services.

f. Political clearance must be secured from the Department of State before applications of individual candidates are approved.

g. For the present at least, costs of training must be absorbed by the respective services if not covered by the recipient nation. After the enabling legislation has been passed, annual appropriations should be requested from the Congress to cover the costs of this training.

SWNCC 137/7 dated 21 April 1947 was a memorandum by the War Member proposing certain amendments to SWNCC 137/6.

SWNCC 137/8 dated 23 May 1947 was a memorandum by the State Member proposing further amendments to SWNCC 137/6.

SWNCC 137/9 dated 24 June 1947 was a memorandum by the Navy Member recommending that SWNCC 137/6, 137/7 and 137/8 be referred to the Joint Chiefs of Staff for comment from the military and security points of view, and that final action by

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SWNCC be held in abeyance pending receipt of these comments. The Navy Member felt that the ad hoc committee had given primary weight to the political considerations involved and insufficient weight to the military and security aspects of the problem. Accordingly, the JCS were requested to submit their comments.

SWNCC 137/10 dated 27 June 1947 was a memorandum by the War Member proposing further changes to SWNCC 137/6. This paper was also forwarded to the JCS in connection with their consideration of SWNCC 137/6 to 137/9, inclusive.

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On 19 June 1947 the Far Eastern Commission adopted the following "Basic Post-Surrender Policy for Japan" which was transmitted to SCAP by the JCS on 26 June 1947 and became Serial Directive No. 82:

"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 not fully covered will be dealt with separately.

PREAMBLE

WHEREAS on September 2, 1945, Japan surrendered unconditionally to the Allied Powers and is now under military occupation by forces of these powers under the command of General of the Army Douglas MacArthur, Supreme Commander for the Allied Powers, and

WHEREAS representatives of the following nations, namely, Australia, Canada, China, France, India, The Netherlands, New Zealand, the Philippines, the U.S.S.R., the United Kingdom, and the United States of America, which were engaged in the war against Japan, have on the decision of the Moscow Conference of Foreign Ministers met together at Washington as a Far Eastern Commission, to formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished;

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

CONSCIOUS that such security and stability depend first, upon the complete destruction of the military machine which has been the chief means whereby Japan has carried out the aggressions of past decades; second, upon the establishment of such political and economic conditions as would make impossible any revival of militarism in Japan; and

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third, upon bringing the Japanese to a realization that their will to war, their plan of conquest, and the methods used to accomplish such plans, have brought them to the verge of ruin,

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

ARE THEREFORE AGREED:

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

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

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

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

PART I - ULTIMATE OBJECTIVES

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

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

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

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

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

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

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

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

PART II - ALLIED AUTHORITY1. Military Occupation

There will be a military occupation of the Japanese home islands to carry into effect the surrender terms and further the

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achievement of the ultimate objectives stated above. The occupation shall have the character of an operation in behalf of the powers that have participated in the war against Japan. The principle of participation in the occupation of Japan by forces of these nations is affirmed. The occupation forces will be under the command of a supreme commander designated by the United States.

2. Relationship to Japanese Government

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

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

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

The Supreme Commander is not committed to support the

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

3. Protection of United Nations Interests.

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

4. Publicity as to Policies.

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

PART III - POLITICAL

1. Disarmament and Demilitarization

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

Japan is not to have any Army, Navy, Airforce, Secret Police Organization, or any Civil Aviation, or Gendarmerie, but may have adequate Civilian Police Forces. Japan's Ground, Air and Naval Forces shall be disarmed and disbanded, and the

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

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

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

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

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anti-democratic doctrines and practices shall be excluded from supervisory and teaching positions.

2. War Criminals

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

3. Encouragement of Desire for Individual Liberties and Democratic Processes

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

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

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

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

Laws, decrees, and regulations which establish discrimination on grounds of race, nationality, creed or political opinion shall be abrogated; those which conflict with the objectives

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and policies outlined in this document shall be repealed, suspended or amended as required, and agencies charged specifically with their enforcement shall be abolished or appropriately modified. Persons unjustly confined by Japanese authority on political grounds shall be released. The judicial, legal and police systems shall be reformed as soon as practicable to conform to the policies set forth herein and it shall be the duty of all judicial, legal and police officers to protect individual liberties and civil rights.

PART IV - ECONOMICS1. Economic Demilitarization

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

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

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

2. Promotion of Democratic Forces

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

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

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

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

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

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

3. Resumption of Peaceful Economic Activity

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

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

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

- a. To avoid acute economic distress.
- b. To assure just and impartial distribution of available supplies.
- c. To meet the requirements for reparations deliveries.
- d. To make such provision for the needs of the Japanese population as may be deemed reasonable in accordance

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with principles formulated by the Far Eastern Commission in the light both of supplies available and of obligations to other peoples of the United Nations and territories formerly occupied by Japan.

4. Reparations and Restitution

Reparations

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

Restitution

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

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5. Fiscal, Monetary, and Banking Policies

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

6. International Trade and Financial Relations

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

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

7. Japanese Property Located Abroad

The clauses herein on reparations and references to this subject are without prejudice to the views of governments

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of the overseas assets issue.

8. Equality of Opportunity for Foreign Enterprise within Japan

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

9. Imperial Household Property

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

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(1) Reserve his position in respect to freedom of speech, press and travel for final decision prior to the time the interim government begins to function;

(2) Press for initial agreement on travel by members of commission and their staff throughout Korea to consult with Korean democratic parties and social organizations; and

(3) Then proceed with consideration of the structure of the interim government.

SWNCC 176/22 dated 26 July 1946 was a memorandum by the State Member in response to a WD message C-63158 of 17 July 1946 in which General Hodges stated that there was little chance of further local negotiations with the Russians on the Moscow decision and requested the Korean problem be discussed on a governmental level. The State Member proposed that General Hodges be advised the time was not propitious for approaching U.S.S.R. and that pending the issuance of a new directive on Korea further negotiations should be suspended. The Committee approved SWNCC 176/22 at their 43rd Meeting on 31 July 1946, after amending, and the message in Appendix "B" thereto was dispatched as WAR 96485 on 3 August 1946.

SWNCC 176/23 dated 14 August 1946 was a revision of SWNCC 176/8 by SFE which was circulated to the Committee and referred to JCS for comment.

SWNCC 176/24 circulated for information a message from CINCFE (CM-IN 175, dated 1 May 1947) regarding action to be taken in event of invasion by North Korean Army (Appendix) and a reply thereto by the State Department which was forwarded to the JCS for transmittal to CINCFE.

SWNCC 176/25, dated 12 May 1947, was a memorandum by the JCS enclosing proposed amendments to SWNCC 176/23 (Appendix "A") and a proposed message to CINCFE and CG USFIK informing them of the transfer of responsibility for the administration of civil affairs in Korea.

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SWNCC 176/26, dated 26 June 1947, was a memorandum by the State Member proposing further changes to SWNCC 176/23 and SWNCC 176/25.

SWNCC 176/27 dated 21 July 1947 referred a message from SCAP to SFE for study and report as a matter of Urgency. This message summarized the current situation in Korea, pointed out that the U.S.-U.S.S.R. Joint Commission would fail, with the breakup coming when the Kremlin gives the order, and recommended that (a) a definite long range plan of action for use after adjournment of the Joint Commission be delineated and communicated, (b) all concerned eliminate the current flow of conflicting conjectures or statements with reference to future Korean plans until implementation is assured, (c) every possible effort be made to keep the strength of combat troops of the Korean command at T/O.

SWNCC 176/28 dated 22 July 1947 was a memorandum by the War Member proposing a new paragraph 14 d for the paragraphs proposed in both SWNCC 176/25 (JCS views) and SWNCC 176/26 (State amendment). The Army Member stated that this change was necessary because of the recently announced U.S. policy regarding dollar payment of occupation costs in Korea.

At its 59th Meeting on 23 July 1947 the Committee approved SWNCC 176/23 as amended by SWNCC 176/25, 176/26 and 176/28; the revised paper was issued as SWNCC 176/29; and the JCS were requested to transmit the Directive contained therein to the CINCFE and CG USAFIK. This directive was subsequently transmitted by the Joint Chiefs of Staff in WAR 82886 dated 26 July 1947.

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(Annexes A, B, and C to the Appendix to SWNCC 186/18/D). The lists were dated 15 June 1946. In paragraph 5 of the note to these governments SCAP stated that the lists of ships may have been changed or may be changed in the future due to damage or other exigencies. Under date of 11 March 1947 SCAP forwarded revised lists of ex-Japanese naval vessels in which he stated that due to continued investigations there had been a number of changes to the first list. Some vessels had been added, names and numbers had been corrected and the classification of several vessels down-graded and up-graded. The revised lists dated 24 February 1947 were issued as a corrigendum to SWNCC 186/18/D and copies thereof were forwarded to the Department of State for appropriate action.

SWNCC 186/25/D dated 10 March 1947 referred a note from the British Embassy in response to Appendix "C" to SWNCC 186/23 to SFE for study and report. The Note was an inquiry as to what the U.S. Government intended to do with regard to Japanese naval tugs, harbour craft and salvage vessels, none of which were included in the list of vessels for division. The British Ambassador also requested information as to size, speed, etc., of the transports, minesweepers and auxiliary subchasers listed for division amongst the four powers.

SWNCC 186/26, dated 16 April 1947, was a report by SFE on SWNCC 186/25/D proposing that the British Embassy be advised that the vessels mentioned by the Ambassador were not regarded by the U.S. Government as combatant vessels and this Government intended to use them in the economic rehabilitation of Japan in fulfillment of the objectives of the occupation; and that it was understood that the technical information requested was already in the hands of the British Admiralty. The Committee approved SWNCC 186/26 on 2 May 1947 and the State Department was requested to transmit the draft note in the enclosure thereto to the British Embassy (SWN-5335, dated 5 May 1947).

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SWNCC 186/27, dated 18 June 1947, was a study by SFE on its own initiative to determine the disposition of ex-Japanese combatant vessels which are the share of the U.S. Government. The paper was forwarded to the JCS for comment from the military point of view.

SWNCC 186/28 dated 10 July 1947 was a memorandum by the JCS recommending certain changes to SWNCC 186/27.

SWNCC 186/27 as amended by SWNCC 186/28 was approved by the Committee on 21 July 1947; the JCS were requested to advise SCAP regarding the decision to allot certain ships of the U.S. share to the Navy for targets; and the State Department was requested to approach the French and Chinese Governments with an offer of certain ships of the U.S. share provided the Attorney General had determined that these vessels could be legally transferred to those governments (SWN-5576).

On 24 July 1947 the State Member advised that the State Department had received replies from the Governments of U.K., U.S.S.R. and China regarding the Division of ex-Japanese combatant ships (Appendix "C" to SWNCC 186/23) and in the absence of any objection by these governments to the destruction of those vessels that could not be placed in operable condition within 60 days (Annex "C" to Appendix to SWNCC 186/18/D), the State Department felt that SCAP should be advised to destroy or scrap such vessels. In SWN-5582 dated 24 July 1947 the Secretariat requested authority from the War and Navy Members to advise the JCS that SCAP could now authorize the destruction of ex-Japanese destroyers and surface combatant vessels of lesser tonnage which cannot be rendered operable within 60 days.

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This was forwarded to the Department of State without action by the Committee by SWN-4567, dated 18 July 1946. Based upon this request the State Department advised the Committee that in view of the lapse of time since the signing by the military of the agreement, the State Department had prepared a substitute agreement for consideration by the Joint Chiefs of Staff. This substitute agreement was forwarded to JCS by SWN-4680 dated 19 August 1946.

By memorandum SM-6779 dated 27 September 1946, the Joint Chiefs of Staff advised that they perceived no objection to the substitute agreement provided certain minor amendments were made to paragraphs 2 and 3. The information was communicated to the State Department by SWN-4680 on 19 August 1946.

SWNCC 187/3 dated 2 June 1947 circulated for information an exchange of notes between the American Embassy, Nanking, and the Minister of Foreign Affairs, Republic of China, terminating the SACO Agreement. On 3 June 1947 by agreement of the State, War and Navy Departments, and in the absence of any objections by the Chinese Government, the exchange of notes terminating it, and the SACO Agreement was downgraded from TOP SECRET to RESTRICTED.

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SWNCC 202 Series - Policy Concerning Settlement of Lend-Lease Obligations.

SWNCC 202/D dated 3 October 1945 referred an extract from a study by the Joint Chiefs of Staff to the Rearmament Subcommittee for study. The Joint Chiefs of Staff requested the Committee to undertake a study with respect to the extent to which the United States will support foreign countries with military supplies for their post-war armed forces.

SWNCC 202/1 dated 24 January 1946, was a report by the Rearmament Subcommittee in response to SWNCC 202/D entitled "Policy Concerning Provision of United States Government Military Supplies for Post-War Armed Forces of Foreign Nations" in which was set forth certain general conclusions with regard to the extent to which the United States would support foreign countries and specific conclusions under which was itemized the nature of this support to certain countries.

SWNCC 202/2 dated 8 February 1946 was a revision of SWNCC 202/1 to incorporate the amendments agreed upon by the Committee at its 35th Meeting on 7 February 1946.

SWNCC 202/3 dated 20 February 1946 contained further amendments by the War and Navy Members. The Committee approved SWNCC 202/2 as amended by SWNCC 202/3 on 21 March 1946. The approved paper was transmitted to the State, War and Navy Departments for their information and guidance.

SWNCC 202/4 dated 8 January 1947 was a study presented by the State Member to determine a policy governing all transfers to foreign countries, whether by sale or otherwise, of military supplies of U.S. origin, whether such supplies are of U.S. Government or private ownership. The policy set forth in the conclusion thereof was intended to supersede the policy set forth in SWNCC 202/2.

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SWNCC 202/5/D dated 8 January 1947 referred to the Rearmament Subcommittee for study and recommendation a statement by the War Member in which he stated that sufficient equipment to implement all presently contemplated programs was not physically available to the War Department and recommended that the Rearmament Subcommittee be directed to submit recommendations to SWNCC with a view to establishing a national policy to include priorities of various commitments, any legislation which might be required, and such other aspects of the problem as may be revealed by its study

SWNCC 202/6/D, dated 15 January 1947, referred SWNCC 202/4 to the Rearmament Subcommittee for study in connection with their consideration of SWNCC 202/5/D.

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The Committee approved SWNCC 204/26 on 27 January 1947 and the Joint Chiefs of Staff dispatched the following cable as WARX 90822 on 29 January 1947:

"It is not deemed wise to make exceptions to general rule of restituting to governments only, except as provided in WX 91471. Since Weiss case not covered by WX 91471, you will turn property in question over to Hungarian Restitution Mission. If Hungarian Mission so chooses it may transfer property to Weiss representative in Germany."

SWNCC 204/27/D dated 5 February 1947 referred a cable from OMGUS to SCE for preparation of a draft reply. OMGUS referred to the above message and stated that he believed delivery of the Weiss property to Hungarian Restitution Mission without guarantee of eventual return to owners was inconsistent with paragraph 7 of the Appendix to SWNCC 204/12, which stated that "It was not intended to dispossess racial or religious refugees". OMGUS further stated that it was believed that denial of this property to owners and leaving its disposition to Hungarian Government constituted discrimination against these victims of racial persecution who were not permitted to take property with them when allowed to leave Hungary in 1944 subsequent to release from concentration camps.

SWNCC 204/28 dated 24 March 1947 was a report by SCE on SWNCC 204/27/D recommending that OMGUS be advised that since property in question was looted from Hungary by the Germans, it is a case for restitution to Hungarian Mission and that Weiss interest in property would be adequately protected by Article 27 Treaty of Peace with Hungary. The Committee approved SWNCC 204/28 on 4 April 1947 and the message in the Appendix thereto embodying the above was transmitted by the JCS to OMGUS as War 95898 on 10 April 1947.

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On 21 March 1947 the JCS forwarded CM-IN 3524 dated 20 March 1947 in which OMGUS requested information as to whether or not he should invite restitution missions from Bulgaria and Albania, and if Albania was considered a co-belligerent, ex-enemy or allied nation. The message was referred to the State Department for the basis of a reply and based on a draft prepared by that Department the JCS transmitted the following message to OMGUS as WAR 97434 dated 3 May 1947:

"State Department desires that initiative regarding restitution missions come from Albania and Bulgaria and that you extend no invitations for time being. Please advise promptly any approach made to you by Bulgaria or Albania. Request you supply information regarding Bulgarian and Albanian property eligible for restitution (amounts, types, values).

"State Department does not classify Albania as ally co-belligerent, or ex-enemy. Its incorporation into Italy was never recognized, and it is not a UN. Albania is therefore in a special category. However, from point of view of restitution this is considered of no consequence since conditions of restitution to Albania were laid down clearly in SWNCC 204/5 as amended and are not dependent on Albania's political status."

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SWNCC 205/3 dated 29 January 1946 was a memorandum by the Navy Member indicating approval to the revision of paragraph 4 f (1) but objecting to rewording paragraph 4 h (1) as proposed by the State Department. He proposed another paragraph in lieu of the one proposed in SWNCC 205/2 and the rewording of paragraph 4 h (1) proposed in SWNCC 205/3 and SWNCC 205 was amended accordingly.

SWNCC 205/4/D dated 30 October 1946 was a message from SCAP (CM-IN-5286 - October) which was referred to SFE for preparation of a draft reply. The message referred to paragraph 4 f of the Enclosure to SWNCC 205 and requested instructions regarding the disposition of real and personal property of German diplomats taken under control in accordance with his directive on this subject, and the amount of currency and weight of baggage which they may be permitted to carry with them when repatriated.

SWNCC 205/5 dated 25 June 1947 was a report by SFE on SWNCC 205/4/D which concluded that it is in the interest of the United States and the other allied nations concerned to uphold the established doctrines of international law and practice respecting the persons and property of diplomatic and consular officers and accordingly that in the instant case, the former official German persons in Japan ought to be afforded the opportunity to preserve for their own use, in so far as is feasible, the value of their funds and their possessions in Japan.

The Committee approved SWNCC 205/5 on 14 July 1947 after making minor amendments and the JCS were requested to transmit the message in Appendix "C" embodying the above conclusions to SCAP for his guidance and to OMGUS for information. The message was subsequently dispatched as WARX 82061 dated 15 July 1947.

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SWNCC 206/47 dated 19 March 1947 was a memorandum by the State Member proposing certain changes to SWNCC 206/44. The Committee approved SWNCC 206/44 as amended by SWNCC 206/47 on 31 March 1947 and SWNCC 206/29 was amended accordingly (Third Decision Amending).

SWNCC 206/48/D dated 24 March 1947 was a memorandum by the Navy Member regarding a request by a House Subcommittee for copies of SWNCC 206/9 and SWNCC 206/29. The matter was referred to the MIC for study and recommendation after consultation with the Subcommittee for the Release of State Papers.

SWNCC 206/49 dated 3 April 1947 was a report by MIC, prepared on its own initiative, proposing an amendment to SWNCC 206/29. MIC recommended that the words "and their Nationals" be deleted from the Title of SWNCC 206/29. The Committee approved SWNCC 206/49 on 12 May 1947 and SWNCC 206/29 was amended accordingly. The War Member qualified his approval of SWNCC 206/49 by certain statements which were incorporated into the "Decision on SWNCC 206/49".

SWNCC 206/50 dated 25 April 1947 was a report by MIC in response to SWNCC 206/48/D in which it was concluded that a Committee representing the State, War, and the Navy Departments should be authorized to disclose to the House Subcommittee, in executive session, the substance of SWNCC 206/9 which was set forth in the Appendix thereof. The Subcommittee for Release of State Papers concurred in the report of MIC.

SWNCC 206/51 dated 21 May 1947 was a memorandum by the War Member proposing a substitute paper for SWNCC 206/50. The Appendix set forth in the substance of SWNCC 206/9 for release to the House Subcommittee. The Committee approved SWNCC 206/51 at its 57th Meeting on 20 May 1947 and agreed that the witness selected to present the matter to Congress should be cautioned to be discreet in his utterances.

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SWNCC 206/52 dated 1 July 1947 was a memorandum by the JCS proposing further amendments to SWNCC 206/29 to allow for the release of information pertaining to cryptography and cryptographic devices without the necessity of referring it to MIC in each case. This paper was referred to MIC for recommendation.

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SWNCC 219/15 dated 4 December 1946 circulated JCS 1729 for information. This paper dealt with the U.S. position with respect to furnishing information of allied troops in countries not ex-enemy. Appendix "A" contained guidance to the representatives of the JCS on the Military Staff Committee, United Nations. The JCS concurred in the position taken by the Secretary of State as set forth in Appendix "C" (Annex "E").

SWNCC 219/16 dated 17 March 1947 presented by the State Member was a study to determine what action the U.S. should take with reference to the recommendation made by the General Assembly regarding the presence of Armed Forces on the territory of other members of the United Nations. This paper was forwarded to the Joint Chiefs of Staff for comment from a military point of view.

There being no objection from a military point of view by the Joint Chiefs of Staff the Committee approved SWNCC 219/16 on 27 May 1947 after amending, and the JCS and the State Department were requested to advise their respective representatives on the United Nations of the following conclusions:

"a. In each case where all of the uniformed members of the armed forces (other than members of Military, Naval, or Air Attaches' offices) are not covered by published agreements, arrangements should be made for the negotiation of an exchange of notes between the United States and the other government concerned, or where this may be impracticable, the conclusion of a joint communique (See Appendices "A" and "B"). If neither of these methods appear feasible, other methods of satisfying the requirements of the General Assembly Resolution on armaments should be canvassed by the Department of State in conjunction with the other departments concerned. Registration with United Nations Secretariat should be effected upon the conclusion of each exchange of notes.

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"b. Negotiations with the British Government for the negotiation of an exchange of notes or a joint communique should precede negotiations with other governments in order that the former may be acquainted with the general procedure which the United States intends to follow.

"c. The War, Navy, and Treasury Departments at an early date should supply the State Department with the latest information which can be provided describing the numbers, locations, and types of U.S. armed force personnel stationed on foreign territory, the types of activities in which such personnel are engaged, any covering agreements which have been made on the military level, and the withdrawals contemplated during the next six months.

"d. August 1 should be fixed as the target date by which all agreements shall have been concluded and registered."

SWNCC 219/17 dated 10 June 1947 was a report by the Ad Hoc Committee (United Nations) prepared to establish a U.S. position with reference to those major items pertaining to implementation to Article 43 (Organization of the Armed Forces Made Available to the Security Council of the United Nations by Member Nations) of the United Nations Charter on which unanimity was not reached in the Military Staff Committee. The paper in general concluded that the position taken by the U.S. representatives in the Military Staff Committee was correct and was consistent with the U.S. objective in the matter. The Committee approved SWNCC 219/17 on 27 June 1947, and the JCS and the State Department were requested to forward copies thereof to their respective members on the U.N.

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SWNCC 226/4 dated 25 November 1946 was a study presented by the State Member on the Reestablishment of Remittance Facilities between the U.S. and Japan through commercial banking channels and set forth in Appendix "G" policy governing the use of such channels. The Committee approved SWNCC 226/4 after amending at its 51st Meeting on 18 December 1946 and the proposed cable in Appendix "G" was transmitted to CINCAFPAC as WAR 88433 on 26 December 1946.

SWNCC 226/5 dated 4 February 1947 was a study presented by the State Member on SCAP's proposal to open an account with the National City Bank of New York, head office, New York City, as depository for dollar funds accruing from certain Japanese exports and other sources. The paper concluded that SCAP's request should be approved provided appropriate publicity was given to the circumstances under which the account in question was being established and to the intent to establish similar accounts with other American Banks and foreign banks when the need therefor arises. The Committee approved SWNCC 226/5 on 6 March 1947, the cable in Appendix "C" was dispatched to SCAP as WARX 94445 dated 20 March 1947 and the Department of State was requested to publicly announce the authorization for SCAP to establish this account.

SWNCC 226/6 dated 20 June 1947 was a study presented by the State Member which was circulated to the Committee for consideration. The report was in answer to a request from SCAP for authority to expand functions of foreign banks now or hereafter licensed to operate in Japan to provide services required in connection with the restoration of Japanese foreign trade on a private basis, including:

"a. Use of foreign banks by SCAP as depositories of proceeds of Japanese exports;

"b. Global export-import banking services for SCAP; and

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"c. Commercial and export-import banking services for foreign private traders, subject to foreign exchange controls and other applicable regulations established by SCAP."

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(see next page)

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Changes No. 4

MEMORANDUM TO HOLDERS OF
SUMMARIES OF SWNCC ACTIONS AND DECISIONS

10 February 1948

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COPY NO. 36

10 February 1948

STATE-ARMY-NAVY-AIR FORCE COORDINATING COMMITTEE

MEMORANDUM FOR HOLDERS

Note by the Secretaries

Holders of Summaries of SWNCC Actions and Decisions are requested to substitute the attached revised page 431 - C (added by Changes No. 4, 30 November 1947) for the one contained therein and destroy the superseded page by burning.

H. W. MOSELEY

W. A. SCHULGEN

V. L. LOWRANCE

V. F. FIELD

Secretariat

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SWNCC 227/19 dated 6 May 1947 was a report by SFE in response to SWNCC 227/18/D which concluded that the State, War and Navy Departments desired to postpone a decision on SCAP's recommendations pending revision of policy on restitution of looted property and pending SCAP's further comment when revised policy had been applied to cases cited by SCAP in SWNCC 227/18/D. The Committee approved SWNCC 227/19 on 9 June 1947 and the JCS were requested in SWN-5465, on 10 June 1947, to dispatch a message embodying the above to CINCFE (WAR 99989, dated 12 June 1947).

SWNCC 227/20/D referred a message from SCAP dealing with "Costs Involved in Delivery of Allied Vessels Outside Japan" to SFE for study and report. The message dealt with FEC Serial Directive No. 57 and recommended that where vessels were delivered outside Japanese waters that all cost of such delivery be borne by the Japanese Government and deducted from the reparation apportionment of the claimant government. This directive was subsequently cancelled and withdrawn on 3 June 1947 due to SWNCC action on the final policy on restitution in SWNCC 227/22.

SWNCC 227/21 dated 22 May 1947 was a study presented by the State Member to state U.S. Policy with respect to proposals pending in the FEC for revision of the policy previously adopted by the Commission as FEC 011/12 (Serial Directive No. 57 quoted above).

SWNCC 227/22 dated 16 June 1947, a revision of SWNCC 227/21, was approved by the Committee on 19 June 1947 and the State Department was requested to forward Appendix "C" thereof to the U.S. Member FEC as representing the U.S. position in this matter. SWN-5485 dated 20 June 1947 set forth certain instructions to the U.S. member regarding changes which might be introduced by other nations represented on the Commission.

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SWNCC 227/23 dated 12 August 1947 was a study by the Department of State and referred to the State-War-Navy Coordinating Subcommittee for the Far East for study and report on a U.S. Policy with respect to disposition of vessels other than those of Allied registry found in Japanese waters. It was concluded that:

a. The SCAP should determine the circumstances under which vessels of neutral or co-belligerent registry came under the control of the Japanese Government.

b. In those cases in which it is determined that the neutral or co-belligerent owners consented to the use of such vessels by Japan, or signed a charter party or other contractual agreement, the SCAP should direct the Japanese Government to deliver such vessels to the government of registry of such vessels in the condition in which they are found at time of delivery, provided that no enemy or other rights in the vessels exist. In the event that the claimant requests repairs to vessels in Japan, the expense of such repairs will be borne by the claimant and paid for in currency acceptable to the SCAP.

c. In those cases in which it is determined that Japan used such neutral or co-belligerent vessels without the consent and without the existence of a charter party or other contractual agreement, the SCAP should direct the Japanese Government to deliver such vessels to the government of registry of such vessels at a port in Japan in condition which will permit overseas tow, provided that it is demonstrated to the satisfaction of the SCAP that Japan did not acquire such vessels through a lawful proceeding in a prize court. The expense of any repairs necessary to prepare such vessels for overseas tow, should be borne by the Japanese Government.

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d. If it is determined that enemy or other rights exist in such vessels which will prohibit their return to claimants, or if Japan acquired such vessels through lawful prize court proceedings, they will be disposed of in accordance with other policies concerning disposition of property in Japan.

e. The decision as to the feasibility of the raising and repair, to a condition suitable for overseas tow, of vessels which have been sunk, and for which claims have been presented, will rest with the SCAP in those cases in which the expense of repairs is to be borne by the Japanese Government.

f. Claimants will accept delivery of vessels at locations to be determined by SCAP, and all cost of maintenance and movement of vessels after acceptance will be at the claimant's expense.

g. The SCAP should report to the Tripartite Merchant Marine Commission all vessels of German registry or flying the German flag at the time of surrender.

h. The SCAP may retain any vessels covered in this paper, under his control during the period in which they are required by him for the purpose of the occupation.

It was recommended that upon approval of above Conclusions that they be transmitted to SCAP for his information. It was also recommended that upon approval the above Conclusions be transmitted to the U.S. Member of the FEC to urge their adoption as a policy decision by the Commission. By informal action on 26 September 1947 the State-War-Navy Coordinating Committee approved SWNCC 227/23 after amending.

SANACC 227/24 dated 15 October 1947 circulated a letter from the Supreme Commander for Allied Powers in Japan to the Committee for information reporting on Restitution of Looted Property.

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n. The provisions of this paper shall apply to any country not a member of the FEC which may be declared eligible to receive reparations from Japan in industrial facilities, except that no country not a member of the FEC shall be a member of the RTAC.

"2. The provisions of paragraph 1 c and d requiring a monetary valuation for industrial facilities shall not operate to delay delivery of goods under the provisions of Part A of this directive. As soon as recognized and approved national reparations shares have been determined and announced by directive to SCAP all of the provisions of Part B of this directive will govern and provisions of Part A of this directive will be rendered inoperative."

SWNCC 236/43 dated 7 April 1947 was a memorandum by the Army Member regarding Reparations Removals of Industrial Facilities and Merchant Shipping from Japan. The conclusions set forth specific actions regarding the removal of iron and steel industry, chemical industries, nitric acid industries, sulphuric acid industries, soda ash, caustic soda, and chlorine industries, machine tool industries, ball and roller bearing industries, thermal electric power industries, steel merchant shipbuilding and ship repair, petroleum refining and storage facilities, aluminum and magnesium, primary war facilities, merchant shipping, nickel smelters, synthetic rubber and synthetic oil. The Committee approved SWNCC 236/43 on 8 April 1947, and the State Department was requested to transmit the conclusions to the U.S. Member on the Far Eastern Commission for submittal to that Commission for their consideration.

SWNCC 236/44 dated 9 April 1947 was a memorandum by the War Member enclosing a study regarding the Implementation of Reparations Removals of Industrial Facilities and Merchant Shipping from Japan. At its 56th Meeting on 29 April 1947 the Committee agreed to withdraw SWNCC 236/44 from active consideration, subject

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to certain amendments to be inserted therein, and to withhold approval of the document until FEC approval had been given to any policy in the paper still requiring FEC action or unilateral U.S. action had been taken on those provisions contained therein on which FEC approval had not been obtained. The Committee further agreed, that when these had been obtained, that the conclusions should be transmitted to the JCS for dispatch to SCAP as a directive.

SWNCC 236/45 dated 10 April 1947 circulated for the information of the Committee, Serial Number 75, from JCS to SCAP (Interim Directive Regarding Advance Transfers of Japanese Reparations and Reparations Allocation Procedures for Industrial Facilities in Japan). This directive is quoted in the Summary starting on page - 484 - G -.

On 22 May 1947 the Far Eastern Commission adopted the following policy which was transmitted by the JCS to SCAP and became Directive, Serial Number 80:

"1. Within those amounts of industrial capacity determined by the Far Eastern Commission for retention in Japan, for destruction or for removal as reparations, you will, in selecting specific plants, machinery, equipment, and other facilities, give consideration to the following:

"a. Security and industrial disarmament requirements: Facilities which have been employed in primary and secondary war industries and facilities in war-supporting industries, the operation of which was directly and closely related to war industries, should be removed in preference to those not so employed.

"b. The achievement of a fair balance between:

"(1) The general preferences of reparations claimants for plants, machinery, equipment and other facilities.

"(a) Of modern and efficient design and manufacture.

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"(b) In good working condition and capable of being removed from Japan with minimum loss of value and efficiency

"(c) In consolidated or integrated units

"(d) Of special value or need to claimant countries, and

"(2) The legitimate needs, as determined by the Far Eastern Commission, of Japan's peacetime economy for similar equipment having due regard for the geographical location of individual plants in reference to markets, raw materials, manpower, fuel supply, and complementary facilities; for variations in specific products as among types, sizes and other variable characteristics; and for the feasibility of repair and rehabilitation in Japan.

"c. The occupation policies of dissolving large industrial and banking corporations which have exercised control over a great part of Japanese trade and industry.

"d. Consistent with the provisions of subparagraphs a, b, and c, the following order of preference in the selection of particular plants, machinery and equipment for removal:

"(1) Plants and equipment owned by the 'Zaibatsu' concerns and other big industrial and financial concerns and companies

"(2) Plants and equipment owned by other Japanese nationals, the Japanese Government, and by nationals and governments of the countries which were Allies of Japan

"(3) Plants and equipment owned by nationals and governments of the neutral countries.

"2. Property of nationals of members of the United Nations should be dealt with in accordance with FEC-226/1 (destruction or removal of United Nations' property in Japan, serial number 76, approved 24 April 1947)."

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SWNCC 236/46 dated 27 May 1947 was a memorandum by the State Member proposing certain amendments to paragraph 4 j of SWNCC 236/35 which was transmitted to SCAP as an Interim Directive in SWNCC 236/45.

On 24 April 1947 the Far Eastern Commission adopted the following policy regarding Destruction or Removal of United Nations Property in Japan which was transmitted to SCAP by JCS and became Directive, Serial No. 76:

"1. This policy decision deals with the treatment of the property in Japan of nationals of members of the United Nations when such property forms part of an industry, the capacity of which is subject to reduction either by the destruction or by the removal of plants under the terms of relevant policies of the Far Eastern Commission.

"2. Such property shall be regarded as United Nations property for the purpose of this policy decision and shall be so termed.

"a. If owned by nationals of members of the United Nations, or

"b. If it has been treated as enemy property by the Japanese Government, or

"c. If owned by a corporation, the stock of which is substantially owned directly or indirectly by nationals of members of the United Nations, or

"d. If owned by a corporation in which a minority of the stock is owned by nationals of members of the United Nations but nationals of members of the United Nations nevertheless have controlling rights.

"3. United Nations property which is subject to destruction, in accordance with policies of the Far Eastern Commission, on the disarmament of Japan and the reduction of Japanese industrial war potential, should be destroyed irrespective of the nationality of the owner.

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"4. When such United Nations property is destroyed, the United Nations owners should be entitled to full compensation for the value of their interest in the plant at the time of destruction.

"5. United Nations property within the categories of industrial plants and facilities which are subject to removal in accordance with policies of the Far Eastern Commission should not be selected for removal so long as the Japanese-owned industrial facilities within the same categories are available for removal.

"6. When such United Nations property is selected for removal, the owner's government should be given a reasonable opportunity to remove the property or any part of it from Japan, expenses being borne by the Japanese Government to the same extent as in the removal and delivery of other reparations goods. If such industrial facilities are removed by the owner's government the value of such property which is removed should be applied against the reparations account of that government. Any such property which the owner's government fails to remove within a reasonable time should be made available to other governments from the reparations pool.

"7. When such United Nations property is made available for reparations, the United Nations owners should be entitled to full compensation for the value of their interest in the plant at the time of removal.

"8. When a United Nations owner is entitled to compensation under paragraphs 4 or 7 above, such compensation should be paid to the owner by the Japanese Government in yen, and should not be charged to the reparations share of the Government of which the United Nations owner is a national. Such compensation should be distinct from and additional to any other claims for compensation which the owner may have with respect to this property.

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"9. The Japanese Government should remain responsible for safeguarding and maintaining United Nations property until it is disposed of in accordance with the foregoing paragraphs."

On 26 June 1947 the Far Eastern Commission adopted the following policy which was transmitted to SCAP by JCS and became Directive, Serial No. 83:

"The provisions of FEC-059/30 (Interim Reparations Removals: Temporary Retention of Electric Steel Furnaces, approved 6 December 1946, and transmitted to the Supreme Commander as Directive, serial number 65 on 13 December 1946) are hereby extended until 31 July 1947, pending decision by the Far Eastern Commission on the subject of further review of these provisions."

SWNCC 236/47 dated 1 July 1947 was a memorandum by the War Member enclosing a study regarding U.S. Policy with Respect to Definition of Japanese Occupation Costs and the Priority to be Accorded Their Repayment. The conclusions thereof set forth U.S. policy on this subject.

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"9. The Japanese Government should remain responsible for safeguarding and maintaining United Nations property until it is disposed of in accordance with the foregoing paragraphs."

On 26 June 1947 the Far Eastern Commission adopted the following policy which was transmitted to SCAP by JCS and became Directive, Serial No. 83:

"The provisions of FEC-059/30 (Interim Reparations Removals: Temporary Retention of Electric Steel Furnaces, approved 6 December 1946, and transmitted to the Supreme Commander as Directive, serial number 65 on 13 December 1946) are hereby extended until 31 July 1947, pending decision by the Far Eastern Commission on the subject of further review of these provisions."

SWNCC 236/47 dated 1 July 1947 was a memorandum by the War Member enclosing a study regarding U.S. Policy with Respect to Definition of Japanese Occupation Costs and the Priority to be Accorded Their Repayment. The Conclusions thereof set forth U.S. policy on this subject.

SWNCC 236/48 dated 6 August 1947 was a memorandum by the Navy Member which stated that at the time SWNCC 236/43 was approved it was generally understood that few vessels would become available for reparation (not more than 100,000 gross tons). It now appears 102 ships aggregating 760,000 gross tons are involved. The Navy Member recommended the following amendment to para 3a (9)(a) 1 of SWNCC 236/43 and that the amendment be transmitted to the U.S. Member, FEC with instructions to seek agreement within the Commission to this change:

"All vessels of more than 6,000 gross tons each which have a speed in excess of 15 knots should be made available for claim."

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By informal action on 9 September 1947 the State-War-Navy Coordinating Committee approved SWNCC 236/48, and SWNCC 236/43 was amended accordingly.

SWNCC 236/49 dated 4 August 1947 was a memorandum by an ad hoc Committee which recommended that the discussion to SWNCC 236/47 (Appendix "B") be revised in the light of the amended Conclusions as set forth in the appendix to SWNCC 236/49.

SWNCC 236/50 dated 24 September 1947 was a report by the State-War-Navy Coordinating Subcommittee for the Far East on the problem "To formulate the U.S. position with regard to those aspects of the question of reparations claims on Japan which are not covered in policy papers approved by SWNCC, under consideration by SWNCC or being drafted for presentation to SWNCC."

SANACC 236/51 dated 14 October 1947 was a revision of SWNCC 236/49 as further amended and approved by the State-Army-Navy-Air Force Coordinating Committee at the 60th SWNCC Meeting on 3 October 1947. This paper represented U.S. Policy with respect to definition of Japanese occupation costs and the priority to be accorded their payment and was forwarded to the U.S. Member, FEC for his guidance.

SANACC 236/52 dated 18 November 1947, a study presented by the State Member regarding a statement of U.S. position with respect to reparations claims to Japanese merchant shipping was referred to the Subcommittee for the Far East for study and report.

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SWNCC 239 Series - Use of Transport Type Japanese Aircraft for U.S. Military Government Airline Operation in Korea.

SWNCC 239/D dated 27 December 1945, presented by the Army Member, was a statement by the War Department on this subject which was referred to SFE for study and formulation of a policy. The statement was based upon a message from General MacArthur in CM-IN-538 dated 2 December 1945 (Appendix), in which he asked the War Department for authority to operate an airline in Korea using a considerable number of serviceable transport type Japanese aircraft together with available Korean pilots and mechanics.

SWNCC 239/1 dated 10 January 1946 was a report by SFE in response to SWNCC 239/D in which it was concluded that General MacArthur should be authorized to establish this airline provided that the Japanese equipment would be destroyed when the operational need of the occupational forces ceased to exist. The Committee approved SWNCC 239/1 on 17 January 1946 and the Joint Chiefs of Staff were advised accordingly.

SWNCC 239/2 dated 27 April 1946 circulated for information a message on SWNCC 239/1 in which General MacArthur advised that the military air transport service was now in use in Korea to meet the needs of the occupation forces, and the Japanese aircraft and equipment withheld from destruction for use in Korea was now being destroyed.

SWNCC 239/3 dated 2 June 1947 referred a cable from SCAP to SFE for preparation of a draft reply. The message dealt with the establishment of Commercial Air Service in Korea and requested authority to license a private Korean enterprise to provide scheduled and charter air transport service within Korea and authority to use War Department civilian personnel, paid from GARIOA funds, as supervisory pilots and mechanics.

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SWNCC 240 Series -- U.S. Guidance as to Disarmament and the Regulation of Armaments.

SWNCC 240/D dated 28 December 1945 referred a memorandum by the Joint Chiefs of Staff to the ad hoc Committee on Security Functions of the United Nations, for study and report. The JCS memorandum recommended that the question of regulation of armaments and disarmament should be taken under study by SWNCC as the question may be raised for discussion at the early meetings of the Military Staff Committee of the United Nations. The JCS further indicated that pending receipt of U.S. policy on this matter, they were instructing the Military Staff Committee not to discuss the matter until the Security Council called upon the Committee for advice and assistance in this matter.

SWNCC 240/1 dated 9 December 1946 was a memorandum by the Joint Chiefs of Staff giving a basis for the position to be taken by the United States Representatives during discussion taking place in the General Assembly of the United Nations on disarmament and the regulation of armaments which was circulated to the Committee for information.

SWNCC 240/2 dated 13 January 1947 was a memorandum for the Representatives of Joint Chiefs of Staff on the Military Staff Committee of the United Nations regarding guidance as to information which states members of the United Nations should furnish in regard to their armed forces.

On 4 September 1947 the ad hoc Committee to effect collaboration between the State, War and Navy Departments on Security functions of the United Nations advised that in view of the establishment of the Executive Committee on the Regulation of Armaments it was suggested that no further action was required on SWNCC 240/D. In view of the above the Joint Chiefs of Staff were queried as to whether or not they required any further action.

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By memorandum on 23 September 1947 the Joint Chiefs of Staff advised that no further action was required therefore SWNCC 240/D was removed from the SANACC agenda.

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the personnel ceiling for the Rumanian Air Force to 8,000. The Committee on 11 May 1946 agreed to the transmission of the message in the Appendix to SWNCC 244/5 providing that the acceptance of the principle of definite limitation of armaments must first be agreed, and the Joint Chiefs of Staff were advised accordingly.

SWNCC 244/6 dated 7 July 1947, was a memorandum by the War Member proposing that an ad hoc Committee be appointed to consider the problem of enforcement of Military Clauses of Satellite Treaties (Bulgaria, Hungary and Rumania). The Appendix thereof was a cable from the U.S. Military Representative, Allied Control Council for Bulgaria, in which he pointed out the need for the development of U.S. policies concerning the enforcement of these treaties in view of numerous difficulties in implementing because of the probability of attempted evasion by these Soviet satellite states. The Committee approved SWNCC 244/6 on 17 July 1947 and the ad hoc Committee was appointed by SWN-5571 dated 21 July 1947.

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SWNCC 244/7 dated 10 September 1947 was a report by an ad hoc Committee on the problem "to consider and recommend uniform guidance for the U.S. Heads of Mission to Bulgaria, Hungary and Rumania concerning their several responsibilities for the execution and interpretation of the military, naval and air clauses of the treaties of peace with those countries". It was concluded that it is probable that the governments of the former satellite countries will attempt to avoid some of the obligations imposed upon them by the term of the military, naval and air clauses of the peace treaties. It was recommended that a policy paper (Annex A, B & C to Appendix "C", SWNCC 244/7) be referred to the Joint Chiefs of Staff for comment from a military point of view and subject to favorable comment by the Joint Chiefs of Staff and after approval by SWNCC that the policy papers be forwarded to the State Department for integration with such other guidance for the U.S. Heads of Missions in Bulgaria, Hungary and Rumania as may have been prepared.

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SWNCC 250/2 dated 20 November 1946 was a memorandum from the Bureau of the Budget to the Secretary of State enclosing the views of the Department of Justice, the General Accounting Office, the Philippine War Damage Commission and the Treasury Department on the proposed draft bill "to create a commission to be known as the Internee and Prisoner of War Obligation Commission, under the general supervision of the Secretary of State, and to provide for the powers, duties and functions thereof, and for other purposes" (Appendix "D", SWNCC 250/1). In view of this action the ad hoc Committee appointed to study and report on SWNCC 250 was reconstituted and directed to revise SWNCC 250/1 in light of the comments of these agencies in SWNCC 250/2.

SWNCC 250/3 dated 30 January 1947 was a report by an ad hoc Committee which was directed to recommend revision of SWNCC 250/1 in the light of the recommendations of the Department of Justice, the General Accounting Office, the Philippine War Damage Commission, and the Treasury Department, as set forth in appendices to SWNCC 250/2. It was concluded that certain of the recommendations of other Government agencies should be adopted and the following documents were prepared.

1. A revised draft of the proposed bill-

"To create a Far Eastern Internee and Prisoner of War Obligation Commission, under the general supervision of the Secretary of State, and to provide for the powers, duties and functions thereof, and for other purposes."

2. A memorandum setting out the justification for and purposes of the proposed bill, revised in accordance with the changes made in the proposed bill.

3. A memorandum prepared so as to set out the provisions of the previous proposed bill (submitted in report relating to SWNCC 250/1) section by section, with the pertinent recommendations of other Government agencies set out following each section and the comments of the ad hoc Committee regarding the recommendations of other agencies.

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It was recommended that after approval by SWNCC that the Secretary of State be requested to:

1. Submit copies of this document to the Bureau of the Budget for approval.

2. After approval by the Bureau of the Budget, submit copies of the proposed bill and the Memorandum setting out the justification for and purposes of the proposed bill to the appropriate Congressional leaders with the recommendation that the proposed bill be enacted into law.

That the Secretary of War and the Secretary of the Navy be requested to submit recommendations to the appropriate Congressional leaders that the bill be enacted.

By informal action on 21 March 1947 the State-War-Navy Coordinating Committee approved SWNCC 250/3, as amended by SWNCC 250/4.

SWNCC 250/4 dated 4 March 1947 was a memorandum recommending certain changes to SWNCC 250/3. By informal action on 21 March 1947 the State-War-Navy Coordinating Committee approved SWNCC 250/3 as amended by SWNCC 250/4.

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SWNCC 251/4 dated 13 February 1947 was a report by the State-War-Navy Coordinating Subcommittee for Europe on a cable from OMGUS to JCS, CC 7028, 19 November 1946 (SWNCC 251/3/D) requesting instructions as to the policy to be followed regarding Soviet claims for restitution of Baltic property from Germany. It was concluded that it was desirable that information concerning property looted by the Germans from Lithuania, Latvia, and Estonia be accepted from the Soviet Union, without commitment to the Soviet Union as to the ultimate disposition of such property. It was recommended the above conclusion be approved and that the Joint Chiefs of Staff transmit the information to OMGUS along with information that the State Department had consulted with Paris and London Governments on this problem.

SWNCC 251/5 dated 18 March 1947 was a reply from OMGUS to message sent by JCS in compliance with SWNCC 251/4 which stated that the Soviet Restitution Mission had submitted 43 official claims for restitution to the Soviet Union of property allegedly removed by the Germans from Latvia. No claims were submitted on property removed from Lithuania or Estonia. U.S. field operatives have not located any of the subject equipment and Soviet officials have been asked to provide more detailed information.

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are designed to promote security of classified information throughout Federal Agencies."

SWNCC 252/5 dated 20 December 1946 was a study by the Secretariat of SWNCC to provide the assignment of additional personnel to the State-War-Navy Coordinating Subcommittee for Security Control (Security Advisory Board). The Secretary, SAB, had requested that one Army officer and one Navy officer be provided for the Secretariat, SAB, to act as training officer and survey documentary security officer, respectively. This paper also raised the question as to whether or not the functions of this Board should be transferred to NIA or another department or agency or establish it as a separate agency by Executive Order.

SWNCC 252/6 dated 14 January 1947 was a memorandum by the Navy Member in which he recommended that action on SWNCC 252/5 be held in abeyance until final decision by the President on a report being prepared by a Commission appointed by the President to consider security matters in the Executive Branch of the Government. He also recommended that SWNCC 252/5 be referred to the SAB for its comment and for recommendation for final action by SWNCC in light of the decision made by the President. The Committee approved SWNCC 252/6 on 31 January 1947.

SWNCC 252/7/D dated 27 March 1947 circulated Executive Order 9835 for information and referred SWNCC 252/5 to SAB for comment and recommendations in light of the Executive Order. The Executive Order prescribed procedures for the administration of an employees loyalty program in the Executive Branch of the Government. That part of the order pertaining to SAB is as follows:

* * * * *

"PART VI - MISCELLANEOUS

* * * * *

"2. The Security Advisory Board of the State-War-Navy Coordinating Committee shall draft rules applicable to

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the handling and transmission of confidential documents and other documents and information which should not be publicly disclosed, and upon approval by the President such rules shall constitute the minimum standards for the handling and transmission of such documents and information, and shall be applicable to all departments and agencies of the executive branch."

* * * * *

SWNCC 252/8 dated 16 April 1947 was a report by SAB in response to SWNCC 252/7/D in which it was recommended that SWNCC approve the new "Terms of Reference" in the Appendix inasmuch as the present terms were made obsolete by Executive Order 9835. The Board also recommended that an additional official be assigned to the permanent Secretariat of the Board. On 16 July 1947 the Committee approved the following terms of reference for the SAB and agreed to hold in abeyance the request for an additional official:

"a. Drafting minimum rules applicable to the handling and/or transmission of all classified documents or information within all departments and agencies of the executive branch of the Government, including the rendering of advisory opinions on the problems arising from the application of these rules.

"b. Formulating policies and procedures relating to the declassification of documents originating in non-military agencies and departments.

"c. Preparing studies and recommendations on matters referred to it by SWNCC."

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(Added by Changes No. 3, 1 August 1947)

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SWNCC 252/9 dated 15 September, 1947 was a memorandum and enclosures presented by the Security Advisory Board setting up minimum standards for the handling and transmission of classified information in executive departments and agencies of the Federal Government.

SANACC 252/10 dated 20 October 1947 was a statement by the Army Member and a memorandum by the Security Advisory Board which recommended amendments to SWNCC 252/9. After further amending, the State-Army-Navy-Air Force Coordinating Committee approved SWNCC 252/9 as amended by SANACC 252/10 at its 62nd Meeting on 4 November 1947.

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SWNCC 255/19 dated 4 December 1946 was a report by SFE in response to SWNCC 255/14/D recommending that SWNCC approve the program outlined by SCAP in the enclosure to SWNCC 255/14/D. The Committee approved SWNCC 255/19 on 18 December 1946 and the message in Appendix "C" thereto was dispatched by the JCS to SCAP as WAR 84416 on 26 December 1946.

SWNCC 255/20/D dated 12 March 1947 referred to SFE a message from SCAP regarding "German Property in Japan". SCAP requested policy re disposition of vested private property and recommended liquidation thereof with proceeds therefrom deposited to SCAP's custody account earmarked with former owner's name.

SWNCC 255/21/D dated 20 May 1947 referred another message from SCAP to SFE in connection with SWNCC 255/20/D. SCAP stated that since submission of his previous message (SWNCC 255/20/D) it had become apparent that much of the repatriates' property was worthless, depreciating, and spoiling and in most cases unsalable. SCAP requested policy grant SCAP discretionary power to dispose of this type of property either by sale or release to Japanese welfare agencies.

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SWNCC 255/19 dated 4 December 1946 was a report by SFE in response to SWNCC 255/14/D recommending that SWNCC approve the program outlined by SCAP in the enclosure to SWNCC 255/14/D. The Committee approved SWNCC 255/19 on 18 December 1946 and the message in Appendix "C" thereto was dispatched by the JCS to SCAP as WAR 84416 on 26 December 1946.

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SWNCC 255/22 dated 13 August 1947 was a draft reply to SCAP by the State-War-Navy Coordinating Subcommittee for the Far East on his inquiry regarding disposition of private property of category "A" Germans repatriated from Japan 14 February 1947. By informal action on 29 September 1947 the State-War-Navy Coordinating Committee approved SWNCC 255/22 after amending. The cable in Appendix "C" thereof was subsequently dispatched to CINCFE as WAR 87500 on 1 October 1947 and authorized Gen. MacArthur to proceed as proposed in SWNCC 255/21/D above. CINCEUR was also informed of this action.

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SWNCC 257/34 dated 23 July 1947 was a memorandum from the Joint Chiefs of Staff on Exploitation or Employment of German and Austrian Scientists and Technicians by Nations Other Than the United States or the United Kingdom, which was referred to the State-War-Navy Coordinating Subcommittee for Europe, for comment and recommendation.

SWNCC 257/35 dated 1 August 1947 circulated for information and guidance a policy approved by the State, War and Navy Departments on clarification of present State-War-Navy policy on civil exploitation of German and Austrian specialists in the United States.

SANACC 257/36 dated 3 November 1947 was a report by the State-Army-Navy-Air Force Coordinating Subcommittee for Europe commenting on a proposed Combined Chiefs of Staff policy pertaining to the exploitation or employment of German and Austrian Scientists and Technicians by Nations Other than the United States or the United Kingdom. It was concluded that adoption of the policy proposed is not detrimental to the security of the United States and that the State-Army-Navy-Air Force Coordinating Committee should advise the JCS of several conditions which are considered necessary to insure complete understanding of the implementation of the proposed policy by all interested agencies.

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(Added by Changes No. 4, 30 Nov 1947)

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SWNCC 260 Series - Reorganization of Italian Air Force and Establishment of Italian Internal Civil Air Lines.

SWNCC 260/D dated 6 February 1946 referred to SCE a memorandum by the JCS enclosing a message from SACMED in which he requested authority from the CCS to proceed with the reorganization of the Italian Air Force and to permit the establishment of internal civil air lines by the Italian Government. The JCS proposed in Appendix "B" a memorandum to the CCS concurring in SACMED's proposal for which they requested SWNCC concurrence.

SWNCC 260/1 dated 12 March 1946 was a report by SCE on SWNCC 260/D recommending concurrence by SWNCC to the action proposed in SWNCC 260/D. The Committee approved SWNCC 260/1 on 14 March 1946 and the JCS were so advised.

SWNCC 260/2 dated 17 September 1946 was a memorandum by JCS dealing with a request from SACMED for authority to establish internal civil aviation in Italy, including a limited amount of private flying. The JCS concurred in this action and requested SWNCC approval. Appendix "A" was a proposed JCS reply to CCS and the Annex thereto a reply to SACMED authorizing him to issue licenses for private flying in the manner set forth in his NAF 1197 (Appendix "B"). The Committee approved SWNCC 260/2 on 24 September 1946 and the JCS were advised accordingly.

SWNCC 260/3 dated 28 May 1947 was a memorandum by the JCS regarding "Resumption of Italian Civil External Air Lines." SACMED had requested CCS authority to permit the Italian Government to start external civil air lines. JCS perceived no overriding objection to the proposal and requested SWNCC concurrence. By informal action on 9 June 1947 the SWNCC concurred in the proposed cable to SACMED (Enclosure "B" to SWNCC 260/3) provided the phraseology therein did not result in limiting international operations of Italian airlines to Italian Government airlines. On 25 June 1947 in SM-8465 the JCS advised that the above proviso had been recommended to CCS for inclusion in the dispatch to SACMED.

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SWNCC 267/7 dated 19 September 1947 was a study by the Department of State regarding establishment of a mark conversion factor applicable to remittances to Germany. It was concluded that:

1. It is considered that the advantage of applying the thirty cent conversion factor to remittances as well as to other types of transactions involving German payees offsets the disadvantage of the disparity between the remittance rate and the military conversion rate.

2. Accordingly, the decision of SWNCC 267/6, that the thirty cent conversion factor should not be applied to remittances, should be reversed, and OMGUS should be authorized to seek quadripartite approval to use of this rate, or at the ten cent rate as presently authorized by SWNCC 267/6, if it will be of assistance in implementing a remittance program.

3. OMGUS's views should be ascertained as to whether steps should be taken to assure that all RM's purchased by foreign business firms and businessmen operating in Germany to pay RM operating expenses should be acquired at the thirty cent rate since the goods and services purchased therewith can be considered as "invisible" German exports.

At the SWNCC 60th Meeting on 3 October 1947 the State-Army-Navy-Air Force Coordinating Committee approved SWNCC 267/7 after amending a draft cable to OMGUS in Appendix "A" which was subsequently transmitted by the JCS to OMGUS in WAR 87950 on 8 October 1947.

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Navy Department for information, guidance and appropriate implementation with authority to downgrade for publicity purposes.

SWNCC 269/10 dated 3 February 1947 was another of a series of policies stemming from SWNCC 269/4/D. Appendix "A" set forth a policy regarding Private Non-Commercial Exchange of Cultural, Informational, and Educational Materials Between the United States Zone of Germany and Other Countries. Appendix "B" set forth United States policy on Exchange of Cultural Materials Between the United States and Austria. The Committee approved SWNCC 269/10 on 28 February 1947 and the policies in Appendices "A" and "B" were transmitted to the State, War and Navy Departments for their information, guidance, and appropriate implementation.

SWNCC 269/11 dated 21 July 1947 was a memorandum by the State Member proposing that the policy contained in SWNCC 269/8 be amended to allow visits of Germans to countries other than the U.S. and of persons from other than the U.S. to Germany on furtherance of democratic reorientation of the German people.

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SWNCC 271/15 dated 5 February 1947 circulated for SWNCC consideration a memorandum by the JCS enclosing a draft agreement concerning rights and privileges of U.S. forces in Italy during the evacuation period.

SWNCC 271/16 dated 25 February 1947 was a memorandum by the State Member setting forth reasons why it was believed unnecessary to enter into a military and civil affairs agreement with Italy for the withdrawal of Allied forces. He stated that this was concurred in by the British Government. The State Member pointed out, however, that if the War Department felt that some form of an agreement was necessary to protect its interests that the State Department would endeavor to arrange for an exchange of notes with the Italian Government for general assurances that the Italian authorities would cooperate in the orderly withdrawal of U.S. forces from Italy and would make available to them all facilities necessary therefor upon due compensation.

SWNCC 271/17 dated 6 March 1947 was a memorandum by the War Member in rebuttal to SWNCC 271/16 in which he stated that although he believed an agreement was considered best to protect our interest he would accept the State proposal of an exchange of notes provided all of the rights and privileges covered by the proposed agreement are broadly guaranteed thereby, and that adequate provision is made for the continuance, without reimbursement, of such services and facilities as are now being furnished by the Italian Government without compensation.

At its 55th Meeting on 11 March 1947 the Committee considered SWNCC 271/15, 271/16 and 271/17, and based upon a statement by the War Member that it would be impossible for the War Department to compensate the Italian Government for services, facilities, etc. in connection with the withdrawal of U.S. forces, the Committee agreed to defer consideration

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of these papers and appoint representatives from the State and War Departments to work out the financial aspects of the problem.

SWNCC 271/18 dated 11 March 1947 was a memorandum by the State Member in which he stated the question of the status of U.S. forces in Italy after the ratification of the Treaty of Peace with Italy had been discussed further with the U.S. Ambassador at Rome and that he understood that CG, MTOUSA, after consultation with the American Ambassador, had prepared a new draft agreement which was being submitted to the War Department for urgent approval. He reiterated that he could not agree that this Government should endeavor to obtain such services and facilities without compensation.

SWNCC 271/19 dated 18 March 1947 was a memorandum by the War Member enclosing the new draft agreement submitted by CG MTOUSA. The War Member proposed certain changes to paragraph 8 of the agreement to allow organizations or persons employed by or accompanying these forces to be included therein and an addendum to paragraph 12 to have the financial arrangements in effect on 1 February 1947 continued for the period of the withdrawal of forces. The War Member recommended that either the proposed draft agreement (SWNCC 271/15) or the subsequent draft agreement (Appendix to SWNCC 271/19), with the above additions, be approved as the basis for negotiations with the Italian Government.

SWNCC 271/20 dated 9 April 1947 was a memorandum by the State Member stating that the Department of State could not accept paragraph 12, as amended by the War Member in SWNCC 271/19 because it considered that the Italian Government was entitled to due compensation for the facilities mentioned in paragraph 12 of the agreement and proposed that a nominal lump sum be offered the Italian Government in payment for all services and facilities for which compensation is not presently given. He proposed

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that an ad hoc Committee be appointed to prepare a substitute paragraph 12 embodying the above. At its 57th Meeting the Committee agreed that the lump sum payment should be \$250,000; approved SWNCC 271/20; and an ad hoc Committee was appointed to draft a new paragraph 12 of the Agreement.

SWNCC 271/21 dated 9 June 1947 circulated for approval a revised draft agreement, including a revision of paragraph 12 by the ad hoc Committee. The Committee approved SWNCC 271/21 on 19 June 1947 and the Department of State was requested in SWN-5489, on 20 June 1947, to take appropriate implementation action.

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The Navy Member recommended that SWNCC 276 and SWNCC 38/32 be referred to an ad hoc Committee to frame and forward recommendations to SWNCC. The Navy Member considered that this would serve as a profitable and expeditious means to clarify or define matters upon which the State Department appeared to have some questions. The Committee approved SWNCC 276/1 on 18 April 1946.

SWNCC 276/2 dated 25 April 1946 was a memorandum by the State Member in which he indicated that the Department of State concurred in principle with SWNCC 276, that the Department was not aware of any specific authority for the granting of United States military assistance to the Philippines but assumed that the War Department would seek such authority from Congress if authority did not exist. The Committee considered SWNCC 276 and SWNCC 276/2 at its 39th Meeting on 2 May 1946 and agreed to approve SWNCC 276 in principle; refer SWNCC 276 and SWNCC 276/2 to a Working Committee for the purpose of drafting a proposed agreement with the Philippine Government and any necessary legislation; that the views of the State Department, as set forth in SWNCC 276/2 should be taken into consideration in drafting the agreement and the legislation mentioned above; and that the Department of State would sponsor the necessary legislation.

SWNCC 276/3 dated 14 April 1947 was a memorandum by the JCS in response to paragraph 5 c of SWNCC 340/1 which called for a revision of U.S. military assistance to the Philippines in the light of the President's decision to reduce substantially the U.S. forces projected for the Philippines in the post-occupation period. The SWNCC approved SWNCC 276/3 on 28 May 1947 subject to the qualifications by the War and Navy Members as set forth in the "Decision on" and the paper was transmitted to the Department of State for appropriate action by SWN-5432 on 28 May 1947. (War Member's qualifications were set forth in SWNCC 276/4.)

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(Revised by Changes No. 3, 1 August 1947)

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