

## GHQ/SCAP Records (RG 331, National Archives and Records Service)

## Description of contents

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- (2) Folder title/number: (17)  
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- (3) Date: Mar. 1950 - Dec. 1950

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Lt Col Hampton/rm 26-5937

Conversion of United States Currency into Yen

G-1

Civil Affairs

25 Sept 50

6  
(continued)

and are in accordance with paragraphs 3, 6 and 8 of FEC Circular 19.

1 Incl

n/c

----- W. A. B. -----

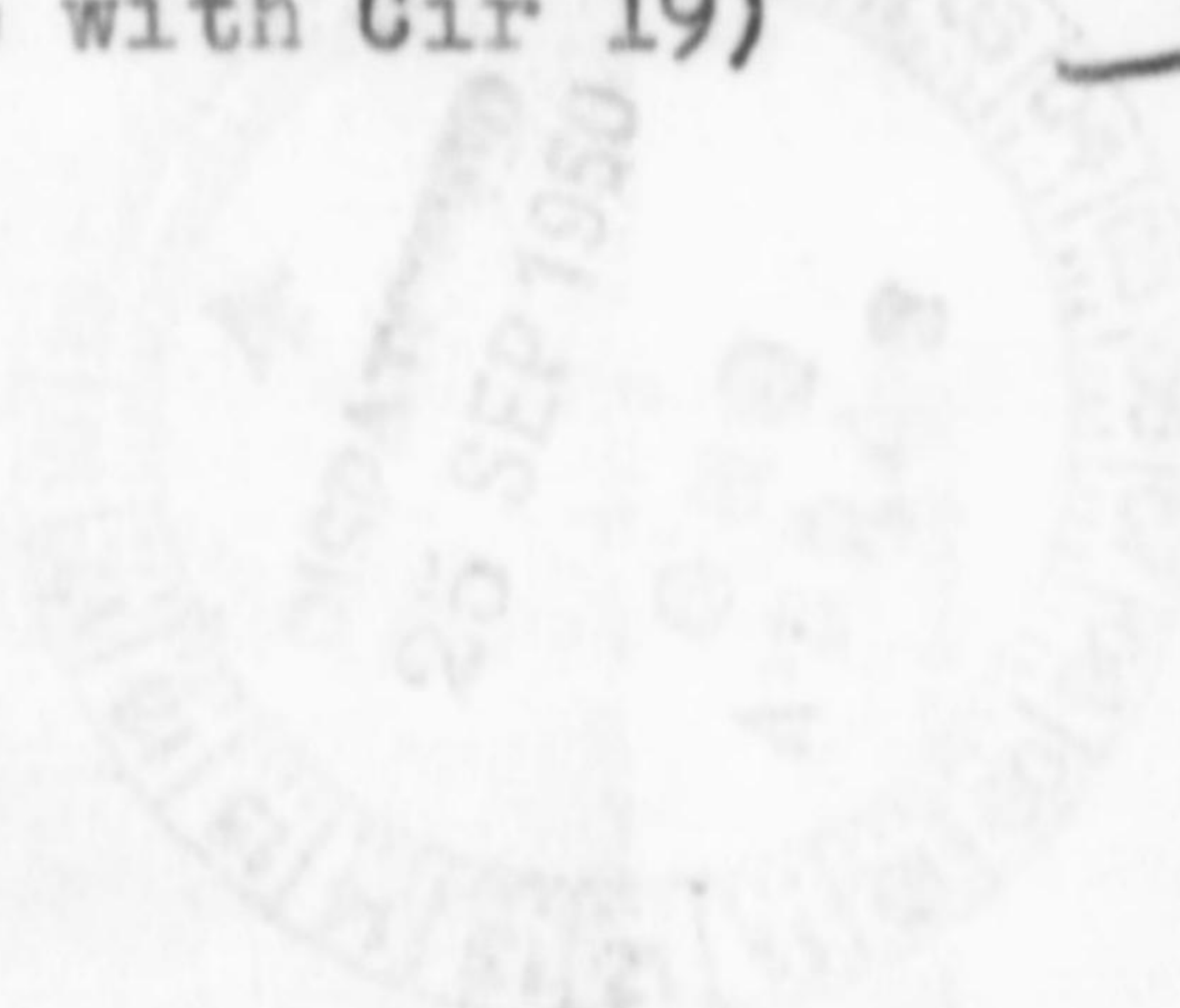
M/R: Kyushu Civil Affairs Region wrote a ltr to the Civ Affairs Section, SCAP, asking the fol questions:

1. Request clarification of higher HQ concerning status of transient US Navy Personnel.
2. May the Navy possess US dollars in US currency while ashore in Japan?
3. May the Navy exchange US dollars for yen at Japanese Banks?
4. Are these Navy personnel considered occupation personnel, therefore prohibited from possessing US dollar currency?

Civil affairs requested info on which to base a reply. ESS, Comp-B, Legal Sect, and G-1 are all in agreement with the policy established by FEC Cir 19, 15 Mar 49, subject: "MPC's". Cir 19 answers the above questions. In C/N 3 COM-B provides information (which is in accordance with Cir 19) necessary for Civil Affairs to prepare a reply.

G-1

H. J. S.





Subject: Conversion of United States Currency into Yen

5

From: Legal Section

To: C-1

Date: 22 Sep 50

Concur with c/n's 2 and 3 above.

1 Incl  
n/c

-----A. C. C.-----



From: FM

To: LS

Lt Col Read 26-5701

Date: 19 September 1950

4

Concur with check notes 2 and 3, above. See paragraphs 3a(1), 3e, 6, and 8 of Circular 19, GHQ, FEC, 1949.

1 Incl  
n/c

----- R.T.C. -----



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AG 123.7 (15 Aug 50)GAS-L

Conversion of United States  
Currency into Yen

Alice R. Burke  
26-5876

Civil Affairs

ESS  
FM  
Legal Section  
G-1

18 AUG 1950

- 1. Forwarded for information on which to base a reply.

1 Incl  
ltr, Kyushu CAR dtd  
15 Aug 50



123(18 AUG 1950)ESS/BFE

WFM/VLR/WNR/zl  
Mr. Rogers, 33-7043  
1 SEP 1950

- 2. From: ESS To: Civil Affairs  
Thru: COM-B  
FM  
LS  
G-1

1. ESS deems it more practicable for transient personnel of the U. S. Navy who occasionally touch ports in Japan, as indicated in the Kyushu Civil Affairs Region letter of 15 August 1950, to have arrangements made for them by the appropriate fiscal officers for an exchange of dollars for yen to facilitate their shore visitations while in Japan.

2. The Foreign Exchange and Foreign Trade Control Law and implementations thereunder were primarily designed for the accommodation of bona fide tourist transients. The Eighth Army has indicated that "greenbacks" in the hands of merchant or armed service seamen are conducive to unwarranted activities in exchange matters.

3. It is suggested, therefore, that an appropriate reply in this tenor be directed to the Kyushu Civil Affairs Region.

1 Incl  
n/c

W. F. M.

268

G-1 FILE COPY



KYUSHU CIVIL AFFAIRS REGION  
GHQ SCAP  
Fukuoka, Kyushu, Japan

LG/JWR/mj

APO 24 Unit 5  
15 August 1950

**SUBJECT: CONVERSION OF UNITED STATES CURRENCY INTO YEN**

**TO :** Chief, Civil Affairs Section  
GHQ SCAP  
APO 500  
Attn: Legal & Gov't Division

1. It has come to the attention of this office that personnel of the U. S. Navy, temporarily in this area, are exchanging U. S. currency (greenbacks) for yen at various Japanese banking institutions. The attitude of the Japanese banks appears to be that this exchange is authorized by Law #228, "Foreign Exchange and Foreign Trade Control Law," dated 1 December 1949. Some basis for this interpretation may be found in paragraph 29 b, Circular #11 GHQ SCAP, "Entry Requirements and Business Activities in Japan," dated 16 June 1950, if the personnel of these transient naval forces are not considered occupation force personnel.

2. Request clarification of higher Headquarters concerning status of transient U. S. Navy personnel. May they legitimately possess U. S. dollars (greenbacks) while ashore in Japan, and may they legitimately exchange such dollars for yen at Japanese banking institutions? Are they to be considered as occupation forces personnel and therefore prohibited from possessing U. S. dollar currency?

3. Awaiting clarification from higher Headquarters this office has recommended to the Army and Navy authorities at the point in question that instructions be issued to all military personnel under their jurisdiction that exchanges of dollars for yen be made only at authorized Army Finance Offices and Navy Paymasters Offices.

FOR THE CHIEF:

JOHN W. ROUREK DAC  
Legal & Government Section



123.7

W. K. Bunce 57-8313

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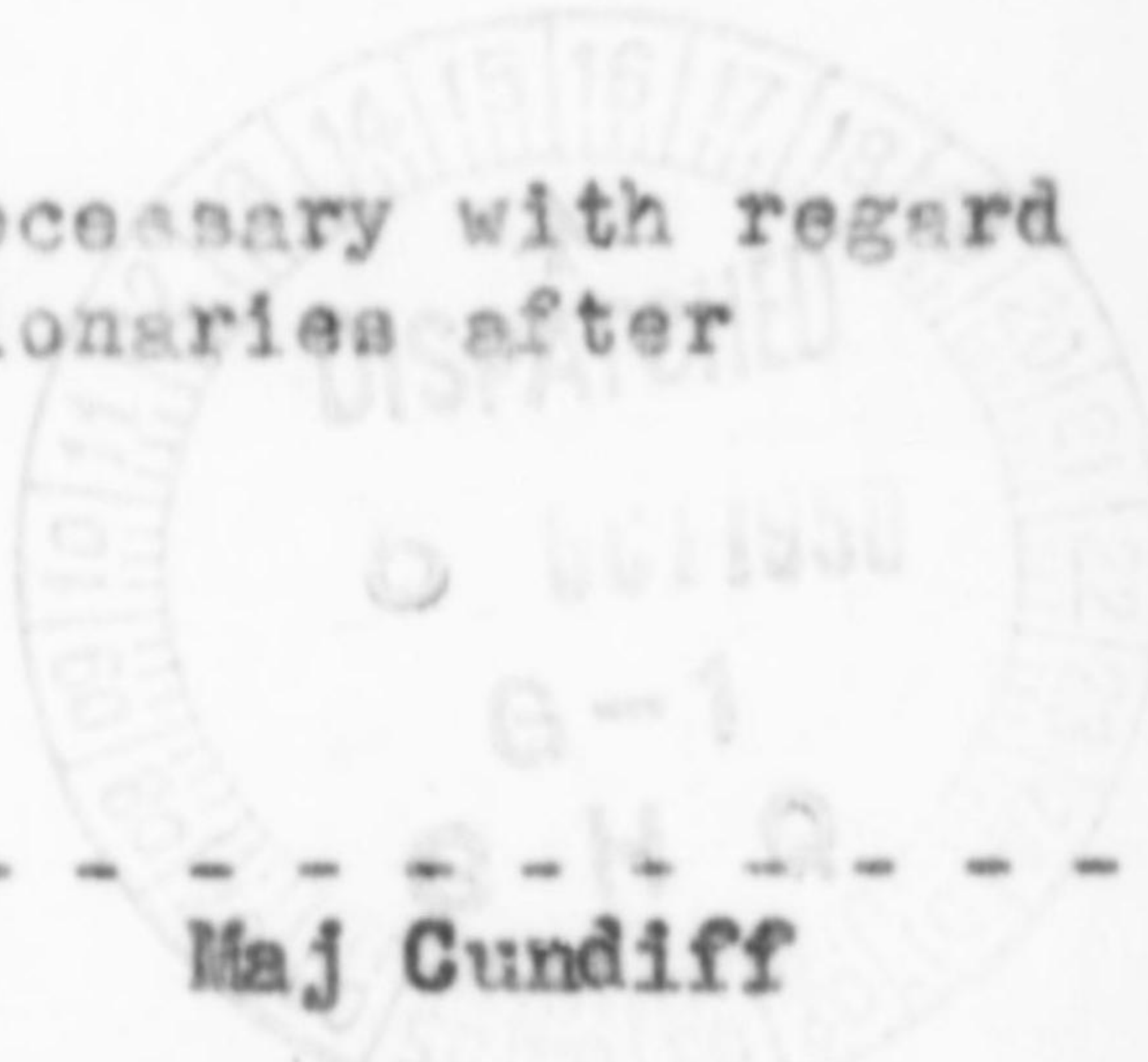
Revocation of Authorization for Use of Military Payment Certificates by Missionaries

CIE Thru: G-1 AG-Postal Branch 22 Sep 50

1. In accordance with recommendations in check note from CIE to CS, thru: G-1, subject: Withdrawal of Certain Privileges from Representative Missionaries, 1 Sep 50, approved by CS 4 Sep 50, the authority hitherto accorded certain accredited missionaries to use Military Payment Certificates will be revoked effective 16 Oct 50.

2. It has been ascertained by CIE that branches of American Banks licensed to do business in Japan will accept Postal Money Orders for deposit or, upon proper identification, will accept Postal Money Orders for conversion to yen.

3. The above information is for any action deemed necessary with regard to Army Post Offices cashing Postal Money Orders for missionaries after 15 Oct 50.



----- D. R. N. -----  
Maj Cundiff  
FROM: AG TO: G-1 3 October 1950

2. Appropriate action has been taken to insure that in the future APO's refuse to cash money orders for other than authorized personnel. In this connection attention is invited to inclosure 1.

1 Incl

----- K. B. B. -----  
From: G-1 To: CIE Lt Col Benson/nkp 26-8979  
5 Oct 50

3 Noted.

1 Incl  
n/c

----- W. A. B. -----

M/R: 1. Basic is CIE C/N to AG requesting that Postal Authorities be notified that Money Orders presented by Missionaries should not be cashed since MPC privileges of Missionaries are revoked 16 Oct 50. Approved by C/S, 4 Sep 50.

2. By C/N 2, AG informs that necessary action has been taken.

265

G-1  
APD

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123.7  
9/26  
LLW/RWN/JRF/jhp  
Lt Col Fox 26-8051

COM-B

Convertible Yen Accounts of Foreign Missions

COMPTROLLER

G-1



6. 1. Comptroller concurs in C/N 4.

2. SCAP licenses to U. S. banks, effective 1 July 1950, limit dollar accounts to be maintained for missions to official mission accounts. Reparations accounts of foreign missions or personal accounts of mission personnel may not be carried as dollar accounts in the Military Facility Departments of U. S. licensed banks.

1 Incl  
n/c

L. L. W.

Lt Col Benson/dlw 26-5926  
Date: 22 July 1950

From: G-1

To: DS

7 1. From the context of the preceding C/N's, it appears:

a. That no directives have been issued regarding conversion of dollar accounts in foreign and Japanese foreign exchange banks.

b. That effective 1 July 1950 foreign exchange banks are not authorized to hold foreign currency balances in Japan either for occupation or non-occupation persons or firms. Foreign exchange balances held by Foreign exchange banks on 1 July 1950 may either be remitted abroad prior to 31 July 1950 or may be converted to yen for deposit into a convertible account, subject to license from the Ministry of Finance.

c. That the military facility departments of U.S. banks are authorized to hold dollar accounts for persons or agencies accredited to SCAP. Withdrawals from these accounts in Japan are restricted to Military Payment Certificates and authorization has, in general, been granted to the heads of foreign missions to maintain such dollar accounts in the name of the mission for use in their official capacity.

1 Incl  
n/c

-W. A. B.-

M/R: Basic is C/N fm DS requesting info concerning the new foreign exchange control laws as they pertain to missions. The comments of LS, ESS and Compt are outlined in Inst C/N.

G-1 CFAD

3-1 File Copy

191A



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8005

Mr. Hawley/jcg

S 501.51

Convertible Yen Accounts of Foreign Missions

DS

LS  
G-1  
ESS (in turn)

20 June 1950

1 1. Reference attached copy of circular letter from the National City Bank of New York which has been received by foreign missions in Japan and their members.

2. It is noted that the quotation "SCAP directives" refers to U.S. dollars and sterling deposits on the books of New York banks in the names of non-occupation personnel.

3. Inasmuch as foreign mission personnel in Japan have the status of occupation personnel, information is requested concerning the applicability of these SCAP directives with respect to the official accounts of foreign missions, the reparations accounts of foreign missions, and the personal accounts of foreign mission members. Specific information is also requested with respect to the SCAP directives referred to by the bank.

1 Incl  
Circular ltr fr National  
City Bank of New York.

-----W.J.S.-----

G-1  
3  
P



171



Convertible Yen Accounts of Foreign Missions

LS

G-1  
ESS  
DS (In turn)

27 June 1950

2

1. National City Bank, Tokyo, informs LS that the use of the expression "SCAP directives" was inadvisable. The Bank had reference to press releases rather than directives. LS is not aware of any SCAP directives to the Japanese Government concerning convertible yen accounts.

2. LS is of the opinion that foreign missions or their personnel are not required to convert dollar accounts into convertible yen accounts unless they so desire. However, foreign missions and their personnel may establish in foreign exchange banks, convertible accounts into which foreign exchange instruments and transfers from other convertible accounts may be deposited and which may be withdrawn in yen or in the currency of deposit, at will. Deposits in or withdrawals from foreign currency accounts are restricted to military currency or instruments expressed in the currency of deposit.

3. United States Occupation personnel are restricted to the use of military currency for their normal needs. Mission personnel, upon being duly authorized may also possess and use such military currency, pursuant to the terms of the authorization. On the other hand, it should be noted that if foreign missions and their personnel do not desire to convert dollar accounts into convertible yen accounts, the use of such dollar accounts in Japan would be limited in nature, vis-a-vis military currency.

1 Incl  
n/c

----- C. R. L. -----

From: G-1

To: ESS (In  
Comp Turn)

Lt Col Benson/rs1 26-5926  
Date: 29 June 50

3

Prior to reply to DS, request the comments of ESS and Comptroller.

1 Incl  
n/c

----- 2 ----- W. A. B. -----

171



- M/R: 1. Basic is DS request for info concerning the applicability of the new convertible yen to foreign mission personnel.
2. LS by C/N 2, is of the opinion that foreign mission personnel will not be required to convert their dollars into convertible yen.
3. Prior to final reply to DS, consider it advisable to obtain the comments of ESS and Comptroller.

G-1 CPAD

171



123.7  
123+  
Lt Col Benson, 26-8979

Report on Subsidiary Coins Expressed in B Yen  
Taken into Custody from Repatriates

G-1

ESS

9 Mar 50

Attn: Lt Col Feyereisen

1 The attached report from the Japanese Government is forwarded as a matter  
pertaining to your section.

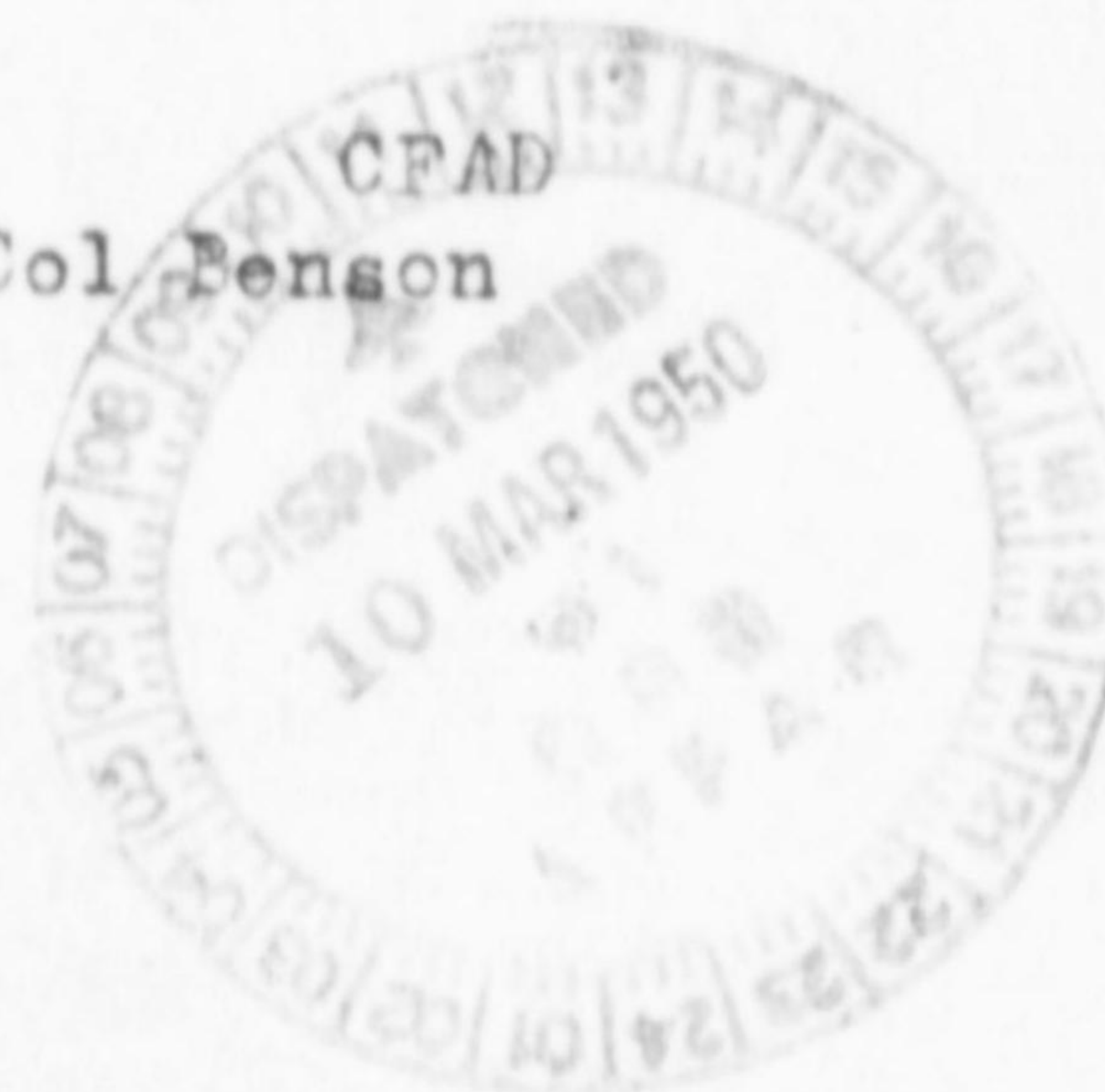
1 Incl  
Report fr  
Japanese Gov

----- W. A. B. -----

- M/R: 1. Basic is a report from the Japanese Government on subsidiary coins expressed in B Yen that were taken ~~fr~~ into custody in 1949 from repatriates.  
 2. While subject report is directed to the attention of G-1, CPAD has no knowledge of request being originated in G-1.  
 3. ESS (Lt Col Feyereisen) states that that section has an interest and requests that the report be forwarded to ESS.

G-1 FILES  
WAB:RTB:rs1

G-1  
Lt Col Benson



06  
①

58



RESTRICTED

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WFM/mdp

Plan for Placing Non-Military Transactions in Japan on a yen basis.

FSS

G-1

20 Feb 50

1

1. Transmitted herewith is a draft Plan for Placing Non-Military Transactions in Japan on a Yen Basis in order to Implement the provisions of the SCAP-sponsored Japanese Foreign Exchange and Foreign Trade Control Law recently enacted by the Japanese Diet. This Law by its terms is to go fully into effect no later than 31 March 1950.

2. Your concurrence or comment is requested on paragraph 5.

1 Incl as indicated.

From: G-1 ----- To: ESS ----- Major Rousseau, 26-5927 Date: 4 Mar 50

2

1. G-1 concurs in par 5 of proposed draft plan for placing non-military transactions in Japan on the yen basis. Since commercial transactions with Occupation Force Personnel are currently prohibited without specific written authorization by par 9, SCAP Cir 22, 1949, G-1 feels that the following sentence must be added to par 5 or else that SCAP Cir 22 be amended accordingly:

"Licensees who desire to conduct commercial transactions with Occupation Force personnel or agencies must secure specific written authorization from the Supreme Commander for the Allied Powers."

2. G-1 offers no objection to authorizing commercial entrants or other individuals in Japan to have business transactions with Occupation Force personnel in yen only without having to secure SCAP permission, except in the cases of eating and drinking establishments, insurance salesmen, and other individuals who desire house-to-house or billet sales to Occupation Force personnel.

1 Incl n/c

W. A. B.

M/R: 1. Basic is request from ESS for comments on par 5 of a plan for placing non-military transactions in Japan on a yen basis in the implementation of the provision of the Foreign Exchange and Foreign Trade Control Law of Japan. Par 5 states that 30 days prior to Yen-day, letters will be dispatched to all licensees except Occupation personnel, informing them as of Y-day all SCAP licenses except informational media are cancelled, and that the foreign exchange control provisions of all informational media licenses are cancelled. Further that all SCAP licensees will be advised that they are henceforth subject to Japanese law.

2. No comment is made on other than par 5 of the proposed plan

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G-1 FILES

