

SECRET

SECURITY INFORMATION

091.3

ECONOMICS - (Countries)

Binder # 1

1 JAN 50 thru 31 Dec 50

G-4 Adm File

SECURITY INFORMATION

SECRET

GENERAL HEADQUARTERS, FAR EAST COMMAND
ADJUTANT GENERAL'S OFFICE
RADIO BRANCH

G-4 ROUTING

A C / S G-4
DA C / S G-4
EXECUTIVE
P + O
C + RE
SUPPLY

PETROLEUM

KEA *B*

ADMIN *JP*

14 Nov 50

INCOMING MESSAGE

CORRECTED COPY

PRIORITY

091.3

FROM : CG X CORPS
TO : CINCPAC TOKYO JAPAN
NR : X 12407

REURAD GX 68761.

1. Following are typical preinvasion (1 Jun 1950) NK prices and wages: rice, official govt controlled rate, 5 NK currency units per kilogram; rice, blackmarket rate 35 units per kilogram; charcoal 200 units per 50 kilogram bag; common laborer 1,100 units per month; male clerk in city govt 1,050 units per month; electrician 1,650 units per month; factory foreman 1,800 units per month.
2. Comparable data pertaining to South Korean prices and wages 1 Jun 1950 lacking in this hq. Determination of equitable change rate not possible without such data.
3. Request data on preinvasion prices and wages in South Korea be furnished in order to permit comparison and recommendation required by cited radio.

ACTION : COMPTROLLER

NO SIG

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-2, G-3, G-4, AG, SIGNAL, DIPLOMATIC

84403

PRIORITY

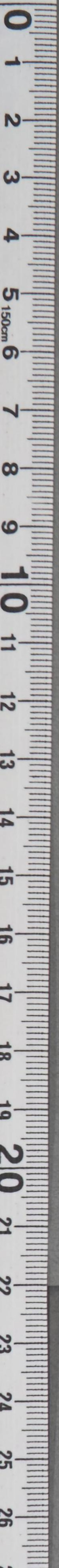
TOO : 932043

MCN : 93926

CONSULT CRYPTO CENTER BEFORE DECLASSIFYING

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17a(1)(2) and 41c(2)(3) and g(1), AR 380-5, 15 November 1949.

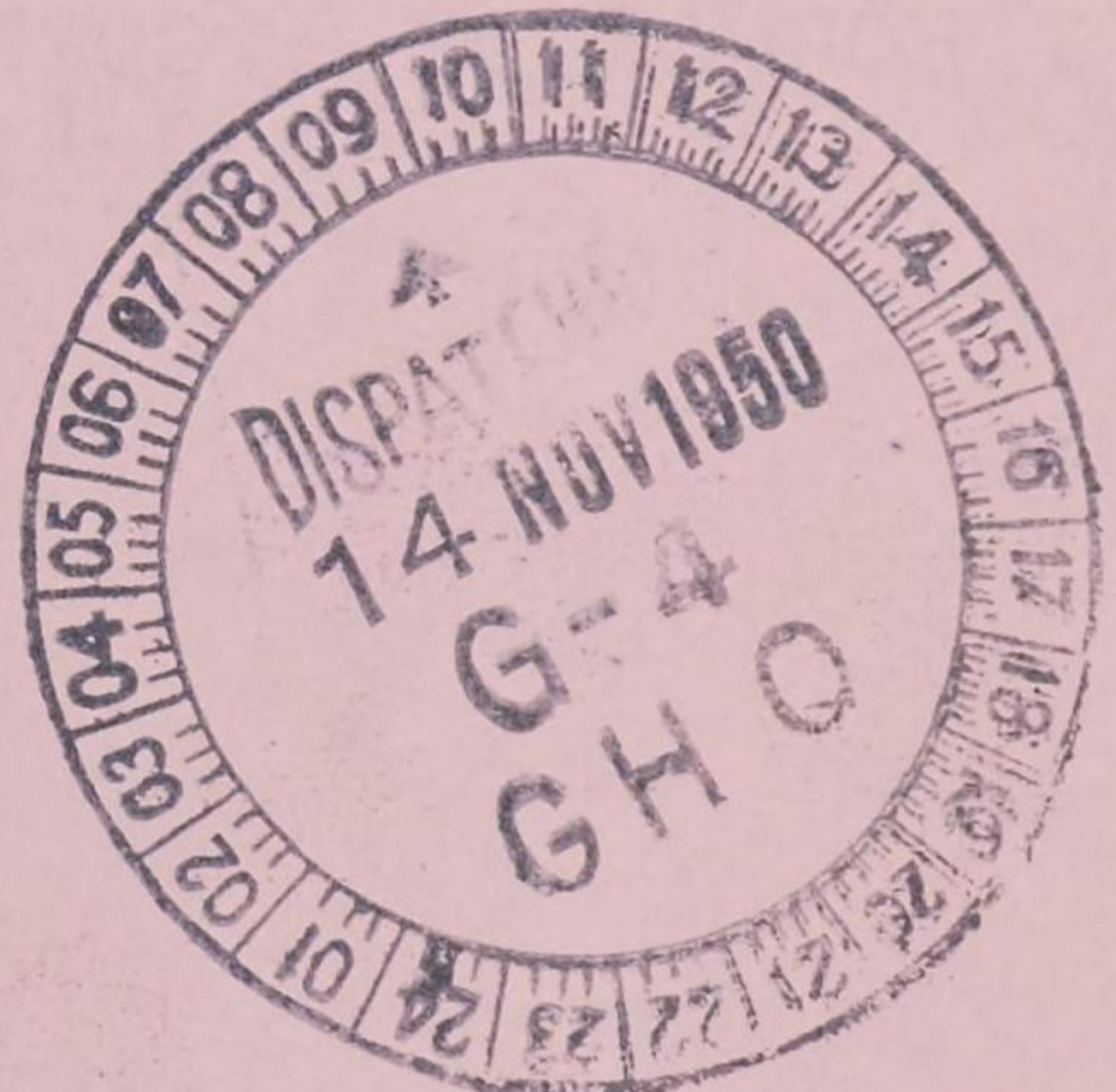
COPY No.



G ROUTING

INCOMING MESSAGE

UNCLASSIFIED COPY



GENERAL HEADQUARTERS, FAR EAST COMMAND
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

G-4 ROUTING	
A C/S G-4	_____
DA C/S G-4	_____
EXECUTIVE	_____
P+O	_____
C+RE	_____
SUPPLY	_____
PETROLEUM	_____
ADMIN	_____

INCOMING MESSAGE

Confidential
ROUTINE

WAG/job

23 Sep 50

FROM : DA (SAOOA OAEC)
TO : CINCFE
INFO : CG RYCOM
NR : W 92241

091.3

Answers submitted on Economic and Financial Stabilization of Ryukyu Islands 28 June 1950 is subj.

Would appreciate rec copies of new policy covering fgn investment, fgn exchange and operation of fgn entrants mentioned under "Fgn Business Activities" in your AG wires on Economic and Financial Stabilization of Ryukyu Islands dated 28 June 1950.

NO SIG

ACTION : RYUKYUS MG

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-4, AG, ECON & SCI

48695

ROUTINE

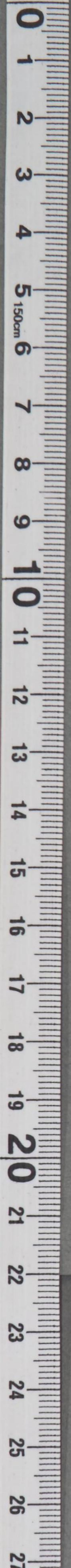
TOO : 212333 Z
MCN : 80472

Confidential

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17a(1)(2) and 41c(2)(3) and g(1), AR 380-5, 15 November 1949.

COPY No.

DECLASSIFIED
Authority WVD 975029



RECEIVED
23 SEP 1950
G-4

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GD P&O NMW/DTW/bsc

G-4 PLANS AND OPERATIONS

4 Aug 50

EXECUTIVE
OPERATIONS
CONST & MEMORANDUM FOR RECORD:

SUPPLY Subject: Civilian Economy of Korea
PETROLEUM

1. References:

- a. DA radio W/85904 14 Jul 50. ^{091/ KS}
- b. CINCFE msg CX/57925 15 Jul 50 (TOECA 84) ^{334 ECA}
- c. State Dept msg 191712 Z(ECATO 102 Jul 19, 12 NOON) 20 Jul 50.
- d. DA msg W/87241 27 Jul 50. ^{091/ KS}
- e. CINCFE msg CX/58987 29 Jul 50 (TOECA 171) ^{NR}
- f. CINCFE msg CX/58986 29 Jul 50 (TOECA 174) ^{NR}
- g. DA msg W/87619 2 Aug 50. ^{334 ECA}
- h. G-4 Journal No. 8356. ^{400.12}

091.3
~~1097/10/10/10~~
~~1334 ECA~~

On 2 Aug 50 the CofS ROK transmitted a memorandum to G-4 (Gen Eberle) which stated "Ref DA Radio W 87619. Action on ref. radio has been changed from TOECA FO to Dip Section. They will be instructed to coordinate with G-4 in the reply. Copy of ECA 174 is attached for your file and info." with initial "APF". On the same date on AG action (G-4 Journal 9488) Deputy Assistant Chief of Staff, Colonel Forsyth wrote opposite Operations Division "(2) Pl insure coordination with ESS." As a result of msg W 85904 ESS made a proposal to the CofS on 15 Jul 50. On 16 Jul 50 CofS referred ESS proposal to G-4 for comment. G-4 commented that he considered existing procedures adequate at this time (17 Jul). G-4 did not concur in the proposal of ESS and advised the CofS "G-4 feels that normal command and staff coordination and cooperation under existing procedures will meet requirements including civilian relief supplies in Korea." On 15 Jul Mr. Bunce in msg reference 1 b dispatched a reply to ECA Wash DC as follows:

"This is TOECA nbr 84 July 15.

Subject is State Dept proposal on ECA function Korea.

1. Concur in proposal of Dept of State as set forth in DA cable W 85904.

2. Essential that there be complete integration between relief and rehabilitation activities and military operations with military requirements taking precedence during period of hostilities.

nmw

G-4 FILE

CONFIDENTIAL

PHO ~~SP~~
9488

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M/R Cont'd

4 Aug 50

3. In order to assure such integration it is essential that the Chief of ECA Mission have access to necessary information in order to plan procurement and supply effectively in light of military situation.

4. It is also essential that Chief of Mission have free communication, through Army channels, with Administrator and his staff on both policy and operating problems, with Dept of State as coordinating agency, and with UNCOK for joint planning purposes.

5. In order to avoid any possible delay due to reference of request for urgently needed relief supplies to UN, New York and through them to Dept of State, it appears highly desirable that immediate field action for procurement be authorized on all urgent requests agreed to jointly be unified commander in Korea, UNCOK, the Ambassador and Chief of ECA Mission. End signed Bunce."

In reference 1 c above State Dept replied "Ref TOECA 84, Subj: UN Civilian Supplies. TOECA 84 indicates some misinterpretation on 85904. No intention in W 85904 to alter any existing ECA/K functions or chief of mission's prerogatives. W 85904 outlines procedures for handling assistance of kind which may be offered ROK by members of UN other than US. That such assistance and procedures be strictly supplemental to ECA assistance and established ECA procedures. ECA/K would be expected to coordinate ECA procurement with UNCOK in order to avoid duplication supplies, but ECA/K procurement would in no way be delayed. ECA/Korea's function in connection UN supplies would be, as stated W 85904 Para 3, to act as executive agent in Korea for reception and distribution of relief supplies provided by other UN countries." In msg reference 1 d DA submitted a modified proposal as outlined in msg W 85904 and requested CINCFE to comment. ECA (Mr. Bunce) replied as the officer having action to DA msg W 87241/as follows:

which had text

"Dept submits fol modification proposal outlined DA Tel W 85904 Jul 13:

Para 1. That non-mil svc and sup required for relief and support of ROK civ economy during pd of mil opn be determined and phased by CINCFE in his capacity Comd Gen unified forces in Korea in consultation ROK, ECA/K and other approp agencies;

Para 2. That such rqmts be transmitted by CINCFE to US Govt through mil channels with repts or proc arrangements made in Tokyo with ECA and other agencies;

Para 3. That US Govt submit these rqmts to SYG UN as coord agent (or possibly to special UN committee) for all non-mil asst made aval by other UN member govts to Korea together with indication of amt US is up. The aval of sup and svc (including trans costs) from other members would be brought to the attn of CINCFE by same channel.

A. It is contemplated that non-mil assist from other UN members to supplement such asst as US may be prep to render may be

G-4 FILE

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2

M/R Cont'd

4 Aug 50

obtained most emf through UN consultation govts member nations as well as pvt agencies on basis spec needs. For political reasons it appears preferable to have initiative such consultation on multilateral basis through UN rather than directly by US Govt. Coord agent would also rec offers of non-mil HD VOL from govts or pvt agencies.

B. Del of responsibility to SYG UN would permit until such members of Secretariat as deemed nec. Contemplated working relationship between members designated and representatives UN specialized agencies (such as UNICEF and who (and league Red Cross societies as well as advisory relationship with aprop pvt bodies.

C. Decision what sup and svc to call fwd and when will rest with CINCFE. Coord committee will be established in US Govt representing Army, ECA and State. Within committee Army will be primarily responsible for coord with mil rqmt and comm with CINCFE; ECA for coord non-mil sup and svc and State for contacts VOL US Agencies (through advisory committee on Vol fgn aid) and with UN.

Para 4. Contemplated that above proposal would give desired international character extension non-mil asst Korea in keeping with obj outlined ref telegram as well as permit UN render max asst in this fld. Also contemplated this proposal would permit most off determination Korean civ rqmt in conjunction with mil rqmt.

Para 5. In this connection urgently rqst comments regarding status and relationship to unified comd of refugee and relief machinery proposed by Katzin as described in Taegus Nbr 76 of 25 July."

CINCFE reply (prepared by Mr. Bunce) is msg CX 58986, 29 Jul 50. The last sentence of paragraph 2 of this reply to W 87241 indicates the manner in which ESS will enter into procurement operation, and is the basis for the directives from DACofS G-4 to "Pl insure coordination with ESS." Reference 1 e upon the subject Public Health and Relief Work in Korea indicates:

"1. Discussions between Katzin, UN Representative of Trygvie Lie, and ECA/Tokyo have resulted in following proposal by Katzin:

A. Relief, Welfare and Public Health program in Korea to be United Nations sponsored and administered. To implement this, UN will establish office in Tokyo and send three representatives to Korea in addition to five Public Health Teams. Korean UN representatives to screen and coordinate requests for supplies with ROK, ECA and Army, and transmit requests to UN/Tokyo through Army channels. UN/Tokyo will transmit requests to Lake Success and request offers from member nations. ECA/Tokyo will coordinate offers, call forward what can be used, and supply deficiencies by purchase from UN or ECA funds, as necessary.

B. ECA/Tokyo will act as executive agent for shipping, warehousing and distribution of all supplies both in Japan and Korea and for integration with military distribution program.

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M/R Cont'd

4 Aug 50

C. UN Public Health teams, in cooperation with ROK Ministries of Public Health and Social Affairs, responsible final allocation and end-use of supplies.

D. Until this program can be implemented, ECA/Tokyo is purchasing certain urgently needed medical supplies, vaccines, DDT and water purification chemicals on behalf of CG EUSAK and ROK.

2. Desirability of utmost participation by UN makes plan outlined appear expedient. Under proposed arrangements, UN and ROK would have responsibility for allocation and end-use of supplies and technical services while ECA as executive agent CG UNFIK would have responsibility for supply and distribution of relief and medical supplies. To fill its functions, ECA will have to coordinate transportation with Army authorities. This three-way division of authority and responsibility raises basic problems of administration that can only be solved by high degree of cooperation and coordination at all levels. This problem recognized by Katzin. It is my belief that in spite of the difficulties inherent in this approach, the objectives are such that the plan proposed should be followed for the time being.

3. Further tentative arrangement with UN provides that UN will furnish all food requirements which we estimate at 490,000 tons cereal for FY/51 to cost 58 million dollars. Food needs are, however, not immediate. Planning Committee estimates 20,000 M/T rice and 10,000 M/T polished barley needed in September.

4. Participation of civilian relief and charitable organizations in the program considered desirable only so far as their contributions can be made to the general pool of supplies.

5. See Sebalds Nbr 258 July 28 for citations from cables. Suggest you ask Cordier, UN, forward copies all cables this subject."

DA msg W 87619 2 Aug 50 refers to DA msg W 87241 27 Jul and informs CINCFE (USPOLAD) (BUNCE) (PASS TO MUCCIO FOR INFO)

"1. In light info contained POLAD Tel 258 dtd 28 Jul and comments to ECA 174 dtd 29 Jul regarding Katzin proposal for rel and support civ population Korea, rqst CINCFE views soonest regarding proposal adv W 87241."

This same msg informs CINCFE of a resolution passed by the Security Council on 31 Jul. The Security Council resolution included:

"5. Rqst the unified cmd to exercise responsibility for determining the rqmt for the rel and support of the civ population of Korea and for establishing in the fld the procedures for prov such rel and support."

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G-4 FILE

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M/R Cont'd

4 Aug 50

Action on this radio has been assigned to the Dip Section. Dip Section has been directed by the CofS ROK to coordinate with G-4 in the reply to reference 1 h.

3. Indicated G-4 action when the reply to DA W 87619 is presented for coordination is to insure that ESS is informed.

4. Indicated current action by G-4 is to retain the copy of CINCFE msg CX 58986 and this M/R in G-4 Admin File until DS forwards the reply to W 87619 for coordination to G-4. A parallel indicated G-4 action is to maintain in G-4 Plans and Operations a suspense date of 5 Aug for inquiring DS as to the status of the reply to W 87619 if such reply has not been forwarded or coordinated within G-4. G-4 Plans and Operations suspense date 4 and 5 Aug.

5. Within established policy.

6. Action complete on G-4 Journal No. 9488.

D.T.W. DRD 26-6413

N.M.W. MW 26-6444

NOTE: This M/R was written to preserve continuity of thought and to put all pertinent information in one document to provide a sound basis for future action.

D.T.W.

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G-4 FILE

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Authority AVND 975029

*Info/x
A/SP*

CHIEF OF STAFF

ROK

Date 2 Aug 1950

MEMORANDUM For: G-4 (Gen Ebenck)

Ch of Staff _____	G-1 _____	G-4 _____
Sec. Gen. Staff _____	G-2 _____	ADC _____
	G-3 _____	AG _____

Information & your file _____	This refers to _____
Note & return to _____	ROK CofS file _____
Appropriate circulation _____	Noted _____
Necessary action _____	Suspend to _____
Process action to C/S _____	Return with reference _____
by draft letter _____	dispatches _____
by draft radio _____	This slip is part of _____
by draft plan _____	permanent file _____
by draft order _____	Destroy this slip _____
Comment to C/S ROK _____	
by memo _____	
orally _____	

Ref DA Radio W 87619

Action on ref. radio has been changed from TOECA FO to Dip Action. They will be instructed to coordinate with G-4 in the reply. Copy of ECA 174 is attached for your file and info.

[Signature]
Chief of Staff.
ROK

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GENERAL HEADQUARTERS
FAR EAST COMMAND

OUTGOING MESSAGE

ECA/ACD/yw

29 July 1950

No. TOECA 174

CONFIDENTIAL

FROM: CINCFE TOKYO JAPAN
TO : ECA WASH DC. PRIORITY
INFO: STATE DEPT DA AND CG EUSAK (FOR MUCCIO)

CX 58986 This is TOECA Nbr 174 July 29.
Ref DA Cable W87241. Over-all proposals submitted ref rad appear workable and necessary if UN is to play its full part in supplying relief needs for the civilian economy of Korea. Specific comments each paragraph follow:

Ref para 1. Procedure outlined is essentially being followed at present time. I would recommend that a joint relief committee be established in Korea and that it would have following representatives: (1) UN, (2) CG EUSAK, (3) ECA, (4) Minister of Public Health and Welfare, (5) Minister of Agriculture, (6) Minister of Commerce and Industry. This committee would review all relief requirements for the civilian economy and prepare formally agreed requests for procurement.

Ref para 2. At present formal requests for procurement are being submitted through CG EUSAK to G-4 Tokyo and through G-4 to ECA when ECA financing is requested. It is recommended that this procedure be followed with G-4 being responsible for forwarding the request to the UN representative in Tokyo. Such requests would then be reviewed by representatives of CINCFE, UN and ECA to determine local availabilities and whether sufficient time is available to forward the requests to the UN Secretary General for various UN member nations to consider whether they can supply part of the requirements. Where the need is urgent ECA would undertake immediate procurement through FSS without referring the matter to UN NY. *FSS*

Ref para 3. In discussions with Colonel Katzen in Tokyo it was my understanding that the UN representative in Tokyo would submit the requirements directly to the Secretary General of the UN who would then call upon the member nations to indicate the contribution which they would be prepared to make. This information would then be forwarded to Tokyo and to a coordinating committee in Washington representing the Army, ECA and State Dept. In Tokyo the joint committee representing CINCFE, UN and ECA would review these offers and ECA would largely be

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responsible for coordinating with CINCFE the dates and quantities to be called forward and the shipping instructions which should be followed. This information will then be forwarded to the coordinating committee in Washington for action instructing the contributing nations when and where the supplies should be delivered.

Ref para 4. Agree. In this respect the UN has up to the present time only been consulted regarding relief supplies designed to prevent disease and unrest. In case of supplies for transportation, communications, railroad construction and industrial needs of the civilian economy, procurement requests have been forwarded from the CG in Korea after preparation by Army and ECA in consultation with ROK. Because of the paramilitary nature of these supplies it appears unwise to broaden the field of UN participation until experience has been obtained in the handling of essential relief supplies, such as food, clothing, medical supplies and services. Since it is anticipated that the demand for food may be very large as the densely populated areas are retaken, ECA requested Colonel Katzen to include food as one of major items for contribution by UN members. This would leave ECA funds available for purchase of other essential items to keep the civilian economy functioning.

Ref para 5. See TOECA 171 and Sebald's Nbr 258. End signed Bunce. "

OFFICIAL:

APPROVED:

K. B. BUSH
B/Gen. USA
Adjutant General

/t/
ARTHUR C. BUNCE
Chief
ECA Mission to Korea
TOKYO

MEMO FOR RECORD:

See DA Cable W 85904 and TOECA 84 and ECATO 102.

Drafting Officer: ACBunce, Tele 57-8171

DISTRIBUTION:

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- C/S (4)
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- ECA (1)
- ESS (1)
- Ag Radio (1)
- AG File (1)

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responsible for coordinating with CINCPAC the dates and quantities to be called for and the shipping instructions which should be followed. This information will then be forwarded to the coordinating committee in Washington for action in instructing the contributing nations that only when the supplies should be delivered.

For part 4. Agree. In this respect the USA has up to the present time only been consulted regarding relief supplies destined to prevent disease and unrest. In case of supplies for transportation, communications, railroad construction and industrial needs of the civilian economy, government requests have been forwarded from the US in force after preparation by USAID and USA in consultation with ROK. Because of the general inexperience of these supplies it appears wise to broaden the field of participation until expert advice has been obtained in the handling of essential relief supplies, such as food, clothing, medical supplies and services. It is anticipated that the demand for food may be very large as the densely populated areas are ravaged, USAID requested Colonel Hansen to include food as one of major items for contribution by US troops. This would leave USAID funds available for purchase of other essential items to keep the civilian economy functioning.

For part 5. See TORIA IAI and Sebald's IAI 230. IAI signed June.

OFFICIAL: APPROVED:

WALTER C. BUNCE
Chief
US Liaison to Korea

R. E. BUSH
Major General
Adjutant General



See LA Cable W 83904 and TORIA 84 and IAI 112
Staffing Officer: [Name], Tels 57-3111

MEMO FOR RECORD:

- DISTRIBUTION:
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- USCIB (2)
- USCIB (3)
- USCIB (1)
- USCIB (1)
- USCIB (1)
- USCIB (1)

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091.3

CROSS REFERENCES OTHER THAN RADIO

DATE 17 April 50

FROM: G-4

TO: ESS

SUBJECT: CN 1: PETROLEUM SUPPLY TO JAPANESE ECONOMY

check note 1 with memorandum for record

DOCUMENT IN..... 463.7

JN 4480 PET

GENERAL HEADQUARTERS, FAR EAST COM AND
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

INCOMING MESSAGE

091.3

UNCLASSIFIED
ROUTINE

G-4 ROUTING	
SA/CG-4	_____
D AC/CG-4	_____
EXECUTIVE	_____
PLANS & POLICY	_____
OPERATIONS	_____
CONST & FAC	_____
SUPPLY	_____
PETROLEUM	_____
PERSONNEL	_____
ADMINISTRATION	_____

12 Apr 50

FROM : CG RYCOM OKINAWA

TO : CINCFE (PASS TO RYUKYUS EXPORT AGENCY RMGS) TOKYO JAPAN

NR : R 05787

Msg in 2 parts.

Part 1. REURLTR 29 Mar, 2,310,940 lbs of black sugar fr Northern Ryukyus is approved for export to Japan for Escrow letter of credit or on compensating trade terms as indicated in URAD Z 39985 dtd 13 Mar. Advise details of price and available quantities of compensating items as listed in OURAD R 04456 dtd 21 Mar. Specifications on Cryptomeria Boards, zinc sheets and dredge hoes will be supplied earliest by SRNR.

Part 2. When necessary commitments and approvals have been completed in Tokyo it is recommended that necessary clearance and documents be provided for one of the ships carrying consumer goods to Naha to pick up sugar on return voyage. Compensating goods can be dispatched to Naze directly but all necessary clearances must be obtained and this hqs notified in advance of arrival.

NO SIG

ACTION : RYUKYUS MG

INFORMATION : G-4, ECON & SCI
74494
ROUTINE
UNCLASSIFIED

TOO : 120515 Z
MCN : AUC 81/12



091.3

CONTRIBUTIONS TO THE JAPANESE ECONOMY
BY THE LICENSED CONCERNS AND OTHERS
CY 1949
(in \$1 million)

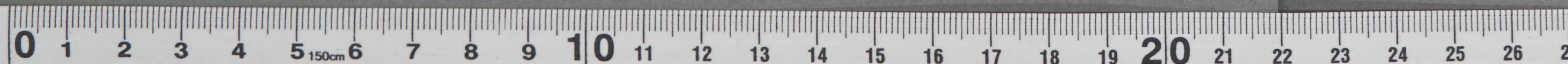
10/10

Item	Overall Income	Licensed Concerns	Other Business Concerns & Foreign National Residents in Japan	Occupation Agencies & Personnel, Tourists, Visitors, etc.
a. Army Exchange Service	10.112	--	---	10.112
b. Dollar Collections for indigenous services	5.219	--	---	5.219
c. Army purchase of indigenous supplies	4.313	--	---	4.313
d. Individual's yen purchases thru Finance Officer	15.691	--	---	15.691
e. Commercial Organizations yen purchases	4.167	1.500	(.300) <u>2.667</u>	(2.367)
f. Clubs and quasi-official yen purchases	4.881	--	---	4.881
g. Export Bazaars	9.393	--	(2.518) <u>8.393</u>	(5.875)
h. Trade Services Fund Net Dollar profit	3.071	.750	(1.821) <u>2.321</u>	(.500)
i. Shipping savings and earnings	12.200	--	---	---
j. Port expenditures	1.200	1.200	---	---
TOTAL	<u>69.247</u>	<u>3.450</u>	<u>4.639</u> (8.089)	<u>48.738</u>

Total foreign community contribution

Notes:
() - estimated breakdown
a. - derived from operations outside Japan

DECLASSIFIED
Authority MND 975029



0913

G-4 ROUTING	
A C/S G-4	<input type="checkbox"/>
D AC/S G-4	<input checked="" type="checkbox"/>
EXECUTIVE	<input type="checkbox"/>
PLANS & POLICY	<input checked="" type="checkbox"/> <i>FR</i>
OPERATIONS	<input type="checkbox"/>
CONST & FAC	<input type="checkbox"/>
SUPPLY	<input type="checkbox"/>
PETROLEUM	<input type="checkbox"/>
PERSONNEL	<input type="checkbox"/>
ADMINISTRATION	<input checked="" type="checkbox"/> <i>TC</i>

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE ESS/BFE WFM/FRJG/RHM/aj

UNCLASSIFIED 20 March 1950

FROM: SCAP TOKYO JAPAN

TO: DA WASH DC PRIORITY

200815

Z=40610
JAPLOAN 31

For COFFIN CSACE-EN NAFREF FISCO. This is
Re Loan Jap 36 WGL 42464 March. This mes-
sage in two parts.

Part 1. \$140,850.93 being remitted by cable today, thru
National City Bank.

Part 2. L/C applications relative to first purchase
\$10,000,000.00 under Announcement No. 12 forwarded by airmail
25 February 1950. Applications covering additional \$20,000,000.00
purchase will be airmailed not later than 20 March.

OFFICIAL:

APPROVED:

K. B. BUSH
Brigadier General, USA
Adjutant General

[Signature]
W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

Copies to: CinC, C/S, GARIOA, G-4, AG, Comptroller, Gen Proc,
ESS (Return)

MEMO FOR RECORD:

17 March 1950

1. Procedures covering operation of PL 820 require interest
and reserve payments to be made quarterly. Reference radio states
amount due which is being paid by cable transfer today.

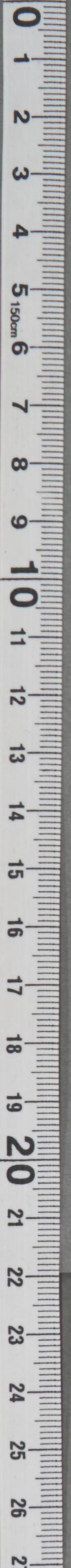
2. Applications re L/C have been airmailed to Washington
covering first \$10,000,000.00 purchase. Applications covering
additional \$20,000,000.00 purchase are being prepared and will
be airmailed not later than 20 March.

R. H. Marlow 33-7018

F. R. J. G.

INFORMATION COPY
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Authority WVD 975029



WVD 975029

GENERAL HEADQUARTERS, FAR EAST COM AND
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

G-4. FINING	
A C/S G-4	
D AC/S G-4	
EXECUTIVE	
PLANS & POLICY	
OPERATIONS	
CONST & FAC	
SUPPLY	
PETROLEUM	
PERSONNEL	
ADMINISTRATION	

INCOMING MESSAGE

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0913

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DEFERRED

15 Mar 50

FROM : DA (COFFIN) (CSACE-EN) (NAFREF) (FISCO) WASH DC
 TO : SCAP TOKYO JAPAN
 NR : WCL 42464

This is LOAN Jap 36. Interest due Trsy for 3d quarter FY 50 plus contingency res and applications for credit is subj:

This cable in 3 parts.

Part 1. Rqst pmt of \$140,850.93 to cover quarterly 1 7/8% interest to Trsy and contingency res of 1/16% for period to inc 31 Mar 50. Send funds to COFFIN. NAFREF. PL 820, Symbol No 214-420, in care of Lt Col P L Wise, FISCO for fund.

Part 2. Folg is Trsy interest due at 1 7/8%:

Jan, \$42,482.36;
 Feb, \$38,403.21;
 Mar, (est) \$54,891.08.

Fol is contingency res due at 1/16%:

Jan, \$74.28;
 Feb, none;
 Mar, (est) \$5,000.00.

Total is \$140,850.93.

Part 3. Rqst copies of applications for credit on add \$20,000,000.00 fwdd to FISCO.

NO SIG

ACTION : ECON & SCI

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, GARIOA,
G-4, AG, COMPTROLLER, GEN PROC

64416

DEFERRED
UNCLASSIFIED

TOO : 142253 Z
MCN : AUB 06/15

091.3

CROSS REFERENCES OTHER THAN RADIO

DATE 7 Mar 50

FROM: G-4

TO: C/S

SUBJECT: C/N #1 Relaxation of Controls over Allocation of
Petroleum to the Civil Economy

(With Related papers and M/R)

DOCUMENT IN..... 463.7

PET

J.N. 2740

091.3

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE ESS/PF WFM/EMR/eib

18 February 1950
180845

FROM: SCAP TOKYO JAPAN
TO: DA WASH DC PRIORITY

C-55005 Recurmsgs C53775, 2 Dec 49; and C 54704, 31 Jan 50;
and urmsgs W 97319, 9 Dec 49 W 98862, 26 Jan 50; W 98936, 27 Jan 50;
W 98996, 29 Jan 50; all dealing with uses of the Counterpart Fund. This
radio in two parts.

Part I. 1. Continuity of operation of Counterpart Fund imperative to maintenance of financial stability and economic rehabilitation. Releases approved in JFY 49-50 will start construction of 42 ships but work will cease if further funds not forthcoming after 1 April as work on ships progresses. Same is true for electric power development program. Interruption of work or unfinished projects may affect adversely the prestige of the Occupation, stability of economy and progress toward self-support.

2. Present estimates of amounts to be available in the Counterpart Fund during JFY 50-51 arising from import of goods for which U. S. appropriation has already been made are in the magnitude of 140 billion yen calculated as follows:

	<u>Million \$</u>
\$ Value of GARIOA Imports arrived in Japan 1 Apr 49 - 31 Jul 49	\$ 180.0
Encumbrances of U. S. Appropriation for goods not yet delivered or shipped as of 30 Jun 49	105.0
U. S. Appropriation 1 Jul 49 - 30 Jun 50 (Net for imports to Japan)	<u>423.0</u>
Total	\$ 708.0
\$708,000,000 x 360	¥ 254,880,000,000
Estimated Transfer to Counterpart Fund in JFY 49-50 (goods arriving in Japan through 31 Jan 50)	<u>150,200,000,000</u>
Estimated to be received and transferred in JFY 50-51	104,680,000,000
Plus Balance to be Carried Forward (Carry Over in 49-50)	36,000,000,000

This copy furnished G-4 Admin file by OPNS Div

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FROM: SCAP, TO DA, ESS/PF, WFM/EMR/eib

Transferred in JFY 49-50	¥ 150.2
Interest Income JFY 49-50	<u>.8</u>
Total Available	151.0

Approved Disbursement Program
JFY 49-50

Government Debt	63.0	
Government Enterprise	27.0	
Loans to Industry	<u>25.0</u>	115.0

Total Available JFY 50-51 ¥ 140,680,000,000

3. U. S. FY 51 appropriation as submitted to Congress would add 32.6 billion yen, the equivalent of one-third of the proposed U. S. FY 51 appropriation, during JFY 50-51. Any congressional cut will commensurately reduce these additional funds. Estimate is based on adjustment for 90 days difference in fiscal years, 90 days delay between U.S. purchase and arrival in Japan and 60 days delay in transfer to Counterpart Fund after arrival in Japan. That this method is substantially accurate is proved by applying it to JFY 49-50 where it would produce an estimate of receipts in Counterpart Fund of 153.3 billion yen rather than the estimate based on preliminary reports of arrivals through January of 150.2 billion yen.

4. Request earliest consideration and approval of releases in JFY 50-51 under one of the following alternatives for the categories shown:

a. No change in basic policy in order to provide a fixed percentage for occupation sponsored projects:

Government Enterprise Investment	¥ 40,000,000,000
Private Enterprise Loans and Investment	40,000,000,000
Dependent Housing for U. S. Military	8,000,000,000
CIE Reorientation and Education Program	250,000,000
Purchase and Shipment of Powdered Milk for School Lunch	<u>1,350,000,000</u>
Total	¥ 89,600,000,000

b. If as suggested in ourmsg C 54704 a percentage of Counterpart is to be set aside for projects sponsored by the Occupation Forces:

Government Enterprise Investment	¥ 40,000,000,000
Private Enterprise Loans and Investment	40,000,000,000
For U. S. Sponsored Programs (5% of Counterpart JFY 49-50 and 50-51)	<u>14,372,000,000</u>
Total	¥ 94,372,000,000

If the latter alternative is adopted there will be a surplus over

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FROM SCAP, TO DA, ESS/PF, WFM/EMR/eib

already approved projects sponsored by the Occupation Forces of over 4 billion yen which can be employed for additional approved projects.

Part II. 1. Program for use of Counterpart Fund submitted ourmsg C 53775 based on availability of 155 billion yen. As indicated in Part I if full U. S. FY 51 appropriation is enacted total available will be 173 billion yen or 18 billion yen more than previously contemplated because of greater carry over from 49-50. It will, therefore, be possible to absorb the 14,372 million yen of broader uses such as dependent housing, reorientation, school lunch, etc. indicated in Part I paragraph 4b without major revision of original program. This estimate is based on assumption of full appropriation but in the event of appropriations out, suitable modification in the remainder of the program can be made. However, until some limit is placed on such broader uses either in absolute amount or as a percentage of total Counterpart, new program cannot be firmed up. It is the view here, therefore, that the amounts shown by categories in Part I, para 4 a and b should be included in any revised program which may be developed and that release for such should not be delayed pending final settlement of the amount for broader uses or the exact size of U. S. FY 51 appropriations, since the total requested for immediate approval is at most ¥ 94,372 million out of ¥ 140,680 million available without further Congressional action.

OFFICIAL:

APPROVED:

K. B. BUSH
Brigadier General, AGD
Adjutant General

W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

Copies to:

CinC
C/S
D C/S SCAP
AG
ESS (Return)

Approved by C/S 17 February 1950

Page 3 of 3

CONFIDENTIAL

091.3

G-4 ROUTING	
A C/S G-4	
D AC/S G-4	
EXECUTIVE	<input checked="" type="checkbox"/>
PLANS & POLICY	<input checked="" type="checkbox"/>
OPERATIONS	
CONST & FAC	
SUPPLY	
PETROLEUM	
PERSONNEL	
ADMINISTRATION	<input checked="" type="checkbox"/>

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE ESS/FTC FM/RWH/ABK/PTO/h

UNCLASSIFIED 18 February 1950

180919

FROM: SCAP TOKYO JAPAN

TO: DA WASH DC.....FOUNTINE

Z-38047

FOR TAG AGAO-C REURMSG WCL THREE EIGHT TWO TWO FIVE FEB

FIVE ZERO SUBJ REPORT ON GARIOA PROC BY OVERSEAS COMMANDS PL REPORT FOR JAPAN
 PAREN EXCEPT SEVERAL ITEMS PAREN MAILED AG CMA ATTN DIR OF LOGISTICS SEVEN FEB
 FIVE ZERO CMA FILE AG FOUR HUNDRED PAREN SEVEN FEB FIVE ZERO PAREN ESS SLANT PRO
 PD CABLED BALANCE JAPAN INFO TWO ZERO FEB AIRMAILING RYUKYUS REPORT SAME DAY

OFFICIAL:

APPROVED:

K. B. BUSH
 Brigadier General, USA
 Adjutant General

W. F. MARQUAT
 Major General, U. S. Army
 Chief, Economic and Scientific Section

Copies to: CinC, C/S, Ryukyus, GARIOA, G-4, AG, GEN PROC, ESS (Return)

INFO FOR RECORD:

17 February 1950

1. DA letter AGAO-C 091.3(10 Nov 49) CSGLL dated 15 Nov 49 requested detailed reporting information concerning overseas procurement of GARIOA imports in last half of FY 1949.
2. Reply to above letter was airmailed 7 Feb 50 attaching report on some 59 items for Japan and indicating that balance of info for Japan would be cabled as soon as available, also that Ryukyus info would follow separately. RMGS report now complete and going forward airmail 20 February. Balance of Japan info (7 items) to be cabled immediately.
3. Inst msg advises Washington of above information.
4. Concurrences: None necessary.

P. T. Ogawa 26-8563

R. W. H.



INFORMATION COPY
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091.3

CROSS REFERENCES OTHER THAN RADIO

DATE 17 Feb 50

FROM: GHQ FEC

TO: COMMANDING GENERALS: EIGHTH ARMY, MARBO, RYCOM, PHILCOM
HQ SV GP, GHQ FEC

SUBJECT: LTR: ECONOMY PROGRAM AND MANAGEMENT IMPROVEMENT REPORT,
RCS CSACB-23 (R 1)

DOCUMENT IN 319.1 CSACB-23 (R 1)

GENERAL HEADQUARTERS, FAR EAST COMMAND
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

INCOMING MESSAGE

091.3

UNCLASSIFIED
ROUTINE

WG/jve

17 Feb 50

FROM : DA (TAG) (AGAO-C) WASH DC
TO : SCAP TOKYO JAPAN
NR : WCL 38225

-NIF

OURLTR AGAO-C 091.3 (10 Nov 49) CSGLD dtd 15 Nov 49
subject rept on GARIOA procurement by oversea commands
rqst immediate reply.

WITSELL

G-4 ROUTING	
A C/S G-4	
D AC/S G-4	
EXECUTIVE	
PLANS & POLICY	<input checked="" type="checkbox"/>
OPERATIONS	
CONST & FAC	
SUPPLY	<input checked="" type="checkbox"/>
PETROLEUM	<i>m</i>
PERSONNEL	
ADMINISTRATION	<input checked="" type="checkbox"/>

ACTION : ECON & SCI

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, GARIOA,
G-4, AG, GEN PROC, RYUKYUS MG

55308

ROUTINE
UNCLASSIFIED

TOO : 161823 Z
MCN : AUA 144/16

~~095 Shell~~

091.3

CROSS REFERENCES OTHER THAN RADIO

Office of
Area Petroleum Officer

DATE 7 Feb 50

FROM: G-4

TO: Sub-Area Petroleum Officer, Japan, APO 343

SUBJECT: Memorandum/ subj: List of Civil Economy Petroleum
Distributors

(With M/R)

DOCUMENT IN..... 004

1511
J.N. ~~MIT~~

GENERAL HEADQUARTERS, FAR EAST COMMAND
 ADJUTANT GENERAL'S OFFICE
 RADIO AND CABLE CENTER

INCOMING MESSAGE

0913

JA/rdd

Confidential
 ROUTINE

28 Jan 50

G-4 ROUTINE	
A C/S G-4	
D AC/S G-4	
EXECUTIVE	
PLANS & POLICY	
OPERATIONS	
CONST & FAC	
SUPPLY	
PETROLEUM	
PERSONNEL	
ADMINISTRATION	

FROM : DA (SAOUS-BUDGET GROUP) WASH DC
 TO : SCAP TOKYO JAPAN
 NR : W 98961

The GARICA Fiscal Year 1951 Economic Aid Program of 271.8 million for Japan and 24.9 million for the Ryukyus submitted by Army Department and approved by Bureau of the Budget is given by present project breakdown as follows: Column 1 Project Number; Col 2 Total Program in Thousand Metric Tons; Column 3 Total Program in Thousands of Dollars; Column 4 Non-appropriated Funding in Thousands of Dollars; Column 5 Budget Estimate in Thousands Metric Tons; Column 6 Budget Estimate in Thousands of Dollars.

	1	2	3	4	5	6
Project 110		3624	338,848	218,154	1419	120,694
Project 120		1448	30,796	29,859	187.1	937
Project 130		2649.6	31,000	11,599	1789.4	19,401
Project 140		5609	462,243	371,499	198.4	90,744
Project 170		5	5,000	5,000	nil	nil
Project 420		13,343.6	160,208	120,154	3414.9	46,054

Total program in thousands of dollars 1,028,095. GARICA budget estimate in thousands of dollars 271,850.

Ryukyus Islands in 6 columns with above headings:

48540

(over)
 ROUTINE

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Consult Crypto-Center before declassifying.
 Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2) (3), AR 380-5, 15 Nov 49.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.

Confidential
 ROUTINE

FROM : DA WASH DC NR : W 98961 DTD 28 JAN 50 COND'T

1	2	3	4	5	6
Project 110	82	11180	nil	82	11180
Project 120	40.6	2500	nil	40.6	2500
Project 130	88.6	22000	nil	88.6	2000
Project 140	62.6	11961	10,274	8.7	1687
Project 170	.7	620	nil	.7	620
Project 180	4.4	10224	6856	1.5	3368
Project 190	1	408	nil	1	408
Project 420	279.9	4463	1326	170.7	3137

Total program in thousands of dollars 43,356. GARIOA budget estimate in thousands of dollars 24,900.

The fiscal year 51 program for Japan will provide for a per capital consumption of cotton textiles of 2.9 lbs in terms of yarn equivalent during fiscal year 1950 and 3.4 lbs during fiscal year 51.

The Japan fiscal year 51 food import requirements were defended on basis of average non-self supplier ration of staples, Miso, Shoyu, Fats and Sugar totaling 1575 calories per day, that is 50 calories above level shown in fiscal year 50 justification. Since NAC working group was reluctant to endorse any food ration increase for fiscal year 51, appeared inadvisable to request approval of 100 calorie increase which would result from decontrol of potatoes and maintenance 2.7 GO ration on cereals only basis. Army department Representatives did not specify how 50 calorie increase would be applied, but indicated pending decontrol of potatoes would result in increase consumption of about 50 calories per capita. There appear to be 3 alternatives consistent with position taken in hearings:

- (A) Complete decontrol potatoes with 2.6 GO cereals ration,
- (B) 50% decontrol potatoes (maintaining high grade potatoes on ration) and continuation 2.7 GO ration, and
- (C) Continued control potatoes and increase staple ration to 2.8 GO.

Alternatives B and C appear preferable to A since cut to 2.6 GO might have negative psychological effect. Nothing said in hearings would prevent immediate action on any one of these alternatives.

Please advise as to action taken. Request comments re food ration and any suggested changes in project breakdowns shown above with full explanation for changes.

48540

ROUTINE

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 -2-

GENERAL HEADQUARTERS, FAR EAST COMMAND
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

INCOMING MESSAGE

Confidential
ROUTINE

FROM : DA WASH DC NR : W 98961 DTD 28 JAN 50 CONT'D

NO SIG

ACTION : ECON & SCI

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, GARIOA, G-4,
COMPTROLLER, GEN PROC, NAT RESOURCES, PUBLIC H & W,
RYUKYUS MG

48540

ROUTINE

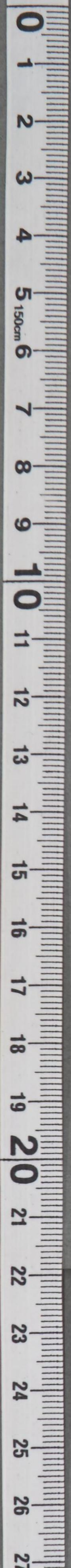
TOO : 272136 Z
MCN : 56445

Confidential
-3-

Consult Crypto-Center before declassifying.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2) (3), AR 380-5, 15 Nov 49.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51 and 60a, AR 380-5.



INCOMING MESSAGE
FROM: DA WASH DC
TO: [illegible]
SUBJECT: [illegible]

RECEIVED
29 JAN 1980
[illegible]

ROUTINE
TOO : STS136 2
MCM : 28445
Consult Crypto-Center before declassifying.
Paragraphs not required. Handle as correspondence of
classification carried herein per paragraphs 17 & (1)
(2) and 41 & (2) (3) AR 380-5, 15 Nov 79

091.3

~~387.7 Proc~~

CROSS REFERENCES OTHER THAN RADIO

DATE 26 Jan 50

FROM: G-4

TO: ESS, NRS, CTS, PH&W, CCS, G-2 (Pub Safety)

SUBJECT: C/N #1 - Relaxation of Controls over Allocation of
Petroleum to the Civil Economy

(with M/R)

DOCUMENT IN..... 463.7

Jo.No. 999

691.3
GD ADM TCH/JEC/dar

Maj Cannon 26-6026

Distribution of Monthly Bulletin
of "Japanese Economic Statistics"

G-4

ESS

24 January 1950

1 In accordance with request contained in ESS memorandum, 20 January 1950, above subject, G-4 has reviewed referenced bulletin and determined that G-4 Section, GHQ may be eliminated from the distribution thereof.

J. E. C.

MEMORANDUM FOR RECORD

- 1. Basic was ESS memo, 20 Jan 50, above subject, requesting each recipient of referenced bulletin to review same with the view of eliminating or reduce number of copies being received.
- 2. Referenced bulletin covers statistical data pertaining to Japanese industrial production only and is not considered useful or necessary to G-4's operations or functions.
- 3. Instant C/N 1 to ESS is self-explanatory, coordinated with Opns Div (Maj McIntyre).
- 4. Initiated action.

J. E. C. *JEC* 26-6026
 T. C. H. *TCH* 26-6026



0878

ECONOMIC AND SCIENTIFIC SECTION
PROGRAMS AND STATISTICS DIVISION

20 January 1950

MEMORANDUM FOR: Recipients of "Japanese Economic Statistics"

SUBJECT: Distribution of Monthly Bulletin of "Japanese Economic Statistics"

1. Each recipient of the Monthly Bulletin of "Japanese Economic Statistics" is requested to review his needs for the various sections of the Bulletin and, if feasible, eliminate his request or reduce the number of copies desired.
2. Beginning with Section I, Bulletin No. 41, copies of the various sections will be forwarded by Programs and Statistics Division, Economic and Scientific Section, to only those individuals who have replied to this memorandum.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

Kenneth D. Morrow

KENNETH D. MORROW
Chief, Programs and Statistics
Division

G-4 ROUTING	
A C/S G-4	_____
D AC/S G-4	_____
① EXECUTIVE	_____
PLANS & POLICY	_____
② OPERATIONS	_____
CONST & FAC	_____
SUPPLY	_____
PETROLEUM	_____
PERSONNEL	_____
③ ADMINISTRATION	_____

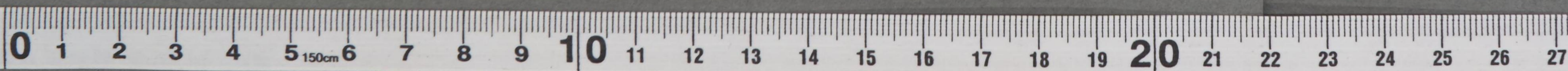
DECEMBER 1949
BULLETIN NO. 40
SECTION I—INDUSTRIAL PRODUCTION

JAPANESE ECONOMIC STATISTICS

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ECONOMIC AND SCIENTIFIC SECTION
PROGRAMS AND STATISTICS DIVISION

DECLASSIFIED

Authority *WVD 975029*



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