DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

894.5151/1-145 -- 12-3145 -47-48-49

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

file

DEPARTMENT OF STATE

Office
~~DIVISION~~ OF FAR EASTERN AFFAIRS

January 3, 1945.

SECRET

FMA
Mr. Reinstein:

FMA
Mr. Collado:

With reference to the meeting which took place on January 2 between representatives of the concerned Departments on the subject of fixing a rate for the Japanese Outlying Islands, there is attached for your consideration a rough draft of recommendations to be incorporated in the memorandum being prepared for the information of the higher officers of the Department in regard to the outcome of the meeting under reference.

JWB
file
Ballantine

BB
FE:JWB:HST

DC/T
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Rev
Cat WG

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APR 30 1956

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DRAFT

ALTERNATIVE COURSES

(1) In view of the strong desire of the Navy and the Army that an immediate agreement be reached between the Department of State and the Treasury Department in regard to the rate of exchange for the Outlying Japanese Islands a meeting might be held between a representative of the State Department and a representative of the Treasury Department at a very high level (for example, between the Under Secretaries of the two Departments). On that occasion the representative of the State Department might endeavor to urge agreement on the basis of a ten cent rate for the Outlying Islands and Formosa. Failing agreement on such a rate a compromise might be sought on one of the following lines:

(a) An eight cent rate for the Outlying Islands, without prejudice to some other rate for the Outlying Islands and for Formosa in common, to be determined when the time comes for fixing a rate for Formosa.

(b) A five cent rate for the Outlying Islands on the understanding now that the common rate for both Formosa and the Outlying Islands will be ten cents when the time arrives for fixing the rate for Formosa.

SECRET FILE

(c)

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

(c) A compromise rate for both Formosa and the Outlying Islands at eight cents.

(2) Alternatively, we might inform the Navy Department orally that in response to the Navy's request for advice as to rate of exchange for the Outlying Islands we have expressed our views fully and we feel that no useful purpose is likely to be served by our endeavoring to argue our case any further with the Treasury Department. It would be explained further to the Navy that our position thus stated refers only to the question of a rate for the Outlying Islands and we will expect to be consulted further when the time comes for considering the rate for Formosa, which involves political considerations of great importance.

With regard to the second alternative, in as much as we have an inescapable responsibility from the point of view of international bearings on this question it seems doubtful that adoption of the second alternative would best further the interests and responsibilities of the Department except as a last resort following failure to effect any satisfactory solution through a compromise.

It is therefore recommended that we adopt at least initially the first alternative.

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AUG 3 1945

SECRET

In reply refer to
FN

My dear Mr. McCloy:

At a meeting on July 24, 1945, General William E. Crist requested the advice of the State and Treasury Departments as to a dollar-yen rate of exchange which might appropriately be used by the Army in planning for the early stages of the invasion and occupation of Japan.

Both State and Treasury representatives expressed the view that it would be unwise to make any definite determination at this time of either a general dollar-yen rate or a military rate to be used in computing pay of troops or for other military accounting purposes in Japan.

General Crist then indicated that his immediate need was for guidance in determining how much yen currency he should have available for payment of troops during the early stages of the invasion and occupation of Japan.

In that connection, it is the opinion of this Department that General Crist would be well advised to have sufficient currency on hand to cover payments to troops on a basis of 20 yen per dollar. In so far as can be foreseen at the present time, it appears that such an amount of currency should be adequate to cover troop pay requirements under whatever arrangements may be worked out for pay of troops during the period mentioned by General Crist.

DOR - OFD Unit
Init. B

Sincerely yours,

Willard L. Thorp
Deputy to the Assistant Secretary
for Economic Affairs

The Honorable
John J. McCloy,
Assistant Secretary of War,
War Department,
Washington, D. C.

OR
AUG 3 P.M.

FN:PFMcGuire:aps. OFD FE
PMcG Drft. JAB

A true copy of the signed original.

894.5151/8-345

Confidential File

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

STANDARD FORM NO. 64

Office Memorandum

file DC/R

UNITED STATES GOVERNMENT

OFFICE OF THE SECRETARY DEPARTMENT OF STATE

TO : S The Secretary

DATE: August 15, 1945

FROM : A-C Mr. Thorp

1947 APR 2 AM 9

SUBJECT: Japanese Rate of Exchange for Troop Pay.

7 3/4 & mil. be adjusted later

Mr. McCloy must know at once the rate of exchange to be used for the purpose of paying our troops in Japan. He called Mr. Grew and Mr. Grew requested me to present the problem to you. Unfortunately, Treasury and State do not agree on the proper rate.

The prewar rate of exchange was 23 cents per yen. No one has any informed judgment as to what the general rate of exchange will be when Japan resumes a more normal foreign trade. Therefore, it is likely that there will be two rates of exchange, one fixed for the purposes of troop pay and military accounting, the other the general commercial rate.

The Treasury Department has recommended that the troop pay rate be fixed at five cents, or twenty yen to the dollar. The Treasury Department's attitude stems from the criticism which has been directed at certain rates of troop pay exchange in Europe and the troubles created when the troop pay exchange rate is above the general rate. It believes that the proposed rate is sufficiently low to avoid any such complaints.

The State Department has recommended that the troop pay rate be fixed at ten cents, or ten yen to the dollar. The State Department's position is based on the proposition that the troop pay rate should approximate the general rate, or else one is using an artificial exchange rate as a method of levying upon the occupied country, in fact, a kind of war bounty or looting. Since it would be virtually impossible to raise the rate used in troop pay (which is the equivalent of giving each soldier fewer yen), but it could easily be lowered, we have urged the higher rate, subject to downward adjustment from time to time as may seem appropriate.

This is really not an economic problem. From the point of view of troop morale, there is no doubt but that the five cent rate would be best. On political grounds, relating to the fair treatment of the Japanese, the ten cent rate, subject to later adjustment, would seem more desirable. If the State Department wishes to state to the War Department that, for political reasons, it desires a ten cent rate, the Treasury will yield. Otherwise, I think we should concede the point. Mr. Ballantine and Mr. Grew are the experts on the political aspects of Japan.

A-C:WLThorp:eh

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ROYAL ITALIAN EMBASSY
WASHINGTON, D. C.

SPECIAL PROJECTS
DIVISION
JAN 15 1946
DEPARTMENT OF STATE

Note to Embassy
Italian
ES: Swanson
12/21/45

DC/R

N. 13908

With reference to the note verbale no. 12877 of October 29th, the Italian Embassy points out that it has received confirmation, through information furnished to the Italian Ministry of Foreign Affairs by the Swedish Legation in Tokyo, that among the Italian funds in Japan are included 213 kilograms of gold bouillon deposited at the Bank of Japan and belonging to the Bank of Italy. This gold has been blocked by the United States military authorities in that country.

file

The Italian Embassy in Washington has been requested to intervene with the competent authorities in Washington in order to have this gold included in the Italian assets in Japan of which the unblocking has been requested. Similar steps have been taken already by the Swedish Legation with the American Military Headquarters in Tokyo.

The Italian Embassy in Washington shall be grateful for a prompt consideration of the above request and thanks in advance for the kind interest in the matter. Mdl

Washington D. C.

November 15, 1945.

DIVISION OF FINANCIAL AFFAIRS
NOV 16 1945
DEPARTMENT OF STATE

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ROYAL ITALIAN EMBASSY
WASHINGTON, D. C.

SPECIAL PROJECTS DIVISION
JAN 16 1946
DEPARTMENT OF STATE

DC/R

No. 14414

November 15, 1945

~~Enclosed~~
Covered by note of Jan 8

My dear Mr. Dowling:

You will recall our conversation of a few days ago regarding the unblocking of funds pertaining to the Italian Government and citizens in Japan. The Embassy has called the attention of the Department of State on this question with notes No.10603 of September 2 and subsequent. We have now received another telegram from Signor Indelli, former Ambassador to Tokyo. You will see from the text of the telegram which I am enclosing that the situation of the Italian officials in Japan is becoming more and more distressing and there is an urgent need of the unblocking of the funds pertaining to them.

May I recall to you that on this question some assurances had already been given sometime ago by the Department on the fact that instructions had been sent to the American military authorities in Japan in order to obtain that a liberal licensing policy be adopted in connection with the aforesaid Italian funds?

I shall be grateful to you if, realizing the dire need of the Italian nationals at present in Japan, you will kindly press the matter with the American military authorities in that country in order to obtain that a decision be reached on the subject.

Thanking you for your kind attention to this matter, I am

Sincerely yours,

Mario Stefanoni

Mr. Walter Dowling
Italian Desk
Department of State

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DIVISION OF FINANCIAL AFFAIRS
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The following is the text of the telegram:

"Rowe informed us through Stockholm on November first that American Government had authorized military authorities here to allow utilization Italian Governments funds in dollars and yen for payment officials current and arrear salaries cma upkeeping Italian properties and assistance nationals stop Instructions not yet arrived to General Headquarters Tokyo stop Please confirm agreement arrived at Washington cabling or through courtesy War Ministry and General Headquarters PD Indelli."

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DEPARTMENT OF STATE

DIVISION OF EUROPEAN AFFAIRS

FW/ Mr. Longstreet

Mr. Acheson asks if you would look into the matter of Italian funds in Japan and see what, if anything, we can do.

894.515/9-1945

DIVISION OF FINANCIAL AFFAIRS

OCT 3 1945

DEPARTMENT OF STATE

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

STANDARD FORM NO. 64

Office Memorandum · UNITED STATES GOVERNMENT

DATE:

TO : E.S. Mr. Simonian

FROM : FN Julia DeLaurier

SUBJECT :

Per our telephone conversation.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

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DEPARTMENT OF STATE

DIVISION OF ~~EUROPEAN~~ Southern AFFAIRS

DO/R

September 29, 1945.

SPECIAL PROJECTS DIVISION Kane JAN 17 1946 DEPARTMENT OF STATE

Memorandum for the Acting Secretary.

It is understood that the Italian Ambassador wishes to take up with you the possibility of a provisional peace, or an early revision of the armistice terms as mentioned by Mr. Byrnes in his press interview of August 22. The Ambassador will argue that, in view of the likelihood that the final peace settlement with Italy may be delayed, a concrete gesture of good will on the part of Britain and the United States is needed now. (Di Stefano tells me secretly that De Gasperi was perhaps too enthusiastic about Tarchiani's reports of his recent interviews with Mr. Byrnes and the President, and that now Communist elements in the Italian Government are arguing that these American assurances were meaningless.) The British are now considering our proposal for an armistice revision (see attached copies of the Secretary's telegram to you of September 24 and the memorandum on armistice revision approved by the President on June 30) which we feel more than ever necessary on the basis of reports out of London on the Italian peace treaty negotiations, as well as reports from Italy of dwindling Anglo-American prestige and mounting agitation against the Parri Government.

Tarchiani will also ask whether the publication of President Roosevelt's letter to Mr. Armour portends any further action in respect to the Spanish regime, as the Italians wish to follow our lead. He will probably enquire as well regarding our attitude towards Argentina.

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UNDER SECRETARY SEP 29 1945 DEPARTMENT OF STATE

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WAR AREAS
ECONOMIC DIVISION
JAN 2 1946
DEPARTMENT OF STATE

DEPARTMENT OF STATE

Memorandum of Conversation

SUBJECT: 1. Unfreezing Italian funds in Japan;
2. French-Italian relations;
3. Revision of Italian armistice terms;
4. Civil supply program for Italy.

DATE: September 29, 1945

SPECIAL PROJECTS DIVISION
FEB 6 1946
DEPARTMENT OF STATE

PARTICIPANTS:
The Italian Ambassador, Alberto Tarchiani;
Mr. Walter C. Dowling;
The Acting Secretary, Mr. Acheson.

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DIVISION OF FINANCIAL AFFAIRS
JAN 17 1946
OFFICE OF DISTRIBUTION
JAN 16 1946
DEPARTMENT OF STATE

DEPARTMENT OF STATE

The Italian Ambassador called on me this morning to ask what, if anything, could be done toward the unfreezing of Italian Government and private funds in Japan and handed me the attached copy of a memorandum in regard to this subject. He pointed out that the Italian diplomats who had been interned for the past two years by the Japanese Government had now been freed but were in need of funds and he hoped some assistance could be made available to them.

The Ambassador also brought up the subject of relations between France and Italy (memorandum attached) saying that de Gasperi had had a most satisfactory conversation with General de Gaulle in Paris a few days ago and that he wished us to know that Italy was prepared to go a long way in reestablishing close relations with France. He felt that this was necessary for the development of France as well as of Italy.

The Ambassador then took up the question of a possible revision of the Italian Armistice terms inasmuch as it seemed there would be some delay in reaching agreement at London on the terms of the Italian peace treaty. He pointed out that the extreme Left elements in Italy were

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were now arguing that developments at London showed the need for a more friendly attitude on the part of Italy toward Russia and were saying that if Italy would look more to Russia for guidance the peace problems could be easily settled. The Ambassador felt that some concrete gesture on the part of the British and American Governments would go far to counteract this propaganda. I assured him that this matter was receiving sympathetic consideration and referred to the Secretary's press conference statements on the subject prior to his departure for London.

The Ambassador then took up the question of the civil supply program for Italy saying that he was concerned at the possibility of an interruption since the FEA funds for Italy would shortly be exhausted while UNRRA funds had not yet been appropriated. I told him that I knew of this situation but did not believe there would be any interruption in the supply program. The Ambassador said he was most grateful for this information.

Dean Acheson

SE:WCDowling
U:ARK

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SPECIAL PROJECTS DIVISION
JAN 15 1946
DEPARTMENT OF STATE

DC/R

ROYAL ITALIAN EMBASSY
WASHINGTON, D. C.

No. I0603

UNDER SECRETARY
SEP 29 1945
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DEPARTMENT OF STATE

Covered by note Jan 8 GM

MEMORANDUM

5/2/46

file

The Italian Embassy has learned that orders have been issued in Japan for the freezing of government and private Italian funds in that country.

Such orders seem not to take into account the Italian declaration of war against Japan, and deeply affect Italian interests in that country. Moreover, from a cable received from Tokyo sent by the Italian representatives there, it appears that all steps for the repatriation and assistance of Italians already interned by the Japanese Government are greatly jeopardized by the measures in question.

The Italian Embassy will appreciate it if instructions will urgently be sent with the view of obtaining that the competent military American authorities in Tokyo take into consideration the possibility of the adoption of equitable measures on the matter.

Department of State

Washington D. C.

September 29, I945.

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

DEPARTMENT OF STATE

INCOMING TELEGRAM

DIVISION OF CENTRAL SERVICES TELEGRAPH SECTION

ACTION: ES
INFO:
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PEM-582 -DP

This telegram must be closely paraphrased before being communicated to anyone. (SECRET)

Rome

Dated October 8, 1945

Rec'd 10:13 a.m., 9th

OCT 24 1945

DIVISION OF ECONOMIC SECURITY CONTROLS
OCT 12 1945
DEPARTMENT OF STATE

Secretary of State,

Washington.

3009, October 8, 7 p.m.

Embassy has received note verbale dated Oct 4 from Foreign Office stating that in Japan and China there are funds of Italian ownership now blocked in form of local currency and transferable valuta the greater portion of which appears to have been deposited with the Banks Yokohama Shokin Ginko of Tokyo and Banca Italiana ser la Cina of Shanghai. Note urges the necessity for the unblocking of these funds so that they can be used for assistance to Italian sailors formerly interned in Japan and for needs of Italian communities in Far East as well as for financing Italian diplomatic and consular personnel left in Tokyo. Note adds that Foreign Office has already taken up matter with Govt at Washington through Italian Ambassador and requests this Embassy also in view of importance of question to Italian interests in Far East to bring the matter to the attention of the competent American

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Confidential File

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American authorities with a view to obtaining a prompt unblocking of the funds under reference.

For use in replying to Foreign Office I should appreciate being informed of any pertinent data in connection with above mentioned funds.

Repeat to Treasury from Tasca.

KIRK

LMS

DEPARTMENT OF STATE
TELEGRAM

OCT 10 1 09

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PREPARING OFFICE WILL INDICATE WHETHER

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Charge Department:

Charge to

TELEGRAM SENT

This telegram must be paraphrased before it is communicated to anyone other than a Government Agency.

Department of State

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PREPARING OFFICE WILL TYPE HERE CLEARLY THE CLASSIFICATION OF THE MESSAGE: 5668

RESTRICTED

DEC 29 1945

7 PM

AMEMBASSY

ROME

2452

Dept has explained to Ital Emb position taken by this Govt in relation to various aspects of Ital blocked assets in Japan. DEPTEL 1919, Oct 24. Following points were made:

1. MacArthur has been directed to pursue liberal licensing policy in relation to yen accts of unobjectionable Itals. Objectionable Itals will only be granted use of yen accts for subsistence and necessary local expenditures in connection with repatriation. For your info, unobjectionable Itals are considered those in good standing with present Ital Govt.

2. Ital Emb in Japan will be permitted to make withdrawals from its yen accts for payment of salaries of personnel, for maintenance of Ital properties, and for support of Ital nationals.

3. It is not considered appropriate at this time, however, to authorize disposition in Japan of foreign currencies,

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PREPARING OFFICE WILL INDICATE WHETHER

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Charge Department:

Charge to

TELEGRAM SENT

Department of State

Washington

PREPARING OFFICE WILL TYPE HERE CLEARLY THE CLASSIFICATION OF THE MESSAGE:

RESTRICTED

currencies, precious metals or foreign exchange, or conversion of yen holdings into foreign currencies, precious metals or foreign exchange. Release of foreign currencies in hands of Swedish Leg and of gold bullion in Bank of Japan is for same reason not now authorized.

4. On repatriation, objectionable Itals will be permitted to take with them minimum personal effects, but no foreign currencies or precious metals except minor personal jewelry. Unobjectionable Itals will be permitted to take with them normal personal effects and up to equivalent of two hundred fifty dollars of any foreign currencies in their possession.

Acheson

Acting

(JS)

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DEC 29 1945 P.M.

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ITALIAN EMBASSY
WASHINGTON, D. C.

SPECIAL PROJECTS
DIVISION
JAN 15 1946
DEPARTMENT OF STATE

D.C/R

No. 13420

Covered by note sent 4/2442

The Italian Ambassador presents his compliments to the Honorable the Secretary of State and has the honor to transcribe hereafter the text of a telegram received from Signor Indelli, who was Ambassador of Italy in Japan and is still in that country after having been interned by the Japanese authorities following the armistice signed by Italy with the Allies:

fill

"It is my duty to represent extreme necessity urgency obtain from competent authorities Washington defreezing Italian Governmental funds Japan in order being able to pay officials, clerks, lower personnel, upkeep state property, support indigent nationals. Salaries officials and clerks due since August 1943 and Embassy cannot possibly leave Japan without clearing bills settling outstanding accounts and past two years obligations. It is also their legitimate wish to take Italy their families part of earnings their labours. I must also acquaint Your Excellency painfully demoralizing effect produced by hostile financial measure against Italy after long and now historically evident sacrifices and sufferings contributed by Italian people to cause of world freedom and democracy".

The Italian Ambassador, following the steps previously taken by the Italian Embassy on the matter, has the honor to draw again the kind attention of the Honorable the Secretary of State on the seriousness of the situation outlined in the telegram quoted above and shall be grateful if the American Government will kindly consider the possibility of unfreezing the funds pertaining to the Italian Government and Italian officials in Japan, as well as the funds pertaining to unobjectionable Italian nationals in that Country.

The Ambassador will appreciate an early communication on the subject and thanks in advance the Honorable the Secretary of State for his interest in the matter.

A.I.

Washington D.C., November 6,1945

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ROYAL ITALIAN EMBASSY
WASHINGTON, D. C.

13857

DC/R.

A/53

November 13, 1945.

Mr. James Simsarian
Economic Security Division
State Department
Washington D. C.

SPECIAL PROJECTS DIVISION
JAN 16 1946
DEPARTMENT OF STATE

Cleared by note
Jan 8
Egm
4/24/46

Dear Mr. Simsarian,

Following our conversation of the other day, I want to call your attention to another telegram received by Ambassador Indelli from Tokio regarding the unblocking of the Italian funds in that country. The following is the text of the telegram:

"Rome informed us through Stockholm on November first that American Government had authorized military authorities here to allow utilization Italian Governments funds in dollars and yen for payment officials current and arrear salaries cma upkeeping Italian properties and assistance nationals stop instructions not yet arrived to General Headquarters Tokyo stop please confirm agreement arrived at Washington cabling or through courtesy War Ministry and General Headquarters PD Indelli"

I shall appreciate it very much if you will kindly look into the matter again and put this Embassy in a position to give some information to our people in Japan who are evidently in a state of great distress on account of the blocking in question.

I shall be particularly grateful for any step which you will kindly take in order to relieve the above said people from the present conditions. Thanking you for your kind interest in the matter, I am

Very sincerely yours,

Egidio Ortona
Secretary to the Embassy.

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APR 29 1946
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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

DC/R

Jan 8, 1945

The Acting Secretary of State presents his compliments to His Excellency, the Ambassador of Italy, and has the honor to refer to His Excellency's memorandum no. 10603 of September 29, 1945, note no. 12880 of October 29, 1945, note no. 13420 of November 6, 1945, and note no. 13908 of November 15, 1945, dealing with various aspects of Italian blocked assets in Japan.

Mr. Egidio Ortona, Secretary to the Italian Embassy, has already been advised informally of the position taken by this Government concerning the matters discussed in these communications. The following general summary is submitted for His Excellency's information.

The American authorities in Japan have been directed to pursue a liberal licensing policy in relation to the

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

the yen accounts of unobjectionable Italians. Objectionable Italians will only be granted the use of yen accounts for subsistence and necessary local expenditures in connection with repatriation.

The Italian Embassy in Japan will be permitted to make withdrawals from its yen accounts for the payment of the salaries of personnel, for the maintenance of Italian properties, and for the support of Italian nationals.

It is not considered appropriate at this time, however, to authorize the disposition in Japan of foreign currencies, precious metals or foreign exchange, or the conversion of yen holdings into foreign currencies, precious metals or foreign exchange. The release of foreign currencies in the hands of the Swedish Legation and of gold bullion in the Bank of Japan is for the same reason not now authorized.

On repatriation, objectionable Italians will be permitted to take with them minimum personal effects

but

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

but no foreign currencies or precious metals except minor personal jewelry. Unobjectionable Italians will be permitted to take with them normal personal effects and up to the equivalent of $250 of any foreign currencies in their possession.

A true copy of the signed original

Department of State,

Washington, JAN 8 1946

OK MD

JAN 4 1946

JAN 8 1946

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FN	SPD	JK	SE	JA
Spiegel cleared fm	Castle Cleared fm	MacDonald Cleared fm	EM	Turner cleared fm

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SPECIAL PROJECTS DIVISION
DEC 7 1945
DEPARTMENT OF STATE

CENTRAL TRANSLATING DIVISION
RECEIVED
DEC 11 1945
DEPARTMENT OF STATE

L'Ambassade de France

aux Etats-Unis

JCW/eds No. 959 Washington, le décembre 1945 SPD

CENTRAL TRANSLATING DIVISION
RECEIVED
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DEPARTMENT OF STATE
DC/R

AIDE-MEMOIRE

A la suite de la capitulation du Japon le Département d'Etat avait bien voulu faire savoir à cette Ambassade que le Gouvernement américain était disposé à offrir au Gouvernement français les mêmes facilités pour l'évacuation des nationaux français de Chine et du Japon que celles qui avaient été offertes pour les ressortissants français des Philippines.

Depuis cette date, grâce à la bonne volonté temoignée par les autorités américaines, 23 Français de Changhai ont pu être rapatriés et sont arrivés le 5 novembre aux Etats-Unis en transit pour la France.

Cependant plusieurs centaines de ressortissants français demeurent en Chine dans

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Département d'Etat,

Washington, D. C.

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Reg-release of French nationals in China and Japan
XR 893.5151
XR 851.503194

894.5151/12-745
CS/LE
894.5151/12-745

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

l'attente de moyens de transport. Beaucoup vivent dans des conditions materielles très penibles, certains sont dans un etat de santé qui exige un changement rapide de climat.

Le Gouvernement français souhaiterait que le rapatriement de ses ressortissants put s'effectuer aussi rapidement que possible.

L'Ambassade serait reconnaissante au Département d'Etat de bien vouloir intervenir auprès des autorités interalliées en Extrême-Orient en vue de hater le depart de nos compatriotes dans toute la mesure compatible avec les nécessités des transports militaires./.

AMBASSADE DE FRANCE WASHINGTON

JCW

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

SPECIAL PROJECTS DIVISION
DEC 27 1945
SENT TO DCR FOR INDEXING
DEPARTMENT OF STATE

Pm/JFN

Dec 22 - 45

DC/R

To Whom This May Concern:

I am an American civilian, married to a Japanese & returned to America on Oct 8th - 45, aboard a hospital ship.

Having been ill I returned to America to recuperate but find myself without funds. Through some neutral diplomats in Japan I have been sending funds to America but unfortunately the money never reached my parents.

In my possession, I have the sum of ¥1500. Can you help me to exchange the Yen into dollers? It is only a small sum but being penniless every bit helps. I am a semi-invalid & unable to work.

My husband is in a position,

894.5151/12-2245
JAN 10 1945
894.5151/12-2245
JAN 15 1946
CS/VJ
JAN 2 1945
PF/McGUIRE:AG
DEPARTMENT OF STATE
FILE

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

DCR - OFD Unit

Anal. ....

Rev. ....B....

Cat. ....J....

Dist. ....C....

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

financially, to support me provided that some arrangement could be made in regard to the exchange of Yen.

I'd appreciate whatever help extended in my behalf.

Respectfully Yours,
Hannah Reichenberg Fujikawa

P.S. My Swiss protection passport number is: #49

DIVISION OF FINANCIAL AFFAIRS
Reply drafted in FN 1-8-46
JAN 2 1945
PFMcGUIRE:AG
DEPARTMENT OF STATE
FILE

DIVISION OF FINANCIAL AFFAIRS
Reply drafted in FN 1-8-46
JAN 2 1945
PFMcGUIRE:AG
DEPARTMENT OF STATE
FILE

JAN 15 1946

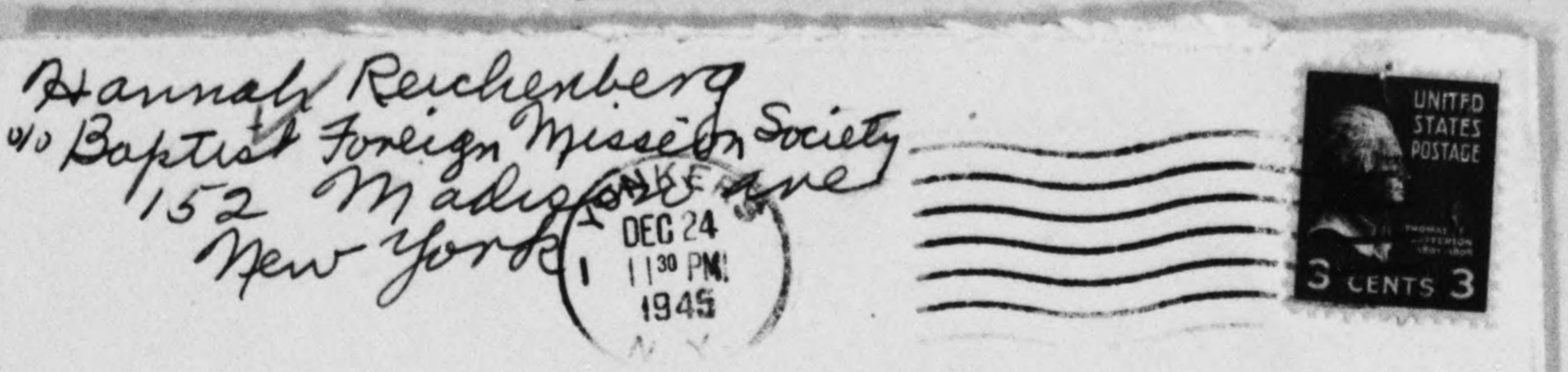
DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

RECEIVED
DIVISION OF
CENTRAL SERVICES

1945 DEC 27 PM 4 45

DC/R
RECORDS BRANCH

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050



DIVISION OF FINANCIAL AFFAIRS
Reply desired re FN 1-8-46
JAN 2 1945
PF McGUIRE: AG
DEPARTMENT OF STATE
FILE
NOV 15 1946

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

In reply refer to
FN 894.5151/12-2245

JAN 10 1946

My dear Mrs. Fujikawa:

With reference to your letter of December 22, 1945, concerning the exchange of yen currency in your possession into dollars, I regret to inform you that neither the United States Government nor the Government of Japan has any obligation to convert yen currency into dollars, and no facilities exist at present for accomplishing such a conversion. You may be interested to know, however, that even if such conversion were possible, the value assigned to 1500 yen would probably not exceed 100 United States dollars.

Sincerely yours,

DCR - OFD Unit

Paul F. McGuire
Assistant Chief
Division of Financial Affairs

Mrs. Hannah Reichenberg Fujikawa,
Baptist Foreign Mission Society,
152 Madison Avenue,
New York, New York.

JAN 10 1946

FN:PFMcGuire:AG 1/8/46

894.5151/12-2245

CS/VJ

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

In reply refer to
FN 894.5151/12-2245

JAN 22 1946

Baptist Foreign Mission Society,
152 Madison Avenue,
New York, New York.

Sirs:

This Department received a letter dated December 22, 1945 from a Mrs. Hannah Reichenberg Fujikawa, who gave her address as care of Baptist Foreign Mission Society, 152 Madison Avenue, New York, New York. A reply sent to that address was returned by the postal authorities with the notation that the addressee was "not at address given". The Department would appreciate any information which the Baptist Foreign Mission Society may be in a position to give concerning the present address of this individual.

Very truly yours,

For the Acting Secretary of State:

DCR OFD Unit
[illegible]

Paul F. McGuire
Assistant Chief
Division of Financial Affairs

A true copy of the signed original

JAN 21 19[illegible]

FN:PFMcGuire:AG 1/18/46

894.5151/12-2245
DOS/LE

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

SUBJECT OR FILE NO. 894.5151/1-2546			DATE DUE 12/10/52
DATE OF DOC.	DOC. NO.	SECURITY CLASS.	DATE CHARGED 10/10
TO/FROM To Abramson, Stella		ENCLOSURES	
CHARGE TO O. Neill			OFFICE SYMBOL Sy

Form DS-933a (9-1-51) 16—65587-1 GPO (Signature) DEPARTMENT OF STATE

FN

D C/R

MISSION SOCIETY

JE

ELMER A. FRIDELL
FOREIGN SECRETARY

JESSE R. WILSON
HOME SECRETARY

FORREST SMITH
TREASURER

January 25, 1946

DC/R
RECORDS BRANCH

Department of State
Washington
D. C.

Attention: Mr. Paul F. McGuire,
Assistant Chief,
Division of Foreign Affairs

Gentlemen:-

Referring to the inquiry in your letter of January 22, 1946 (FN-894.5151/12-2245), we wish to state that while Mrs. Annah Reichenberg Fujikawa is not connected with our Society, we are informed that at present she is staying at the Hotel Kenmore Hall, 145 East 23rd Street, New York City.

Yours very truly,

R. H. Fisher.

RHF:BM

DIVISION OF FINANCIAL AFFAIRS
JAN 31 1946
DEPARTMENT OF STATE

Second letter sent Mrs Fujikawa at address given in this letter by FN: PFMcGUIRE:AG 1-31-46

FILE

FILED
FEB 6 1946
CS/NJ

DCR - OFD Unit
Anal. 2 5
Rev.
Cat.
Dist.

894.5151/1-2546

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

FN

D C/R

AMERICAN BAPTIST FOREIGN MISSION SOCIETY

152 MADISON AVENUE
NEW YORK, 16, N. Y.

RECEIVED
DEPARTMENT OF STATE

RANDOLPH L. HOWARD
FOREIGN SECRETARY

DANA M. ALBAUGH
FOREIGN SECRETARY

ELMER A. FRIDELL
FOREIGN SECRETARY

1946 JAN 29 AM 9 23

JESSE R. WILSON
HOME SECRETARY

FORREST SMITH
TREASURER

January 25, 1946

DC/R
RECORDS BRANCH

Department of State
Washington
D. C.

Attention: Mr. Paul F. McGuire,
Assistant Chief,
Division of Foreign Affairs

Gentlemen:-

Referring to the inquiry in your letter of January 22, 1946 (FN-894.5151/12-2245), we wish to state that while Mrs. Annah Reichenberg Fujikawa is not connected with our Society, we are informed that at present she is staying at the Hotel Kenmore Hall, 145 East 23rd Street, New York City.

Yours very truly,

R. H. Fisher.
R. H. Fisher.

RHF:BM

DIVISION OF FINANCIAL AFFAIRS
JAN 31 1946
DEPARTMENT OF STATE

Second letter sent Mrs Fujikawa at address given in this letter by FN: PFMcGuire: AG 1-31-46

FILE

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FEB 6 1946
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894.5151/1-2546

894.5151/1-2546

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

FEB 4

In reply refer to
FN 894.5151/12-2245

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Sincerely yours,

DCR - OFD Unit
Trans. B
Rev. 5
Ck.
Dist.

Paul F. McGuire
Assistant Chief
Division of Financial Affairs

Mrs. Hannah Reichenberg Fujikawa,
Kenmore Hall,
145 East Twenty Third Street,
New York, New York.

CR
FEB 1946 P.M.
FN:PFMcGuire:AG 1/31/46

894.5151/1-2546
CS/D 894.5151/1-2546

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

ACTION COPY

DEPARTMENT OF STATE

INCOMING TELEGRAM

ACTION: OFD
INFO:
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DC/L
ITP
LE
DC/R

MES -S
No paraphrase necessary

RESTRICTED

209

Tokyo via War

Dated January 29, 1946

Rec'd. 1:35 p.m., Feb 1st

OFFICE OF FINANCIAL AND DEVELOPMENT POLICY
FEB 4 1946
DEPARTMENT OF STATE

Secretary of State,

Washington.

66, January 29

For Department's information former Italian Ambassador has protested vigorously against restriction on removal currency from Japan. He has informed SCAP that he has his entire personal fortune in Japan in the form of US currency, and that unless he is permitted to take all of it with him he will have "to prefer to remain in Japan" to support his family. He has not approached this office, but should he do so we would be inclined to inform him that final disposition of the funds would not necessarily be prejudiced by his leaving them in Japan. It is our understanding that Italian dollar funds in New York were transferred telegraphically to Shanghai in 1940 and were later brought in US currency to Tokyo by member Italian Embassy. Not known whether Indellis private funds included or whether they were obtained later in other market transaction at Shanghai or elsewhere.

ATCHESON

EJH

RESTRICTED

DIVISION OF FINANCIAL AFFAIRS
DEPARTMENT OF STATE

Phone Mr. Orsini of Italian Embassy here about call on me about this. Admitted that since Italian treaty 1947 had been provided details as to source of currency, as requested, no reason for me to action Ital Gov't & funds.

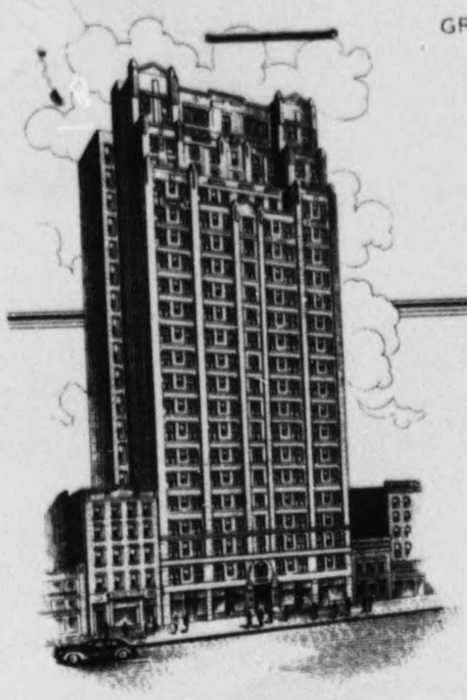
File

as to private funds of Indelli, own business information, but Telegram to Atcheson to Afghan Minister should enable him to answer Indelli.

894.5151/1-2946

894.5151/1-2946

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050



GRAMERCY 5-3840

Free Swimming Pool - Gymnasium

KENMORE HALL

New 700 Room Club Hotel

145 EAST 23RD STREET, NEW YORK CITY

Jan 30-46

Dear Mr. McGuire,

This is to inform you that I may be located at the above address. There is a possibility of changing my address in the future. I will inform you of the change as soon as possible.

Sincerely yours,

Stella Abrams O'Neill

894.5151/1-3046

SUBJECT OR FILE NO. 894.5151/1-3046			DATE DUE 12/15-46
DATE OF DOC.	DOC. NO.	SECURITY CLASS.	DATE CHARGED 1/15
TO/FROM re: Abrams Stella			ENCLOSURES
CHARGE TO O'Neill			OFFICE SYMBOL Ly

Form DS-933a (9-1-51) 16—65587-1 GPO (Signature) DEPARTMENT OF STATE

Exchange of Jew currency into dollars

894.5151 - Fujikawa

1-2546

DIVISION OF FINANCIAL AFFAIRS

MAR 27 1946

DEPARTMENT OF STATE

DOR Per. Unit

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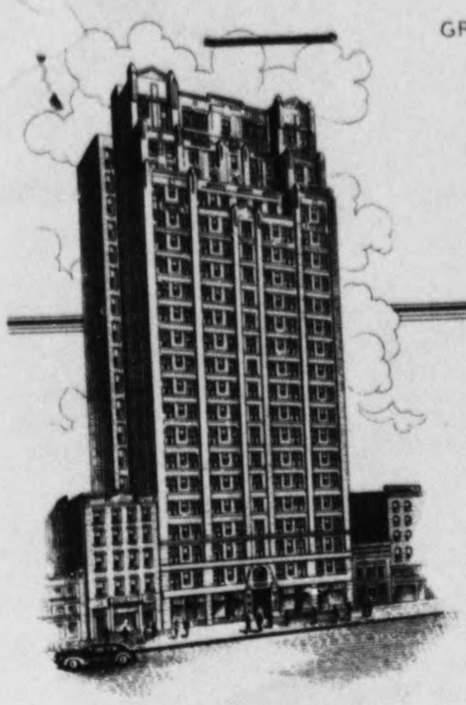
CS/VJ

Air Conditioned Restaurant -- Cocktail Lounge

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050



GRAMERCY 5-3840

Free Swimming Pool - Gymnasium

KENMORE HALL

New 700 Room Club Hotel

145 EAST 23RD STREET, NEW YORK CITY

Jan 30-46

Dear Mr. McGuire,

This is to inform you that I may be located at the above address. There is a possibility of changing my address in the near future. However, I will inform you of any change.

Respectfully,

Hannah Feichenberg - Fujikawa

894.5151/1-3046

CS/VJ

894.5151/1-3046

FILED

APR 1 1946

894.5151 - Exchange of yen currency into dollars

894.5151/1-2546

DIVISION OF FINANCIAL AFFAIRS

DCR Per. Unit

MAR 27 1946

DEPARTMENT OF STATE

Air Conditioned Restaurant -- Cocktail Lounge

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

STANDARD FORM NO. 64

Spencer - action might talk to Dr. Fletcher about the gold angle.

Office Memorandum • UNITED STATES GOVERNMENT

TO : ES - Mr. Monsma

FROM : JK - Mr. Whitman

DATE: February 1, 1946

SUBJECT: Japanese-Italian Dealings in U. S. Currency in South America.

894.5151/1-2946

Previous information regarding gold held by the Bank of Japan for the account of the Banca d'Italia has now been supplemented, or rather superseded, by the following details given General MacArthur's Headquarters by the Yokohama Specie Bank:

> "Upon request of the Italian authorities concerned the Yokohama Specie Bank in March, 1942 purchased $400,000 of the United States currency, which the Exchange Control Bureau of Italy had possessed in Chile and Argentine, South America, and the bank settled the account by paying 60% of the total in terms of gold and the remaining 40% in the yen currency.
>
> "The gold earmarked for Italy and held by this bank at present represents the part of the afore-mentioned account settled in terms of gold.
>
> "Balance of Gold Earmarked for Italy
>
> "Earmarked in the name of Bank of Italy for account of the Foreign Exchange Bureau of Italy
>
> "Earmarked on April 2, 1942
>
> "Earmark balance: Net weight: 213,281 grams."

The amount, date and locality involved, as well as lack of knowledge of the original purpose of the sum and its eventual disposition, make this transaction one which may well merit as much investigation as can now be made, and this available information is transmitted to you for such action as you deem advisable.

P. H. Whitman

JK:JEMacDonald:emh

LOG—SD UNIT
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List.

894.5151/2-146

CS/S FILED JUL 28 1948

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

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DEPARTMENT OF STATE
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DC/R
RECORDS BRANCH

ASSISTANT SECRETARY

TREASURY DEPARTMENT

Washington,
25

FEB 18 1946

DIVISION OF FINANCIAL AFFAIRS
FEB 20 1946
DEPARTMENT OF STATE

Jan FN
Gregg
DC/R
Gregg
Reply drafted in FN
3-15-46
PFMcGUIRE:AG
file

My dear Mr. Secretary:

Attached is a letter from Mr. Charles F. Gregg, San Mateo, California, requesting advice concerning the possibility of using yen currency to credit an account held in his name by the State Department. Also attached is a copy of our letter of acknowledgement to Mr. Gregg, in which we advise him that the matter has been referred to your department.

Very truly yours,

H. D. White

H. D. White
Assistant Secretary

The Honorable,

The Secretary of State

Enc att'd

FOR VICTORY
BUY UNITED STATES WAR BONDS AND STAMPS

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

235 West Poplar Avenue
San Mateo, California
January 23, 1946

Mr. Daniel W. Bell
Under Secretary of Treasury
Washington, D. C.

My dear Mr. Bell:

Subject: Conversion Imperial Japanese Yen
to U. S. Dollars

I have in my possession two each ¥200 notes paper currency of the Imperial Japanese Government.

This money (¥400^{00}) was secured from the Swiss Consul, Kobe, who was acting as representative for the United States Government during the war. For this money and other amounts expended in Japan during the war, I, as a civilian internee captured on Guam, was required to sign promissory notes payable to the United States Government. The rate of exchange on these notes was fixed by the U. S. State Department at ¥4.235 per U. S. Dollar.

Would you please advise if it is possible to surrender this money to your office and have it credited against my pending account of promissory notes held by the State Department or if an exchange of this sum of ¥400 may be made for U. S. currency?

Very truly yours,

C. F. Gregg

Charles Francis Gregg

Identification References:
Social Security No. 550-05-8272
Passport No. 12193 - Issued in Hawaii
Swiss Protection Passport No. 159

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

EPR
JCW
MH
DWB

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

File - Germany - Imports

TO : GA - Mr. C. P. Kindleberger

FROM : GA - W. A. Salant

DATE: 2-19-46

SUBJECT: Payment for Sale of Services in Germany and Japan

OFFICE OF GERMAN AND AUSTRIAN AFFAIRS
GA
MAY 28 1949
DEPARTMENT OF STATE

1. It appears that JK has also been plagued by the problem of American and other firms which sell services, such as news and motion pictures, in Japan, accepting payment in blocked yen. Although notice has been served that yen acquired in this manner would not be transferrable into dollars, the firms in question have never the less attempted to transfer them in one way or another, and further efforts in this direction are anticipated.

2. JK has accordingly decided that the only way to keep this problem from becoming unmanageable is to choke it off at the outset by prohibiting the sale of any services in Japan, except those approved by SCAP which are to be paid for in dollars. They have proposed this solution in the attached paper which is to be circulated to War and Treasury Departments.

3. Before sending it out they inquired whether the adoption of this policy would in any way embarass GA. Mr. deWilde and I informed them that GA is entirely in accord with their views and would in no way be embarassed. We pointed out also that the blocked mark balances have already begun to accumulate, and that there might be some difficulty in the case of Germany in securing air-tight enforcement of the policy they recommend. To this they replied that they were faced with the same situation, and that things had probably gone no further in Germany then they have in Japan. It is to be noted that we are making a suggestion almost identical with theirs in a cable we have drafted for transmission by War Department to OMGUS on admission of U. S. business firms in Germany.

7981-2-1548

GA:WASalant:bgp

2-19-46

DGH, OFD UNIT
From RH

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

CPK
LEW
AAK
DLW

Col. J. R. Gilchrist, C.A.D.,
Mr. Martin, JK, State Department

February 18, 1946

Japanese Imports, Payment for.

The importation of certain goods and services into Japan during the initial stages of our occupation has resulted in foreign nationals acquiring fairly substantial claims to yen. For example, the New York Times has acquired yen with a dollar value at the current military rate of exchange of more than $11,000; several communication companies have likewise been building up yen balances as a result of prepaid messages, and more recently, American film companies have been acquiring claims to yen for the licensing of films.

In each of the above examples the foreign nationals were advised that such yen assets as they acquired would not be redeemable in dollars, and, except for personal living and office expenses in Japan proper, such yen would in effect be blocked. Despite this, at least two of these groups have already brought pressure on this Government to convert yen into dollars either directly or through the sale of their yen to foreign nationals now going into Japan and requiring yen.

In the opinion of the Department of State the pressure to convert yen into dollars is inevitable despite any previous policy announcement of this Government to the contrary. Similar pressures have been experienced in those instances where foreign nationals have acquired claims to local currencies in the occupied countries in Europe. Only recently American film companies asked permission to use their local currency assets in certain occupied European countries to purchase film equipment and other assets in those countries.

With specific reference to Japan, it is the belief of the Department of State that the continued growth of yen accounts on the part of foreign nationals would be both unwise and embarrassing, and will interfere with the attempt of this Government to build up Japanese dollar and other useful foreign exchange accounts which are required for the payment of essential imports. For these reasons the Department recommends the discontinuance of all payment

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JUN 27 1949
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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

payment arrangements now in effect and the prohibition of all future transactions which will result in further establishment of yen claims. Payment for all essential imports of goods and services into Japan should be made in dollars or such other acceptable foreign exchange as may be available, and those imports which are not considered essential enough to justify payment on this basis should not be permitted even if the seller declares his willingness to accept yen.

This policy is consistent with modern exchange control systems as operated by most countries and has been used by the United Kingdom during recent years. (The United Kingdom Treasury Delegation in Washington informs the Department of State that the United Kingdom does not permit import of non-essential goods or services against payment in sterling, so as to avoid embarrassment by holders of sterling clamoring for conversion. The United Kingdom does not wish to establish even an ultimate liability on account of non-essential imports.)

To summarize:

SCAP is currently authorized to import and pay for goods and services considered by him to be essential for the occupation of Japan. It is proposed by the Department of State that only those goods and services so considered by SCAP be imported into Japan and that payments for such goods and services be made in dollars or other available foreign exchange. This would preclude the establishment of yen claims even where sellers signified their willingness to accept yen on the condition that such yen would be non-negotiable and non-convertible.

This office would appreciate your consideration of this proposal and such comments as you may have. A copy of this paper is also being sent to the Treasury Department for their consideration.

JK:GShaskan:emh

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

MAR 28 1946

In reply refer to
FN 894.5151/2-1846

My dear Mr. Gregg:

Reference is made to your letter of January 23, 1946 addressed to Mr. Daniel W. Bell, Under Secretary of the Treasury, which has been referred to this Department by the Treasury Department.

You state that you hold certain yen currency representing a portion of the yen provided to you by the United States Government through Swiss representatives in Japan during the war, against signature of promissory notes payable in dollars at the rate of 4.235 yen per dollar. You ask whether you may surrender the yen currency in your possession and receive credit for an equivalent reduction in your dollar obligations to the United States Government.

The State Department is not authorized to accept yen currency in payment of these dollar obligations. The yen supplied to you in Japan had to be purchased from the Japanese Government by the Department of State, acting through the Swiss Government, at a dollar cost equivalent to the face value of the promissory notes you were asked to sign. When authorizing the use of United States Government funds for the procurement of the yen, Congress expressed its intention that the dollar costs should be recovered from the recipients of the yen. Since the surrender of Japan, the United States Government has been able to obtain all the yen

it requires

Mr. Charles Francis Gregg,
235 West Poplar Avenue,
San Mateo, California.

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894.5151/2-1846 CS/VJ

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

it requires from the Japanese Government without any cost. Accordingly, yen currency surrendered by you would be of no value to the United States Government, and cannot be accepted in payment of a dollar obligation. For the same reason, no agency of the United States Government can exchange the yen in your possession into United States dollar currency.

Any amelioration of the terms of payment of the dollar obligations you assumed while a civilian internee would require Congressional action.

Sincerely yours,

For the Secretary of State:

Paul F. McGuire
Assistant Chief
Division of Financial Affairs

1 Enc
OR
MAY 27 1946

FN:PFMcGuire:AG 3/15/46 JK PD
PMcG

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND [redacted]# 760050

APR 5 1946

The Secretary of State transmits to the Secretary of the Treasury for the attention of the Division of Foreign Funds Control, a copy of a note from the French Embassy requesting that the Department of State intercede with the competent Federal authorities to obtain the release of yen in the account of the Tokyo Branch of the Bank of Indochina for use by the French Chancery in Yokohama.

The Department of State would appreciate any advice which the Treasury Department may wish to give on what action should be taken with reference to this matter.

894.515/3-1646

FA
701.5194
894.515

Enclosure:

Copy of note from the French Embassy dated March 16, 1946.

894.515/3-1646

FN

JK:GShaskan:emh 3-28-46

CR

APR 2 1946 P.M.

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894.515/3-1646

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

AUG 19 1946

General McCoy, U. S. Member, Far Eastern Commission

Subject: Conversion of yen held outside of Japan.

There are substantial quantities of old Japanese yen held outside of Japan by individuals, governments and forces. Australian forces hold some 8,000,000 yen, mainly taken from captured Japanese. The USSR holds some 59,000,000 yen acquired from Sakhalin with the exception of some 20,000,000 yen acquired by the State Bank USSR before the war. The American Military Government in Korea holds over 900,000,000 yen taken from repatriated Koreans.

Requests have been made for conversion of this yen into the new Japanese yen which went into circulation in 1946. The Supreme Commander for the Allied Powers has requested policy guidance on this matter.

The United States Government hereby requests the FEC to establish policy decision on the basis of which a directive can be sent to SCAP.

It is the position of the United States Government that yen held outside of Japan, either by individuals, governments or armed forces, should not be converted. Since the new Japanese currency is valid only in Japan proper, and since theater regulations prohibit the free import of any currency into Japan, there appears to be no reason for converting old yen held in areas outside Japan since the value of currency held is in no way affected by the failure to convert. Failure to convert, therefore, should work no undue hardship or financial loss on any government and any hardship or financial loss that may arise is properly a matter to be taken up in a

country's

894.5151/8-1946 CS/HH

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Dist.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

country's reparation claim against Japan. Any settlement in advance of an overall reparations decision would give unwarranted prior advantage to some reparation claimants.

Earnest A Gross
for J. H. Hilldring
Assistant Secretary

AUG 13 1946

JK:RHWhitman:emh 8-9-46

JA

A true copy of the signed original.

8/14

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

STANDARD FORM NO. 64

Office Memorandum · UNITED STATES GOVERNMENT

ASSISTANT SECRETARY
A-H
SEP 20
GENERAL HILLDRING
DEPARTMENT OF STATE

TO : A-H - General Hilldring

FROM : A-H - Mr. Hilliard

DATE: September 20, 1946

SUBJECT: Unblocking Yen for French Diplomatic Mission

Submitted herewith for your approval is draft cable to SCAP on the above subject. War Department concurrence has been received. (Capt. T. Archer, 72014.)

OURAD W 93299 July 2, 1946 authorized SCAP to unblock 1,500,000 yen from the account of the Saigon Branch of the Bank of Indo-China with the Yokohama Specie Bank to supply the French Diplomatic Mission in Japan with yen for their expenses during the period May, June and July 1946. The French now wish an additional sum of 5,000,000 yen unblocked for the same purpose to cover the period August, September, and October 1946. The larger sum is asked for on the basis of added personnel with the mission and increased costs in Japan.

The text of the cable has been cleared with the Treasury Department.

Today upon my return from New York, I find that this cable has been dispatched by the War Department, due to a misunderstanding as to your approval having been obtained on this message. I have taken steps to avoid a recurrence of this nature and have also requested the War Department (CAD) to advise me as to what action SCAP takes in this matter.

G. Hilliard

894.5151/9-2046

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

Mr. Hilliard

DEPARTMENT OF STATE
WASHINGTON

25/9/46

MEMORANDUM

Sept. 18, 1946

To: Colonel Chard
From: Mr. Easton
Subj: Unblocking Yen for French Diplomatic Mission.

OURAD W 93299 July 2, 1946 authorized SCAP to unblock 1,500,000 yen from the account of the Saigon Branch of the Bank of Indo-China with the Yokohama Specie Bank to supply the French Diplomatic Mission in Japan with yen for their expenses during the period May, June and July 1946. The French now wish an additional sum of 5,000,000 yen unblocked for the same purpose to cover the period August, September and October 1946. The larger sum is asked for on the basis of added personnel with the mission and increased costs in Japan.

I should appreciate your obtaining War Department clearance and notifying me on State, 3775. for attached cable

The text of the proposed cable has been cleared with the Treasury Department.

W. J. Easton
9:50 PM
20 September 1946

AH-215

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : JK - Secretariat - A-H

DATE: September 16, 1946

FROM : JK - Mr. Martin

SUBJECT: Unblocking yen for French Diplomatic Mission.

OURAD W 93299 July 2, 1946 authorized SCAP to unblock 1,500,000 yen from the account of the Saigon Branch of the Bank of Indo-China with the Yokohama Specie Bank to supply the French Diplomatic Mission in Japan with yen for their expenses during the period May, June and July 1946. The French now wish an additional sum of 5,000,000 yen unblocked for the same purpose to cover the period August, September and October 1946. The larger sum is asked for on the basis of added personnel with the mission and increased costs in Japan.

If agreeable, would you kindly forward the attached draft cable to C.A.D. for transmission to SCAP. The text has been cleared with War and Treasury.

JK:NCottrell:mw

a-21
OKE
JK-Sec. R. Martin
AH-215

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

DRAFT CABLE

OURAD July 2, 1946 WAR 93299, April WAR 83619, REURAD April C 59996 July Z 100031.

State Department has been asked by French Government to request unblocking 5 million yen account of Saigon Branch, Banque de l'Indo Chine in Yokohama Specie Bank for their mission expenses, August, September, October. In light of July request covering third quarter, OURAD W 93299, suggest you investigate need on basis of increased personnel and other expenditures of French mission and proceed with unblocking according to your best judgment and present blocking restrictions.

Dip Telad as
War 80991
(20 Sep 46)

Cleared Treasury & War. (Parker)

JK
E. Martin RF.

FN
O. McGuire RF.

CCW. 20/9/46

JK/S
R. Fisher.

A-11-215

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

A-H - General Hilldring

A-H - Mr. Hilliard

September 20, 1946

Unblocking Yen for French Diplomatic Mission

Submitted herewith for your approval is draft cable to SCAP on the above subject. War Department concurrence has been received. (Capt. T. Archer, 72014.)

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The text of the cable has been cleared with the Treasury Department.

Today upon my return from New York, I find that this cable has been dispatched by the War Department, due to a misunderstanding as to your approval having been obtained on this message. I have taken steps to avoid a recurrence of this nature and have also requested the War Department (CAD) to advise me as to what action SCAP takes in this matter.

A-H:CCHilliard:eg

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

DEPARTMENT OF STATE
WASHINGTON

MEMORANDUM

Sept. 18, 1946

To: Colonel Chard
From: Mr. Easton
Subj: Unblocking Yen for French Diplomatic Mission.

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I should appreciate your obtaining War Department clearance and notifying me on State, 8775. for attached cable

The text of the proposed cable has been cleared with the Treasury Department.

AE-215

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Sept. 18, 1946

SCAP

Action

State (Gen. Hildring)

OPD-Mr. Petersen; CAD-State; CAD.

From WDSCA. OURAD July 2, 1946 WAR 93299, April WAR 83619, REURAD April C 59996 July Z 1000031.

State Department has been asked by French Government to request unblocking 5 million yen account of Saigon Branch, Banque de l'Indo Chine in Yokohama Specie Bank for their mission expenses, August, September, October. In light of July request covering third quarter, OURAD W 93299, suggest you investigate need on basis of increased personnel and other expenditures of French mission and proceed with unblocking according to your best judgment and present blocking restrictions.

AH:ROEaston:bam

AH-215

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

DEPARTMENT OF STATE
WASHINGTON

Ralph -

Hilldring ought to handle this but he's in N.Y. to-day. Would you please see that it gets out to-day to CAD and Hilldring can follow it from there?

RE

20 Sept. 46

Mr. Claxton:

Upon my return from N.Y. I find that this cable has already been dispatched by War Dept., due to a misunderstanding re State Dept. (General Hilldring's) approval. Have taken steps to avoid recurrence. Have also asked War Dept to advise us of action taken by SCAP. CCS.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND 760050

WAR DEPARTMENT
CLASSIFIED MESSAGE CENTER
OUTGOING CLASSIFIED MESSAGE

RESTRICTED
PARAPHRASE NOT REQUIRED. HANDLE AS RESTRICTED CORRESPONDENCE
PER PARAS 51i and 60a, AR 380-5

CAD 311.23 Mr Foster 74608

20 September 1946

CINCAFPAC Tokyo Japan

Number WAR 80991

From WDSCA EX. Reourads July WARX 93299 Apr WARX 83619 urads Apr C 59996 July Z 100031

State Dept has been asked by French Govt to request unblocking five million yen acct of Saigon Branch Banque De Lindo-Chine in Yokohama Specie Bank for their mission expenses Aug, Sept, Oct. In light of July request covering third quarter, reourad WARX 93299, suggest you investigate need on basis of increased pers and other expenditures of French mission and proceed with unblocking according to your best judgment and present blocking restrictions.

End

NOTE: C 59996 is CM IN 3560 (18 Apr 46)
Z 100031 is MC IN 65236 (30 July 46)

ORIGINATOR: CAD

DISTRIBUTION: ASW, CAD (State & Treas), P&O

CM-OUT-80991 (Sept 46) DTG 201729Z fd

RESTRICTED

COPY NO. 25

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

STANDARD FORM NO. 64

Office Memorandum · UNITED STATES GOVERNMENT

DATE: Dec.11,1946

TO : SJK - Mr. Emerson

FROM : A-H - C. C. Hilliard CCS

SUBJECT: Exchange Rates for Japanese and Korean Currencies, Respectively.

Attached letter, dated December 9, 1946, to General Hilldring from Church World Service, Inc., is forwarded for appropriate action.

For your information, the attachment has been discussed informally with JK (Mr. Martin).

Attachment.

DIVISION OF JAPANESE AFFAIRS
DEC 12 1946
DEPARTMENT OF STATE

Suspense 12/12

DIVISION OF JAPANESE AFFAIRS
DEC [illegible] 1946
DEPARTMENT OF STATE

ah 338

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

CHURCH WORLD SERVICE, Inc.

Successor to
Church Committee on Overseas Relief and Reconstruction
Commission for World Council Service
Church Committee for Relief in Asia

37 EAST 36TH STREET
NEW YORK 16, N. Y.

Tel. Murray Hill
3-8563

Cable address
CHURCHSERV

HARPER SIBLEY
President

BISHOP HERBERT WELCH
Vice-President

THEODORE A. GREENE
Vice-President

MRS. EARL B. BREEDING
Recording Secretary

SIDNEY D. GAMBLE
Treasurer

A. LIVINGSTON WARNSHUIS
Executive Vice-President

WILLIAM G. SCHRAM
Business Manager and Assistant Treasurer

ROBBINS W. BARSTOW
Director of Service

LESLIE B. MOSS
Director of Promotion

December 9, 1946

Major General John H. Hilldring
Assistant Secretary for
Occupied Areas
State Department
Washington D C

ASSISTANT SECRETARY
A-H
DEC 10 1946
GENERAL HILLDRING
DEPARTMENT OF STATE

Dear General Hilldring:

For some time we and all the missionary agencies working in Japan and Korea have been concerned about the rate of exchange which has been fixed at 15 to 1. We realize that this rate of exchange has a bearing on the problem of inflation in these two countries and that the whole question is one of considerable complexity. At the same time, the hardships resulting from this rate of exchange, both upon our personnel in these two countries and also upon our relief operations, are very great and so consideration of the possibility of a change in the rate of exchange seems necessary.

While at the present time we are not disposed to ask for any special previleges, although that may be necessary in the future, I am writing simply to ask that if any change in the established rate of exchange should be contemplated, the interests of the missionary and relief agencies must be included.

Yours truly

A. L. Warnshuis
A. L. Warnshuis
Executive Vice-President

894.5151/12-946
CS/A
FILED
JAN 16 1947
894.5151/12-946
XR 894.5151
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Constituted by: The Federal Council of the Churches of Christ in America
The American Committee for the World Council of Churches
Foreign Missions Conference of North America

AW 338

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

DEC 20 1946

In reply refer to
JK

Dear Mr. Warnshuis:

In reply to your letter of December 9, you may rest assured that the interests of the missionary and relief agencies will receive every consideration in connection with any action which may be taken relative to the establishment of a rate of exchange for the yen, or relative to any change in the present military rate of conversion for the yen.

As you know, there is at present no rate of exchange for either the Japanese or Korean yen. The establishment of such rates does not appear imminent. However, the appropriateness of the existing military rate of conversion for the yen is under continuing consideration and your views in this matter are greatly appreciated.

I wish to assure you that the Department of State, in coordination with other interested United States Government departments and with the Supreme Commander for the Allied Powers, is desirous of supporting to the utmost the activities of the above mentioned agencies working in Japan and Korea. It is realized that these agencies are one of the most potent forces in the fostering of democracy and world peace.

Sincerely yours,

J. H. Hilldring
Assistant Secretary

Mr. A. L. Warnshuis,
Executive Vice-President,
Church World Service, Inc.,
37 East 36th Street,
New York 16, N. Y.

A-H:CCHilliard:eg 12/20/46
JK:RHFisher:eg 12/16/46

Revision cleared with JK (Mr. Fisher - Mr. Martin)

ESP JA

894.5151/12-2046
CS/A

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

Stamp in route to Walton Ec.

INTERNATIONAL SALES DIVISION

Answer file

DCK

The CROWELL-COLLIER PUBLISHING COMPANY
250 PARK AVENUE
NEW YORK 17 - N.Y. U.S.A.

Publishers of America's Outstanding MAGAZINES

WOMAN'S HOME COMPANION

THE AMERICAN MAGAZINE

COLLIER'S WEEKLY

16 December 1946

Mr. Edwin M. Martin, Chief,
Division of Japanese & Korean Economic Affairs
United States State Department
Washington 25, D. C.

Dear Mr. Martin:

Attached please find copy of Form TFE-1 Treasury Department Foreign Funds Control, dated 12 December 1946, covering the application of our Company to assist in the re-education and orientation of the Japanese and Germans by means of the printed word.

The matter of distribution in Japan, of our publications, COLLIER'S, THE AMERICAN MAGAZINE and THE WOMAN'S HOME COMPANION, was the subject of discussion during a recent interview I had in Tokyo with General of the Army Douglas A. MacArthur. It was taken up in greater detail with General Frayne Baker, SCAP Public Relations Officer and Lt. Colonel D. R. Nugent, U.S.M.C., Director SCAP Civil Information and Education.

(1) In view of our pre-war connection with The Maruzen Bookstore Co. Ltd. of Dai-Ichi Seimei Kyobashi, Tokyo, Colonel Nugent was agreeable that after authorization was granted, that our magazines could be shipped to his warehouse for transmission to the Wholesaler. In view of the fact that Maruzen has some thirteen branch offices throughout Japan and Korea, it will be possible to secure adequate distribution at prices which can be regularly checked, thereby eliminating the danger of blackmarketing.

The number of magazines to be shipped initially would not exceed one thousand copies. While we would prefer to receive dollars in payment when possible, THE CROWELL-COLLIER COMPANY realizing the assistance these magazines can be towards furthering the policies of the American Occupational Program is willing to be paid in YEN at the authorized rate. This money will be deposited in the Tokyo Branch of the National City Bank.

In conclusion, we will appreciate any assistance your office can render towards expediting the issuance of this license, as it will mark a new era in the education of the Japanese people. The distribution of American publications will not only enhance American prestige, but it will

894.5151/12-1646

FILED

OFD Unit

Rev

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

enable the Japanese civilians to obtain a more complete picture of the present and past achievements of our Country as they are depicted in the pages of American publications. In this connection, it is almost ten years since COLLIER'S was permitted to circulate freely within Japan without danger of confiscation by the former omnipresent gendarmerie.

Thanking you for your cooperation.

Very truly yours,

John F. Carroll

John F. Carroll
International Division
The Crowell-Collier Publishing Company

DIVISION OF JAPANESE AND KOREAN ECONOMIC AFFAIRS
DEPARTMENT OF STATE
DEC 24 1946
reply drafted
11/26/47 (OJM)
DC/R File

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

Form TFE-1 (Revised 2-45)
TREASURY DEPARTMENT
FOREIGN FUNDS CONTROL

Application No. _____ (For Treasury Use Only)

APPLICATION FOR A LICENSE TO ENGAGE IN A FOREIGN EXCHANGE TRANSACTION, TRANSFER OF CREDIT, PAYMENT, EXPORT OR WITHDRAWAL FROM THE UNITED STATES, OR THE EARMARKING, OF GOLD OR SILVER COIN OR BULLION OR CURRENCY, OR THE TRANSFER, WITHDRAWAL OR EXPORTATION OF, OR DEALING IN, EVIDENCES OF INDEBTEDNESS OR EVIDENCES OF OWNERSHIP OF PROPERTY.*

(To be executed and filed in duplicate with the Federal Reserve Bank for the district or with the Governor or High Commissioner of the territory or possession of the United States in which the applicant resides or has his principal place of business or principal office or agency. If the applicant has no legal residence or principal place of business or principal office or agency in a Federal Reserve District or such territory or possession the application should be filed with the Federal Reserve Bank of New York or the Federal Reserve Bank of San Francisco.)

TO THE SECRETARY OF THE TREASURY
c/o FEDERAL RESERVE BANK OF New York

Sir: DATE: December 12, 1946

In accordance with Executive Order No. 8389 of April 10, 1940, as amended, regulating transactions in foreign exchange, etc., and the regulations and rulings issued thereunder, the undersigned hereby applies for a license to execute the transaction described below:

A. (1) The name of the applicant is THE CROWELL-COLLIER PUBLISHING COMPANY;

(2) Applicant resides at or, in the case of a corporation, partnership, association or other organization, has its principal place of business at: 250 Park Avenue (Street), NewYork 17 (City), New York (State), U.S.A. (Country);

(3) Applicant is and has been a citizen of An American Company incorporated in Delaware since May (Month) 6 (Day) 1920 (Year);

(4) The nationality under the Order** of the applicant is American

(5) Since 1887 the applicant has been engaged in the business of Publishing and Distributing American magazines and books. (State nature of business)

B. The applicant desires a license in order to:
(State in detail the nature, purpose and amount of the transaction, and the name, address, nationality under the Order** and extent of interest of every party, including the applicant, involved or interested in the transaction.)

Explore the possibilities to have THE TOPPAN PRINTING COMPANY LTD. of #6 Shimura, Itabashi, Tokyo, Japan, undertake the printing of the CROWELL-COLLIER proposed International Magazine. Already we have seventeen foreign publishers engaged in studying the possibility of printing in the language of their country, a magazine American in atmosphere, format, and under our editorial guidance. It will be devoted to encouraging International amity, printing, travel, and trade. The Japanese edition will be printed in Japan and circulated throughout the American occupied area of that land. This Company believes that the publication in Japanese of a magazine having as its objective the above-mentioned four-fold purpose will go a long way towards aiding the American Occupational Policy and guaranteeing the democratization of the Japanese people.

*All definitions appearing in Executive Order No. 8389 of April 10, 1940, as amended, and the regulations and rulings issued thereunder shall apply to the terms employed herein.

**In the case of a corporation, partnership, or association, give country in which organized and indicate the approximate percentages of stock, shares, bonds, debentures, notes, drafts, or other securities or obligations of such organization owned or controlled, directly or indirectly, by a blocked country or one or more nationals thereof.

Applicant's No.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

C. The applicant represents and warrants that no party other than those mentioned in item B above has any interest, direct or indirect, in the transaction or transactions for which a license is applied for herein. If there are any exceptions, note them below.

D. The applicant represents and warrants that, except as specifically stated, he has personal knowledge of all the facts herein stated; that the same are correct and true; and that he does not have knowledge of any material facts in connection with such application which are not fully and accurately set forth herein.

E. The applicant represents and warrants that he has complied, and agrees that he will comply, in all respects, with all provisions of Section 3(a) of the Trading with the enemy Act, as amended, Executive Order No. 8389 of April 10, 1940, as amended, and all regulations, rulings, orders and instructions issued by the Secretary of the Treasury thereunder or under the authority of section 5(b) of the Trading with the enemy Act, as amended, and with any and all licenses issued to the applicant pursuant thereto.

F. The applicant represents and warrants that no other application for a license authorizing the transaction here involved has been filed or is pending, except as follows:

The Crowell-Collier Publishing Company
(Signature of Applicant)

If this application is filed by an agent, attorney, or other person, ~~for~~ or on behalf of the applicant, the following statement should be executed.)

I, Denis O'Sullivan, certify that I am the Secretary
(State relationship to applicant)

of THE CROWELL-COLLIER PUBLISHING COMPANY (Name of Applicant) who is the applicant in the above application for a license; that I am duly authorized to make the foregoing application on behalf of the applicant; that, except as otherwise specifically stated, I have personal knowledge of all the facts herein stated; that the same are true and correct; and that I do not have knowledge of any material facts in connection with said application which are not fully and accurately set forth herein.

(Signature of Agent)

THE CROWELL-COLLIER PUBLISHING COMPANY
(Address)
250 Park Avenue
New York, New York

RECOMMENDATION OF FEDERAL RESERVE BANK

The above application is forwarded to the Secretary of the Treasury with the recommendation that a license should be (granted).
(denied).

Remarks:.....

NOTE: If this application is executed outside of the United States, it must be executed under oath before a diplomatic or consular officer of the United States.

If this application covers gold in any form the provisions of the Provisional Regulations issued under the Gold Reserve Act of 1934 must also be complied with.

Attention is directed to Section 35(A) of the United States Criminal Code, which provides, in part:

"* * * whoever shall knowingly and willfully falsify or conceal or cover up by any trick, scheme, or device a material fact, or make or cause to be made any false or fraudulent statements or representations, or make or use or cause to be made or used any false bill, receipt, voucher, roll, account, claim, certificate, affidavit, or deposition, knowing the same to contain any fraudulent or fictitious statement or entry in any matter within the jurisdiction of any department or agency of the United States * * *, shall be fined not more than $10,000 or imprisoned not more than ten years, or both." Act of April 4, 1938, ch. 69, 52 Stat. 197 (U.S.C. tit. 18, sec. 80)

Copies of this form may be obtained on request, at any Federal Reserve Bank, mint or assay office, or the Treasury Department, Washington, D. C.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Form TFE-1 (Revised 2-45)
TREASURY DEPARTMENT
FOREIGN FUNDS CONTROL

Application No. _____ (For Treasury Use Only)

APPLICATION FOR A LICENSE TO ENGAGE IN A FOREIGN EXCHANGE TRANSACTION, TRANSFER OF CREDIT, PAYMENT, EXPORT OR WITHDRAWAL FROM THE UNITED STATES, OR THE EARMARKING, OF GOLD OR SILVER COIN OR BULLION OR CURRENCY, OR THE TRANSFER, WITHDRAWAL OR EXPORTATION OF, OR DEALING IN, EVIDENCES OF INDEBTEDNESS OR EVIDENCES OF OWNERSHIP OF PROPERTY.*

(To be executed and filed in duplicate with the Federal Reserve Bank for the district or with the Governor or High Commissioner of the territory or possession of the United States in which the applicant resides or has his principal place of business or principal office or agency. If the applicant has no legal residence or principal place of business or principal office or agency in a Federal Reserve District or such territory or possession the application should be filed with the Federal Reserve Bank of New York or the Federal Reserve Bank of San Francisco.)

TO THE SECRETARY OF THE TREASURY
% FEDERAL RESERVE BANK OF New York

DATE: December 12, 1946

Sir:

In accordance with Executive Order No. 8389 of April 10, 1940, as amended, regulating transactions in foreign exchange, etc., and the regulations and rulings issued thereunder, the undersigned hereby applies for a license to execute the transaction described below:

A. (1) The name of the applicant is THE CROWELL-COLLIER PUBLISHING COMPANY;

(2) Applicant resides at or, in the case of a corporation, partnership, association or other organization, has its principal place of business at:

250 Park Avenue (Street), New York 17, (City), New York (State), U.S.A. (Country);

(3) Applicant is and has been a citizen of An American Company incorporated in Delaware

since May (Month) 6 (Day) 1920 (Year):

(4) The nationality under the Order** of the applicant is American

(5) Since 1887 the applicant has been engaged in the business of

Publishing and Distributing American magazines and books. (State nature of business)

B. The applicant desires a license in order to:
(State in detail the nature, purpose and amount of the transaction, and the name, address, nationality under the Order** and extent of interest of every party, including the applicant, involved or interested in the transaction.)

Assist the Supreme Commander Allied Powers JAPAN in a manner whereby COLLIER'S, THE AMERICAN MAGAZINE, THE WOMAN'S HOME COMPANION and other educational book titles can be used in the cultural media program designed to accelerate the intellectual democratization of the Japanese civilians in the American-occupied areas of Japan and Korea. This could be accomplished by an authorization to resume shipments of magazines to our pre-war dealer, THE MARUZEN BOOK CO., located at Dai-Ichi Seimei Kyobashi, Tokyo, Japan. This matter has already been discussed by our correspondents with the SCAP Director of Civil Information and Education and has his approval. If possible, this Company would prefer to be paid in U.S. Dollars, but in order to assist the Occupation Program, it will be agreeable to have payment made in YEN to our account in the Tokyo Branch of the National City Bank and in turn will be drawn on by designated Company authorizations.
Our primary concern is the issuance of a license to do business with the Japanese Magazine Distributor, due to the express wish of the General of the Armies Douglas A. MacArthur, however, the War Department is also anxious to extend the sale of American magazines of general interest to the American-occupied areas of Austria and Germany. Therefore, it will be appreciated if those areas can be included in this authorization.

Applicant's No.

*All definitions appearing in Executive Order No. 8389 of April 10, 1940, as amended, and the regulations and rulings issued thereunder shall apply to the terms employed herein.

**In the case of a corporation, partnership, or association, give country in which organized and indicate the approximate percentages of stock, shares, bonds, debentures, notes, drafts, or other securities or obligations of such organization owned or controlled, directly or indirectly, by a blocked country or one or more nationals thereof.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

C. The applicant represents and warrants that no party other than those mentioned in item B above has any interest, direct or indirect, in the transaction or transactions for which a license is applied for herein. If there are any exceptions, note them below.

D. The applicant represents and warrants that, except as specifically stated, he has personal knowledge of all the facts herein stated; that the same are correct and true; and that he does not have knowledge of any material facts in connection with such application which are not fully and accurately set forth herein.

E. The applicant represents and warrants that he has complied, and agrees that he will comply, in all respects, with all provisions of Section 3(a) of the Trading with the enemy Act, as amended, Executive Order No. 8389 of April 10, 1940, as amended, and all regulations, rulings, orders and instructions issued by the Secretary of the Treasury thereunder or under the authority of section 5(b) of the Trading with the enemy Act, as amended, and with any and all licenses issued to the applicant pursuant thereto.

F. The applicant represents and warrants that no other application for a license authorizing the transaction here involved has been filed or is pending, except as follows:

The Crowell-Collier Publishing Company
(Signature of Applicant)
Denis O'Sullivan

If this application is filed by an agent, attorney, or other person, for or on behalf of the applicant, the following statement should be executed.)

I, Denis O'Sullivan, certify that I am the Secretary (State relationship to applicant)

of THE CROWELL-COLLIER PUBLISHING COMPANY (Name of Applicant) who is the applicant in the above application for a license; that I am duly authorized to make the foregoing application on behalf of the applicant; that, except as otherwise specifically stated, I have personal knowledge of all the facts herein stated; that the same are true and correct; and that I do not have knowledge of any material facts in connection with said application which are not fully and accurately set forth herein.

Denis O'Sullivan
(Signature of Agent)

The Crowell-Collier Publishing Co.
(Address)
250 Park Avenue
New York 17, New York

RECOMMENDATION OF FEDERAL RESERVE BANK

The above application is forwarded to the Secretary of the Treasury with the recommendation that a license should be (granted).
(denied).

Remarks: .....

NOTE: If this application is executed outside of the United States, it must be executed under oath before a diplomatic or consular officer of the United States.

If this application covers gold in any form the provisions of the Provisional Regulations issued under the Gold Reserve Act of 1934 must also be complied with.

Attention is directed to Section 35(A) of the United States Criminal Code, which provides, in part:

"* * * whoever shall knowingly and willfully falsify or conceal or cover up by any trick, scheme, or device a material fact, or make or cause to be made any false or fraudulent statements or representations, or make or use or cause to be made or used any false bill, receipt, voucher, roll, account, claim, certificate, affidavit, or deposition, knowing the same to contain any fraudulent or fictitious statement or entry in any matter within the jurisdiction of any department or agency of the United States * * *, shall be fined not more than $10,000 or imprisoned not more than ten years, or both." Act of April 4, 1938, ch. 69, 52 Stat. 197 (U.S.C. tit. 18, sec. 80)

Copies of this form may be obtained on request, at any Federal Reserve Bank, mint or assay office, or the Treasury Department, Washington, D. C.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

INTERNATIONAL SALES DIVISION

The CROWELL-COLLIER PUBLISHING COMPANY
250 PARK AVENUE
NEW YORK 17 - N.Y. U.S.A.

Publishers of America's Outstanding MAGAZINES

WOMAN'S HOME COMPANION

THE AMERICAN MAGAZINE

COLLIER'S WEEKLY

December 19, 1946

Mr. Edwin M. Martin, Chief
Division of Japanese and Korean Economics
United States State Department
Washington 25, D. C.

Dear Mr. Martin:

In accordance with recent conversations held with members of your staff, both in Washington and Tokyo, I am setting forth the highlights of our new publishing project, together with a copy of Form TFE-1 Treasury Department Foreign Funds Control, dated 12 December 1946, covering the application of THE CROWELL-COLLIER PUBLISHING COMPANY to explore the possibility of publishing in Japan.

Following on the success of VICTORY, a magazine published during the war by this Company in cooperation with the State Department and the Office of War Information, THE CROWELL-COLLIER PUBLISHING COMPANY is presently investigating the possibility of publishing a similar magazine in seventeen foreign countries.

Fundamentally American in atmosphere, format, and under our editorial guidance, yet in the language of the particular country, this projected publication will have the following aims.

1. To encourage International amity
2. To encourage International printing
3. To encourage International travel
4. To encourage International trade

To date we have contacted and accepted letters signifying intended participation from leading publishers in seventeen countries. Reports from our Far Eastern correspondents indicate that one of the best equipped and most favorably American-minded publishers in Japan is:

The Toppan Printing Co., Ltd.
#5 Shimura, Itabashi
Tokyo, Japan

894.51/12-1946
FILED
JAN 3 - 1947
CS/R
DIVISION OF JAPANESE AND KOREAN ECONOMIC AFFAIRS
DEPARTMENT OF STATE
DEC 24 1946
reply drafted 1/10/47 (DJH)
OCR OFD Unit
Rev. B

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

As this International publishing project already has been received with great interest by Secretary of State James F. Byrnes, and the inclusion of the Orient has been given unqualified endorsement by Generals of the Army George C. Marshall and Douglas A. MacArthur, the CROWELL-COLLIER PUBLISHING COMPANY now requests a Treasury Department license in order to carry out further negotiations with the approved representatives of the Toppan Printing Company, Ltd.

If the Treasury license is granted and Toppan's facilities are such as to permit the publication in Japanese of a magazine along the lines of the stated formula, we feel confident that the addition of a Japanese publisher to our present seventeen International Publishers will mark another milestone in the road towards Universal Peace.

Any assistance your office can render towards facilitating the issuance of this license will be greatly appreciated.

Very truly yours,

John F. Carroll

John F. Carroll
International Division
The Crowell-Collier Publishing Company

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

JAN 27 1947

In reply refer to
JK

My dear Mr. Carroll:

Reference is made to your letters of December 16 and 19, 1946, with which you enclosed copies of your applications to the Treasury Department, Foreign Funds Control Division for licenses to distribute certain of your publications in Japan, and to explore the possibilities of publishing there a new publication dealing with certain international affairs. I understand the Treasury has your applications under consideration and you will doubtless hear from that Department directly on the matter. You also indicate that you have discussed the subject with General MacArthur in Tokyo, and therefore are probably aware of the fact that special approval of his Headquarters is necessary for any American or other foreign concern desiring to do business in Japan.

The Department of State has great interest in the overall program for the reorientation of the Japanese people along democratic lines. The dissemination of information through the medium of popular American and other foreign publications is considered to be an effective method for accomplishing this objective. However, the serious limitations existing at present on Japan's foreign exchange assets, which are available for meeting the cost of her overall import program, makes it impossible to pay in dollars for any but the most essential requirements. Nor is it considered desirable to encourage the accumulation in Japan of large foreign-held yen balances, the conversion of which may present difficult problems for both the holder and for Japan at some future date. This matter is currently under study both by this Government and the Supreme

Mr. John F. Carroll,
International Division,
The Cromwell-Collier Publishing Company,
250 Park Avenue,
New York 17, N. Y.

894.515/12-1946
CS/R

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Supreme Commander. In the meantime, however, it is necessary to invite special attention to the financial provisions of Treasury Department licenses under the Trading with the Enemy Act, which provide that yen expenditures by the licensee in Japan must be limited to purposes clearly essential to his approved operations there, and that all yen accepted in payment for goods or services sold in Japan is acquired entirely at his own risk.

Thank you for sending me this information, and also for your desire to cooperate in the Japanese reorientation program.

Sincerely yours,

Edwin M. Martin, Chief
Division of Japanese and Korean
Economic Affairs.

[redacted] A12

JAN 24 1947 P.M.

A true copy of the signed original.

JK:OJMcDiarmid:mw 1/16/47 ESP [redacted]DO JA A-12

3705

(Deletion of sentence in original draft at end of 1st para. concurred in by McDiarmid 1/24/47 - gwh)

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

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JK

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The Department of State has great interest in the overall program for the reorientation of the Japanese people along democratic lines. The dissemination of information through the medium of popular American and other foreign publications is considered to be an effective method for accomplishing this objective. However, the serious limitations existing at present on Japan's foreign exchange assets, which are available for meeting the cost of her overall import program, makes it impossible to pay in dollars for any but the most essential requirements. Nor is it considered desirable to encourage the accumulation in Japan of large foreign held yen balances, the conversion of which may present difficult problems for both the holder and for Japan at some future date. This matter is currently under study both by this Government and the

Supreme

Mr. John F. Carroll,
International Division,
The Cromwell-Collier Publishing Company,
250 Park Avenue,
New York 17, N. Y.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : A-H - JK/Sec

DATE: December 26, 1946

FROM : JK - Mr. Whitman

SUBJECT: Proposed Cable to SCAP

The French have approached Treasury for unblocking from Banque de l'Indo Chine account with the Yokohama Specie Bank of three and one-half million yen, based on estimates of two and one half million yen for support during the first quarter of 1947, of the French Mission in Japan; and one million yen for support of French eleemosynary institutions in Japan for the year 1947. While the French will not press for the first item, feeling that free yen can be obtained from SCAP, they are anxious to help their charitable and religious groups, which are now short of funds. JK and Treasury will not object to unblocking of the one million yen item, if it can be accomplished by freeing only funds in the account which did not originate in collaborationist activities.

At present the French are conferring with JK for release of certain ~~pre-war~~ Indo-Chinese assets in Japan. In this connection it would establish a valuable precedent for SCAP to distinguish between the clean and tainted portions of the account, ~~and~~ strengthen the ~~possible~~ future State position that the bulk of the account should be taken over by SCAP ~~and allow~~ and the French ~~to~~ should seek the value of the material aid to Japan during the war in the form of a reparations claim.

DRAFT CABLE TO SCAP

Reourad War 87591, 12 December 1946.

1. French Govt has requested unblocking of one million yen from Banque de l'Indo Chine account with YSB for 1947 support of French charitable institutions in Japan.

State and Treasury favor unblocking in your discretion of sum in question, if it can be made available from any portion of account which did not originate from Indo Chinese activities in support of the Japan war effort. Request reply soonest to permit answer to French.

JK:NC~~O~~ell:mw 27/1/47

ESP

GA

SJK

A-H

See re-draft of 13/1
Concurred in
by JK (Mr. McDiarmid)
Treas (Mr. Lipsman)
CAD (Mr. Foster) CCH.

94.5/5-1/12-2646

aw 820

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

STANDARD FORM NO. 64

Office Memorandum · UNITED STATES GOVERNMENT

DATE: Jan. 27, 1947

TO : A-H - General Hilldring

FROM : A-H - C. C. Hilliard

SUBJECT: Unblocking of Yen Funds for Support of French Charitable Institutions in Japan.

Submitted herewith for your approval is draft cable to SCAP on the above subject.

This cable has the concurrence of the War Department (Mr. Foster, CAD), and of the Treasury Department (Mr. Lipsman).

Attachment.

ASSISTANT SECRETARY
A-H
JAN 27 1947
GENERAL HILLDRING
DEPARTMENT OF STATE

phoned to CAD, Foster 1/28/47, and

ak 820

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Jan. 27, 1947

A-H - General Hilldring

A-H - C. C. Hilliard

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Attachment.

A-H:CCHilliard:eg

ah 820

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

RESTRICTED

STANDARD FORM NO. 64

Office Memorandum · UNITED STATES GOVERNMENT

DATE: Jan. 13, 1947

TO : Col. R. H. Chard, Executive Officer, CAD

FROM : C. C. Hilliard, A-H

SUBJECT : Unblocking of Yen Funds for Support of French Charitable Institutions in Japan.

Reference: War 87591, 12 December 46.

Reference A-H memorandum dated January 6, 1947 to you, enclosed is a redraft of a cable to SCAP on the above subject. The Treasury Department (Mr. Lipsman) has concurred in this draft cable.

Will you kindly obtain War Department concurrence for this cable and let me know. If any questions arise, please call me on State Department 3657.

Attachment.

W.F. Foster
10-50

~~14~~ JAN 1947
15

RESTRICTED

ah 820

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Jan. 13, 1947

Col. R. H. Chard, Executive Officer, CAD

C. C. Hilliard, A-H

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Attachment.

A-H:CCHilliard:eg

ah 8 20

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Jan. 13, 1947
Priority
Routine

Restricted

Action

SCAP

D/PO; Mr. Petersen; CAD State; CAD

From WDSCA. Reourad War 87591, 12 December 46.

Urgently need info para 4 ourad in view new French request to unblock 1,000,000 yen from subject account on basis 1947 support French charitable institutions in Japan. State and Treasury will favor compliance French request if does not require unblocking proceeds wartime activities, nor conflicts seriously in your opinion with control and liquidation procedure. Suggest discussion with Roger Williams of Treasury Department now in Tokio in office of Civil Property Custodian.

War 90769
(28 Jan 47)

ak 820

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

RESTRICTED

NO. 64

Office Memorandum · UNITED STATES GOVERNMENT

DATE: Jan. 6, 1947

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Attachment.

8 JAN 1947

Tel Foster
1500
8 Jan 47

RESTRICTED

ah 820

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Jan.
Dec. 6, 1946

Restricted

Routine

SCAP

Action

D/PO: Mr. Petersen; CAD State; CAD

From WDSCA. Recurad War 87591, 12 December 1946.

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State and Treasury favor unblocking in your discretion of sum in question, if it can be made available from any portion of account which did not originate from Indo Chinese activities in support of the Japan war effort. Request reply soonest to permit answer to French.

/ See re-draft of 12/31/46 /

ah 820

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Jan. 6, 1947

Col. R. H. Chard, Executive Officer, CAD

C. C. Hilliard, A-H

Unblocking of Yen Funds for Support of French Charitable Institutions in Japan.

Enclosed is a draft cable to SCAP on the above subject. The Treasury Department (Mr. Lipsman) has concurred in this draft cable.

Will you kindly obtain War Department concurrence for this cable and let me know. If any questions arise please call me on State Department extension 3657.

Attachment.

A-H:CCHilliard:eg

ah 820

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

McDermott

STANDARD FORM NO. 64

Office Memorandum · UNITED STATES GOVERNMENT

DATE: January 2, 1946 7

TO : FN - Mr. McGuire

FROM : FA - James W. Gantenbein

SUBJECT: Letter of December 26, 1946 from Mr. Sidney Schneider.

The attached letter is referred to FN for whatever action may be deemed appropriate.

Referred to JK on Jan. 6, 1947.
MacG

FA:JRFriant:im

DIVISION OF JAPANESE AND KOREAN
ECONOMIC AFFAIRS
DEPARTMENT OF STATE

JAN 7 - 1947

reply drafted 1/13/47
JK (OJM)

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

TELEPHONE CENTRAL 7473

SIDNEY SCHNEIDER
ATTORNEY AT LAW
11 SOUTH LASALLE STREET
CHICAGO

December 26, 1946

DIVISION OF FOREIGN SERVICE ADMINISTRATION
DEC 30 1946
DEPARTMENT OF STATE

Luke W Finlator
12/27/46

American Property Section
Division of Foreign Service Administration
Department of State
Washington, D.C.

Gentlemen:

I represent Thelma E. Kanematsu of Phillipsburg, Kansas, who in January of this year returned to the United States from Japan.

Mrs. Kanematsu is a Native American and was married to Shigeo Kanematsu, a Japanese, with whom she lived in Osaka, Japan until he was taken into the Japanese Army and while in service lost his life in the South China Seas in September of 1944.

While a resident in Japan, she had a joint savings account in the Yokahoma Specie Bank at Yokahoma, Japan containing approximately 30,000 Yen.

On behalf of my client I would appreciate your advising me what steps, if any, must be taken to obtain a conversion of this money and what value, if any, the Yen has at this time.

Yours very truly,

Sidney Schneider

SIDNEY SCHNEIDER

SS:mjc

FILED
JAN 2 1947
CS/VL
894.5151/12-2646

drafted reply 1/13/47 (not sent)

DIVISION OF FINANCIAL AFFAIRS
Referred to VK for action
JAN 3 1947
DEPARTMENT OF STATE

DCR OFD Unit
Anal. JR
Rev. JS
Cat. DMM
Dist.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

JAN 21 1947

894.5151/12-2646

In reply refer to
JK

My dear Mr. Schneider:

Reference is made to your letter of December 26, 1946, addressed to the American Property Section, Division of Foreign Service Administration, Department of State, which has been referred to this Division for reply. You state that your client, Mrs. Kanematsu, a native American, has a joint savings account in the Yokohama Specie Bank at Yokohama containing approximately 30,000 yen.

You do not specify in your letter whether the co-owner of this joint account was her deceased husband. If this is the case, and if the account is now entirely the property of your client, the sum involved is subject to the blocking controls which the Japanese Government has imposed on all property in Japan owned or controlled by persons outside of Japan. No transactions in or transfers of such property are permitted, except with special permission of the Supreme Commander for the Allied Powers. No foreign exchange transactions involving the conversion of Japanese yen into dollars or other foreign currencies are permitted at the present time. Japan has no foreign exchange assets which are available to effect such conversions, and even after a commercial rate of exchange for the Japanese yen is established, which action is not foreseen in the near future, the conversion of bank balances in Japan into foreign currencies will probably be subject to fairly comprehensive exchange controls.

If, as you intimate, however, the account is owned by an American citizen, the Japanese Government has been directed by General MacArthur to preserve and protect this property, as in the case of all property in Japan owned by nationals of members of the United Nations.

Sincerely yours,

Edwin M. Martin, Chief,
Division of Japanese and Korean
Economic Affairs.

FOR OFD ONLY
Init. JK
Rev. By mm
Dist.
JAN 21 1947

Mr. Sidney Schneider,
Attorney At Law,
11 South LaSalle Street,
Chicago, Illinois.

JK:OJMcDiarmid:mw 1/13/47

A true copy of the signed original.

894.5151/12-2646
CS/WA

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

TELEPHONE CENTRAL 7473

SIDNEY SCHNEIDER
ATTORNEY AT LAW
11 SOUTH LASALLE STREET
CHICAGO

January 15, 1947

DEPARTMENT OF STATE
Noted
See Dept
Ltr
SK:OJM McDermid
Ltd Jan 21-47

American Property Section
Division of Foreign Service Administration
Department of State
Washington, D.C.

Gentlemen:

On December 26, 1946 I addressed a letter to your section relative to my client, Thelma E. Kanematsu's deposit of approximately 30,000 yen in the Oklahoma Specie Bank at Yokahama, Japan and requested information as to its value and the means by which this money can be converted. Up to the present time I have had no reply to my said letter.

I would greatly appreciate that someone in your department take some action in response to my letter so that I can properly advise my client as to the steps to be taken in the matter.

I expect that this letter will be answered promptly.

Yours very truly,

SIDNEY SCHNEIDER

SS:mjc

894.5151/12-2646
OFP
FLH
CMC
Anal.
Rev.
Cat.
Dist.
FILED
SEP 29 1949
24 1/21/47 JKF AM
894.5151/1-1547
S Kanematsu, Thelma E.
CS/H
894.5151/1-1547

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Ins Corliss — FN

DC/R

CHEMICAL BANK & TRUST COMPANY

165 BROADWAY

NEW YORK

to FN for 392.1. 1/24

LEGAL ADVISER
JAN 24 1947
DEPARTMENT OF STATE

SPECIAL PROJECTS DIVISION
JAN 20 1947
SENT TO DSR FOR INDEXING
DEPARTMENT OF STATE

January 17, 1947

Department of State
Washington, D. C.

Attention: Special War Problems Division

Gentlemen:

We have received from our depositor, Royal Bank of Scotland, London, England, various coupons due July 1, 1940, January 1, 1941 and July 1, 1941 detached from Imperial Japanese Government 5½% bonds of 1930.

We understand from instructions for form APC-1C that citizens of the United States or the Philippine Islands may claim from the Office of the Alien Property Custodian payment of coupons due prior to December 1, 1941. However, we are wondering if any provision has been made to take care of these coupons that are held by English residents. We would therefore appreciate any information you may furnish us in connection with the coupons described above.

Very truly yours,

J. J. Wright

J. J. Wright, Department Head,
Coupon Collection Department

JJW:EF

5
RECEIVED
DEPARTMENT OF STATE
1947 JAN 21 AM 11 07

DC/R
RECORDS BRANCH

DCR OFD Unit
FOB
Re
Init
Dist

DIVISION OF FINANCIAL AFFAIRS
Ack. FN:Mr. Corliss
2-6-47
JAN 27 1947
Reply drafted FN: JCorliss:gw. 2-27-47
DEPARTMENT OF STATE

MAY - 6 1947

894.5151/1-1747

DS/R

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

APR 30 1947

In reply refer to
FN 894.5151/1-1747

894.5151/1-1747

My dear Mr. Wright:

Reference is made to your letter of January 17, 1947, and to the Department's acknowledgment of February 6, 1947, regarding payments by the Office of Alien Property to English residents of coupons maturing prior to December 1, 1941, said coupons pertaining to Japanese Government bonds.

The Department regrets that it is not in a position to interpret the extent of the powers of the Office of Alien Property relative to disbursements by that office. It is suggested that the English residents to whom you refer communicate directly with the Office of Alien Property, and inquire whether that office is prepared to make payments upon coupons maturing prior to December 1, 1941, held by them.

Sincerely yours,

DIVISION OF JAPANESE AND KOREAN ECONOMIC AFFAIRS
DEPARTMENT OF STATE
APR 28 1947

CS/V

James C. Corliss, Assistant Chief
Division of Financial Affairs

OCR - OFD Unit
Init.
Dist

Mr. J. J. Wright, Department Head,
Coupon Collection Department,
Chemical Bank & Trust Company,
165 Broadway,
New York, New York.

APR 30

FN:JCCorliss:yw 4-17-47 OFD

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

DEPARTMENT OF STATE
RECEIVED
JUL 11 1949
DIVISION OF
COMMUNICATIONS AND RECORDS

ASSISTANT SECRETARY
A-H
JAN 23 1947
GENERAL HILLDRING
DEPARTMENT OF STATE

SECRET

WAR DEPARTMENT
WAR DEPARTMENT SPECIAL STAFF
CIVIL AFFAIRS DIVISION
WASHINGTON 25, D. C.

12-1646

22 January 1947

See 894.5151

MEMORANDUM FOR THE ASSISTANT SECRETARY OF STATE FOR OCCUPIED AREAS
(Attention: Mr. Warde H. Cameron)

SUBJECT: Use Of Export-Import Funds For Reorientation

1. Inclosed herewith is a revised draft cable in reply to CINCAFPAC cables No. C 68100, dated 12 December 1946 (CM-IN 2005, dated 13 December 1946), and No. C 68451, dated 23 December 1946 (CM-IN 3754 dated 24 December 1946).

2 cards
Page #2

2. This revised draft differs from the draft forwarded for comment on 2 January 1947, in that it refers to WARX 89587, January, on the subject of funds deposited in the trust fund receipt account. Request that the previous draft be disregarded. Comments on this revised draft cable are requested.

FOR THE CHIEF, CIVIL AFFAIRS DIVISION:

R. H. Chard.

R. H. CHARD
Colonel, GSC
Executive

1 Incl
1 Revised Draft Cable

ACP. OED UNIT
Incl. PLH
Rev.
Cor.
Dist.

894.5151/1-2247

FILED
894.5151/1-2247
JUL 11 1949
CSM
SECRET FILE

SECRET

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

SECRET

22 January 1947

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FOR THE CHIEF, CIVIL AFFAIRS DIVISION:

R. H. CHARD
Colonel, GSC
Executive

1 Incl
1 Revised Draft Cable

MAY MAILS

SECRET

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

SECRET

REVISED DRAFT CABLE

Reurads C 68100, C 68451, Dec 46 and recurads W 89587 Jan 47, W 84148 Oct 46

1. Insufficient export trust funds preclude payment any portion costs of news services U. S. to Japan since your supply requirements category 2 exceed cash balance trust fund recurad WX 89587 January. Unless you are agreeable to apportion cash balance so as to partially cover news service costs with resultant curtailment essential goods imports, no other dollar funds are available this purpose. Increasing requests new media, including Chicago Sun Syndicate and Crowell Publishing Company, make imperative immediate decision from you.

2. Under foregoing conditions best solution would be to (a) continue policy provisions for operation of news services in Japan as prescribed by WAR 89373 May 46 under which subject services must be priced in yen and paid in yen with no conversion privilege, and (b) permit news agencies to use yen from sale of services in Japan for payment Jap carrier share traffic charges U. S. to Japan or Japan to U. S. in addition to other authorized yen expenses incurred from dissemination of incoming news or from collection of outgoing news. This together with the value of news collected for sale outside Japan should be adequate reimbursement to news services.

3. Suggest adamant attitude towards news services concerning any responsibility of War Department to convert yen into dollars or to pay dollars from appropriated or export trust funds under Treasury licenses. Further it should be pointed out that the news sent out Japan has dollar value similar to commodity exports whose sales bring dollar funds to credit export trust account for essential Jap import purchases.

SECRET

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

4. In event future balances export funds permit dollar payments for cost incoming news, then news services should be prepared to pay dollars for all expenses and costs entering into outgoing news if satisfactory accounting controls can be devised in accordance Part 3 urad C 65483. Meanwhile proposal in paragraph 2 is maximum consideration under present circumstances and no deviation should be permitted either here or in Japan.

5. Understanding here is news agencies have been fully advised your policy of non-conversion yen into dollars at outset their operations in Japan. Please confirm.

6. Reurad C 68100 Part Two: Pars. A, B, & E, it is believed that this plan should include reorientation and cultural media now licensed, and those which may be licensed later, upon approval by SCAP, with payments to be made on a prorata share basis within the million dollar ceiling, as approved by SCAP, on the condition that export balances are apportioned for this purpose.

7. Par. F, Request that you make the release of information on this subject available for WD comment at least 72 hours prior to your release date.

8. Par. G, Reurad C 68451, dated 23 December 1946: No objection.

AR 9-8

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

January 9, 1947

MEMORANDUM FOR FILES

SUBJECT: Letter to Foreign Funds Control:
Clearance of Applications for Licenses
to Effect Remittances to Japan.

The subject letter was prepared in JK for the purpose of informing Foreign Funds Control, Treasury Department, of the Department's views in general outline regarding the treatment to be accorded applications filed with the Treasury for licenses to effect remittances to Japan. It is in response to inquiries made by telephone by the Remittance Section of Foreign Funds Control with respect to a number of specific applications which are pending with the Treasury.

JK:RBParke:mw
ojm

FW 811.5151/768 MD 1-2347

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

JAN 22 1947

In reply refer to
JK

My dear Mr. Richards:

In connection with the reestablishment of remittance facilities between the United States and Japan, Foreign Funds Control recently has brought to the attention of this Department a number of applications involving the remittance of funds from the United States to Japan with a view to determining the treatment to be accorded such applications.

It is the view of this Department that to the extent that proceeds of remittances to Japan are intended for purposes not detrimental to occupation policies and not likely to disrupt the internal economy of Japan or jeopardize the political development of Japan along democratic lines, remittances should not be discouraged in the interest of producing foreign exchange which is needed to meet Japan's essential import requirements, and which is at present largely supplied by this Government. The Supreme Commander for the Allied Powers in Japan has the ultimate responsibility and authority to determine the conditions and circumstances under which remittances to Japan may be effected. It would be the intent of this Department, therefore, to weed out and prevent those types of remittances which obviously would not be acceptable to the Supreme Commander for the Allied Powers in Japan.

The following considerations are offered as a guide with respect to the action this Department believes should be taken on those applications which do not appear to fall within the categories provided for in the cable dispatched to the Supreme Commander for the Allied Powers in Japan under date of November 21, 1946 (No. W-86109), a copy of which is no doubt in your possession. It is understood that on the basis of that cable, Foreign Funds Control has issued to the National City Bank of New York, New York City, a new blanket license authorizing remittances of the nature envisaged therein.

In

Mr. John S. Richards,
Acting Director,
Foreign Funds Control,
1406 G Street, N.W.,
Washington, D. C.

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In general, this Department would interpose no objection to the granting of licenses without specific consultation in each case to recognized religious, charitable and educational organizations for the remittance of funds to Japan through the commercial facilities presently available, provided the amounts involved and the purposes for which the funds would be used appear to be reasonable and consistent with the objectives of the occupation. On the other hand, this Department at present would withhold its approval of any remittance to Japan involving foreign investments in Japan and the continuation or promotion of activities which cannot be engaged in on a general basis, except in cases where such activities have already had the specific approval of the Supreme Commander for the Allied Powers in Japan. With respect to applications for licenses filed by business or financial concerns, or by private individuals to effect remittances to Japan for other than charitable, educational or religious purposes, it would be appreciated if this Department were informed of such applications before action on them is taken.

Sincerely yours,

Hamilton Robinson
Director
Office of Economic Security Policy

A true copy of the signed original.

JK:RBParke:mw 1/9/47 A-H EN JA

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JAN 22 1947

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Cable Address: "FORMISCON, N. Y." Cable Code: Missions

Phone: CHelsea 2-3230

Foreign Missions Conference
of North America

156 FIFTH AVENUE, NEW YORK 10, N. Y.

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SUE WEDDELL
WINFRED P. ELSON
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Christian Medical Council For Overseas Work
E. H. HUME, M.D.
DOUGLAS N. FORMAN, M.D.
East Asia Committee (including China, Korea and Japan)
REV. ROWLAND M. CROSS
Europe Committee
DR. WYNN C. FAIRFIELD
India Committee
MISS SUE WEDDELL
Latin America—Committee on Cooperation in
DR. W. STANLEY RYCROFT
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MR. JOHN H. REISNER
Treasurers' Committee
MR. W. P. ELSON
MR. RALPH M. WHITE
(Transportation)
World Literacy and Christian Literature—Committee on
REV. ALFRED D. MOORE

February 5, 1947

The Honorable George C. Marshall
Secretary of State
Washington, D.C.

Dear Sir:

May I respectfully bring to your attention the action taken by the Foreign Missions Conference of North America at its Fifty-third Annual Meeting in Buck Hill Falls, Pa., on January 17, 1947, in which the Conference requests the Secretary of State to use his influence to effect an equitable and realistic rate of yen-dollar exchange in Japan. A copy of this action is enclosed on a separate sheet.

The Foreign Missions Conference of North America, composed of 123 Protestant Mission Boards in the United States and Canada, has a large work in both Korea and Japan and the relief and philanthropic work in these countries is seriously affected by the present rate of exchange.

We shall be grateful for your early attention to this request.

Sincerely yours,

Wynn C. Fairfield

wcf/e

894.515/2-547
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894.515/2-547
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DIVISION OF JAPANESE AFFAIRS FEB 17 1947 DEPARTMENT OF STATE
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Cable Address: "FORMISCON, N. Y." Cable Code: Missions

Phone: CHelsea .

Foreign Missions Conference
of North America

156 FIFTH AVENUE, NEW YORK 10, N. Y.

Secretaries for General Administration
WYNN C. FAIRFIELD
SUE WEDDELL
WINFRED P. ELSON
GLORA M. WYSNER

MARION ACKERSON
Accountant
FLORENCE GORDON
Editorial Assistant

February 4, 1947

The following action was taken by the Foreign Missions Conference of North America at its Fifty-third Annual Meeting at Buck Hill Falls, Pa., on January 17, 1947:

Because we believe that there is no more important factor in the present attempt to democratize and rehabilitate the Japanese nation than the return of Christian missionaries and the re-establishment of Christian institutions, and

Because the return of missionaries and the re-establishment of Christian institutions is being seriously impeded by the present unrealistic yen-dollar exchange rate of fifteen to one, and

Being assured that an adjustment in the rate of exchange would not have a bad effect upon the internal economy of Japan and not deter the recovery of Japan's legitimate economic life,

The Foreign Missions Conference of North America in annual session at Buck Hill Falls, Pa., January 17, 1947, requests the Secretary of State of the United States of America to use his influence to effect an equitable and realistic rate of yen-dollar exchange, and asks that the officers of the Foreign Missions Conference of North America communicate this request to the Department of State.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

FEB 25 1947

In reply refer to
JK 894.5151/2-547

My dear Mr. Fairfield:

Your letter of February 5, 1947 ~~addressed to the Secretary of State has been referred to the Office of Economic Security Policy for reply~~ has been received. You refer to the action taken by the Foreign Missions Conference of North America at its 53rd annual meeting on January 17, 1947, in which the Conference requested the Secretary of State to use his influence to secure the establishment of an equitable and realistic rate of exchange between the Japanese yen and the U.S. dollar in Japan. You indicated that the Foreign Missions Conference of North America's interest in this problem arises because of its relief and philanthropic work in Japan and Korea.

May I assure you that the Department of State and other interested agencies of the Government, as well as the Supreme Commander for the Allied Powers in Japan, are keenly interested in, and desirous of facilitating the work of the Foreign Missions Conference and similar religious and educational organizations in Japan and Korea. We also appreciate that the high prices which are attributable to the scarcity of goods, and general financial instability in those countries resulting from the war, have augmented the difficulties of the relief and philanthropic work which you desire to carry on.

In respect to the exchange rate, the Department of State and other interested agencies of the Government, ~~has~~ have the matter under careful

Dr. Wynn C. Fairfield, Chairman,
Secretarial Council,
Foreign Missions Conference
of North America,
156 Fifth Avenue,
New York 10, N. Y.

DCR OFD Unit

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

careful and immediate study at the present time, and although questions of considerable complexity and long run importance are involved, it is hoped that a satisfactory solution may be reached in the very near future.

Sincerely yours,

For the Secretary of State:

Edwin M. Martin,
Acting Director,
Office of Economic Security Policy.

ojm
JK:OJMcDiarmid:mw
2/13/47

OK
FEB 19 1947 P.M.
FEB 25 ... P.M

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

POSTAGE AND FEES PAID
DEPARTMENT OF STATE

894.5151/2-2747

LETTER TO TREASURY DEPT. ENCLOSING A STATEMENT OF UNITED STATES POLICY TOWARD THE REVISION OF YEN DOLLAR MILITARY CONVERSION RATE.

MARCH 4, 1947

TOP SECRET