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WAR DEPARTMENT
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1

SECRET TOT

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

From: SCAP, Tokyo, Japan

To : War Department for WARCOS

Nr : C 65403 21 September 1946

Reurad W 99219. Subject is proposed release of export funds for implementation of orientation program. Do not recommend at this time any relaxation in policy of non-convertability of yen funds accumulated here or of out-payment of dollar funds in trust for Japan in connection with services and cultural activities mentioned urad. Currently available funds urgently needed for commodities listed in Japanese civilian import requirements program, revision 1. Believe current appropriations will provide sufficiently for U.S. Cultural media at present. Will review at later date.

End.

ACTION: CAD

INFO: ASW, CAD (State), P&O, SSP, SWNCC, BUD

CM IN 4128 (21 Sept 46) DTG 210457Z ec

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SECRET IVI

From: OMGUS Berlin Germany sgd Clay

To: War Department for WDSCA

Info: USFET for G-5

Nr: CC 4045 20 September 1946

References: Our CC 2153, dated 20th August and CC 3017, dated 4th September.

For your information, during meeting held 13th September, Soviet member steadfastly refused to accept or to permit agreement quadripartitewise to accept those Germans from Denmark who were formerly residents of occupied Germany.

In order to obtain reaction of other members, United States member proposed conditionally to accept any or all persons from area east of Oder Neise. Although purpose of proposal was quickly discerned, Soviet member showed no reaction and continued to maintain his position that such could not be discussed until we were prepared to consider the whole world wide problem of returning persons to Germany who had been displaced because of the war. Other members of the directorate expressed no view whatsoever.

End.

NOTE: CC 2153 is CM IN 4655 (21 Aug) CAD
CC 3017 is CM IN 586 (4 Sept) CAD

ACTION: CAD

INFO: AS..: CAD (State): ID: P&O: S..NCC: CSA

CM IN 4042 (21 Sep 46) DTG 201106Z ed

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PRIORITY
RESTRICTED TOT

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

From: OMGUS Berlin sgd Clay

To: War Department for WDSCA ES

Info: WSA Bremen for Dunn

Nr: CC 3144 19 September 1946

1. Reurads August WX 98019, May WX-86428, May WX 86853, April WX-84577, March WX-82436, December WX-85965, ourads July CC-9779, June CC-7581. Subject is external restitution.

2. On advice in urad WX-98019 we shall act on assumption that liberated ships agreement is with UK only and does not commit US visavis Governments other than UK.

3. Urad WX-86853 amends WX-85965 to provide for restitution of seagoing vessels according to urad WX-84577, which states: "The ACC should undertake to return to their owners on proof of title vessels not of Germany nationality." This conflicts with ACC agreement in following respects:

A. Quadripartite definition of restttution makes no mention of ownership and does not require proof of title.

B. Quadripartite definition of restitution required that property must have been removed by force or otherwise from territory of claimant nation in order to be eligible for restitution. See Paragraph 4 of ourad CC 9779.

C. Quadripartite definition of restitution

CM-IN 4003 (21 Sep 46)

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RESTRICTED TOT
PRIORITY

From: OMGUS Berlin sgd Clay

Nr: CC 3144 19 September 1946

provides that "Control Council will deal on all questions of restitution with the government of the country from which such objects were looted," which was negotiated in Allied Control Authority as meaning that Control Council will not deal on questions of restitution with individuals, whether owners or not. In US Zonal procedure we deal only with governments, not with individuals.

D. On unilateral restitution to ex-enemies (for example Finland, which has several vessels on list G of Tripartite Merchant Marine Commission's report and at least 1 vessel now in Weser) see telecon Cheseldine-Cronan, 7 August and references therein. Same would apply to neutrals.

4. Above quoted provision in WX-84577 also conflicts with urad WX-86428 which excludes restitution to Latvia and Lithuania.

5. We have in fact restituted only 3 seagoing vessels. Recipients were Denmark and Holland and the cases qualified under both Quadripartite agreements and WX-84577. If you wish us to follow WX-84577 in all cases, including those listed in Paragraph 3 above, request explicit direction.

6. We follow WX-82436 and WX-86428 rather than Quadripartite agreements. Note that urad WX-86428 omits Esthonia. Soviet Restitution Mission, now in Hoachst for

CM-IN 4003 (21 Sep 46)

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PRIORITY

From: OMGUS Berlin sgd Clay

Nr: CC 3144 19 September 1946

regular duty, may perhaps submit claims for restitution to Soviet Government of property removed from territory of Latvia, Lithuania, or Esthonia. In cases of Latvia and Lithuania we will reject such claims and give as our reason that US Government does not recognize incorporation of those states into Soviet Union. Please advise on Esthonia.

End

NOTE: CC 9779 is CM IN 5657 (27 July) CAD
CC 7581 is CM IN 5181 (25 June) CAD

ACTION: CAD

INFO: ASW
CAD (State)
P&O
SSP
SWNCC
MarCom

CM-IN 4003 (21 Sep 46) DTG 192237Z ed

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SECRET IVI
PRIORITY

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

From: OMGUS Berlin signed Clay

To: War Department for WDSCA

Info: USFET

Nr: CC 3893 18 September 1946

Reference is made to cable W-93067 dated 30th June 1946 in which approval was given to ship the FIAT equipment as listed in GORC/P (46) 169 to the US.

Under date of 18th September 1946 a communication was forwarded to Russel Dorr, US Representative in IARA at Brussels, Belgium giving the valuation of these items with the request that appropriate charge be made against the US reparations account for the value of this equipment.

There follows a list of the items and the valuation of the equipment which is being shipped to the US:

Item Number	Reichsmark
136	1,319
137	21,104
138	13,240
139	12,084
140	17,000
141	10,000
142	12,500
143	2,765
144	23,360
145	1,480

CM-IN-3452 (18 Sep 46)

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WAR DEPARTMENT
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SECRET IVI
PRIORITY

From: OMGUS Berlin signed Clay

Nr: CC 3893 18 September 1946

Item Number	Reichsmark
146	6,599
147	is cancelled
148	4,320
149	20,000
150	20,000
151	13,750
152	15,959
153	13,097
154	24,704
155	12,000
156	6,000
157	2,336
158	is cancelled
159	is cancelled
160	8,500
161	88,200
162	25,000
163	858,888
164	5,922
165	23,745
166	1,219,347
167	300
168	14,400
169	18,600
170	26,000
171	12,000
172	is cancelled. End.

ACTION: CAD
INFO : CAD (State), P&O, SWNCC
CM-IN-3452 (18 Sep 46) DTG 180908Z vj

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WAR DEPARTMENT
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TOP SECRET

3232 TOP SECRET IVI

PRIORITY

PARAPHRASE NOT REQUIRED. HANDLE AS TOP SECRET CORRESPONDENCE PER PARAGRAPHS 51 (i) and 60 (s) AR 380-5.

From: SCAP, Tokyo, Japan

To: War Department for WDCSA

Info: CNO; CINCPAC; COMNAVJAP;

Nr: CX 65281 18 September 1946

Reourad CX 63790 dated 5th August 1946 again request action earliest. Reference lists forwarded with First Indorsement AG 560 (18th June 1946) GD, basic letter from COMNAVJAP to SCAP, subject: Division of Ex-Japanese Combatant Ships among the 4 Powers, dated 18th June 1946, following ships are now being scrapped to reduce navigational hazards and to clear fairways or facilities necessary to conduct work of occupation:

List A; D.D. Kamikaze and D. E. Kunashiri which have gone aground since lists were prepared;

List C: DES Amakusa and numbers 65, 74, and 59; PC number 42 and AM number 33. Lists should be corrected by deletion of ships named.

End.

CX 63790 is CM-IN 1741 (8 Aug) Gen Norstad

ACTION: Gen Norstad

INFO : Gen Spaatz, Adm Leahy, Mr Petersen, Gen Echols, Gen Chamberlin, Adm Nimitz, Col Fields (SWNCC), JCS, CSA

CM-IN 3415 (18 Sep 46) DTG 180841Z svc

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SEP 18 1946

CONFIDENTIAL IVI

PRIORITY

From: Office of Mil Govt for Germany sgd Clay

To: War Department for WDSCA

Info: USFET

Nr: CC 3769 16 September 1946

Reurad WX-80338. I agree that a revision of JCS 1067 series into a new policy statement is desirable and that this statement should be positive in character. However, I am doubtful if it should be sufficient detail to cover all operational requirements.

I would suggest that secretary's speech at Stuttgart be taken as a basis for positive policy statement. My own views have been expressed in the statement mailed to General Echols 19th July, except as certain statements therein, particularly relating to boundaries, have been clarified by the secretary's speech.

I hope that the new statement will be short and concise as compared to JCS 1067 series. I would suggest a short concise policy statement covering general principles which could be placed in the hands of military government personnel and the occupational forces so they could become fully familiar with its context. This statement might well be accompanied by a second but separate statement giving the justification for United States policy.

If each subject-paragraph in the policy statement were numbered, implementing directives could be issued in series for each subject as necessary to mean existing con-

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CONFIDENTIAL IVI

PRIORITY

From: Office of Mil Govt for Germany sgd Clay

Nr: CG 3769 16 September 1946

ditions. For instance, our policy in the reeducation of the German people through the utilization of liberal minded Germans into a more democratic and liberal philosophy of life could be expressed in one short paragraph with the detailed reeducational policy recently given to us being considered as the implementing directive for the policy statement. In this way, we would always have an overall policy objective which would seldom require modification and the detailed interpretation of that policy could be modified by implementing directives without change in basic document.

The secretary in his speech did not define our policies with reference to the following: External assets; internal restitution; freedom of press, speech and radio; treating agriculture on a uniform basis for Germany as a whole; the full prosecution but quick completion of trial of war criminals; the breaking up of excessive economic concentrations; the relaxation of restrictions limiting external trade; and the redistribution of land to aid in the resettlement of refugees. It is believed that the new policy statement should cover these points also. If desired, prior to promulgation, this office would be glad to send representatives to Washington to express its views.

End.

ACTION: CAD
INFO: AAF, ASW, ID, P&O, CSA.

CM-IN 3060 (17 Sep 46) DTG 161140Z fwl

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SECRET TOT

PRIORITY

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

From: GHQ SCAP Tokyo

To: War Department

Nr: C 65193 15 September 1946

Reourad C-64436 and reurad W-99017 comments on comprehensive Pauley report dispatched from here this date via ir courier.

End.

NOTE: C 64436 is CM IN 5188 (23 Aug) CAD

ACTION: CAD

INFO : ASW, CAD (State), P&O, SWNCC, CSA

CM IN 2872 (15 September 46) DTG: 150945Z bfr

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

From: GHQ SCAP Tokyo

To: War Department for WDSCA

Nr: C 65165

14 September 1946

Reurad W 92637 exportable metal surpluses from Japan are available in qualities and quantities in metric tons as indicated:

Distilled zinc	98.5%	15,000
Mercury	99.9%	100
Cobalt	97.0%	60
Metallic Manganese	99.0%	30 tons
	95.0%	125 tons
Magnesium	98.8%	600
Aluminum	none	

End

ACTION: CAD

INFO : ASW, ID (State), P&O, SSP, SWNCC

CM-IN-2685 (14 Sep 46) DTG 140009Z svc

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SECRET IVI

PARAPHRASE NOT REQUIRED. HANDLE AS SECRET CORRESPONDENCE PER PARAS 511 and 60a, AR 380-5

From: CG, USFET, Frankfurt Germany sgd McNarney cite ETGEC

To : War Department for WDSCA

Info: CG, USFA, Vienna, Austria

Nr : S-3715 14 September 1946

References are WX-97352, 14th August 46, WX-99793, 9th September 46, and WX-99910, 11th September 46, subject is elimination of London-Polish influence.

1. All Polish welfare officers, some of whom are ex-London Poles and the majority ex-RAMPS, will have been relieved from official status in the US Zone Germany by 15th September 46. Ex-London Officers are being returned to London and ex-RAMPS to whom quoted report referred as "Veterans of Nazi slave labor camps" are being discharged to the status of United Nations displaced persons: those eligible for such care will be maintained in " hard core" camp.

2. 18 additional (Warsaw) Polish Liaison Officers for repatriation were authorized on 12 August. Of these the majority are being recruited by Warsaw representatives from ex RAMPS and displaced persons in this Zone. Written confirmation that these new officials are accredited by the Polish Government has been requested. For your information four of these newly proposed officials are former welfare officers, one of whom is actually ex-London, and all four were in the process of being transferred to a hard core camp or returned to London as directed. Consideration is being given to inviting an additional group of possibly 15 officials and it

CM IN 2855 (15 Sept 46)

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SWNCC 38

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SECRET IVI

From: CG, USFET, Frankfurt Germany sgd McNarney cite ETGEC

Nr: S-3715 14 September 1946

can be expected that some of these too will be recruited from ex-welfare officers. If written accreditation from Warsaw Government is secured, do provision of your WX-97352 permit their accreditation here?

3. Report requested in your WX-97352 will be forwarded within 2 weeks.

4. Interpretation of WX-97352 in WX-99793 was understood.

End.

ACTION: CAD
INFO : ASW, CAD (State), P&O, SWNCC

CM IN 2855 (15 Sept 46) DTG 141702B mec

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1

PRIORITY

SECRET TOT

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

From: OMGUS, Berlin, Germany sgd Clay

To: War Department

Info: USFET Frankfurt, Germany

Nr: CC 3616

13 September 1946

Supplementing our cables CC 8378 dated 6 July 1946 and CC 1283 dated 6 August 1946 equipment with estimated value of 1,214,000 reichsmarks were removed by French from 5 dispersal plants of Vereinigte Kugellagerfabriken AG Cannstadt French Zone. Equipment the property of Maschinen and Schleifmittelwerke AG Offenbach main with estimated value of 300,000 reichsmarks were removed by French from the firm Freiburger Maschinenfabrik GMBH Frieburg French Zone.

Reference WX 96545 request this Headquarters be advised of results obtained by State Department to stop further unauthorized removals of equipment from industrial plants by the French.

End.

NOTE: 8378 is CM IN 1147 (6 Jul 46) CAD
1283 is CM IN 1253 (6 Aug 46) CAD

ACTION: CAD
INFO : AAF, ASW, CAD (State), ID, P&O, SWNCC, CSA

CM IN 2504 (13 Sept 46) DTG 130948Z mec

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SECRET TOT
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CORRESPONDENCE PER PARAS 51i and 60a AR 380-5

From: GHQ SCAP Tokyo Japan

To: War Department for WARCOS for WDSCA GO for info pass to Sec State

Nr: C 65162 Atcheson's 402 13 September 1946

Subject is Nationality and Treatment of Formosans.

We received WAR 99622 just as we were about to lay before Department various considerations in regard to Formosans here and their activities which are causing much concern to this headquarters.

1. There are some 20,000 Formosans in Japan of whom large numbers have for long constituted unruly element of the population. They have been engaging in blackmarket activities in defiance of Jap Police and also have fights with Korean and Jap blackmarket dealers. It is estimated that 80 percent of blackmarket operations which have had such severe adverse effect on price and food distribution controls have been conducted by Formosans and Koreans. Both elements are unruly and belligerent and there is one blackmarket section in Tokyo in which Japanese Police are afraid to enter unaccompanied *by Military Police.

See CM-IN 2841

2. Early in July following police action to clear out blackmarket stalls in ** Tokyo there occurred shooting fray between several truckloads of Formosans and some Japanese Police resulting * both sides (see our despatch 595 September 9). At request of Chinese Mission Formosans arrested in

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SECRET TOT

From: GHQ SCAP Tokyo Japan

Nr: C 65162 Atcheson's 402 13 September 1946

connection this incident were transferred from Jap jurisdiction to 8th Army for trial by special commission which is to include Chinese member. Formosans arrested have not been registered with Chinese Mission as Chinese Nationals but all were given strong diplomatic protection by Chinese Mission.

3. Up to time of Chinese announcement of conserving of Chinese Nationality on all Formosans in Japan, it has been governmentally approved policy that Formosans and Koreans who refused repatriation be accorded treatment as Japanese. As a practical matter occupation authorities are not equipped to set up mixed commissions to handle all Formosan blackmarket and other criminal cases and as blackmarket dealings are offenses against the occupation they would seem logically to fall under the jurisdiction of American Occupation Courts, especially as projected Chinese Occupation Force has not arrived and there are no Chinese Occupation Courts.

4. I have discussed entire question with Ambassador Chu Shih-Ming, head of the Chinese Mission. I asked him what plans Chinese Government had for repatriation Formosans and pointed out that American and other foreign nationals not engaged in occupational duties had in general been repatriated. I asked him if Chinese Government would support Formosans losing legitimate means of earning livelihood. I asked him also what category of persons falling under general term

CM-IN 2749 (14 Sep 46)

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SECRET TOT

From: GHQ SCAP Tokyo Japan

Nr: C 65162 Atcheson's 402 13 September 1946

"Taiwanese" were considered by Chinese Government as entitled to Chinese nationality, that is, whether Chinese nationality is to be afforded to persons of Formosan descent having been born in Japan, to Formosans (of whom there are many) who actively collaborated against Allies during the war, to Formosans with criminal records and to those possessing no legitimate means of support. I mentioned that Formosans driven out of black market activities are charge upon Jap Govt for support and contribute to increase food shortage which we are of necessity alleviating by shipment of food from United States.

5. General Chu said that it was planned eventually to repatriate most of the Formosans; that it had not been possible to register but a small number of them; that Chinese nationality would not be accorded all of them; that at T V Soongs instance Bayne now visiting Tokyo was going to discuss with SCWU officials question of changing exchange rate in order that Formosans to be repatriated might liquidate property holdings etcetra without loss. My impression was that Chinese Govt has no definite plans for repatriation Formosans, no open intention of supporting those who will need support if black market can be eliminated, no clearcut idea as to what Formosans may properly be accorded Chinese nationality, and although some effort is being expended to influence them to cease blackmarket et cetera activities.

CM-IN 2749 (14 Sep 46)

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SECRET TOT

From: GHQ SCAP Tokyo Japan

Nr: C 65162 Atcheson's 402 13 September 1946

SaC'M-In 2841

6. Strict application of recent directive that units * restrained or taken into custody by Japanese Police will, if all Formosans are to be treated as United Nations Nationals, have disastrously adverse effect upon police morale which has already suffered greatly because of Formosans and diplomatic protection extended to them by Chinese Mission. What is in effect resulting is that Formosans enjoy a kind of extra territoriality and many claim Chinese nationality merely for sake of obtaining protection of Chinese Mission.

7. Before communicating substance of WAR 99662 to Japanese Govt and to implementing stipulation therein, it is requested that SWNCC review entire question of nationality of Formosans and that Dept may wish to discuss matter with Chinese Govt.

8. While we would not question Chinese Govt unilateral declaration regarding nationality of Formosans so far as it may concern Formosans under exclusive Chinese jurisdiction, we wonder whether Chinese Govt can appropriately expect its declaration to override domestic law in an area not under exclusive Chinese jurisdiction and to extend definitely over all Formosans in Japan. We would also wish to emphasize the practical aspect of the problem, namely, that the occupation forces *** to set up mixed commissions, handle bail or enter into any special arrangements for so

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SECRET TOT

From: GHQ SCAP Tokyo Japan

Nr: C 65162 Atcheson's 402 13 September 1946

large a group of aliens; that to substitute Military Police for Japanese Police would require the assignment here of large number of additional troops; and the Japanese Police are incapable of maintaining peace and order unless they are given authority necessary to *.

End.

* Being serviced.

Note: 595 not identified in SMC.
WA 99662 (Pg4) believed wrong reference.

ACTION: CAD

INFO: ASW, ID (State), P&O (Col Carter), SWNCC, CSA.

CM-IN 2749 (14 Sep 46) DTG 131257Z fwl

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SECRET TOT

PARAPHRASE NOT REQUIRED. HANDLE AS SECRET CORRESPONDENCE
PER PARAS 51 (i) and60 (a) AR 380-5

SUPPLEMENTARY COPY

From: SCAP Tokyo, Japan

To: War Department for WARCOS pass SECSTATE, to WDSCA-GO for info

Nr: C 65162 13 September 1946
This is Atcheson's 40 Sept 10.
Please correct page 1 line 13 thru 19 to read:

Both elements are unruly and belligerent and there is one blackmarket section in Tokyo in which Japanese police are afraid to enter unaccompanied by Military Police.

2 Early in July following police action to clear out blackmarket stalls in Chibuya district of Tokyo there occurred shooting fray between several truckloads of Formosans and some Japanese police resulting in fatalities both sides (see our despatch 595 September 9).

Please correct page 4 line 1 and 2 to read:

6 Strict application of recent directive that United Nations nationals may not be restrained or taken into custody by Japanese police.

Please correct page 4 line 23 to read:

that the occupation forces are not equipped to set up mixed commissions,

Please correct page 5 last line to read:

are given authority necessary to do so.

End

Note: Supplementary copy of CM IN 2749 (14 Sept) CAD
ACTION: CAD
INFO: ASW, ID (State), P&O (Col Carter), SWNCC
CM IN 2841 (15 Sept 46) DTG 131257Z ec
SECRET

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WAR DEPARTMENT
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INCOMING CLASSIFIED MESSAGE

RESTRICTED TOT

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

From: GHQ SCAP, Tokyo, Japan

To: War Department for WARCOS

Nr: C 65059 11 September 1946

Item 1: Reurad August W-99040 request verification that VLF (10 word minimum) and EFM service is not available to Papeete Tahiti, New Caledonia, Suva Fiji and Samoa. If FFM service available please advise rate.

Item 2: Reurad May WCL 43181 and your air mail letter dated 20 June subject "EFM and SCM Service, Pacific Theatre". Request verification that EFM and VLF service is available to Alaska, Virgin Islands (Saint Thomas), Panama Canal Zone, Guam and Midway. Request complete rates for service Japan to Guam, Midway and Panama Canal Zone be forwarded. Establishment service to United States possessions and military bases delayed pending receipt of requested information.

End

ACTION: CAD

INFO: ASW, CAD (FCC), ID, P&O, TAG, SIG, SWNCC.

CM-IN 1935 (11 Sept 46) DTG 111013Z fwl

RESTRICTED

67

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WAR DEPARTMENT
CLASSIFIED MESSAGE CENTER
INCOMING CLASSIFIED MESSAGE

PRIORITY
SECRET TOT
PARAPHRASE NOT REQUIRED. HANDLE AS SECRET CORRESPONDENCE
PER PARAS 51i and 60a. AR 380-5.

From: CG USFA Vienna cite PASGS

To: War Department for WDSCA

Nr: P-3741 10 September 1946

Interim reply reference urad WX 99374 all indications ourads P 7905 dated 4 May, P 9846 22 June, and P 1703 24 July point toward diminishing Austrian interest United States raw cotton balance 1946 and early 1947. This conclusion further confirmed by our current statistical investigations. Indicative of foreign interest in Austrian cotton marked, Switzerland has exported into the French Zone Vorarlberg, 2,500 tons of cotton, French industrial firms about to sign contracts with Austria for 500 tons of cotton and one of lesser importance for 35 tons. Terms of cotton offers by countries other than United States have been more attractive than United States offers. Also, grades of cotton from such sources better than offered United States grades. Austrian Chamber of Commerce instructing New York representative De Brun to continue connections with Neuss Hesslein and to make arrangements for acceptance of orders only for second half of year 1947. However, it is considered here that this later position is not necessarily conclusive. In compliance with your advice have arranged early meeting with textile association Austrian Trade Ministry and financial interests. This matter will be pressed most urgently. Propose to recommend $3,000,000 cotton loan export-import bank and plans for delivery selected quality United States cotton as early as Austrian industry can absorb ~~substantial~~ tonnage. Will report soonest Austrian reaction. We assume reference cable modifies position relative Stateximp loan reference SecState 555 13 June cautioning against requests addition to export import applications.

NOTE: P 7905 not identified in SMC
P 9846 is CM IN 2909 (13 June) CAD
P 1703 is CM IN 5324 (25 July) CAD
555 not identified in SMC

ACTION CAD

INFO: ASW: CAD (State): P&O: SWNCC
CM-IN 1851 (11 Sep 46)

SECRET

SWNCC SECRETARIAT
State Member
War Member
Navy Member
Ass't State Member
Ass't Army Member
Ass't Navy Member
Executive Secretary
Ass't Exec. Secretary
State Adm. Asst.
Army Adm. Asst.
Navy Adm. Asst.
File

End

DTG 101140B ed

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INCOMING CLASSIFIED MESSAGE

SECRET TOT

PRIORITY

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

From: GHQ SCAP, Tokyo, Japan

To: War Department for WDSCA PE

Nr: C 65019 10 September 1946

Reurad W 99343 no commitment nor request for Heseltine has been made by this Headquarters previously stated in ourad C 64260. No question exists or has existed the staff in to which Mr Heseltine could be integrated under the terms of ourad ZA 16039, therefore, he is not acceptable in this capacity. There is no objection to Mr Heseltine personally, and if it is desired to include him as a member of the British 5 man delegation mentioned in ourad C 64343, he will be acceptable.

End.

Note: C 64343 not identified in SMC
ZA 16039 not identified in SMC

ACTION: CAD

INFO : ASW
CAD (State)
P & O
SWNCC

SEP 11 1946

SWNCC SECRETARIAT

State Member	
Army Member	
Navy Member	
Ass't State Member	
Ass't Army Member	WDS
Ass't Navy Member	------
Executive Secretary	------
Asst. Exec. Secretary	------
State Adm. Assistant	jjf
Army Adm. Assistant	------
Navy Adm. Assistant	------
File	------

CM-IN-1724 (10 Sep 46) DTG 100945Z

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CLASSIFIED MESSAGE CENTER

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RESTRICTED TOT

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

From: GHQ SCAP Tokyo Japan

To: War Department for WARCOS

Nr: C 65014 10 September 1946

Reurad W 99219. Action pending, will reply earliest.

End.

SWNCC SECRETARIAT

State Member	------
Army Member	------
Navy Member	------
Ass't State Member	------
Ass't Army Member	------
Ass't Navy Member	------
Executive Secretary	------
Ass't Executive Secretary	------
State Adm. Assistant	------
Army Adm. Assistant	------
Navy Adm. Assistant	------
File	------

SEP 12 1946

ACTION: CAD

INFO : ASW, CAD (State), P & O, SSP, SWNCC BUD

CM-IN-1720 (10 Sep 46) DTG 100935Z jjf

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WAR DEPARTMENT
CLASSIFIED MESSAGE CENTER
INCOMING CLASSIFIED MESSAGE

CONFIDENTIAL IVI
PRIORITY
PARAPHRASE NOT REQUIRED. HANDLE AS CONFIDENTIAL PERPARAS 51 (i) and 60 (a) AR 380-5

SWNCC SECRETARIAT

State Member	
Army Member	
Navy Member	
Ass't State Member	
Ass't Army Member	
Ass't Navy Member	
Executive Secretary	
Ass't Exec. Secretary	
State Adm. Assistant	
Army Adm. Assistant	
Navy Adm. Assistant	
File	

From: CG USFA Vienna Austria cite PASGS

To: War Department for WARCAD

Info: OMGUS Berlin, Germany

Nr: 3689

9 September 1946

Reference P-1266, P-0630, OMGUS CC-1031, WX-90450.

1. Release of Wertpapiersammelbank securities in Regensburg as last requested in P-0630 necessary in order to convert Austrian securities from mark to schilling as proposed in para 8 of P-1266 during United States chairranship in September.

2. Para 4 of OMGUS CC-1031 not understood here. According to German Control Council Law number 5, para 3, definition of "any person of German nationality outside Germany" shall not apply "to any citizen of any country annexed or claimed to have been annexed by Germany since 31 December 1937". Consequently Wertpapiersammelbank securities are not understood to be German assets either inside or outside of Germany and, therefore, GEPC has no claim. Russian view that securities are assets in Germany and are, therefore, under the jurisdiction of Zone Commander not considered relevant.

3. Para 6 of OMGUS CC-1031 should also not prevent release even if argument in para 2 this cable is not accepted. Release by United States Zone Commander, Germany to

CM-IN 1634 (10 Sep 46)

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CONFIDENTIAL IVI
PRIORITY

From: CG USFA, Vienna Austria cite PASGS

Nr: 3689 9 September 1946

United Zone Commander, Austria as proposed by US should not be construed by Soviets to be unilateral action.

4. Request immediate release of these securities.

NOTE: 1266 is CM IN 3482 (17 July) CAD
0630 is CM IN 322 (2 July) CAD
1031 is not identified in SMC

ACTION: CAD

INFO: ASW
CAD (State)
ID
P&O
SWNCC

CM-IN 1634 (10 Sep 46) DTG 091412Z ed

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WAR DEPARTMENT
CLASSIFIED MESSAGE CENTER

INCOMING CLASSIFIED MESSAGE

PRIORITY
SECRET TOT

PARAPHRASE NOT REQUIRED. HANDLE AS SECRET CORRESPONDENCE PER PARAS 51 (1) and 60 (a) AR 380-5

From: SCAP Tokyo

To: War Department (WDSCA ES)

Nr: C 64992 9 September 1946

Reurad W 99017, contents passed to Mr Peterson.

Part 1. Detailed industry by industry comments will be included in general comments on Pauley report as scheduled ourad C 64436.

Part 2. Personnel shortage here precludes sending permanent observer. Can send observer for period not to exceed 30 days, including travel time, if conference agenda so arranged as to make observer for such period of value.

End.

Notr:

Note: C 64436 is CM-IN-5188 (23 Aug)

ACTION: CAD

INFO : ASW
CAD (State)
P & O
SWNCC
CSA

SWNCC SECRETARIAT

State Member	
Army Member	
Navy Member	
Ass't State Member	
Ass't Army Member	
Ass't Navy Member	
Executive Secretary	
Ass't Exec. Secretary	
State Adm. Assistant	
Army Adm. Assistant	
Navy Adm. Assistant	
File	

CM-IN-1494 (9 Sep 46) DTG 091245Z jjf

SECRET

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WAR DEPARTMENT
CLASSIFIED MESSAGE CENTER

INCOMING CLASSIFIED MESSAGE

SWNCC SECRETARIAT

State Member	
Army Member	
Navy Member	1
Ass't State Member	3
Ass't Army Member	
Ass't Navy Member	WDS
Executive Secretary	
Ass't Exec. Secretary	
State Adm. Assistant	
Army Adm. Assistant	
Navy Adm. Assistant	
File	

CONFIDENTIAL IVI

From: Office of Mil Govt for Germany, Berlin sgd Clay

To: War Department for WDSCA

Info: US Embassy Rome to Cultural Attache (Caserta passes)

Nr: CC 3169 6 September 1946

Reference your WX 97700, German Historical Institute Library of Rome and German Art Historical Institute Library of Florence, because they have long been the property of or under the control of the former German Reichs, and are not considered to qualify for restitution to the Italian Government under WX 99226 as amended.

However it is suggested that a transfer of custody to the International Union of Academies of Archaeology, History and History of Art in Rome would be acceptable to this Headquarters. This union has officially presented the problem of the eventual disposition and reactivation of these and 5 other similar German institutions to the recent UNESCO conference in London, according to information given to Chief of MFM and A Section of Economics Division OMGUS by the Cultural Affairs Attache of US Embassy in Rome.

It is requested that this Headquarters be advised of your approval of this proposed action as simple means of relieving US forces from responsibility of safeguarding these libraries over protracted period.

End

ACTION: CAD
INFO: ASW: P&O: SWNCC
CM-IN 1401 (8 Sep 46) DTG 061141B ed

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WAR DEPARTMENT
CLASSIFIED MESSAGE CENTER

INCOMING CLASSIFIED MESSAGE

CONFIDENTIAL IVI

SWNCC SECRETARIAT

State Member	
Army Member	
Navy Member	
Ass't State Member	
Ass't Army Member	
Ass't Navy Member	
Executive Secretary	
Ass't Exec. Secretary	
State Adm. Assistant	
Army Adm. Assistant	
Navy Adm. Assistant	
File	

From: OMGUS Berlin sgd Clay

To: War Department for WDSCA

Info: USFET

Nr: CC3247

7 September 1946

Further ref to ourads CC 9860 July, CC 1856 August and CC 3101 dated 5 Sept, a special meeting of postal sub-committee will be held on 16 September to consider regulations for international Parcel Post. Soviet member has indicated agreement to inauguration of service. Present indications are other 3 powers favorable to service to Germany from all countries with which postal relations are maintained, weight limit initially 5 kilos, no registered, insured, collection delivery, or special delivery service, terminal fees for Germany at maximum allowed by Universal Postal Union agreements. Urgent we have instructions immediately.

End.

Note: CC 9860 is CM IN 6016 (29 July) CAD
CC 1856 is CM IN 3437 (15 Aug) CAD
CC 3101 is CM IN 779 (5 Sept) CAD

ACTION: CAD

INFO: CAD(Treas-State), ASW, ID, P&O, SERVAT, (SWNCC)

CM IN 1317 (7 Sept 46) DTG 071119Z ec

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WAR DEPARTMENT
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INCOMING CLASSIFIED MESSAGE

CONFIDENTIAL TOT

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

From: CG OMGUS Berlin, Germany sgd Clay

To: War Department for WARCAD

Nr: CC3165 6 September 1946

Quadripartite finance directorate now called upon to determine whether securities fall within definition of property subject to restitution. This provides us with possibility to not only obtain definition but to introduce program outlined in your WX 90450. We propose to introduce a paper along the line of your WX 90450 as amended by our CC 1031. Your comments requested.

End

SWNCC SECRETARIAT

State Member	
Army Member	ADG
Navy Member	E
Ass't State Member	
Ass't Army Member	WHC
Ass't Navy Member	
Executive Secretary	
Ass't Exec. Secretary	
State Adm. Assistant	
Army Adm. Assistant	
Navy Adm. Assistant	
File	

Note: 1031 not identified in SMC

ACTION: CAD

INFO: ASW, CAD (State), ID, P&O, SWNCC

CM IN 1057 (6 Sept 46) DTG 06/0844Z ec

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WAR DEPARTMENT
CLASSIFIED MESSAGE CENTER
INCOMING CLASSIFIED MESSAGE

SWNCC SECRETARIAT

State Member	
Army Member	
Navy Member	
Ass't State Member	
Ass't Army Member	
Ass't Navy Member	
Executive Secretary	
Ass't Exec. Secretary	
State Adm. Assistant	
Army Adm. Assistant	
Navy Adm. Assistant	
File	

RESTRICTED IVI

PRIORITY

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

From: OMGUS Berlin sgd Clay

To: War Department for WDSCA ES

Info: WSA Bremen for Dunn

DTG: 051527Z 5 September 1946

1. Reurads August WX-98019, May WX-86428, May WX-86853, April WX-84577, March WX-82436, December WX-85965, ourads July CC-9779, June CC-7581. Subject is external restitution.

2. On advice in urad WX-98019 we shall act on assumption that liberated ships agreement is with UK only and does not commit United States visavis Governments other than UK.

3. Urad WX-86853 amends WX-85965 to provide for "restitution" of seagoing vessels according to urad WX-84577, which states: "The ACC should undertake to return to their owners on proof of title vessels not of German Nationality." This conflicts with ACC agreement in following respects:

(A) Quadripartite definition of restitution makes no mention of ownership and does not require proof of title.

(B) Quadripartite definition of restitution requires that property must have been removed, by force or otherwise, from territory of claimant nation in order to be eligible for restitution. See para 4 of ourad CC-9779.

CM-IN 971 (6 Sept 46)

RESTRICTED

SWNCC

50

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WAR DEPARTMENT
CLASSIFIED MESSAGE CENTER
INCOMING CLASSIFIED MESSAGE

RESTRICTED IVI

PRIORITY

From: OMGUS Berlin sgd Clay

DTG: 051527Z 5 September 1946

(C) Quadripartite definition of restitution provides that "Control council will deal on all questions of restitution with the government of the country from which such objects were looted," which was negotiated in Allied Control Authority as meaning that Control Council will not deal on questions of restitution with individuals, whether owners or not. In United States zonal procedure we deal only with governments, not with individuals.

(D) On unilateral restitution to ex-enemies (for example Poland, which has several vessels on list G of Tripartite Merchant Marine Commissions Report and at least one vessel now in Weser) see telecon Cheseldin-Cronan, 7th August and references therein. Same would apply to neutrals.

4. Above quoted provision in WX-84577 also conflicts with urad WX-86428 which excludes restitution to Latvia and Lithuania.

5. We have in fact restituted only 3 seagoing vessels. Recipients were Denmark and Holland and the cases qualified under both Quadripartite agreements and WX-84577. If you wish us to follow WX-84577 in all cases, including those listed in paragraph 3 above, request explicit direction.

6. We follow WX-82436 and WX-86428 rather than Quadripartite agreements. Note that urad WX-86428 omits

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WAR DEPARTMENT
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INCOMING CLASSIFIED MESSAGE

RESTRICTED IVI

PRIORITY

From: OMGUS Berlin sgd Clay

DTG: 051527Z 5 September 1946

Esthonia. Soviet restitution mission, now in Hoechstlhor regular duty, may perhaps submit claims for restitution of Soviet Government of property removed from territory of Latvia, Lithuania, or Esthonia. In cases of Latvia and Lithuania we will reject such claims and give as our reason that United States Government does not recognize incorporation of those states into Soviet Union. Please advise on Esthonia.

End.

Note: CC 7581 is CM IN 5180 (25 June) CAD.
CC 9779 is CM IN 5657 (27 July) CAD.

ACTION: CAD

INFO: ASW, P&O, SSP, SWNCC.

CM-IN 971 (6 Sept 46) DTG 051527Z fwl

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CONFIDENTIAL TOT

PARAPHRASE NOT REQUIRED. HANDLE AS CONFIDENTIAL CORRESPONDENCE PER PARAS 51(i) and 60(a) AR 380-5

From: OMGUS, Berlin, Germany signed Clay

To: War Department for WDSCA

Info: CG, USFET, Frankfurt, Germany

Nr: CC 3101

5 September 1946

Reference ourads CC 9860 dated 29th July and CC 1856 dated 15th August and urad W 97842 dated 17th August, present indications are British and French will approve international parcel post inbound to Germany initially with possible later extension to outbound service. Soviet position not yet disclosed. Advise views.

End.

Note: 9860 is CM IN 6016 (29 July) CAD
1856 is CM IN 3437 (15 Aug) CAD

SWNCC SECRETARIAT

State Member	
Army Member	
Navy Member	
Ass't State Member	
Ass't Army Member	
Ass't Navy Member	
Executive Secretary	
Ass't Exec. Secretary	
State Adm. Assistant	
Army Adm. Assistant	
Navy Adm. Assistant	
File	

ACTION: CAD

INFO: ASW, CAD (State & Treasury), ID, P&O, SERVAT, SWNCC

CM IN 779 (5 Sept 46) DTG 051020Z ec

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CLASSIFIED MESSAGE CENTER
INCOMING CLASSIFIED MESSAGE

SECRET TOT

PARAPHRASE NOT REQUIRED. HANDLE AS SECRET CORRESPONDENCE PER PARAS 51 1 and 60 a AR 380-5

From: CG OMGUS Berlin Germany sgd Clay

To: War Department for WDSCA

Info: CG USFET Frankfurt Germany for G-5

Nr: CC 3017 4 September 1946

Reference your WX 96917 and our CC 2153.

Quadripartite meeting 29 August was totally stymied by Soviet members refusal to discuss question of Germans in Denmark. Therefore, no proposals were made by any member and question was deferred until next meeting scheduled 13 September.

End.

SWNCC SECRETARIAT

State Member	
Army Member	
Navy Member	
Ass't State Member	
Ass't Army Member	
Ass't Navy Member	
Executive Secretary	
Ass't Exec. Secretary	
State Adm. Assistant	
Army Adm. Assistant	
Navy Adm. Assistant	
File	

Note: CC 2153 is CM IN 4655 (21 Aug) CAD.

ACTION: CAD

INFO: ASW, CAD (State), ID, P&O, SWNCC

CM-IN 586 (4 Sept 46) DTG 04/1233Z fwl

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RESTRICTED TOT

PARAPHRASE NOT REQUIRED. HANDLE AS RESTRICTED CORRESPONDENCE PER PARAS 51 (4) and 60 (a) AR 380-5

From: SCAP Tokyo, Japan

To: War Department for WDSCA-ES

Nr: C 64821 4 September 1946

Reurad W 99017 action pending, will reply earliest.

End

ACTION: CAD

INFO: ASW
P&O
~~FEPICOM~~
CSA

CM-IN-539 (4 Sept 46) DTG: 040937Z med

RESTRICTED

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CONFIDENTIAL TOT

PRIORITY

PARAPHRASE NOT REQUIRED. HANDLE AS CONFIDENTIAL CORRESPONDENCE PER PARAS 511 and 60a, AR 380-5

From: OMGUS, Berlin, Germany sgd Clay

To: War Department for WDSCA ES

Nr: CC 2968 3 September 1946

Reference your WX 98938 and our WX 88507, we replied to 88507 in our CC 1958 which read as follows: "In as much as examination of files in reference cable does not involve ultimate disposition of files under article 6 of law number 5, there is no OMGUS objection to examination under US and British security regulations as long as none of the original documents are removed."

End.

SWNCC SECRETARIAT

State Member	1-1
Army Member	agsp
Navy Member	L
Ass't State Member	
Ass't Army Member	WDD
Ass't Navy Member	
Executive Secretary	
Ass't Exec. Secretary	
State Adm. Assistant	
Army Adm. Assistant	
Navy Adm. Assistant	
File	

Note: CC 1958 is CM-IN-3979 (17 Aug) CAD

ACTION: CAD

INFO : ASW
P & O
SWNCC ✓

CM-IN-319 (4 Sep 46) DTG 031407Z jjf

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WAR DEPARTMENT
CLASSIFIED MESSAGE CENTER
INCOMING CLASSIFIED MESSAGE

SECRET TOT

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

SWNCC SECRETARIAT

State Member	Dept
Army Member	
Navy Member	
Ass't State Member	
Ass't Army Member	War
Ass't Navy Member	
Executive Secretary	
Ass't Exec. Secretary	
State Adm. Assistant	
Army Adm. Assistant	
Navy Adm. Assistant	
File	

From: GHQ SCAP Tokyo

To: War Department for WARCOS pass to SECSTATE

Nr: 64757 Atcheson's 383 August 26 · 1 September 1946

Subject is relief for and repatriation of Japanese Nationals from Manchuria and Soviet controlled areas.

Reference SCAP Tel to WARCOS for State Dept and AMEMBASSY Moscow number C 62607 14th July, our dispatches 492 July 9th and 517 July 12th, WDSCA EF number W 98151 and CINCAFPAC radio C 64545 26th August to WDSCA ES.

Japanese are showing ever increasing apprehension and unrest concerning fate of Nationals in Soviet controlled and Communist Manchuria areas. An increasing number of petitions signed by many thousands interested relatives as well as heavy daily mail of personal letters are being received by General Headquarters and Chairman Allied Council. On August 20th Special Committee from Japanese Diet made personal call on me to solicit assistance of United States Government in solving this problem. They stated pressure upon Diet members has reached point where situation is almost beyond control. Japanese press continues to reflect growing Japanese public concern regarding effects upon Japanese Nationals during approaching cold season.

Culminating this widespread concern Japanese government has recently submitted to SCAP petition on repatriation of Nationals from Manchuria and Siberia. According to Japanese records over 1,000,000 Japanese still in Manchuria

CM-IN-138 (2 Sept 46)

SWNCC

SECRET

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WAR DEPARTMENT
CLASSIFIED MESSAGE CENTER
INCOMING CLASSIFIED MESSAGE

SECRET TOT

From: GHQ SCAP Tokyo

Nr; 64757 Atchesons 383 1 September 1946

and 700,000 in Siberia. Given present condition of movement to coast and limited port facilities made available, Japanese government now estimates that some 570,000 Nationals in Manchuria alone have no prospect of being repatriated before next spring unless ports other than Hulutao are made available. Japanese government estimates number deaths of Nationals last winter in eleven districts in Manchuria from lack of fuel and food and from epidemics was 111,250 and points out that conditions will be infinitely worse this coming winter due exhaustion fuel, food, clothing; lack of medical supplies, bedding, etc; and generally poor physical condition of the people. It urges that if repatriation cannot be effected necessary relief measures be taken.

General Headquarters points out that facilities of ports within the area of Manchuria under Soviet control will be needed to effect early repatriation as well as agreement and positive action by Soviet government in bringing Japanese Nationals to accessible ports.

In addition to action proposed by Department and reported in W 98151 from War Dept to CINCAFPAC, and that proposed in CINCAFPAC C 64545, it is suggested that as partial amelioration this urgent problem from the viewpoint of the occupation, Dept may wish, as interim measure and because of humanitarian considerations, to (1) request Chinese and Soviet Governments to render all practicable relief and assistance to Japanese Nationals in their respective areas and (2) Request govts concerned to allow

CM-IN-138 (2 Sept 46)

SECRET

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WAR DEPARTMENT
CLASSIFIED MESSAGE CENTER
INCOMING CLASSIFIED MESSAGE

SECRET TOT

From: GHQ SCAP Tokyo

Nr: 64757 Atchesons 383 1 September 1946

(subject to censorship, if necessary) mail communication between Japanese Nationals in their areas and Japan proper.

End.

NOTE: C 62607 is CM IN 2836 (14 July) CAD
C 64545 is CM IN 5716 (26 Aug) CAD
492 & 517 not identified in SMC

ACTION: ID (State)

INFO : AAF, ASW, CAD, P&O, SSP, SERVAT, SWNCC, CSA

CM-IN-138 (2 Sept 46) DTG 0114132 fd

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CONFIDENTIAL TOT

SUPPLEMENTARY COPY

From: OMGUS, Berlin, Germany sgd Clay

To: War Department for WDSCA

Info: American Embassy Brussels for Dorr; WBS for Bonesteel; USFET

Nr: CC 1753 31 August 1946

Correct heading of MC-IN-3098 dated 14 August 46 to include info to WBS for Bonesteel.

End.

NOTE: Supplementery copy of CM IN 3098 (14 Aug) (CAD)

ACTION: CAD

INFO: ASW
P&O
SWNCC

CM-IN 7044 (31 Aug 46) DTG 311100Z ed

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RESTRICTED TOT

PARAPHRASE NOT REQUIRED. HANDLE AS RESTRICTED CORRESPONDENCE PER PARAS 51 1 and 60 a AR 380-5

From: SCAP Tokyo Japan

To: War Department for WARCOS

Nr: CX 64700 30 August 1946

Reurad W-98812. Concur. Will issue press release here 5 September without further confirmation.

End

ACTION: CAD

INFO: ASW
CAD (State)
ID
P&O
SWNCC
PRD

CM-IN 6733 (30 Aug 46) DTG30/0855Z ed

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RESTRICTED TOT

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

From: GHQ SCAP Tokyo

To: War Department for WARCOS

Nr: C 64638 28 August 1946

Reurad June 90722 account of Saigon Branch, Banque De L Indo China with Yokohama Specie Bank Tokyo was charged 468,361,809 Yen 4 Sen on 25 August 1945 for cable transfer through Yokohama Specie Banks Shanghai Branch Shanghai payable to French Consul General Shanghai in local currency. Cannot reverse entries until Shanghai Branch confirms transfer not completed. Confirmation has been requested by radio at request of YSB. Will advise results.

End.

ACTION: CAD

INFO: ASW
CAD (State)
P&O
SWNCC

CM-IN 6315 (28 Aug 46) DTG 281043Z ed

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SECRET TOT

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

From: CINCAFPAC Tokyo, Japan

To: War Department for WDSCA ES

Nr: C 64545 26 August 1946

Reurad W 98151 of 22 August concerning approach to Soviet Government on subject repatriation. Concur in proposals cited in reference radio but recommend following additional factors be included:

(A) Reciprocal repatriation of non-Japanese Nationals in Japan (including Koreans) formerly resident in areas under Soviet control. Such individuals number about 10,000.

(B) In regard supply of fuel and provisions it is believed that the Soviets should be required to furnish these supplies in kind from Soviet sources, under arrangements similar to those now in effect for repatriation from British areas. Ourad W 83078 of 3 April refers.

(C) Provision should be made for furnishment of emergency supplies and/or service to SCAP controlled ships in Soviet areas against quantitative receipts signed by the master of repatriation ship concerned, repayment of cost thereof to be subject to later accounting as may be determined on a governmental level.

End.

ACTION: CAD

INFO: AAF, ASW, ID, P&O, SSF, SWNCC

CM IN 5716 (26 Aug 46) DTG 2606152 ec

SECRET

77

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WAR DEPARTMENT
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INCOMING CLEAR MESSAGE

From: USFET, Frankfurt from Public Relations Div from Eyster signed McNarney cite ETBPR

To: War Department for Parks

Info: OMGUS, Berlin Germany for Clay for Draper and Gailey

Nr: SC-13204 24 August 1946

Reference information cable received here 21st August addressed to OMGUS for Clay for Draper and Gailey, from AGWAR from WDSEA, personal, from Echols, reference number WX 98082. This cable suggested the reconsideration by USFET for accreditation of Herbert M Bratter, editorial correspondent Commercial and Financial Chronicle. In view of the information contained in this message we consider Bratter eligible for accreditation this theater and accept him for visit United States Occupied Zone Germany.

End.

ACTION: CAD

INFO : ASW, P&O, SERVAT, PRD, BUD, SWNCC

MC-IN-60356 (25 Aug 46) DTG 240900B ls

UNCLASSIFIED

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

WAR DEPARTMENT
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INCOMING CLASSIFIED MESSAGE

RESTRICTED TOT
SUPPLEMENTARY COPY

PARAPHRASE NOT REQUIRED. HANDLE AS RESTRICTED CORRESPONDENCE PER PARAGRAPHS 51 (1) and 60 (a) AR 380-5.

From: OMGUS, Berlin, Germany sgd Clay

To: War Department for WDSCA ES

Info: Hqs, USFET, Frankfurt Germany for Cheseldine

Nr: CC 2441 24 August 1946

Correct Page 1, Line 14 to read:

Fifth, small amounts of this freon gas as are now moving in export into Denmark, Austria and Czechoslovakia and these sales keep Kinetics European customers interested.

End.

Supplementary copy of CM-IN-5655 (25 Aug) CAD

ACTION: CAD

INFO : P&O
SWNCC

CM-IN-5688 (25 Aug 46) DTG 241059B 1s

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SECRET IVI

From: CG USFA Vienna Austria cite PAACAR

To: War Department for WDSCA ES

Nr: P 3103 25 August 1946

Rourad WAR 97690 17th August, quadripartite agreement accomplished for provisional procedure for filing and handling property claims made by Allied Nations and their nationals. Efforts for full agreement will be continued, but present outlook unfavorable for following reasons: (1) No overall agreement of definition of what properties are subject to restitution; (2) the creation of additional committees would result in slowing down of present procedures; and (3) present plan of unilateral action in accordance with the respective governments directives is apparently working smoothly. The directives of three western nations differ only in minor procedures except French and British not yet authorized to restitute to ex-enemy nations.

End.

ACTION: CAD

INFO : ASW, P&O, SWNCC

CM-IN-5682 (25 Aug 46) DTG 251431B 1s

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WAR DEPARTMENT
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SECRET TOT

PRIORITY

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

From: CG USFET Frankfurt, Germany sgd McNarney cite ETDCS

To: War Department

Nr: S 2645 24 August 1946

Reurad WX 97352 dated 14 August, subject elimination of influence of London Poles.

Action has been initiated to accomplish the directive contained in reference cable. The 23 London Polish officers who have been engaged in displaced persons work will either be removed from the zone completely or placed in "hard core" displaced persons centers without official status and with no special privileges and no local authority. Assume that your instructions also require the removal of London Poles who are assisting in the supervision of our guard and labor companies, including those utilized outside the occupied zones. This will require some reorganization of some guard units, but action will be expedited and London Poles released as rapidly as possible.

In justice to the affected individuals, I feel that I should state that they served loyally and faithfully with our forces throughout the fighting and were invaluable in controlling and assisting in the initial care of the great masses of displaced persons and RAMPS that were uncovered. They have been very valuable to this command throughout its operations; they have adhered strictly to

CM-IN-5672 (25 Aug 46)

SECRET

SWNCC

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WAR DEPARTMENT
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INCOMING CLASSIFIED MESSAGE

SECRET TOT
PRIORITY

From: CG USFET Frankfurt, Germany sgd McNarney cite ETDCS

Nr: S 2645 24 August 1946

our policy which places voluntary repatriation above all other considerations; they are still of material value in the maintenance of law and order among certain groups, in the defense and prosecution of Polish criminals, in maintaining proper relations with Polish labor and guard companies, and in representing the interests of the known "hard core" unrepatriable persons to this Headquarters. If and when we are faced with the problem of screening, selecting, and influencing non repatriable Polish displaced persons to resettle in other foreign countries, the particular group of officers that we are now eliminating would be of tremendous value. In that operation, when it arises, we can expect little or no assistance from Warsaw Poles. These observations are offered in order that you may be in possession of all of the facts.

END.

ACTION: CAD

INFO : ASW, ID, P&O, SWNCC, CSA

CM-IN-5672 (25 Aug 46) DTG 241700B 1s

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WAR DEPARTMENT
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RESTRICTED TOT

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

From: OMGUS Berlin, Germany sgd Clay

To: War Department for WISCA-ES

Info: CG USFET Frankfurt Germany for Cheseldine

Nr: CC 2441 24 August 1946

Reference question of Kinetic chemicals license to IG Farben for manufacture and sale of freon gas for refrigeration equipment, raised in your TWX of 6th August and your WX 97870 of 20th August, first, it is not considered that basic license of 5th October 1938 can be terminated by notice. Defaults in payment of dollar royalties are directly attributable to force measure in form of blocking controls against transfer of funds. Second, the right to sell in Czechoslovakia may be terminated effective 31st December 46 by notice to ACC not later than 30th September 46. Third, cancellation of right to sell in Denmark requires 6 months notice and could not be effective until 30th September 47. Fourth, new license agreements with ACC providing for dollar payments cannot be considered at this time. Fifth, small amounts * as are now moving in export into Denmark, Austria and Czechoslovakia and these sales keep Kinetics European customers interested.

End.

* Being svc'd.

ACTION : CAD

INFO : P&O, SWNCC

CM IN 5655 (25 Aug 46) DTG 241059 vm

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37

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CONFIDENTIAL TOT

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

From: CG OMGUS Berlin Germany sgd Clay

To: War Department to WDSCA

Info: CG USFET Frankfurt Germany

Nr: CC 2445 24 August 1946

Reference your WX 97700 regarding use of German Libraries, matter under consideration and reply will be forthcoming shortly.

End.

ACTION: CAD

INFO: ASW, CAD (State), P&O, SWNCC

CM IN 5529 (24 Aug 46) DTG 24/1223 ec

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CONFIDENTIAL TOT

PARAPHRASE NOT REQUIRED. HANDLE AS CONFIDENTIAL CORRESPONDENCE PER PARAS 51 (i) and 60 (a) AR 380-5

From: OMGUS Berlin, Germany sgd Clay

To: War Department for WDSCA-ES

Nr: CC 2438 24 August 1946

Reurad W-97868.

Two powers of Attorney in Siemens Case, including broad power of disposition, forwarded Madrid via diplomatic pouch under cover US POLAD note dated 13 August 1946. Powers drawn in accord Madrid Embassy's specifications except that there are no Spanish consulates in Germany to provide notarizing signature.

2. On 1 August 1946 American member GEPC introduced draft form power of attorney for use remaining cases. Draft approved by French and Soviet members, but new British member, expressing personal approval, awaits official instructions from London. Anticipate adoption standard from next meeting GEPC 27 August. Form specifically authorizes disposition where "essential to the preservation of the value represented by the property or other interest".

End.

ACTION: CAD

INFO: ASW, P&O, SWNCC

CM IN 5516 (24 Aug 46) DTG 241053 ec

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RESTRICTED TOT

PARAPHRASE NOT REQUIRED. HANDLE AS RESTRICTED CORRESIONDENCE
PER PARAS 51 (1) and 60 (a) AR 380-5

From: SCAP Tokyo, Japan

To: War Department for WARCOS

Nr: C 64487 24 August 1946

Reurad W 97888.

Part 1.
A. Concur your recommendation.

Part 2. Recommend:
A. Target date of 10 September 1946 for resumption of Postal Service between Japan and all other countries except Germany, limited to postal cards, one way gift parcel post to Japan, and approved list of scientific and professional papers from Japan.

B. That 1 September 1946 be set for press release which shall include the following:
(1) All communications to be restricted to messages of personal or family nature written in Chinese, English, French, Japanese, Korean, Russian or Spanish languages.

(2) Parcels not to exceed 11 pounds in weight; contents limited to essential relief items such as nonperishable foods, clothing, soap and mailable medicine.

(3) Suggestion that senders endorse gift parcels to permit delivery to authorized relief or charitable institution in event delivery to original address is impossible.

SWNCC

CM IN 5514 (24 Aug 46)

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INCOMING CLASSIFIED MESSAGE

RESTRICTED TOT

From: SCAP Tokyo, Japan

Nr: C 64487

24 August 1946

Part 3. Advise concurrence on press release date.

End

ACTION: CAD

INFO: ASW, CAD (State), ID, P&O, SWNCC

CM IN 5514 (24 Aug 46) DTG 240409Z ec

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CONFIDENTIAL TOT

PRIORITY

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

From: GHQ SCAP Tokyo

To: War Department

Nr: C 64436

23 August 1946

Reurad W 97453 please advise Mr Martin Bennett that comments on reparations from Japan now being prepared and will be forwarded prior 15 September. Earlier comments withheld pending return of Mr Reday from recent trip to Washington for discussion of reparations matters.

End

SWNCC SECRETARIAT

State Member	
Army Member	
Navy Member	
Ass't State Member	
Ass't Army Member	
Ass't Navy Member	
Executive Secretary	
Ass't Exec. Secretary	
State Adm. Assistant	
Army Adm. Assistant	
Navy Adm. Assistant	
File	

ACTION: CAD

INFO: ASW
CAD (State)
P&O
SWNCC

CM-IN 5188 (23 Aug 46) DTG 2303137 ed

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SECRET IVI

PRIORITY

From: OMGUS Berlin sgd Clay

To: War Department for WDSCA

Info: USFET for G-5

Nr: . CC 2153 20 August 1946

Latest information follows reference your WX 96917 and our CC 8950. Subject Germans in Denmark:

Quadripartite discussions 26 July developed immediate decisions of British, French and United States occupied zones to accept Germans in Denmark who were formerly domiciled in these respective zones. Soviet member maintained position expressed 11 July 46. At a later meeting 9 August subject was again on agenda, but Soviet member refused to discuss because he had no knowledge of conditional proposal of Generalissimo Stalin to Danish Foreign Minister. Hence no further progress was made in resolving question of Germans formerly domiciled in both Soviet occupied zone and area east of Oder-Neisse.

As stated in our CC8950, overcrowding in the zone is rapidly bringing about a critical situation in housing, food and employment. This situation is caused by the combination of expellees, displaced persons, illegal entrants and refugees, rather than by any one category. We are still committed to accept the remaining expellees from Czechoslovakia and Hungary and know that we will not be able to finish this program before severe cold weather sets in. Therefore, the total suspension of transfers is imminent, and acceptance of

CM IN 4655 (21 Aug 46)

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SECRET IVI
PRIORITY

From: OMGUS Berlin Sgd Clay

Nr: CC 2153

20 August 1946

additional new categories would be difficult to justify.

If the British proposal outlined in CC 8950 is unsuccessful at the next quadripartite meeting scheduled 29 August, we intend to propose an alternate solution to persuade French Zone to accept up to 100,000 because that zone has accepted only 2,000 expellees of its quota of 150,000 from Austria as was agreed in CONL/P (45) 57. French Zone never will receive more than 10,000 to 20,000 such persons because they don't exist, according to Austrian authorities. This proposal would tend to equalize the burden in Germany and spare the United States a most embarrassing and almost impossible situation. A variation of this latter proposal would be for the United States Zone to offer to accept those Germans in Denmark who could resettle with other members of their family now in the United States Zone. An accurate estimate of what this would amount to in numbers cannot be made at this time but it is believed to be small. Such a proposal would be less embarrassing to us in view of our stand on the expellee transfers than to offer directly to accept some stated quota over and above the former residents of our zone.

Whatever assistance you can provide to persuade the French Authorities to accept these persons in their zone, or toward supporting the British propsal, will be most appreciated.

Note: 8950 is CM IN 2956 (15 July) CAD End
ACTION: CAD
INFO: ASW, CAD (State), ID, P&O, SWNCC, CSA
CM IN 4655 (21 Aug 46) DTG 201459B ec

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RESTRICTED IVI

PARAPHRASE NOT REQUIRED. HANDLE AS RESTRICTED CORRESPONDENCE PER PARAS 51 (1) and 60 (a) AR 380-5

From: OMGUS Berlin sgd Clay

To: War Department

Info: USFET; USFA Advance

N_R: CC-2121 20 August 1946

Reference our CC-7879 dated 27 June 46 in reply to urad WCL 21540 dated 21 June. A complete investigation has been made. Replies have been received from the Directors of the Offices of Military Government of Bavaria, Greater Hesse, Wuerttemberg Baden, Berlin District, and Bremen Enclave which state that no clubs of this nature are operating or are in the process of formation, with the exception of an informal discussion group at the University of Marburg, Greater Hesse. This group does not discuss political questions but has limited itself to educational, religious and scientific matters.

End.

NOTE: CC 7899 is CM IN 5919 (28 June 46) CAD

ACTION: CAD

INFO: ASW
CAD (State)
ID
P&O
~~PRD~~
SWNCC

CM-IN 4505 (21 Aug 46) DTG 200924B ed

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WAR DEPARTMENT
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INCOMING CLASSIFIED MESSAGE

SECRET

PARA OF STATE DEPT CABLE FOR INFO OF WAR DEPT (19 August 1946)

FROM: Frankfurt, Germany sgd Murphy

TO: State Department

NR: 491 17 August 1946

All necessary steps are to be taken immediately to remove all London Poles from positions of influence in DP camps, to deny them access to camps except for one special camp assigned especially for hard-core non-repatriables, to deprive them of any official status and privileges whatsoever and to refrain from using them on any military staffs since USFET has received instructions (AGWAR WS-97352) that it is the policy of the United States Government to eliminate any influence exerted in our zone by officials or adherents of former London Polish Government-in-exile.

In regard to this policy, the military authorities directly concerned with it say that no London Poles have direct access to DP camps and none are being used in a liaison capacity.

I have been informed by them, furthermore, that the military forces employ not more than twenty-five former London Polish officers and that they are not in positions where they could influence the DPs who are being taken care of by us. It is felt that it would be most unjust to deprive them of the only means of livelihood they now have and of the limited privileges accruing from their positions since all fought on our side and have been most cooperative and helpful to the military.

END

ACTION: CAD

INFO : ASW, ID, P&O, SWNCC, CSA

CM-IN-4449 (20 Aug 46) DTG 17/NFT 1s

SECRET

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INCOMING CLASSIFIED MESSAGE

SECRET IVI

PRIORITY

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

From: CG USFA, Vienna, Austria cite PAACA

To: War Department for WDSCA

Info: CG USFET, Frankfurt, Germany

Nr: P 2789 17 August 1946

Reference WARX 97352. All OFIS and adherents of London Polish Government-in-exile have been removed from positions of influence, deprived of all privileges and official recognition.

Polish 2nd Corps Red Cross is to be deactivated the latter part of this month and its welfare activities assumed by Polish-American War Relief.

Warsaw Government has been very cooperative in all instances to date.

End.

ACTION: CAD

INFO: ASW, ID, P&O, SWNCC, CSA

CM IN 4058 (18 Aug 46) DTG 171906 ec

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SECRET TOT

PRIORITY

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

From: OMGUS, Berlin, Germany sgd Clay

To: War Department for WDSCA; CG USFET, Frankfurt, Germany

Nr: CC 2094

17 August 1946

Para 1. Reurad WX-93164 dated 2 July 46, rationing officials of US and British Military Governments have worked out ration scales with identical calorie levels for common categories in US and British Zones of Occupation Germany.

Para 2. It is expected that this agreement will become effective for 93rd ration period, 16 September through 13 October 46.

End.

ACTION: CAD

INFO : ASW, CAD (State), P&O, SSP, SWNCC

CM IN 4010 (18 Aug 46) DTG 171706B svc

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50

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CONFIDENTIAL TOT

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

From: OMGUS Berlin sgd Clay

To: War Department for WARCAD

Nr: CC 1958

17 August 1946

Reurad WX 88507 and WX 96093. Inasmuch as examination of files in reference cables does not involve ultimate disposition of files under article 6 of Law number 5, there is no OMGUS objection to examination under US and British Security Regulations as long as none of the original documents are removed.

End.

ACTION: CAD

INFO : ASW
P&O
SWNCC

CM IN 3979 (18 Aug 46) DTG 171047 svc

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INCOMING CLASSIFIED MESSAGE

CONFIDENTIAL IVI

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

From: CG OMGUS Berlin sgd Clay

To: War Department for WDSCA

Info: CG USFET Frankfurt Germany

Nr: CC 1856 15 August 1946

Request reply ourad CC 9860 of 29 July on international parcel post.

End.

Note: 9860 is CM IN 6016 (29 July) CAD

ACTION: CAD

INFO: ASW, CAD (Treas & State), ID, P&O, SERVAT, SWNCC

CM IN 3437 (15 Aug 46) DTG 15/1256B ec

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WAR DEPARTMENT
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INCOMING CLASSIFIED MESSAGE

CONFIDENTIAL IVI

PRIORITY

From: OMGUS Berlin sgd Clay

To: War Department for WDSCA

Info: American Embassy Brussels for Dorr, Paris pls pass; USFET.

Nr: CC 1753

13 August 1946

Reurad WX-95104.

1. We are in general agreement and are prepared to draft directive along the lines indicated. However, request consideration and clarification following points:

a. Reference your paras 4 A, 4 B, and 4 C. We note under Para 8 that it is not intended to present suggestions to IARA until after enactment. Strongly urge that IARA, UK, France and USSR be consulted as to their willingness to accept title before proposal is introduced in Control Council. Although possibility of refusal by IARA might be remote, we do not feel that Control Council agreement is sufficient guarantee that they will in fact accept title. Moreover, without prior governmental concurrences, Quadripartite discussions here almost certainly will be stalled while representatives consult their respective governments.

b. Reference your Paragraph 4 C. We assume that transfer of title to assests in neutral countries to US, UK and France is in accordance with Article 6 C of Paris Act and that proposed directive can so state.

CM-IN-3098 (14 Aug 46)

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PRIORITY

From : OMGUS Berlin sgd Clay

Nr : CC 1753

13 August 1946

However, with respect to assets in non-neutral countries, questions arise on whose behalf will three powers act as trustees and to whom are they responsible?

c. Letter of 22 March from Secretary of State to Secretary of War indicated special provision would be made for disposal German assets in Austria and Italy. Are we now to assume that Austria and Italy will be dealt with accordance your Para 4 C?

d. Reference your Para 4 C, assume inter-American commitments referred to are in resolutions 18 and 19, Mexico City Conference, February and March 1945. Request you forward full texts of these and of any other US-Latin American agreements which might affect disposition German external assets.

e. Under your Para 4 D, to whom should German assets in Japan be transferred pending establishment appropriate agency as trustee for Allies? Would it be appropriate to transfer title to SCAP as Allied trustee?

f. Reference your Paras 4 E and 5 B. In light of your definition non-German interests, we assume that what is at stake is disposition of assets outside Germany formerly belonging to German firms in which non-German capital is invested and in particular the disposition of that proportion of German external assets which is thus beneficially owned by non-Germans. Fact that problem is primarily one of

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From : OMGUS Berlin sgd Clay

Nr : CC 1753 13 August 1946

protecting American and British interests is considered further reason why governmental concurrences should be obtained before proposed paper is introduced in Control Council. With respect to non-German interests which are Japanese-owned, suggest that title be transferred to SCAP as trustee if ultimate disposition is to be made in accord Japanese reparations settlement. Otherwise suggest transfer to IARA.

g. Re your Para 5 C. In view of recent Soviet action in Austria and recently promulgated Finnish Law for disposition German property in Finland, anticipate serious difficulty obtaining Soviet acceptance proposed statement that forced transfers during occupation are not recognized as creating German ownership. Can this too be discussed at governmental level? If not, with what degree of insistance should we urge acceptance this provision by Control Council?

h. Re your Para 5 D. We assume that term "Non-German creditors" refers to non-Germans having claims against German-owned properties outside Germany and does not include those with claim against parent companies inside Germany. Is it intended that proposed directive will not protect claims of non-German creditor of a German company located in Germany to share proceeds of liquidation of company's foreign holdings? If this is correct, an American owner of a company would obtain favored treatment over an American creditor of the same company.

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From : OMGUS Berlin sgd Clay

Nr : CC 1753

13 August 1946

i. We do not contemplate amending law Number 5. As result your proposal, but regard issuance proposed directive as carrying out step contemplated under Article VI of Law Number 5. Retention law in present form perhaps desirable if need arises at later date to trace change of title transfers from ultimate holders back to GEPC and as historical basis for transfer of title to IARA and US, UK and France. Also desirable retain GEPC for rulings on these questions in Germany, since Germans have no means communicating with proposed recipients of title abroad.

End

ACTION: CAD

INFO : ASW, P&O, SWNCC

CM-IN-3098 (14 Aug 46) DTG 131921B fd

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PRIORITY
SECRET IVI

PARAPHRASE NOT REQUIRED. HANDLE AS SECRET CORRESPONDENCE PER PARAS 51 (i) and 60 (a) AR 380-5

From: OMGUS Berlin sgd Clay

To: War Department to WARCAD to WDSPR

Nr: CC-1641 11 August 1946

Reference is made to secret cables W-85547 and CC-4094. Also see SWNCC 269 as amended by SWNCC 269/2 and item 6, minutes fortieth SWNCC meeting.

The following announcement is to be released at 1000 Greenwich Mean Time 13 August 1946 simultaineously in Berlin and Frankfurt: "Military Government today announced a long range policy statement for German reeducation and the initiation of a program for the reconstitution of German cultural life, to operate hand in hand with the initial control policies of denazification and demilitarization.

The reeducation program has been designed toward bringing understanding to the German people that the Nazi repudiation of universally valid principles of justice destroyed individual rights int he Nazi state, made the effort at world tyranny inevitable and brought Germany to its present disaster.

It will also stress the fact that the present control measures over Germany are not prompted solely by the German violation of the rights of other peoples but also were made necessary by the political chaos in Germany, which was the direct consequence of the Nazi denial of the political rights and destruction of all alternative organized forces within the nation.

CM-IN-2543 (12 Aug 46)

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SECRET IVI

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From: OMGUS Berlin sgd Clay

Nr: CC-1641

11 August 1946

The statement issued by the Military Government follows:" (The remainder of the release quotes the appendix to SWNCC 269 entitled "Long-range policy statement for German reeducation" in its entirety.)

End

CC 4094 is CM IN 80 (1 May) CAD
269 not identified in SMC
269/2 not identified in SMC

ACTION: CAD

INFO : ASW, CAD (State), ID, P&O, SWNCC, PRD, CSA

CM-IN-2543 (12 Aug 46) DTG 111517B vh

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RESTRICTED TOT

PRIORITY

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

From: CG USFA Vienna Austria cite PAFIN

To: War Department for WDSCA

Nr: P 2471 10 August 1946

Reference WAR 93278.

1. Reply to Para 3 WAR 93728.

On basis of WARS 81975 March, United States element proposed introduction by action of ACA of military conversion rates as general provisional rates, the rates to apply to all transactions including merchandise trade. United States proposal accepted by French but tabled upon British and Soviet request while waiting for government instructions. Austrians, requested to express views regarding proposed rates, indicated in formal reply their readiness to announce proposed rates. Though not approved or officially announced so far, rates are actually used for currency purchases, execution of remittances, cost calculations of products made from imported raw materials and are generally known to Austrian population.

2. Under the new control agreement effective since 28th June 1946 Austrians can announce rates unless prevented by unanimous Allied disapproval. Unanimous disapproval most unlikely.

CM-IN-2529 (12 Aug 46)

SWNCC

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PRIORITY

From: CG USFA Vienna Austria cite PAFIN

Nr: P 2471 10 August 1946 Page 2

3. Regarding danger of foreign exchange loss through Schilling under--valuation in terms of export prices and regarding creation of stated trading agency proposed in your letter 6th May, see our air letter 26 June paragraphs 4 and 11. Price equalization procedure now informally in operation and to be systematized shortly will cushion impact of difference between foreign and Austrian prices. Equalization fund to be administered by Warenverkehrsburo, same--governmental agency, is to receive proportion of difference between Schilling counter--value of foreign exchange proceeds on 10 schilling to dollar basis and Austrian ceiling prices. Accumulated funds to be used for subsidization of imports, prices of which affect cost of living.

4. British element, Vienna, concurs in United States view that military rates should be introduced as general provisional rates, merchandise transactions to be subject to partial price equalization through equalization fund. British have requested London for authority to support officially United States position but emphasize that responsibility for rate settin fund operation of equalization fund should equal with Austrian.

End

ACTION: CAD

INFO : ASW, CAD(State), P&O, SSP, SWNCC, BUD

CM-IN-2529 (12 Aug 46) DTG 101631Z 1s

RESTRICTED -- 50

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RESTRICTED TOT

PARAPHRASE NOT REQUIRED. HANDLE AS RESTRICTED CORRESPONDENCE PER PARAS 51(1) and 60(a), AR 380-5

From: CG, USFET, Frankfurt, Germany signed McNarney cite ETGEC

To: War Department for Civil Affairs Division

Info: USFA; OMGUS

Nr: S-1636

10 August 1946

Reurad WX 95109 dated 20th July and ourad S-7928 dated 24th July. Subject is material for UNRRA Council meeting.

Answers to questions in your WX 95109 were passed to Mr Herbert Fierst, State Department representative at Geneva meeting. Copy is being forwarded to you by air courier.

End.

NOTE: S 7928 is CM IN 5242 (25 Jul 46) CAD

ACTION: CAD

INFO : ASW, CAD (State), ID, P&O, SWNCC, CSA

CM IN 2353 (10 Aug 46) DTG 101115B mec

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CONFIDENTIAL TOT

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

From: Office of Mil Govt for Germany, Berlin sgd Clay

To: War Department for WDSCA

Info: USFA

Nr: CC 1437 8 August 1946

Reurad WX 94992. Answer contained in ourad CC 1031 dated 31st July.

End.

Note: CC 1031 is CM-IN-232 (1 Aug) CAD

ACTION: CAD

INFO : ASW
CAD (State)
ID
P & O
SWNCC

CM-IN-1919 (9 Aug 46) DTG 081550B jjf

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TOP SECRET

TOP SECRET TOT
PRIORITY

PARAPHRASE NOT REQUIRED. HANDLE AS TOP SECRET CORRESPONDENCE
PER PARAs 51 (1) and 60 (a) AR 380-5

From: Hqs USFET Frankfurt Germany 6gd McNarney cite ETCOS.

To: War Department for WARTAG

Info: Western Base Section Paris France for Office Foreign Liquidation Commission

Nr: S 1361

7 August 1946

Reference W 83754, 9th April 46, and WX 95714, 27th July 46 cite SFFLC.

Request classification of entire subject be lowered as much as possible to facilitate consumation of sale this material to British by Office Foreign Liquidation Commissioner.

Understand her high classification originally pertains only to this particular transaction and not to material itself which is unclassified.

End

ACTION: Gen Connally (thru Service)

INFO: Gen Spaatz, Adm Leahy, Mr Petersen, JCS, Gen Chamberlin, Adm Nimitz, Gen Norstad, Gen Hodes, Mr Royall, CNA.

CM-IN 1619 (7 Aug 46) DTG 071700

Col Judge SWNCC Rep

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PRIORITY

C.S. PHRASE NOT REQUIRED. HANDLE AS SECRET CORRESPONDENCE PER PARAS 51(1) and 60(a) AR 380-5

From: CG, OMGUS, Berlin, Germany signed Clay

To: War Department

Info: CG, USFET, Frankfurt, Germany

Nr: 1283

6 August 1946

Supplementing our cable CC 8378 dated 6th July 1946 equipment with estimated value of 120,000 reichsmarks was removed by French from the firm of ARMCO Eisen GMBH at Cologne as follows: 4 revolver lathes, 3 automatic lathes, 16 spindle automatic lathe, 1 automatic sawing machine, 3 thread cutting machines, 1 fast sawing machine, 3 drilling machines, 1 electric grinder, 1 oil regainer, 1 tool grinding machine, 1 durferrit hardening furnace, 1 annealing furnace, 1 electrical welding furnace, 1 hardening furnace, 1 turning lathe, 1 milling machine. Other removals of equipment from this firm by the French have been scheduled. Request is being submitted to the French representative of the Coordinating Committee to restore the equipment removed and to discontinue further removals.

End.

Note: 8378 is CM-IN-1147 (6 July) CAD

ACTION: CAD

INFO : AAF, ASW, CAD (State), P & O, ID, SWNCC, CSA

CM-IN-1253 (6 Aug 46) DTG 061015B jjf

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65

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SECRET TOT

PRIORITY

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

From: OMGUS, Berlin, Germany sgd Clay

To: War Department for WDSCA

Nr: CC 1318 6 August 1946

Reurad June W 92781 Ourad July CC 8477. Subject is Czechoslovakia proposal re transit charges.

Number 1: Russian element here has no knowledge of proposal.

Number 2: British element here has no knowledge of proposal but is satisfied British position will be that transit charges must be paid for as exports.

Number 3: French advise proposal was received and answered substantially as follows: "Although necessary to deny proposal to handle transit charges as reparations, yet it might be possible and even politically and economically desirable to give some preferential treatment." We are given to understand that reference intended here is to possibility of permitting payment for these transit charges to be made by shipment of goods from Czechoslovakia to Germany.

Number 4: We concur in US position as stated.

End
8477 is CM-IN-1396 (8 Jul) CAD
ACTION:CAD
INFO :ASW, CAD(State), P&O, SWNCC, CSA
CM-IN-1371 (7 Aug 46) DTG 061605B ls

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TOP SECRET

TOP SECRET IVI
PRIORITY

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

From: SCAP, Tokyo, Japan

To: War Department to WARCOS

Info: CNO; CINCPAC; COMNAVJAP

Nr: CX 63790 5 August 1946

State War Navy Coordinating Committee has under consideration request originated by COMNAVJAP and referred to it by Navy Department on 24 April 1946 to scrap subject to approval by SCAP combat and naval ships of destroyer class and surface vessels of lesser tonnage which cannot be repaired in 60 days. These vessels are not operable nor suitable for division amongst the 4 Powers.

Immediate authorization needed to permit the following:

1. Utilization of presently available shipyard facilities to make their equipment ultimately available for reparations.

2. Completion of the destruction of the former Japanese Navy.

3. Expediting return to civilian pursuits of former Japanese Naval Personnel.

4. Clarification of exactly what ships are available for distribution amongst the 4 Powers.

5. Taking advantage of present idle shipyard capacity

CM IN 1741 (8 August 46)

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Col Field (GWNCC)

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TOP SECRET IVI

PRIORITY

From: SCAP, Tokyo, Japan

Nr: CX 63790 5 August 1946

before it is required for priority work of reconditioning ships for reparations and restitution.

Request action earliest.

End.

ACTION: Gen Norstad

INFO: Gen Spaatz, Adm Leahy, Mr. Petersen, Gen Echols, JCS, Gen Chamberlin, Adm Nimitz, Col Field (SWNCC), CSA

CM IN 1741 (8 August 46) DTG 050531Z ec

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RESTRICTED IVI

URGENT

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

From: GHQ SCAP, Tokyo, Japan sgd MacArthur

To: War Department for Asst. Secretary of War Petersen

Info: CG USFIK, Korea for General Echols

Nr: CX 63784 4 August 1946

Reur W96278 to General Echols. Echols had left Japan before receipt of your message which has been forwarded to him in Korea. Statements by Magagna were made solely on his own responsibility without previous consultation with or knowledge of any SCAP official. This fact has been press released from here.

War Department statement to USCC as contained in your message to Echols that he "was advised War Department assumes Magagna's quoted statements were not cleared by SCAP and if in fact any portion export program unsatisfactory to SCAP discussion would be confined to official channels" is correct.

End

ACTION: CAD

INFO : ASW, CAD (State), P & O, PRD, USCC, SWNCC, CSA

CM-IN-912 (4 Aug 46) DTG 040130Z jjf

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

From: Office of Mil Govt for Germany, Berlin, sgd Clay

To: War Department for WARCAD

Nr: CC 1066 1 August 1946

Further reference our CC 9805. Earl N Reinsel, civilian Deputy Property Control Branch Finance Division, will be in Washington within next ten days bringing with him latest draft of interim awards law and draft of law for internal restitution of identifiable property based upon latest discussions with the Laenderrat and within this office. Request you make it possible for Mister Reinsel to discuss fully with interested agencies in Washington these papers and the related questions.

We believe it would be helpful if Lowenthal, or such person chosen in his stead pursuant to ourad CC 9546, 23 July, could participate in these discussions, since it would help orient him to the problem and enable him to be better informed on your thinking there when he assumes his duties with the Legal Division of OMGUS.

End

CC 9805 is CM-IN -5835 (28 Jul) CAD
CC 9546 is CM-IN-5107 (25 Jul) CAD

ACTION: CAD

INFO : CAD(State), ID, P&O, SWNCC, Mr Petersen

CM-IN-312 (2 Aug 46) DTG 011550 ls

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URGENT

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

From: CINCAFPAC, Tokyo, Japan

To: War Department for Civil Affairs Division

Nr: C 63683

1 August 1946

Reference W 95970 note our Z-11198 dated 31 July to WARCOS Public Relations, a press release on Ea MAw. He was released to British custody, flown on British plane to BCOF Air Base at Iwakuni, expected to board British sea plane for Rangoon.

End

NOTE: Z 11198 is Cm IN 65968 (31 July) PRD

ACTION: CAD

INFO: CAD (State)
P&O
Mr Petersen
SWNCC
PRD

CM-IN 166 (1 Aug 46) DTG 010919Z ed

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SECRET IVI
URGENT

From: CG USFA Vienna Austria cite PASGS

To: War Department for JCS pass to State Department

Info: American Embassy, Paris for Secretary of State Byrnes

Nr: P 2003 31 July 1946

Reference your WARX 95641.

I had several conferences with LaGuardia and his associates. He also conferred with other commanders with the exception of Soviet commander who sent his deputy. I explained to LaGuardia the violations by the Soviets of the UNRRA agreement, namely their refusal to meet relief demands for petroleum oil and lubrication products and their seizure of approximately 48,000 acres of indigenous land in their zone which is estimated by Austrian authorities will produce at harvest time approximately 70,000 tons of food.

Although Mr LaGuardia made no firm commitment, it is my belief that he intends to raise these questions at the Geneva Conference, pointing them out as violations and falling within the scope of UNRRA resolution 91 and indicating that he intends to make adjustments in the UNRRA program here. I urged that he do this and believe he will.

He also found that UNRRA observers did not have free access to the Soviet Zone. He indicated to the Soviet deputy commander that he would insist that his observers have free

CM IN 57 (1 Aug 46)

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From: CG USFA Vienna Austria cite PASGS

Nr: P 2003 31 July 1946

and unmolested rights of inspection.

When LaGuardia conferred with Zheltov, Soviet Deputy, LaGuardia was loaded with complete factual information I had given him with regards the handling of indigenous oil by Soviets and their seizure of arable farm land. When LaGuardia asked Zheltov for explanations of Soviet actions the only answer he could get was that their actions were justified under Potsdam.

End

Note: Has been relayed to State Dept for relay to Paris.

ACTION: CAD

INFO : AAF, Adm Leahy, JC/S, ID, Adm Nimitz, P&O, SSP, SWNCC, Mr Petersen, CSA

CM IN 57 (1 Aug 46) DTG 311207 mec

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SECRET TOT

PRIORITY

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

From: CG USFA Vienna Austria cite PAACA/F

To: War Department

Info: USFET for Fiscal Director

Nr: P 1999 31 July 1946
Reference is WARX 94342.

1. Rate and procedure for encashment of military payment orders and certificates of credit issued to prisoners of war is subject. July WX 93572 not located here.

2. Reference to Article 23 Geneva Convention of 1929 not understood here since amounts of military payment orders and certificates of credit presumably result largely from wage payments to prisoners of war. Such payments fall under Article 34, Section 3, Chapter 5 of Geneva Convention of 1929 and not under Article 23. Difference between Article 34 and 23 is important because payment for labor is not reimbursable to paying government by government of prisoner of war.

3. Recommend therefore that full amount of prisoner of war military payment orders and certificates of credit be credited to Austrian National Bank as Exchange Control Agency of Austrian Government.

4. Austrian National Bank has reported to this headquarters that French Government agreed that French military payment orders and certificates of credit of Austrian prisoners of war will be collected by Austrian National Bank. Austrian National Bank will receive counter-value in French Francs on its account with Banque de France.

CM-IN-271 (2 Aug 46)

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From: CG USFA Vienna Austria cite PAACA/F

Nr: P 1999 31 July 1946

This account to be used for making payments in France. Austrian National Bank requests that similar procedure be established for United States ex-prisoners war. Recommend reconsideration of procedure outlined in July WX 94342 in light of foregoing information. Class B agency can be installed in branches of Austrian National Bank for purpose of supervising enchashment and certifying credit instruments.

5. Reference to rate at time of hostilities of 26.05 cents of 3.7523 schillings for one dollar United States not understood. At commencing of hostilities, no Austrian schilling currency in existence. Last schilling quotation prior to Anschluss 19 cents. Use of 3.723 schillings for one dollar United States not considered justifiable. Military conversion rate of 10 schillings to one dollar to be announced shortly as general provisional exchange rate between schilling and dollar. Though not officially approved, this rate generally knownand used also in non-military transactions. Use of 3.7523 rate would be considered by ex-prisoners of war breach of good faith by United States Government and have unfavorable political effect. Strongly recommend use of general provisional 10 schilling for one dollar rate. This recommendation is a revision of earlier recommendation contained in February P-2294 paragraph 4 (A).

6. Request Fiscal Director USFET be advised to withhold instructions for encashment of prisoner of war instuments in Austria until rate and procedure are definitely established.

End.

ACTION: CAD
INFO : CAD(State), P&A, P&O, SERVAT, Mr Petersen, BUD, SWNCC

CM-IN-271 (2 Aug 46) DTG 311137B 1s

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CONFIDENTIAL IVI

PRIORITY

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

From: OMGUS, Berlin, Germany sgd Clay

To: War Department for WARCAD

Info: CG USFA, Vienna, Austria

Nr: CC 1031 31 July 1946

Reurad WX-90450.

1. We agree in principle with paragraphs 1A and 1B.

2. We assume your proposal does not contemplate restituting securities with German ownership antedating German occupation of invaded countries. Therefore, suggest that until such time as conflicting interests can be resolved satisfaction be given by claimant country through certification or other means that no German interest direct or indirect prior to occupation of claimant country existed in securities being claimed. As an alternative claimant country might agree to subsequent reporting and accounting for such German interest in restituted securities. This arrangement would preserve interest in GEPC in underlying German-owned property in neutral countries or countries not exempted from Law Number 5 and would allow for accounting distinction between reparations and restitution deliveries.

3. Reference your para 1C. We do not believe there would be any difficulty in having GEPC recognize principle that claims for restitution take precedence over claims of ownership under Law Number 5.

CM IN 232 (1 Aug 46)

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CONFIDENTIAL IVI

PRIORITY

From: OMGUS, Berlin, Germany sgd Clay

Nr: CC 1031 31 July 1946

4. Reference our Radio CC-2186, the American member of GEPC does not consider that GEPC has formally taken position outlined in Para 2 of reference cable. Please disregard that paragraph. The present disagreement among the Four Powers arises over the status of securities of foreign corporations which are not subject to restitution. The US, and UK, and French views are to the effect that such securities are included in the term "German external assets", as used in Control Council Law Number 5, if they fall within the provisions of Articles II and III of the Law; or in other words, that the security itself represents only an evidence of the ownership of property located elsewhere. The Soviet view, which is in the process of reaching top quadripartite discussion, is that such securities are assets in Germany and fall under the jurisdiction of Zone Commanders of respective zones where located and are not under the jurisdiction of GEPC.

5. If it were desirable to restitute securities irrespective of the German interest therein, it would seem preferable to have the Allied Control Council issue a restitution directive to that effect irrespective of Law Number 5, rather than to undertake an amendment to Law Number 5 that would exempt German-owned securities from vesting.

6. Your Para 2. We believe that the return of securities as suggested should await the resolution of policy

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PRIORITY

From: OMGUS, Berlin, Germany sgd Clay

Nr: CC 1031 31 July 1946

questions herein raised in order that the US quadripartite position would not be prejudiced by unilateral action. We should not want by such action to have it contended that the US supports the right of the Zone Commander to make independent disposition of foreign securities found within his Zone wholly aside from a quadripartite policy with respect to restitution of such securities or their status as either external or internal assets, especially in view of the fact that the great volume of foreign securities in German are held in other than the US sector of Berlin or the US zone.

7. We are in general agreement with your para 3 subject to our foregoing modifications.

8. We are deferring approach to other occupying powers pending receipt of your comments on our views herein expressed and pending some further clarification of the Soviet position respecting the status of securities in general.

End.

ACTION: CAD

INFO : CAD (State), ID, P & O, Mr Petersen, SWNCC

CM IN 232 (1 Aug 46) DTG 311907B se

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PRIORITY

RESTRICTED IVI

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

From: USFA Vienna, Austria cite PASGS

To: War Department for WDSCA

Info: USFET; OMGUS

Nr: P 1958 30 July 1946

Subject is UNRRA Council Meeting 5th August reference your WARX 95109.

Compilation of information requested is being expedited for conference with representative of State Department expected to arrive this Headquarters about 31st July.

Concur with USFET proposal to send representative to Geneva Conference for close liaison with representatives War and State Department at council session. Desired here to send Lieutenant Colonel Henry G. McFeely, O-18810 from USFA for this purpose. Request this Officer be included in and attached to War and State Department group of representatives.

End.

ACTION: CAD

INFO: D/I, CAD (State), SWNCC, Mr Petersen, C/S

CM-IN 6420 (31 July 46) DTG 301410B fwl

PRIORITY
RESTRICTED

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CONFIDENTIAL TOT

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

From: Office of Mil Govt for Germany, Berlin, sgd Clay

To: War Department for WDSCA

Info: USFET

Nr: CC 9916 30 July 1946

Reurad WX-94085.

Preliminary investigation by OMG Bavaria indicates lighters Ideal and Joseph were unloaded Wurzburg early August 1945 and that a total of approximately 500,000 kilograms iron sheets and 200,000 kilograms galvanized iron sheets were later trans-shipped by rail to firm Schencker and Company, Regensberg, for storage. All of this total released apparently as captured enemy material by 3 January 1946 for production of stoves in Bavaria and is lo longer available. No details yet available in Lelette and Gemaine but we believe contents those lighters similarly used. Shall obtain as complete an inventory as possible on all four lighters.

AUG 1 1946

ACTION: CAD

INFO: D/PO
CAD (State)
SWNCC
Mr Petersen

End

CM-IN 6207 (30 Jul 46) DTG 301300 ed

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RESTRICTED TOT

PARAPHRASE NOT REQUIRED. HANDLE AS RESTRICTED CORRESPONDENCE PER PARAS 51 1 and 60 a AR 380-5

From: CG OMGUS Berlin sgd Clay cite OMGHC

To: War Department attn WDSCA

Nr: CC 9942 30 July 1946

Reference your cable number W-95414, concur on proposal photostat and 16 mm microfilm facilities available. Photostat paper must be furnished.

End.

ACTION: CAD

INFO : D/PO
CAD (State)
Mr. Petersen
SWNCC

CM-IN-6371 (31 Jul 46) DTG 301845B jjf

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SECRET IVI

PRIORITY

PARAPHRASE NOT REQUIRED. HANDLE AS SECRET CORRESPONDENCE PER PARIS 511 and 60a. AR 380-5

From: CG USFA Vienna Austria from Clark cite PAGS

To: War Department for Joint Chiefs of Staff; Secretary of State (War pls pass)

Info: WBS Paris; American Embassy for Sec Byrnes (WBS pls pass)

Nr: P 1936 29 July 1946

Problem of position of American oil interests in Austria is most urgent. On it also depend partly questions of equitable use of indigenous petroleum products in UNRRA relief program and Soviet domination of oil industry in Austria. Action on all this has been held in abeyance by instructions contained in W-935998 July pending arrival of Brandon Grove.

It would be seriously prejudiced further by further delay. Since Grove was not returned, I will proceed without him to institute claims for Preischurfe. For this please send me evidence mentioned in W-93599 as having been given to him.

I would not file claims for the companies as such since they have never been claimed by Soviets themselves. Be the companies as such I propose to initiate formal statement to Soviet Commander that Vacuum Oil Company is one hundred per cent American owned, and that RAG and Oesterreichische Mineralölwerke are 50% American owned and 50% British; Demand that Soviet inspectors and other officers now in or interfering with operations of these companies be withdrawn;

CM IN 6332 (31 July 46)

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SECRET IVI

PRIORITY

From: CG USFA Vienna Austria from Clark cite FAGCS

Nr: P1936 29 July 1946

And take the position in AC that crude prodution of RAG is not in any way claimable as Soviet under Potsdam because it has continuously been property of a British and American Owned Austrian Company never claimed by Germans even and thus should be for free allocation by Austrian Government in UNRRA program without the regulation to which all oil is now subjected in Austria in Soviet mineral oil Administration on ground that certain oil properties became Soviet State property under Potsdam agreement. These approaches would not mention Fredschurfe one way or the other thus leaving them to be handled separately.

I will inform the British of fore going but will not wait for them to parallel approach since they have been surprisingly slow in facing the Russians on property matters in Austria.

Erhardt concurs.

End.

ACTION: CAD

INFO: JC/S, Adm. Leahy, CG AAF, D/I(State), D/SSP, D/PO Adm. Nimitz, Mr. Peterson, SWNCC, C of S

CM IN 6332 (31 July 46) DTG 292015 cj

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CONFIDENTIAL TOT

PARAPHRASE NOT REQUIRED. HANDLE AS CONFIDENTIAL CORRESPONDENCE PER PARAS 51 1 and 60 a AR 380-5

From: OMGUS Berlin Germany sgd Clay

To: War Department for WDSCA

Info: CG USFET Frankfurt

Nr: CC 9860

29 July 1946

Subject of extension of International Postal Service for Germany to inclued inbound and outbound small packets up to 2 kilos and parcel post up to 20 kilos now up for discussion in Post Subcommittee. This is separate from gift parcel service. View of urads WX 81051 dated 4th October, W 92693 dated 12th January and W 89814 dated 31st May request your views. British and French Delegations indicate approval but will probably set initial weight limits at 5 kilos. Postal Service in United States Zone can handle anticipated volume.

End.

ACTION: CAD
INFO : ~~D/I~~ SWNCC, D/PO, CAD(Treas-State), SERVAT, Mr Petersen,

CM-IN-6016 (29 Jul 46) DTG 291310 1s

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PARAPHRASE NOT REQUIRED. HANDLE AS SECRET CORRESPONDENCE
PER PARAS 51 (i) and 60 (a) AR 380-5

From: OMGUS Berlin, Germany sgd Clay

To: War Department for WDSCA

Info: CG USFET Frankfurt Germany

Nr: CC 9828 28 July 1946

Reurad WX-93164 dated 2nd July 46.

French, British, and US requirements technicians are now meeting regarding uniformity in calculation of food requirements.

Progress report will be sent you early next week.

END.

ACTION: CAD

INFO : D/I (State), D/SSP, D/PO, Mr Petersen, SWNCC ✓

CM IN 5929 (28 Jul 46) DTG 281125 Mec

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From: GHQ SCAP, Tokyo, Japan

To: War Department to WDSCA

Nr: C 63506 27 July 1946

Reurad W 92885, dated 29th June 1946.

The season for salmon fishing and canning operations in Kamghatka is now closed. The unilateral action of Russia in arbitrarily delimiting this potential resource of food production has tended to deteriorate the worlds capacity at one of its most critical periods. It is assumed to be useless to proceed further in an effort to counteract this special despotic action, but it is recommended that it be used as an illustrative incident in the final settlement of issues with the Soviet.

End.

ACTION: CAD

INFO : D/PO, CAD(State), Mr Petersen, SWNCC ✓

CM-IN-5732 (28 Jul 46) DTG 271101Z ls

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

From: OMGUS Berlin, Germany sgd Clay

To: War Department for WDSCA

Info: USFET Frankfurt, Germany

Nr: CC 9805

27 July 1946

Reference your WX 94867 the draft law submitted in our CC 7053 has been discussed further with German Laenderrat. Several of your suggestions have been met and others are still under consideration. Additional discussions are scheduled with the Laenderrat on 29th July and a revised draft will be sent to you as quickly thereafter as possible. Final action will be taken only after receipt of clearance from you.

No decision as to the ultimate disposition of heirless and unclaimed property will be made here and any recommendations which we may have with respect to such disposition will be transmitted to you promptly. We do not agree that the appointment of a Trustee for such property is desirable until its disposition has been determined. When disposition has been determined, we would approve fully the immediate designation of a Trustee responsible to the beneficiaries of the trust to receive this property and all such property would be turned over to the trustee as rapidly as found. The trustee could also aid in the search for additional property. We are convinced that the responsibility for this property must continue in the Property Control Branch of Military Government until disposition has been determined. This Branch will require the German Administrations working under close supervision to find, sequester, and administer this class of property until it is transferred to the

CM-IN-5835 (28 Jul 46)

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From: OMGUS Berlin, Germany sgd Clay

Nr: CC 9805 27 July 1946

trustee. We do welcome on our legal Staff a qualified lawyer who has the confidence of the groups which you mentioned to advise us on proposed laws and programs. However, we feel that he must be a member of the Legal Division of Military Government whereas trustee designated to receive property must be responsible not to Military Government but to the beneficiaries of the trust.

It was for this reason that you were requested to obtain Max Lowenthal to be a member of our legal staff based on the recommendation of Rabbi Bernstein. It is requested that his appointment or the appointment of another suitably qualified person in this capacity be made so that he can arrive in the theater not later than 15th August.

We must point out that a trustee or custodian other than property control branch would find it impossible to develop an adequate Staff for the location of this property. Physically the job must be done by the German Administration under close supervision. For example, the German Administrations have already established 237 local offices to undertake this work.

The draft law for interim damages submitted in our CC 7053 was adopted by Laenderrat at its 9th July meeting. It is expected here for final approval shortly. If this proposal is approved, statement as to interim nature of the proposal will be made in accordance with your suggestion. The final indemnification program will be submitted to you

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From: OMGUS Berlin, Germany sgd Clay

Nr: CC 9805 27 July 1946

before final action.

Other points you raised will be subject of later reply.

End.

Note: CC 7053 is CM-IN-3732 (18 June) CAD

ACTION: CAD

INFO : D/I
D/PO
CAD (State)
Mr. Petersen
SWNCC

CM-IN-5835 (28 Jul 46) DTG 271300B jjf

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