

**TOP SECRET**TOP SECRET14 March 1945COPY NO. 41STATE-WAR-NAVY COORDINATING COMMITTEEADDENDUMTO SWNCC MEMORANDUM, DATED 12 MARCH 1945SUBJECT: APPOINTMENT OF AD HOC COMMITTEE TO CON-  
SIDER SWEDISH RELIEF SHIPMENTS

1. Lt. Comdr. Thomas Snowden, USNR (N 4551) is designated Navy member of the ad hoc committee to consider Swedish relief shipments.

2. The State Department member of the ad hoc committee is hereby designated as the Steering Member.

For the State-War-Navy Coordinating Committee:

CHARLES W. McCARTHY  
Secretary

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**TOP SECRET**TOP SECRETCOPY NO. 4112 March 1945STATE-WAR-NAVY COORDINATING COMMITTEE

MEMORANDUM FOR: Mr. Hugh S. Cumming, Jr. (S-2047)  
Alternate: Mr. William C. Trimble (S-746)  
Mr. Harold H. Neff (W-5749)  
Navy Member (To be supplied)

Subject: Appointment of ad hoc Committee.

1. At its thirteenth meeting, the SWNCC agreed to appoint an ad hoc committee to consider SWNCC 24/4 and other problems of the same nature that may arise in the future with respect to Swedish relief shipments.
2. The ad hoc committee will take steps to obtain clearance with the Joint Chiefs of Staff where necessary. Such clearance shall be obtained through the SWNCC Secretariat without reference to SWNCC itself.
3. It is understood that Mr. John Fleming of the Foreign Economic Administration will collaborate with the ad hoc committee in view of the direct interest of the FEA in economic warfare matters.
4. SWNCC 24/4 is forwarded herewith, together with a copy of that portion of the minutes of the thirteenth meeting of SWNCC pertaining to this matter. \*

For the State-War-Navy Coordinating Committee:

CHARLES W. McCARTHY  
Secretary

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\* Forwarded to ad hoc committee members only.

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**TOP SECRET**TOP SECRET24 February 1945COPY NO. 41STATE-WAR-NAVY COORDINATING COMMITTEE

MEMORANDUM FOR: Mr. Eugene H. Dooman, State Dept.) Members, State-  
Major Gen. George V. Strong, USA ) War-Navy Coordin-  
Major Gen. John B. Brooks, USA ) ating Subcommittee  
Rear Admiral Harold C. Train, USN) for the Far East.

Subject: Politico-Military Problems in the Pacific.

Reference: a. SWNCC 16  
b. SWNCC 16/1/D  
c. SWNCC 16/2

1. At the 11th meeting of the State-War-Navy Coordinating Committee held on 23 February 1945, the Initial List of Topics for Study by the State-War-Navy Coordinating Sub-Committee for the Far East (Appendix "A" to SWNCC 16/2) was considered.
2. The Committee desires that the following topics be added:  
Paragraph VI (10) of Appendix "A" to SWNCC 16/2:
  - e. Nature and extent of Industrial Control
  - f. Education
  - g. Control of Public Information
3. The members of the State-War-Navy Coordinating Sub-Committee for the Far East are requested to reconsider the priority of studying and processing the various topics listed in Appendix "A" of SWNCC 16/2, and to convey any new conclusions reached to the State-War-Navy Coordinating Committee through the representatives of the three Departments. In establishing this priority members of the sub-committee should seek guidance directly from their Departmental representative on the Coordinating Committee.
4. Subject to the remarks above the State-War-Navy Coordinating Committee approved the conclusions reached in SWNCC 16/2 and the sub-committee is requested to proceed in accordance therewith.

For the State-War-Navy Coordinating Committee:

WALLACE E. WHITSON  
Secretary

**TOP SECRET**



RESTRICTEDCOPY NO. 4119 February 1945STATE-WAR-NAVY COORDINATING COMMITTEE

## MEMORANDUM FOR:

Mr. H. Freeman Matthews, State Department  
Mr. Eugene Dooman, State Department  
Mr. Avra Warren, State Department

1. At its tenth meeting on 16 February 1945, the State-War-Navy Coordinating Committee agreed that each of its sub-committees should hereafter be described as "State-War-Navy Coordinating Sub-Committee for \_\_\_\_\_."

2. Accordingly, the names of the sub-committees of which the addressees are chairmen are as follows:


State-War-Navy Coordinating Sub-Committee for Europe.

State-War-Navy Coordinating Sub-Committee for the Far East.

State-War-Navy Coordinating Sub-Committee for Latin America.

For the State-War-Navy Coordinating Committee:

WALLACE E. WHITSON  
Secretary





S E C R E TREPARATIONS: PRIORITY OF OCCUPATION COSTS  
IN APPORTIONMENT OF JAPANESE ASSETSD R A F TTHE PROBLEM

1. To formulate the U. S. position with respect to:
  - a. Determination of categories of reparations claims to be recognized in the reparations settlement;
  - b. Determination of categories of Japanese assets, existing and accruing, to be made available for compensating reparations claims;
  - c. Determination of priorities to be assigned among categories of claims for reparations in the apportionment of various categories of available Japanese assets.

FACTS BEARING ON THE PROBLEM

2. See Appendix "A".

DISCUSSION

3. See Appendix "B".

CONCLUSIONS

4. The United States Government should support the submittal of claims for compensation on reparations account in the following categories.
  - a. Occupation costs segregated as:
    - (1) Dollar expenditure for imports into Japan to prevent disease and unrest and to accomplish the purposes of the occupation.
    - (2) Dollar expenditures for pay of troops and subsistence.
    - (3) Dollar expenditures for repatriation.
    - (4) Dollar expenditures for Korean occupation.
  - b. General war damage, with special and separate categories defined for the following types of losses:



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- (1) Gold and other precious metals,
- (2) Cultural objects,
- (3) Shipping.

- c. Budgetary expenditures for the prosecution of the war,
- d. Man-years allocable to the war,
- e. Wartime casualties; (1) military and (2) civilian,
- f. Exhaustion of resources, etc.
- g. Other claims.

5. It should be United States policy to obtain segregation of Japanese assets determined as available for reparations, as distinguished from restitution of identified loot and from war booty, in the following categories:

- a. External assets.
- b. Existing gold and other precious metals in Japan.
- c. Existing cultural items.
- d. Merchant ships.
- e. Foreign securities and currencies in Japan.
- f. Existing industrial facilities.
- g. Output from current production.

6. The United States should propose the following method for allocating assets indicated in paragraph 5, in fulfillment of various types of claims indicated in paragraph 4.

a. Claims under all four categories of occupation costs should be a first charge against categories of assets (b through g in para. 5) available in Japan and against Japanese external assets in neutral and enemy countries;

b. Subject to the priority stated in 6-a,

(1) Gold and precious metals as defined in 5-b should be distributed proportionately in accordance with proven losses of those items up to and no more than the total value of losses;

(2) Cultural items as defined in 5-c should be distributed proportionately in accordance with proven losses of



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those items up to and no more than the total value of losses;

(3) Shipping, as defined in 5-d, should be distributed proportionately in accordance with proven losses of those items up to and no more than the total value of losses;

c. Foreign securities and currencies should be returned to countries of issue, if such countries were at war with Japan; if not, distributed according to the procedure described in 6 e below;

d. External assets, excepting war booty, should be recorded, assigned and distributed as follows:

(1) Those in countries at war with Japan should be retained in the country in which located and their value applied against the total reparations apportionment of that country.

(2) Those in neutral and enemy countries, except Siam, should be allocated on the same percentage basis as industrial facilities removed as reparations (6 e).

(3) Those in Siam should be used to pay Allied claims against Siam.

(4) Those in Korea should be left within Korea.

e. Subject to the priority stated in paragraph 6 a, industrial facilities should be allocated proportionately to total claims of each country not compensated for under preceding provisions.

f. No claims should be met out of current production except claims for compensation of occupation costs.

7. The policies embodied in paragraphs 4, 5 and 6 may be modified as follows by the United States member of the Far Eastern Commission if it is necessary for him to secure agreement within the Commission without intolerable delay:



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a. Priority accorded occupation costs under paragraph 6 a need not be insisted upon except that the first class of occupation costs (4,a,1) must be a prior and first charge on all Japanese liquid assets including foreign exchange accruing from excess of exports over imports as provided under 7 c;

b. Gold and other precious metals may be distributed in fulfillment of reparations claims under 6,b,1, up to the value of total proven losses before being made available to meet the claims for occupation costs;

c. Reparations claims, other than for occupation costs, may be met from current excess of exports over imports only when the two following prerequisites are fulfilled:

(1) the United States Government determines that the level of industrial production in Japan has reached a point where exportable surpluses of industrial production exceed in value the costs of imports required to meet the Supreme Commander's disease-and-unrest requirements, and requirements for fulfillment of the objectives of the occupation;

(2) The United States Government is satisfied that the regime of Allied control in Japan will be sufficiently prolonged and sufficiently effective in its control of the Japanese economy, directly or indirectly, to justify retention in Japan of facilities in operation which may be inconsistent either with the level of economy or security objectives of the occupation.

8. Insofar as fulfillment of the U.S. claim for industrial equipment is in excess of ability or desire of U.S. to transfer it, the U.S. allocation should be made available to Korea and other claimants on a political basis, but should not be accepted and offered for sale in return for monetary payment.