

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

**Description of contents**

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(3) Date: Aug. 1950 - Apr. 1952

(4) Subject:

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021, 032	Z

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(6) Reproduction: \*  Yes  No

(7) Film no.

Sheet no.

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387.2 SCAP

GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
APO 500

AG 433 (4 Apr 52) ESS/NR  
SCAPIN

4 April 1952

G-4 ROUTING

AC/SG-4	
DAC/SG-4	
EXECUTIVE	<input checked="" type="checkbox"/>
P+C	
C+RE	<input checked="" type="checkbox"/>
SUPPLY	<input checked="" type="checkbox"/>

ADMIN

MEMORANDUM FOR: THE JAPANESE GOVERNMENT

SUBJECT: Price and Distribution Controls of Mugi

1. Reference is made to:
  - a. AG 433(13 Mar 51)ESS/PD, SCAPIN 2146, 13 March 1951, subject: Price and Distribution Controls of Mugi.
  - b. AG 430( 2 Sep 50)ESS/PD, SCAPIN 7260-A, 2 September 1950, subject: Formal Releases of Imported Food.
2. The proviso to paragraph 2 of reference in paragraph 1a is rescinded.
3. Notwithstanding the provisions of reference in paragraph 1b, effective this date the Japanese Government will no longer be required to request formal approval of General Headquarters, Supreme Commander for the Allied Powers for the distribution of wheat imported from the United States for the school lunch program.
4. Direct communication between the Ministry of Agriculture and Forestry, Japanese Government and Economic and Scientific Section, General Headquarters, Supreme Commander for the Allied Powers is authorized for the implementation of this directive.

FOR THE SUPREME COMMANDER:

*C. C. B. Warden*

C. C. B. WARDEN  
Colonel, AGC  
Adjutant General



G-4 PLANS AND OPERATIONS DIVISION

7 March 1951

MEMORANDUM FOR: Colonel Forsyth

1. Reference your question as to what controls exercised over the Japanese are the responsibility of G-4, the following information is submitted:

2. With the relaxation of controls of petroleum supply and distribution as stated in SCAP memo attached as inclosure 1, only the following controls will remain in effect:

*No action necessary* →

a. Disposition of surrendered war materials (Incl 2). This SCAPIN as amended, requires the Japanese Government to maintain records of all surrendered war materials returned to the Japanese Government. This report is submitted to SCAP only on call.

//

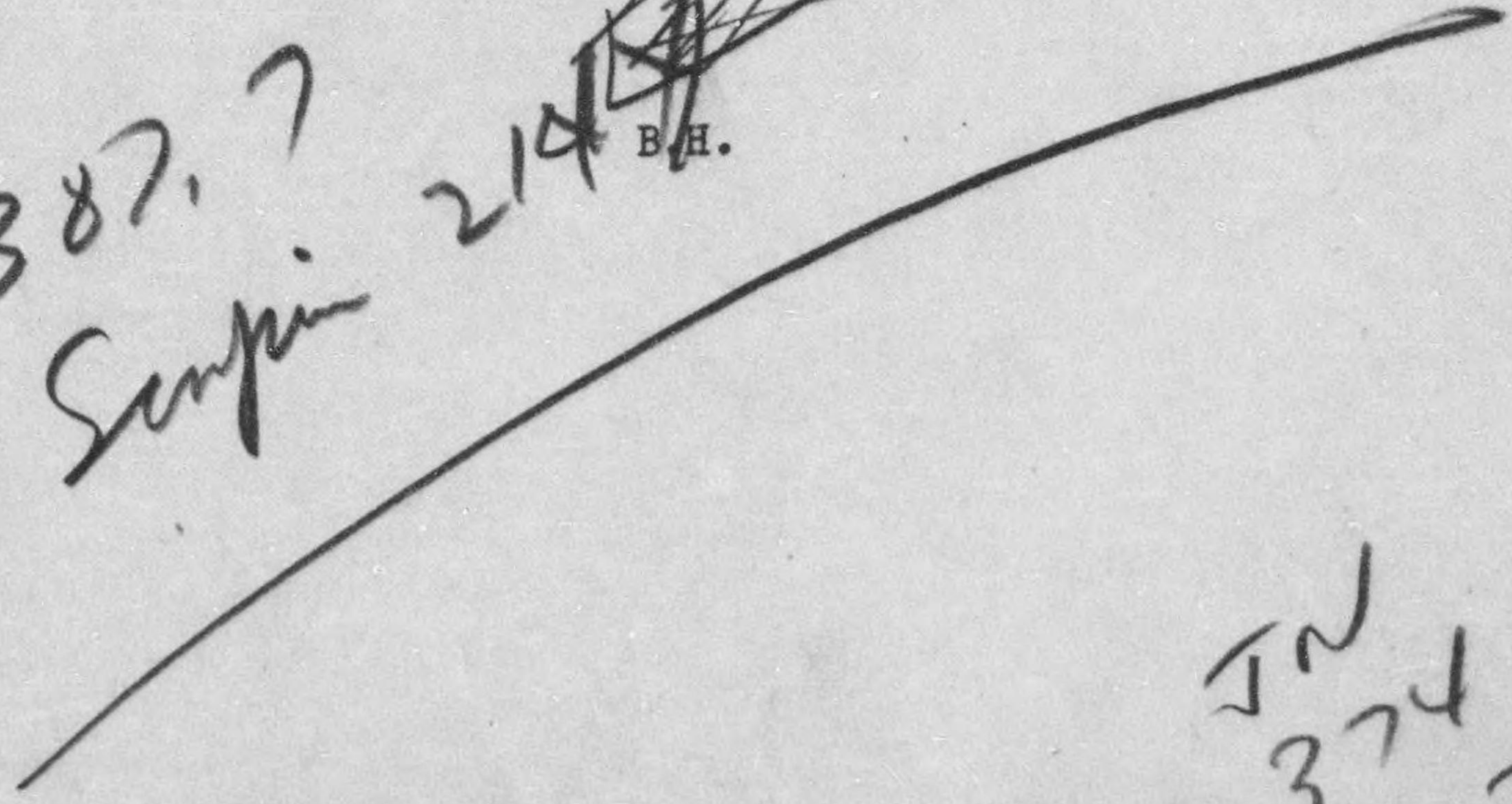
b. Scrapping of Japanese Naval Vessels - SCAPIN 1761, (Incl 3). This SCAPIN requires submission of a report by the Ministry of Transportation, Japanese Government, within sixty days after completion of the scrapping of a particular vessel. This is not a recurring report and has been continued because additional vessels have been recovered from time to time.

//

c. One time clearance of commercial aircraft into Japan, SCAP Circular # 3, Feb 50 (Incl 4). Paragraphs 22 and 25 of this circular prohibit the entry or exit from Japan of aircraft other than those assigned to or serving the occupation, except when approval has been granted by SCAP. G-4 acts as the SCAP agency for the review of requests. G-4 also, in coordination with FEAF, considers the logistics aspects.

(info)

387.7  
Scapin 214 BH.



IN  
3741  
RET

214X

1. 1951

## G-4 PETROLEUM DIVISION

GD PFT HRC/RJB/th

7 March 1951

## MEMORANDUM FOR RECORD

SUBJECT: Relaxation of Controls over Petroleum Supply of the Japanese Civil Economy

1. G-4 Journal #03741 covers return of G-4 check note 1, subject as above, 6 March 51, with Chief of Staff approval. The check note recommended, as part of the policy of returning to the Japanese Government responsibility for the civil economy, that all SCAP controls over refining, distribution, rationing and allocation of crude and refined petroleum be eliminated, effective 1 April 1951. An implementing draft SCAPIN was included as Tab "A". The check note to the Chief of Staff was concurred in by ESS, NRS, PH&W, CCS and G-2, and was also concurred in by CTS, subject to reservations indicated in the basic paper. This action was approved by the Deputy Chief of Staff, SCAP, 6 March 1951, initials A. P. F.
2. Instant action forwards the approved draft SCAPIN to AG in final form for signature and dispatch.
3. This action constitutes a change in policy with respect to SCAP controls over supply of petroleum for the Japanese civil economy by removing such controls, effective 1 April 1951.
4. Petroleum Division follow-up suspense: None.
5. Action completed on G-4 Journal #03741.

RJB RJB 26-6123

PWE \_\_\_\_\_

CCR MRHRC ell

387.7 SCAPIN  
2144

CROSS REFERENCE OTHER THAN RADIO

~~387.7 SCAPIN~~

FROM: G-4

DATE: 14 Mar 51

TO: C/S

SUBJECT: (C/N 1 & M/R) DISCONTINUANCE OF THE PETROLEUM ADVISORY GROUP

DOCUMENT IN: 334 PAS

JO. NO. 4245 DIV. PETR

2144

G-4 ROUTING	
A G	_____
DA	_____
EXECUT	_____
P + O	_____
C + RE	_____
SUPPLY	_____
PETROLEUM	<i>Sub</i>
ADMIN	<i>e</i>

387.7 Proc  
 Lt Col Byrne  
 26-6123  
~~X467.7~~  
~~X091.3~~

Brief of Checknote, subject: Relaxation of Controls over Petroleum Supply of the Japanese Civil Economy

6 MAR 1951

G-4

G/S

1. Elimination of remaining controls exercised by SCAP over allocation, refining, distribution and rationing of petroleum products for the Japanese civil economy has received continuing study.
2. All interested staff sections except CTS, have concurred in elimination of these controls, effective 1 April 1951.
3. The Chief, CTS, interposes no objection to removal of SCAP controls but withholds concurrence for the following reasons:
  - a. Past performance of the Japanese Government in enforcing regulations concerning petroleum supply.
  - b. Limited product and tanker availability on the world market.
  - c. Removal of SCAP controls over allocations poses implications relative to insuring that the Japanese Government will make sufficient petroleum supplies available to Japanese consumers performing under TOW procurement demands and dollar contracts.
4. In the final analysis, maintenance of controls necessary to insure proper utilization of petroleum products is a responsibility of the Japanese Government. The possibility of limited product and tanker availability has no bearing on removal of SCAP controls. The implications concerning availability of petroleum supplies to Japanese consumers performing under TOW procurement demands and dollar contracts are remote possibilities and should not be considered as deterrents to removal of SCAP controls.
5. Elimination of SCAP controls will not prevent the Japanese Government from maintaining controls necessary to insure proper utilization of petroleum products.
6. Approval of the attached draft SCAPIN (Tab "A") and return to G-4 for necessary action is recommended.

- 2 Incls
1. Tab A, Draft Proposed SCAPIN
  2. Tab B, Brief of SCAPIN Content

G. L. E.



03694

2144

G-4 File



Lt Col Byrne 26-6123

Relaxation of Controls over Petroleum Supply  
of the Japanese Civil Economy

G-4

c/s

6 MAR 1951

1

1. Elimination of remaining controls exercised by SCAP over allocation, refining, distribution and rationing of petroleum products for the Japanese civil economy has been under continuing study. A conference held on 21 December 1950, attended by representatives of all interested staff sections, resulted in an agreement to postpone action on this problem until about 1 March 1951 because of the following general considerations:

a. The Japanese Government's past performance in enforcing regulations concerning petroleum supply, which has not been as effective as it could have been.

b. The tense international situation, coupled with limited product and tanker availability on the world market.

A second conference held on 16 February 1951 resulted in an agreement by all interested staff sections, except CTS, to remove all SCAP controls over petroleum supply of the Japanese civil economy, effective 1 April 1951.

2. Controls currently in effect are:

a. Approval of quarterly allocations by product, specific quantities and end-use. (Exercised by G-4 in coordination with interested staff sections)

b. Approval of rationing and distribution regulations. (Exercised by G-4)

c. Supervision of Pacific Coast Refinery operation. (Exercised by ESS)

3. The Chief, CTS, interposes no objections to removal of SCAP controls but withholds concurrence for the following reasons:

a. General decontrol at this time is premature.

b. Petroleum consumption by the transportation industry would increase at least 100%

2144

Lt Col Byrne 26-6123

Relaxation of Controls over Petroleum Supply  
of the Japanese Civil Economy

6 MAR 1951

G-4

c/s

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(Cont'd)

c. Consumption of petroleum by some 20,000 wooden vessels will increase out of proportion to that of steel vessels which utilize indigenous coal and effective control of their movements at sea would be difficult to check closely; thus, leaving the possibility of a large amount of fuel going through this unchecked channel to embargo areas.

d. Possibility of restricted sources of supply of petroleum products, i.e., availability of crude and refined products for import into Japan.

e. Possibility that consumers will be rationed in other countries.

f. Shortage of tankers on the world market and increasing charter rates.

g. Removal of SCAP controls over allocations poses implications relative to insuring that petroleum supplies in sufficient quantities will be made available by the Japanese Government to consumers performing under TOW procurement demands and dollar contracts.

4. a. With removal of SCAP controls it can be expected that the Japanese Government will permit an increase in consumption. The extent of the increase will be dependent upon availability of funds and sources of supply. In the final analysis, maintenance of controls necessary to insure proper utilization of petroleum products is a responsibility of the Japanese Government. By removal of SCAP controls, efforts on the part of Japanese Government officials to place blame for petroleum shortages on SCAP, shortages which are actually the result of poor handling by Japanese agencies, will be nullified.

b. It is considered that the possibility of limited product and tanker availability on the world market has no bearing on removal of SCAP controls.

c. The implications concerning TOW procurement demands and dollar contracts posed by the Chief, CTS, are a remote possibility. Retention of current SCAP controls over approval of allocations does not insure that individual Japanese consumers performing under TOW procurement demands and dollar contracts will receive adequate supplies of petroleum products. The Japanese Government is required to satisfactorily comply

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Lt Col Byrne 26-5123

Relaxation of Controls over Petroleum Supply  
of the Japanese Civil Economy

6 MAR 1951

G-4

C/S

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(Cont'd)

with the terms of a procurement demand, including making available rationed commodities necessary to meet the end-item procured. Since initiation of dollar procurement in Japan, no major difficulties have come to G-4's attention wherein consumers in this category have been unable to secure adequate petroleum supplies to meet their contract obligations. In view of the Japanese Government's past performance in meeting procurement demands and since dollar procurement results in accrual of foreign exchange, these implications should not be considered as deterrents to removal of SCAP controls.

d. Elimination of these controls by SCAP will not prevent the Japanese Government from maintaining controls necessary to insure proper utilization of petroleum products.

5. a. As part of the policy of returning to the Japanese Government responsibility for the civil economy, it is recommended that all SCAP controls over refining, distribution, rationing and allocation of crude and refined petroleum be eliminated, effective 1 April 1951.

b. Approval of the attached draft SCAPIN (TAB "A") and return to G-4 for necessary action is recommended.

## Concurrences:

ESS Maj Gen W. F. MarquatNRS Lt Col H. G. SchenckPHAN Col. C. S. Mollohan for Brig Gen C. F. SamsCCS Col. R. N. KunzG-2 Col. R. S. Bratton for Maj Gen C. A. WilloughbyGTS (subject to remarks above) Col. H. T. Miller

## 2 Incls

1. Tab A, Draft Proposed SCAPIN
2. Tab B, Brief of SCAPIN Content

-----G. L. E.-----

2144

## G-4 PETROLEUM DIVISION

GD PET ERC/RJB/jr

26 February 1951

## MEMORANDUM FOR RECORD:

SUBJECT: Relaxation of Controls over Petroleum Supply of the Japanese Civil Economy

1. G-4 C/N #1, subject as above, 25 November 1950, forwarded to interested staff sections (ESS, CTS, NRS, PH&W, CCS and Public Safety Division, G-2) a staff study, along with an implementing draft SCAPIN and a summary of SCAPINS referenced or rescinded, proposing elimination of all SCAP controls over refining, distribution, rationing and (sale) of crude and refined petroleum within the Japanese civil economy.
2. A conference was held on 21 December 1950 with representatives of all interested sections present. Objections to decontrol at that time were raised. These objections were largely based upon past performance of the Japanese Government in enforcing regulations concerning petroleum supply and limited product and tanker availability on the world market. In accordance with desires of the conferees it was agreed to postpone further action until about 1 March 1951, at which time the entire subject was to be reviewed.
3. A second conference was held on 16 February 1951 and was attended by representatives of all interested sections. At this conference all conferees, except CTS, concurred in the proposed relaxation of SCAP controls over petroleum supply of the Japanese civil economy, effective 1 April 1951. At the request of ESS the word "sale" in paragraph 3 of the draft SCAPIN has been deleted so as not to infer that Japanese Government price controls are to be removed. In lieu thereof the word "allocation" has been added as reference to allocation controls was inadvertently omitted in drafting the proposed SCAPIN.
4. Further discussion with the Chief, CTS, indicates that his position has not changed from that previously stated in CTS C/N #1, subject as above, 3 Feb 51, but that he will not interpose any objection to decontrol. However, he states that he cannot concur because removal of SCAP controls at this time poses certain implications relative to assuring that petroleum supplies in sufficient quantities will be made available by the Japanese Government to elements of the Japanese transportation industry, the services of which may be chartered or contracted for by the armed forces. For example, at the present time the services of a considerable number of Japanese trucks and self-propelled barges and lighters are being contracted for, mostly on a dollar basis, throughout Japan. Under the present system of control petroleum supplies have been assured by means of GHQ approval of the Japanese Government's proposed quarterly allocations by product and end-use categories. By decontrolling

Memo for Record, subj: Relaxation of Controls over Petroleum Supply of the Japanese Civil Economy, 26 February 1951

contracting officers may be placed in a position whereby they cannot accept bids of the lowest qualified bidder because such a bidder without political influence may not be able to obtain sufficient ration certificates from the Japanese Government and therefore would be unable to perform under his contract. To require contracting officers to intercede with Japanese Government officials on behalf of such bidders would place an unjustified administrative burden upon them. Also, it would be impracticable to draw up contracts in all cases specifying that military owned petroleum products will be supplied for use by the contractor because in many cases the contractor's equipment particularly floating plant and powered boats and lighter is used in areas where no military supplies are available, or where adequate control would be impracticable. These same arguments generally apply in the case of MSTTS chartering Japanese vessels.

5. Lt Col Nelson, Executive Officer, and Lt Col Gold, Chief Purchasing & Contracting Division, Procurement Section, JLC, were contacted with respect to the implications concerning procurement. They indicated that so far no difficulties have been encountered in contracting for transportation services because of inability of the contractors to secure petroleum supplies. In a few cases involving truck transportation the contract calls for military petroleum supplies to be furnished the contractor. It was indicated this was being done only in cases where adequate control could be exercised. In the case of barge and lighter transportation the contractors supply their own petroleum. It was indicated that if SCAP controls are removed and if the Japanese Government failed to see that adequate petroleum supplies were made available to consumers performing under military procurement contracts, serious difficulties would be encountered by the JLC Procurement Section.

6. The implications concerning military procurement of transportation services pointed out by the Chief, CTS, and confirmed by the Procurement Section, JLC, do exist and are a possibility. Further, it can be stated that these same implications apply to all types of procurement in Japan where petroleum is used in any manner in delivering the end item. However, retention of SCAP controls over approval of allocations does not of itself assure that individual Japanese consumers performing under military procurement contracts will receive adequate supplies of petroleum products. In actual practice the allocation and rationing procedure now in effect results in the Japanese Government submitting its quarterly estimate of requirements by product and end-use category to GHQ for approval. After review within GHQ final allocations for the quarter in question are approved and returned to the Japanese Government. The Japanese Government then issues ration certificates to the various classes of consumers in each category in accordance with the essentiality of their needs. It is obvious that even under the existing controls no assurance exists that the Japanese Government will issue ration certificates to individual consumers performing under procurement contracts. Since the inception of dollar procurement no specific case

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Memo for Record, subj: Relaxation of Controls over Petroleum Supply of the Japanese Civil Economy, 26 February 1951

has come to G-4's attention wherein a Japanese consumer in this category was unable to obtain product. Since dollar procurement in Japan results in foreign exchange earnings accruing to the Japanese Government, and in view of its past performance in this matter, it can be expected that the Government will continue to assure that such consumers receive ration certificates in quantities sufficient to meet their contract obligations.

7. As part of the policy of returning to the Japanese Government responsibility for the civil economy, this C/N recommends to the Chief of Staff that all SCAP controls over petroleum supply of the Japanese civil economy be eliminated, effective 1 April 1951, and submits for approval a proposed implementing SCAPIN in draft form.

8. Concurrences of all interested sections are indicated on the C/N.

9. This action is within established policy.

10. Petroleum Division follow-up suspense: None

11. Initiated case, G-4 action not completed.

RJB                      26-6123

PWE                     

CCR                     

ERC

① Petrol 

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OK for final form  
Fecht

PRICE LIST

QMGKC

Price list furnished in accordance with paragraph 3 WD Letter (AGAM-PM 400.1912 (16 July 1947) QMGKE) 21 July 1947, SUBJECT: "Price List of Petroleum Products Transferred by QM Overseas."

PACKAGED PETROLEUM PRICE  
FAR EAST COMMAND

Effective 1 August 1950

(IN U.S. DOLLARS PER UNIT)

PRODUCT	UNIT	PACKAGE	CONTRACT		
			OR ORIG. PRICE	LIST PRICE	CIF PRICE
Lubricating Oils (Eng. Oils, Gear Lube, Other Lubricating Oils)					
Oil, Eng. SAE 10, USA 2-104B, Am. 5	Gal.	5 G. Dr.	.4762	.5238	.62
Oil, Eng. SAE 10, USA 2-104B, Am. 5	Gal.	55 G. Dr.	.3812	.4193	.51
Oil, Eng. SAE 30, USA 2-104B, Am. 1	Gal.	1 Qt. Can	.60	.66	.80
Oil, Eng. SAE 30, USA 2-104B, Am. 5	Gal.	5 G. Dr.	.4575	.5033	.60
Oil, Eng. SAE 30, USA 2-104B, Am. 5	Gal.	55 G. Dr.	.3868	.4255	.52
Oil, Eng. SAE 50, USA 2-104B, Am. 5	Gal.	5 G. Dr.	.4360	.4796	.57
Oil, Eng. SAE 50, USA 2-104B, Am. 5	Gal.	55 G. Dr.	.3591	.3950	.49
Oil, Eng. Experimental REO 72-49	Gal.	55 G. Dr.	1.99	2.19	2.29
Lube, Gear Univ. 75, USA 2-105B, Am. 1	Gal.	5 G. Dr.	.7150	.7865	.88
Lube, Gear Univ. 75, USA 2-105B, Am. 1	Gal.	55 G. Dr.	.6690	.7359	.83
Lube, Gear Univ. 80, USA 2-105B, Am. 1	Gal.	55 G. Dr.	.7500	.8250	.92
Lube, Gear Univ. 90, USA 2-105B, Am. 1	Gal.	5 G. Dr.	.5649	.6214	.72
Lube, Gear Univ. 90, USA 2-105B, Am. 1	Gal.	55 G. Dr.	.4667	.5134	.61
Lube, Exp. Gear, Chain & Wire Rope, Type II, Fed. VV-L-751a	Lb.	25# Pail	.1260	.1386	.15
Lube, Exp. Gear, Chain & Wire Rope, Type II, Fed. VV-L-751a	Lb.	35# Pail	.0850	.0935	.11
Lube, Exp. Gear, Chain & Wire Rope, Type II, Fed. VV-L-751a	Lb.	100# Dr.	.0860	.0946	.11
Lube, Exp. Gear, Chain & Wire Rope, Type II, Fed. VV-L-751a	Lb.	400# Dr.	.0455	.0501	.07
Oil, Lube, Car & Loco Eng. VV-O-471	Gal.	55 G. Dr.	.3970	.4367	.53
Oil, Lube, NS 2075, NBS 431	Gal.	55 G. Dr.	.3254	.3579	.45
Oil, Lube, NS 2110, NBS 431	Gal.	55 G. Dr.	.3832	.4215	.52
Oil, Lube, NS 2135, NBS 431	Gal.	55 G. Dr.	.3308	.3639	.46
Oil, Lube, NS 2190, NBS 431	Gal.	55 G. Dr.	.4047	.4452	.54
Oil, Lube, NS 2190T, NBS 431	Gal.	55 G. Dr.	.5002	.5502	.64
Oil, Lube, NS 2250, NBS 431	Gal.	55 G. Dr.	.4114	.4525	.55
Oil, Lube, NS 3042, NBS 431	Gal.	55 G. Dr.	.8083	.8891	.98
Oil, Lube, NS 3050, NBS 431	Gal.	55 G. Dr.	.5868	.6455	.74
Oil, Lube, NS 3065, NBS 431	Gal.	55 G. Dr.	.4522	.4974	.59
Oil, Lube, NS 3080, NBS 431	Gal.	55 G. Dr.	.4121	.4533	.55
Oil, Lube, NS 3100, NBS 431	Gal.	55 G. Dr.	.4750	.5225	.62
Oil, Lube, NS 3120, NBS 431	Gal.	55 G. Dr.	.6248	.6873	.78
Oil, Lube, NS 3150, NBS 431	Gal.	55 G. Dr.	.8242	.9066	1.00
Oil, Lube, NS 4065, NBS 431	Gal.	55 G. Dr.	.5609	.6170	.71
Oil, Lube, NS 5150, NBS 431	Gal.	55 G. Dr.	.4100	.4510	.54



D R A F T

Lt Col Byrne 26-6123

Subject: Relaxation of Controls over  
Petroleum Supply of the  
Japanese Civil Economy

G/W #1 FROM: G-4

To: Chief of Staff

Date:

1. Elimination of remaining controls exercised by SCAP over allocation, refining, distribution and rationing of petroleum products for the Japanese civil economy has been under continuing study. A conference held on 21 December 1950, attended by representatives of all interested staff sections, resulted in an agreement to postpone action on this problem until about 1 March 1951 because of the following general considerations:

a. The Japanese Government's past performance in enforcing regulations concerning petroleum supply, which has not been as effective as it could have been.

b. ~~As a result of~~ the tense international situation, <sup>coupled with</sup> limited product and tanker availability on the world market.

A second conference held on 16 February 1951 resulted in an agreement by all interested staff sections, except CTS, to remove all SCAP controls over petroleum supply of the Japanese civil economy, effective 1 April 1951.

2. Controls currently in effect are:

a. Approval of quarterly allocations by product, specific quantities and end-use. (Exercised by G-4 in coordination with interested staff sections)

b. Approval of rationing and distribution regulations (Exercised by G-4)

c. Supervision of Pacific Coast Refinery operation. (Exercised by ESS)

d. The Chief, CTS, interposes no objections to removal

D R A F T

O Lt Col Byrne 26-6123

Subject: Relaxation of Controls over  
Petroleum Supply of the  
Japanese Civil Economy

C/N #1 FROM: G-4

To: Chief of Staff

Date:

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a. The Japanese Government's past performance in enforcing regulations concerning petroleum supply, which has not been as effective as it could have been.

*coupled with*  
b. ~~As a result of~~ the tense international situation, limited product and tanker availability on the world market.

A second conference held on 16 February 1951 resulted in an agreement by all interested staff sections, except CTS, to remove all SCAP controls over petroleum supply of the Japanese civil economy, effective 1 April 1951.

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Subject: Relaxation of Controls over  
Petroleum Supply of the  
Japanese Civil Economy.

of SCAP controls but withholds concurrence for the following reasons:

- a. General decontrol at this time is premature.
- b. Petroleum consumption by the transportation industry would increase at least 100%.
- c. Consumption of petroleum by some 20,000 wooden vessels will increase out of proportion to that of steel vessels which utilize indigenous coal and effective control of their movements at sea would be difficult to check closely; thus, leaving the possibility of a large amount of fuel going through this unchecked channel to embargo areas.
- d. Possibility of restricted sources of supply of petroleum products, i.e., availability of crude and refined products for import into Japan.
- e. Possibility that consumers will be rationed in other countries.
- f. Shortage of tankers on the world market and increasing charter rates.
- g. Removal of SCAP controls over allocations poses implications relative to insuring that petroleum supplies in sufficient quantities will be made available by the Japanese Government to consumers performing under TOW procurement demands and dollar contracts.

4. a. With removal of SCAP controls it can be expected that the Japanese Government will permit an increase in con-

PRICE LIST

QMKGK

Price list furnished in accordance with paragraph 3 WD Letter (AGAM-PM 400.1912 (16 July 1947) QMGKE) 21 July 1947, SUBJECT: "Price List of Petroleum Products Transferred by QM Overseas."

PACKAGED PETROLEUM PRICE  
FAR EAST COMMAND

Effective 1 August 1950

(IN U.S. DOLLARS PER UNIT)

PRODUCT	UNIT	PACKAGE	CONTRACT		
			OR ORIG. PRICE	LIST PRICE	CIF PRICE
Lubricating Oils (Eng. Oils, Gear Lube, Other Lubricating Oils)					
Oil, Eng. SAE 10, USA 2-104B, Am. 5	Gal.	5 G. Dr.	.4762	.5238	.62
Oil, Eng. SAE 10, USA 2-104B, Am. 5	Gal.	55 G. Dr.	.3812	.4193	.51
Oil, Eng. SAE 30, USA 2-104B, Am. 1	Gal.	1 Qt. Can	.60	.66	.80
Oil, Eng. SAE 30, USA 2-104B, Am. 5	Gal.	5 G. Dr.	.4575	.5033	.60
Oil, Eng. SAE 30, USA 2-104B, Am. 5	Gal.	55 G. Dr.	.3868	.4255	.52
Oil, Eng. SAE 50, USA 2-104B, Am. 5	Gal.	5 G. Dr.	.4360	.4796	.57
Oil, Eng. SAE 50, USA 2-104B, Am. 5	Gal.	55 G. Dr.	.3591	.3950	.49
Oil, Eng. Experimental REO 72-49	Gal.	55 G. Dr.	1.99	2.19	2.29
Lube, Gear Univ. 75, USA 2-105B, Am. 1	Gal.	5 G. Dr.	.7150	.7865	.88
Lube, Gear Univ. 75, USA 2-105B, Am. 1	Gal.	55 G. Dr.	.6690	.7359	.83
Lube, Gear Univ. 80, USA 2-105B, Am. 1	Gal.	55 G. Dr.	.7500	.8250	.92
Lube, Gear Univ. 90, USA 2-105B, Am. 1	Gal.	5 G. Dr.	.5649	.6214	.72
Lube, Gear Univ. 90, USA 2-105B, Am. 1	Gal.	55 G. Dr.	.4667	.5134	.61
Lube, Exp. Gear, Chain & Wire Rope, Type II, Fed. VV-L-751a	Lb.	25# Pail	.1260	.1386	.15
Lube, Exp. Gear, Chain & Wire Rope, Type II, Fed. VV-L-751a	Lb.	35# Pail	.0850	.0935	.11
Lube, Exp. Gear, Chain & Wire Rope, Type II, Fed. VV-L-751a	Lb.	100# Dr.	.0860	.0946	.11
Lube, Exp. Gear, Chain & Wire Rope, Type II, Fed. VV-L-751a	Lb.	400# Dr.	.0455	.0501	.07
Oil, Lube, Car & Loco Eng. VV-O-471	Gal.	55 G. Dr.	.3970	.4367	.53
Oil, Lube, NS 2075, NBS 431	Gal.	55 G. Dr.	.3254	.3579	.45
Oil, Lube, NS 2110, NBS 431	Gal.	55 G. Dr.	.3832	.4215	.52
Oil, Lube, NS 2135, NBS 431	Gal.	55 G. Dr.	.3308	.3639	.46
Oil, Lube, NS 2190, NBS 431	Gal.	55 G. Dr.	.4047	.4452	.54
Oil, Lube, NS 2190T, NBS 431	Gal.	55 G. Dr.	.5002	.5502	.64
Oil, Lube, NS 2250, NBS 431	Gal.	55 G. Dr.	.4114	.4525	.55
Oil, Lube, NS 3042, NBS 431	Gal.	55 G. Dr.	.8083	.8891	.98
Oil, Lube, NS 3050, NBS 431	Gal.	55 G. Dr.	.5868	.6455	.74
Oil, Lube, NS 3065, NBS 431	Gal.	55 G. Dr.	.4522	.4974	.59
Oil, Lube, NS 3080, NBS 431	Gal.	55 G. Dr.	.4121	.4533	.55
Oil, Lube, NS 3100, NBS 431	Gal.	55 G. Dr.	.4750	.5225	.62
Oil, Lube, NS 3120, NBS 431	Gal.	55 G. Dr.	.6248	.6873	.78
Oil, Lube, NS 3150, NBS 431	Gal.	55 G. Dr.	.8242	.9066	1.00
Oil, Lube, NS 4065, NBS 431	Gal.	55 G. Dr.	.5609	.6170	.71
Oil, Lube, NS 5150, NBS 431	Gal.	55 G. Dr.	.4100	.4510	.54

Subject: Relaxation of Controls over  
Petroleum Supply of the  
Japanese Civil Economy.

of SCAP controls but withholds concurrence for the following reasons:

- a. General decontrol at this time is premature.
- b. Petroleum consumption by the transportation industry would increase at least 100%.
- c. Consumption of petroleum by some 20,000 wooden vessels will increase out of proportion to that of steel vessels which utilize indigenous coal and effective control of their movements at sea would be difficult to check closely; thus, leaving the possibility of a large amount of fuel going through this unchecked channel to embargo areas.
- d. Possibility of restricted sources of supply of petroleum products, i.e., availability of crude and refined products for import into Japan.
- e. Possibility that consumers will be rationed in other countries.
- f. Shortage of tankers on the world market and increasing charter rates.
- g. Removal of SCAP controls over allocations poses implications relative to insuring that petroleum supplies in sufficient quantities will be made available by the Japanese Government to consumers performing under TOW procurement demands and dollar contracts.

4. a. With removal of SCAP controls it can be expected that the Japanese Government will permit an increase in con-

Subject: Relaxation of Controls over  
Petroleum Supply of the  
Japanese Civil Economy

sumption. The extent of the increase will be dependent upon availability of funds and sources of supply. In the final analysis, maintenance of controls necessary to insure proper utilization of petroleum products is a responsibility of the Japanese Government. By removal of SCAP controls, efforts on the part of Japanese Government officials to place blame for petroleum shortages on SCAP, shortages which are actually the result of poor handling by Japanese agencies, will be nullified.

b. It is considered that the possibility of limited product and tanker availability on the world market has no bearing on removal of SCAP controls.

c. The implications concerning TOW procurement demands and dollar contracts posed by the Chief, CTS, ~~do exist~~ <sup>remote</sup> are a possibility. ~~However,~~ Retention of current SCAP controls over approval of allocations does not ~~of itself~~ <sup>insure</sup> ~~secure~~ that individual Japanese consumers performing under TOW procurement demands and dollar contracts will receive adequate supplies of petroleum products. The Japanese Government is required to satisfactorily comply with the terms of a procurement demand, including making available rationed commodities necessary to meet the end-item procured. Since initiation of dollar procurement in Japan, no major difficulties have come to G-4's attention wherein consumers in this category have been unable to secure adequate petroleum supplies

775009

Subject: Relaxation of Controls over Petroleum Supply of the Japanese Civil Economy

to meet their contract obligations. In view of the Japanese Government's past performance in meeting procurement demands and since dollar procurement results in accrual of foreign exchange, these implications ~~appear to be rather remote possibilities and~~ should not be considered as deterrents to removal of SCAP controls.

B. Elimination of these controls by SCAP will not prevent the Japanese Government from maintaining controls necessary to insure proper utilization of petroleum products.

C. As part of the policy of returning to the Japanese Government responsibility for the civil economy, <sup>it is</sup> recommended that all SCAP controls over refining, distribution, rationing and allocation of crude and refined petroleum be eliminated, effective 1 April 1951.

~~Request~~ Recommendation Approval of the attached draft SCAPIN (TAB "A") and return to G-4 for necessary action. *is recommended.*

~~B.~~ Concurrences:

ESS \_\_\_\_\_

NRS \_\_\_\_\_

PH&W \_\_\_\_\_

CCS \_\_\_\_\_

G-2 \_\_\_\_\_

CTS (subject to remarks above) \_\_\_\_\_

-----G. L. E.-----

<b>G-4 DRAFT</b>	APP'D BY <i>[Signature]</i> / /
FOR FORMAL CONCURRENCE	Submission to G/S Ig. & Dispatch by G-4 Ig. & Dispatch by DIV.
AND <u>4</u> for	

D R A F T

## MEMORANDUM FOR RECORD:

SUBJECT: Relaxation of Controls over Petroleum Supply of the Japanese Civil Economy

1. G-4 C/N #1, subject as above, 25 November 1950, forwarded to interested staff sections (ESS, CTS, NRS, PH&W, CCS and Public Safety Division, G-2) a staff study, along with an implementing draft SCAPIN and a summary of SCAPINS referenced or rescinded, proposing elimination of all SCAP controls over refining, distribution, rationing and (sale) of crude and refined petroleum within the Japanese civil economy.
- 2a. A conference was held on 21 December 1950 with representatives of all interested sections present. Objections to decontrol at that time were raised. These objections were largely based upon past performance of the Japanese Government in enforcing regulations concerning petroleum supply and limited product and tanker availability on the world market. In accordance with desires of the conferees it was agreed to postpone further action until about 1 March 1951, at which time the entire subject was to be reviewed.
3. A second conference was held on 16 February 1951 and was attended by representatives of all interested sections. At this conference all conferees, except CTS, concurred in the proposed relaxation of SCAP controls over petroleum supply of the Japanese civil economy, effective 1 April 1951. At the request of ESS the word "sale" in paragraph 3 of



the draft SCAPIN has been deleted so as not to infer that Japanese Government price controls are to be removed. In lieu thereof the word "allocation" has been added as reference to allocation controls was inadvertently omitted in drafting the proposed SCAPIN.

4. Further discussion with the Chief, CTS, indicates that his position has not changed from that previously stated in CTS C/N #1, subject as above, 3 Feb 51, but that he will not interpose any objection to decontrol. However, he states that he cannot concur because removal of SCAP controls at this time poses certain implications relative to assuring that petroleum supplies in sufficient quantities will be made available by the Japanese Government to elements of the Japanese transportation industry, the services of which may be chartered or contracted for by the armed forces. For example, at the present time the services of a considerable number of Japanese trucks and self-propelled barges and lighters are being contracted for, mostly on a dollar basis, throughout Japan. Under the present system of control petroleum supplies have been assured by means of GHQ approval of the Japanese Government's proposed quarterly allocations by product and end-use categories. By decontrolling contracting officers may be placed in a position whereby they cannot accept bids of the lowest qualified bidder because such a bidder without political influence may not be able to obtain sufficient ration certificates from the Japanese Government and therefore would be unable to perform under his

contract. To require contracting officers to intercede with Japanese Government officials on behalf of such bidders would place an unjustified administrative burden upon them. Also, it would be impracticable to draw up contracts in all cases specifying that military owned petroleum products will be supplied for use by the contractor because in many cases the contractor's equipment, <sup>particularly floating plant and powered boats</sup> is used in areas where no military supplies are available, or where adequate control would be impracticable. These same arguments generally apply in the case of MSTs chartering Japanese vessels.

5. Lt Col Nelson, Executive Officer, and Lt Col Gold, Chief Purchasing & Contracting Division, Procurement Section, JLC, were contacted with respect to the implications concerning procurement. They indicated that so far no difficulties have been encountered in contracting for transportation services because of inability of the contractors to secure petroleum supplies. In a few cases involving truck transportation the contract calls for military petroleum supplies to be furnished the contractor. It was indicated this was being done only in cases where adequate control could be exercised. In the case of barge and lighter transportation the contractors supply their own petroleum. It was indicated that if SCAP controls are removed and if the Japanese Government failed to see that adequate petroleum supplies were made available to consumers performing under military procurement contracts, serious difficulties would be encountered by the JLC Procurement Section.

6. The implications concerning military procurement of transportation services pointed out by the Chief, CTS, and confirmed by the Procurement Section, JLC, do exist and are a possibility. Further, it can be stated that these same implications apply to all types of procurement in Japan where petroleum is used in any manner in delivering the end item. However, retention of SCAP controls over approval of allocations does not of itself assure that individual Japanese consumers performing under military procurement contracts will receive adequate supplies of petroleum products. In actual practice the allocation and rationing procedure now in effect results in the Japanese Government submitting its quarterly estimate of requirements by product and end-use category to GHQ for approval. After review within GHQ final allocations for the quarter in question are approved and returned to the Japanese Government. The Japanese Government then issues ration certificates to the various classes of consumers in each category in accordance with the essentiality of their needs. It is obvious that even under the existing controls no assurance exists that the Japanese Government will issue ration certificates to individual consumers performing under procurement contracts. Since the inception of dollar procurement no specific case has come to G-4's attention wherein a Japanese consumer in this category was unable to obtain product. Since dollar procurement in Japan results in foreign exchange earnings accruing to the Japanese Government, and in view of its past performance in this matter, it can be expected that the Government will continue to assure that such consumers receive

ration certificates in quantities sufficient to meet their contract obligations.

7. As part of the policy of returning to the Japanese Government responsibility for the civil economy, this C/N recommends to the Chief of Staff that all SCAP controls over petroleum supply of the Japanese civil economy be eliminated, effective 1 April 1951, and submits for approval a proposed implementing SCAPIN in draft form.

8. Concurrences of all interested sections are indicated on the C/N.

9. This action is within established policy.

10. Petroleum Division follow-up suspense: None.

11. Initiated case, G-4 action not completed.

RJB RJB 26-6123

PWE           

WFS           

ERC

AG 463.7 ( )GD  
SCAPIN

v. Memorandum for the Japanese Government from General Headquarters, Supreme Commander for the Allied Powers, AG 463.7 (28 Oct 49)GD, SCAPIN 6989-A, 1 December 1949, subject: Regulations for Allocation of Petroleum Products for Agricultural, Forestry and Fishing, and Construction Uses.

w. Memorandum for the Japanese Government from General Headquarters, Supreme Commander for the Allied Powers, AG 463.7 (2 Sep 48)GD, SCAPIN 1930/3, 16 March 1950, subject: Petroleum Distribution - Procedure for Allocation and Reports Required.

x. Memorandum for the Japanese Government from General Headquarters, Supreme Commander for the Allied Powers, AG 463.7 (28 Oct 49)GD, SCAPIN 6989-A/1, 10 July 1950, subject: Amendment of Regulations for Allocation of Petroleum Products for Agricultural Forestry and Fishing Use.

y. Memorandum for the Japanese Government from General Headquarters, Supreme Commander for the Allied Powers, AG 463.7 (10 Mar 49)GD, SCAPIN 6450-A/2, 22 July 1950, subject: Policy on Distribution of Petroleum Products.

2. References. a. Memorandum for the Japanese Government from General Headquarters, Supreme Commander for the Allied Powers, AG 463.7 (2 Sep 48)GD, SCAPIN 1930, 2 September 1948, subject: Restoration to Private Enterprise of the Operation of Petroleum Main Terminal Facilities.

b. Memorandum for the Japanese Government from General Headquarters, Supreme Commander for the Allied Powers, AG 463.7 (2 Sep 48)GD, SCAPIN 1930/1, 10 January 1949, subject: Restoration to Private Enterprise of the Operation of Petroleum Secondary Distributing Facilities.

3. Effective <sup>1 APRIL 1951</sup> ~~immediately~~ all controls heretofore exercised by the Supreme Commander for the Allied Powers with respect to refining, distribution, rationing and <sup>ALLOCATION</sup> ~~sale~~ of crude and refined petroleum are removed.

4. Subject to availability of United States Aid Funds, the Supreme Commander for the Allied Powers, will continue to arrange for procurement of fuel oil to supplement refinery production from imported and indigenously produced crude.

FOR THE SUPREME COMMANDER:

## G-4 PLANS AND OPERATIONS

GD P&O NMW/HDT/ESD/jo  
17 November 1950

## MEMORANDUM FOR RECORD

SUBJECT: Addendum to SCAPIN 2104

1. By C/N 4, 9 Nov 50, subject above, Eng forwards to AG, thru COM and G-4 (in turn), proposed letter to CG, JLCOM, relative to prompt payment of billings for gas and electric services within the discount period provided in the rate schedules. Previous checknotes were concerned with accomplishing objectives of proposed letter by addendum to SCAPIN 2104. ESS did not concur since it was believed SCAPIN 2104 was adequate but did recommend an implementing letter. Proposed letter forwarded by C/N 4 follows ESS recommendation.

2. The basis for the Eng proposed letter to CG, JLCOM is the revision upward of gas and electric rates in Japan resulting in increased cost for these services to the Occupation Forces. The new rate schedules provide for a discount of 10% if the billings are paid within the discount period provided in the rate schedules. Since the discounts involve considerable funds it is considered essential that the billings be paid within the discount period. The Eng proposed letter in C/N 4 provides a definite prompt payment discount procedure and establishes the date from which the discount period will run. COM concurs by C/N 5. Engr M/R advises that ESS and Special Procurement Agency have informally concurred in proposed letter which follows fiscal regulations employed by U.S. Government.

3. The problems involved in this case are of primary concern to COM, ESS and Eng. A review and discussion of pertinent directives and regulations indicate that the proposed letter to JLCOM is in accord and is desirable. Therefore G-4 should concur in Eng proposal.

4. Recommended G-4 action is to concur in proposed letter by dispatch of C/N 6.

5. Within established policy.

6. Completes action on G-4 Journal No. 17033.

ESD	<u>[Signature]</u>	26-8645
HDT	<u>[Signature]</u>	26-6413
NMW	<u>[Signature]</u>	26-6444

## Coordination:

ESS (Mr. Mossler)  
Eng (Mr. Harding)

G-4 FILE

2104

G-4 FILE

775009

CHECK SHEET

ll

387.7-2104

Addendum to SCAPIN 2104

COM-B 100

Subj:

LLW:RWN:EJB:SA:hn  
Miss Anraku

From: COM-B

To: Engr

Date: 19 October

3

2 Incls

n/c

-JGC/WLM/VAH/bg - -

Mr. Harding 26-8331

Date:

From: Engr

To: AG  
THRU: COMP  
G-4 (in turn)

9 NOV 1950

4

1. Transmitted herewith is a proposed letter to the Commanding General, Japan Logistical Command, relative to the prompt payment of billings for gas and electric services within the discount period provided in the rate schedules.

2. Concurrence and dispatch are recommended.

1 Incl

Withdrawn 2 incls--1 and 2

Added 1 incl

3. Proposed ltr to  
CG, JLCOM

-J. G. C. - - - - -



2

PTD

17033

R

2104

COPY

COPY

CHECK SHEET

COM-B

Subj: Addendum to SCAPIN 2104

LLW:RWN:EJB:SA:hn  
Miss Anraku 26-6790

From: COM-B

To: ESS  
Attn: Mr. J. Hanna

Date: 26 September 1950

- 1. Attached draft of addendum to SCAPIN 2104 is forwarded for comment and/or concurrence.
- 2. Attention is also invited to comments of CE.

- 2 Incls
  - 1. Draft
  - 2. Memo

----- L. L. W. -----  
 400.12(26 Sep 50)ESS/FF  
 WFM/EMR/ECH/JEH/eb  
 Mr. Hanna, 26-6155

From: ESS To: COM-B Date: 17 Oct 1950

- 2. Economic and Scientific Section does not concur with issuance of attached draft of directive to the Japanese Government. It is not felt that this headquarters should prescribe the detailed methods of performance and administrative or accounting functions which methods are an internal operating requirement established by Japanese law and regulations. If it is apparent that the existing provision of SCAPIN 2104 which directs prompt payment in order that discounts may be realized is not being complied with properly, it would appear appropriate that JLCOM be so informed and requested to relay to the Special Procurement Agency the necessity for that agency to make payments and take advantage of discounts in a consistent manner. This office agrees in the principle of taking necessary steps to expedite payments in order to realize discounts, but it is felt that a directive already exists (SCAPIN 2104) for this purpose and that any implementation can and should be accomplished as stated above.

2. In addition this office cannot agree with the recommendation of the Chief Engineer's Office that the proposed directions be made retroactive to 1 August 1950. It is understood that discount provisions are available at the present time only in utilities procurements, and that such provisions are a part of the legislation which establishes the utilities rates. To include a retroactive provision for the purpose stated which in principle will circumvent an existing legal provision appears inconsistent with the existing GHQ policy of general conformance with Japanese laws, particularly in view of the fact that the discounts were lost because the applicable provision of the law was actually not complied with.

- 2 Incls:
  - n/c

----- W. F. M. -----

2104



○  
CROSS REFERENCE OTHER THAN RADIO

○  
387.7  
scapin

FROM: GHQ FEC (CE)

DATE: 30 Jan 51

TO: HQ & SV COMD

SUBJECT: 1st Ind Relation of SCAPIN 2107 to Tokyo Metropolitan Water System.  
Basic attchd.

DOCUMENT IN: 671

JO. NO. 1529 DIV. SP

2107

GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
APO 500

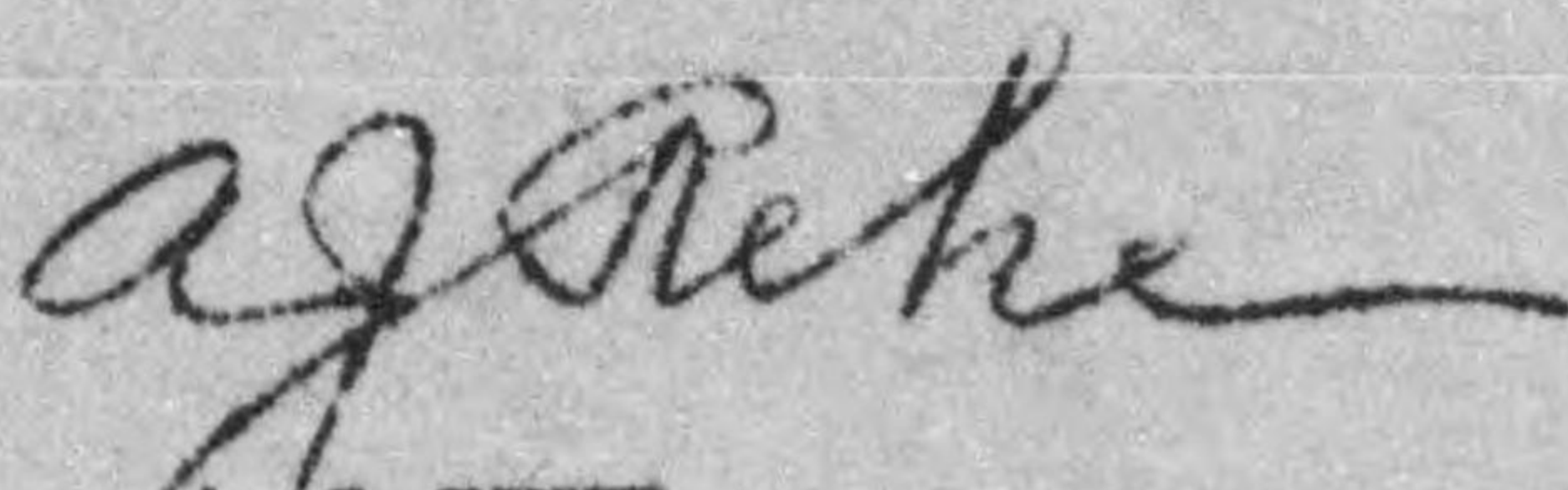
1 August 1950

## MEMORANDUM

SUBJECT: Information of General Application Pertaining to  
Directive Number, SCAPIN 2117, file AG 311  
( 1 Aug 50 )CCS, this Headquarters, dated 1 August  
1950, Subject: Telegraph Delivery of  
International Radio and Domestic Messages Addressed  
to Army Post Offices

1. With reference to subject memorandum, the following is published for the information of all concerned.
2. The purpose of the subject directive is to instruct the Japanese Government to turn over all incoming International Telegrams and all Domestic Telegrams for United States Occupation Force military and accredited civilian personnel which contain APO numbers in the address to Army Post Offices for delivery through Army postal channels to the addressee. While such handling will materially increase the time period required for handling of telegrams from senders to addressees, this step is made necessary in consequence of the information relating to location of Army Post Offices and military units, being made "CLASSIFIED".
3. The subject directive provides that incoming International and Domestic Telegrams for United States military and accredited civilian personnel which do not contain Army Post Office numbers in the address will be regularly transmitted and delivered by messenger, as for any other telegram addressee.

DISTRIBUTION  
Same as SCAPIN 2117  
less Japanese Government

  
A J REHE  
Major, AGD  
Asst Adj Gen

Date \_\_\_\_\_

Control No. \_\_\_\_\_

APPLICATION FOR TRAVEL OUTSIDE OF JAPAN AS MARINER  
(Submit in quadruplicate)

TO: MINISTRY OF TRANSPORTATION.

- 1. Name of Applicant: \_\_\_\_\_
- 2. Date of Issuance of Pocket Ledger: \_\_\_\_\_
- 3. Pocket Ledger No: \_\_\_\_\_
- 4. Vessel Assignment: \_\_\_\_\_
- 5. Home Port: \_\_\_\_\_
- 6. Signature of Applicant: \_\_\_\_\_

I certify that the applicant listed hereon has been examined and is a qualified mariner and has in his possession a valid Pocket Ledger.

By \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

APPROVED: FOR THE SUPREME COMMANDER FOR THE ALLIED POWERS.

This approval granted for period of validity of Pocket Ledger No. \_\_\_\_\_  
By \_\_\_\_\_  
Date \_\_\_\_\_

Inclosure 1

- Attachments:
- 1. Personal History (3 copies)