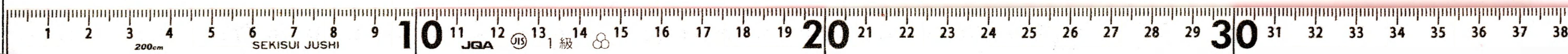


120

JAN-DEC-1946

DECLASSIFIED

Authority 795006
By NARA Date 10/25/11



200cm

SEKISUI JUSHI

JQA

JIS

1級

三

SECRET

GENERAL HEADQUARTERS G-2 FAR EAST COMMAND

FILE NO. 120

LINE NO. _____ TO _____

DATE JAN TO DEC 1946

SECRET



Philippine Intelligence Funds
(Claim of Lt. Col Jose P. Rueda)

G-2

JAG

24 Sept 1946

1 Forwarded as a matter of primary interest to your section, per telephone conversation.

Incl:

Ltr G-2 AFPAC to G-2 AFWESPAC, 26 Apr, 46
W/ind and 2 incls: (added certificates of
Gen Willoughby and Col Rueda)

----- C. A. W. -----

G-2 Admin Jordan/Tracy 0725

Card

*120 funds misc
~~100 funds misc~~*

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI

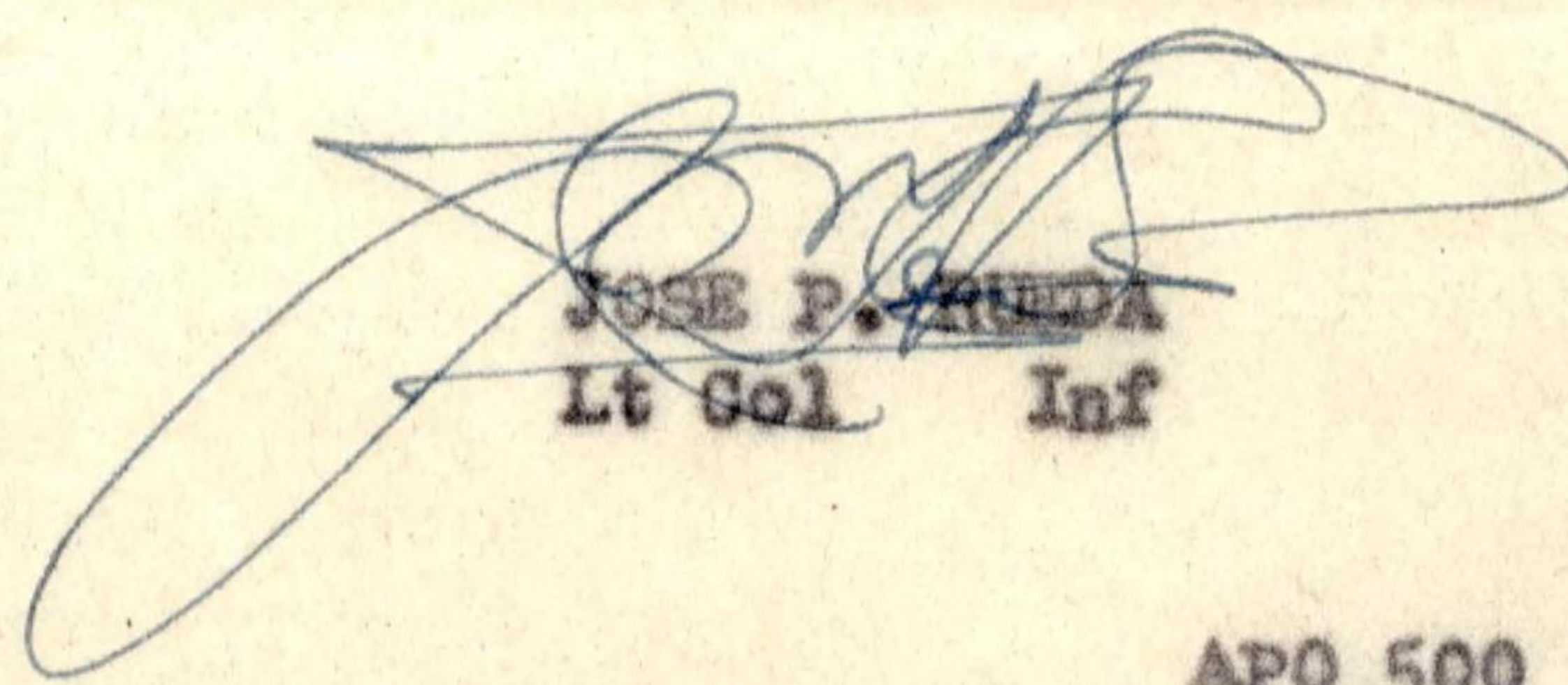
Authority 795006
By CEC NARA Date 10/25/11

HEADQUARTERS
UNITED STATES ARMY FORCES WESTERN PACIFIC
Office of the A. C. of S. for Int., G-2

APO 707
14 June 1946

CERTIFICATE

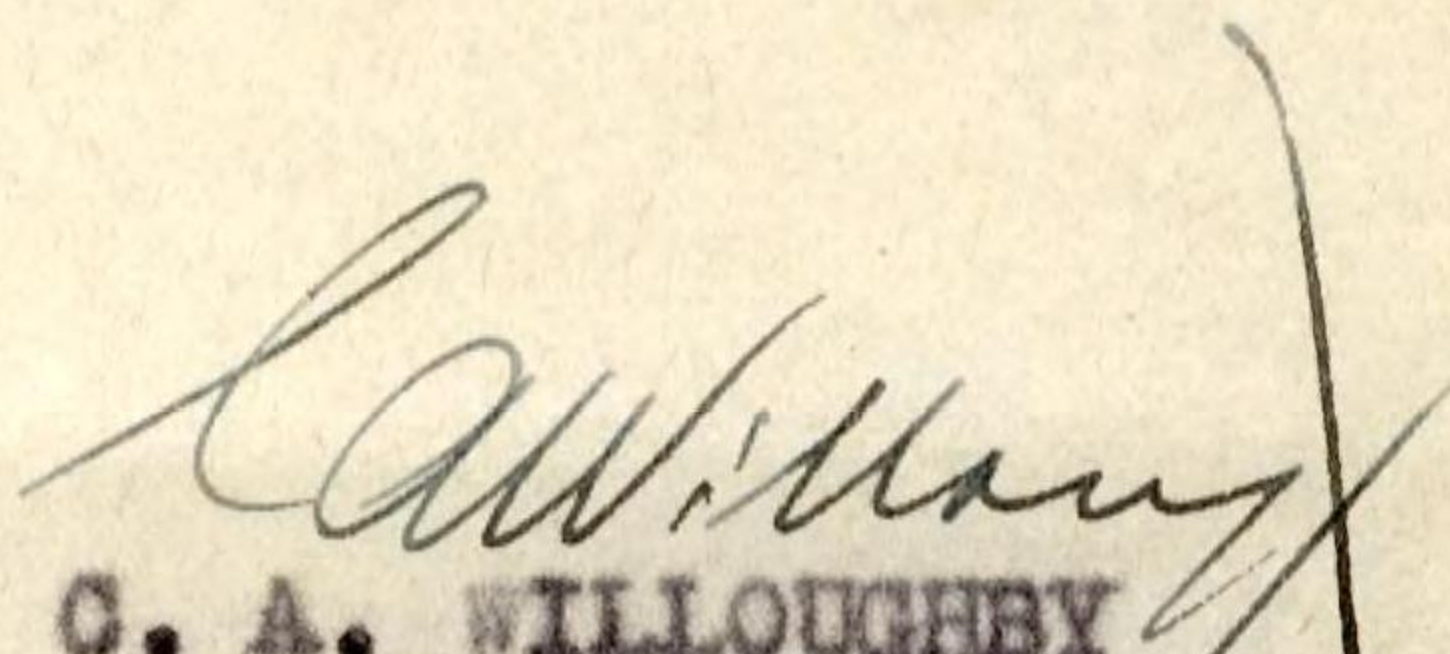
This is to certify that I spent the sum of One Thousand Six Hundred and Forty Two Dollars and Fifty Cents (\$1,642.50) for travel expenses in the conduct of Military Intelligence missions during the Bataan Campaign covering the period January to May 1942.


JOSE P. RUEDA
Lt Col Inf

AP0 500
1946
(Date)

CERTIFICATE

I hereby certify that the expenditure of One Thousand Six Hundred and Forty Two Dollars and Fifty Cents (\$1,642.50) was made for the purpose indicated above, and was necessary in the performance of Lt. Col. Jose P. Rueda's military duties.


C. A. WILLOUGHBY
Brig. General, G.S.C.
Ass't Chief of Staff, G-2.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI
JGA
JIS
級
級

HEADQUARTERS
MILITARY POLICE COMMAND PHILIPPINE ARMY
Intelligence Division

APO 707
11 April 1946

SUBJECT: Reimbursement of Expenses

TO : Asst. Chief of Staff, G-2, United States Army, Tokyo, Japan.

1. Request that the undersigned be reimbursed of his expenses, incurred while on Military Intelligence missions to Manila and nearby provinces, as follows:

Jan & Feb 1942 - For travelling expenses
of operatives - - - - - ₱ 735.00

Mar 22, 1942 - For hire of banca from
Pilar, Bataan to Hagonoy, Bulacan
across the bay for use of Capt. J. P.
Rueda and Sgts. Villanueva, Peralta
and Cpl. Araneta - - - - - 1,200.00

Mar 24, 1942 - For travelling expenses
of Sgts. Villanueva, Peralta and
Cpl. Araneta from Manila to nearby
provinces and return - - - - - 900.00

Mar to May 1942 - For travelling expen-
ses and buying information from persons - 950.00

T o t a l - - ₱ 3,785.00

Received from Gen. de Jesus - - - - - ₱ 500.00

₱ 3,285.00

2. The foregoing expenses were all supported by receipts which were all burned when the undersigned was arrested in Fort Santiago by the Japanese Military Police in November and December 1942. Sgts. Villanueva and Peralta and Cpl. Araneta were all killed.

(Signature)
JOSE P. RUEDA
Major, Infantry

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI
JGA
JIS
級
級

3-734

BLB/aeb

Reports on Sales of AECPO Merchandise

G-2

G-4

4 September 1946

3

1. The reports on sales of AECPO merchandise have been noted.

2. The decline in sales following the introduction of the "A" Yen noted in the attached report suggests that purchasers are spending less freely now that such goods must be bought with "A" Yen, which is tantamount to spending United States dollars. There does not appear to be anything unusual about this phenomenon. Before the introduction of "A" Yen, military and civilian personnel, as well as other nationals who were authorized to purchase merchandise at these Army outlets, could make purchases with Japanese yen. There was unquestionably a considerable amount of purchasing by both military and civilian personnel with Japanese Yen obtained through black market operations. Goods purchased from these outlets constituted one item in black market transactions by which such offenders were able to acquire considerable amounts of Japanese Yen. Part of this illegally acquired Yen was in turn "reinvested" in Post Exchange goods to provide more stock for black market trading. The use of "A" Yen prevents such operations and has unquestionably contributed to the recent decline in sales.

G-2 Admin. File

BLB/aeb

Handwritten initials

C. A. W.

2 Incls. n/c



56
120 Funds misc

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

GNQ POST EXCHANGES

GIFT SHOP SALES REPORT

20 June	¥	72,295.00	22 July	¥	8,984.00
21 "		63,920.00	23 "		28,560.00
22 "		31,920.00	24 "		19,488.00
24 "		147,656.00	25 "		27,611.00
25 "		86,860.00	26 "		33,333.00
26 "		51,225.00	27 "		37,745.00
27 "		194,500.00	29 "		15,900.00
28 "		165,116.00	30 "		36,226.00
29 "		66,000.00	31 "		42,283.50
30 "		118,023.00	2 August		66,760.00
3 July		154,730.00	3 August		38,381.50
		<hr/>			<hr/>
	¥	1,152,042.00		¥	355,272.00

1. Incl:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI
JGA
JIS
級

TOKYO POST EXCHANGE

AECPO Merchandise sales and AES Merchandise from 20 June to 4 July
and 20 July to 2 August.

	<u>AECPO</u>	<u>AES</u>
20 June	83,175.00	78,000.00
21 "	115,566.00	67,000.00
22 "	172,921.00	105,000.00
23 "	101,572.00	82,000.00
24 "	Closed	Closed
25 "	66,308.00	129,000.00
26 "	118,560.00	97,811.50
27 "	78,130.50	66,298.00
28 "	165,481.50	76,668.00
29 "	177,694.50	164,614.50
30 "	Inventory	
1 July	Closed Monday	
2 "	81,078.00	156,195.00
3 "	64,417.00	137,653.50
4 "	Holiday	

¥1,225,903.50

¥1,160,240.50

	<u>AECPO</u>	<u>AES</u>
20 July	44,871.00	35,000.00
21 "	28,635.00	41,000.00
22 "	Closed	Closed
23 "	104,003.00	84,000.00
24 "	71,092.00	62,000.00
25 "	62,257.00	43,000.00
26 "	66,735.50	32,009.00
27 "	77,705.00	62,323.00
28 "	68,502.00	35,856.00
29 "	Closed Monday	
30 "	121,661.00	92,059.00
31 "	Inventory	
1 August	150,672.50	76,258.00
2 "	93,104.50	49,755.00

839,238.50

¥ 613,260.00

2. Incl:

Civil Intelligence Section

APO 500
2 September 1946MEMORANDUM FOR THE ASSISTANT CHIEF OF STAFF, G-2
(Attention: Colonel Bishop)

SUBJECT: Reports on Sales of AECPO Merchandise

1. The decline in sales following the introduction of the "A" Yen noted in attached report suggests that purchasers are spending less freely now that such goods must be bought with "A" Yen, which is tantamount to spending United States dollars. There does not appear to be anything unusual about this phenomenon. Before the introduction of "A" Yen, military and civilian personnel as well as other nationals who were authorized to purchase merchandise at these Army outlets could make purchases with Japanese yen. There was unquestionably a considerable amount of purchasing by both military and civilian personnel with Japanese Yen obtained through black market operations. Goods purchased from these outlets constituted one item in black market transactions by which such offenders were able to acquire considerable amounts of Japanese Yen. Part of this illegally-acquired yen was in turn "re-invested" in Post Exchange goods to provide more stock for black market trading. The use of "A" Yen prevents such operations and has unquestionably contributed to the recent decline in sales.

2. It is suggested that the attached report be returned to G-4 without further routing to other staff sections.

1 Incl
C/S from AECPO to G-4,
15 Aug 46, Subj. as
above, 2 incls, n/c

W.S.W.

Authority 795006
By CEC NARA Date 10/25/11

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

Civil Intelligence Section

APD 500
2 September 1946

MEMORANDUM FOR THE ASSISTANT CHIEF OF STAFF, G-2
(Attention: Colonel Bishop)

SUBJECT: Reports on Sales of AECPO Merchandise

1. The decline in sales following the introduction of the "A" Yen noted in attached report suggests that purchasers are spending less freely now that such goods must be bought with "A" Yen, which is tantamount to spending United States dollars. There does not appear to be anything unusual about this phenomenon. Before the introduction of "A" Yen, military and civilian personnel as well as other nationals who were authorized to purchase merchandise at these Army outlets could make purchases with Japanese Yen. There was unquestionably a considerable amount of purchasing by both military and civilian personnel with Japanese Yen through black market operations. Goods purchased from these outlets constituted one item in black market transactions by which two offenders were able to acquire considerable amounts of Japanese Yen. Part of this illegally-acquired Yen was in turn "re-invested" in Post Exchange goods to provide more stock for black market trading. The use of "A" Yen prevents such operations and has unquestionably contributed to the recent decline in sales.

2. It is suggested that the attached report be returned to G-1 without further routing to other staff sections.

W.S.W.

1 Incl
C/S from AECPO to G-1
IS Aug 46, subj. as
above, 2 incls, n/c

5501

APO 500
29 Aug 1946

MEMORANDUM TO: Secretary General, Allied Council for Japan
SUBJECT : Imperial Japanese Budget for 1946

1. It is requested that the attached Imperial Japanese Budget be placed in the files of the Secretary General, Allied Council, and be made available to the Soviet Member of the Allied Council for Japan for reference.

For the Assistant Chief of Staff, G-2:

C. S. MYERS
Colonel, G.S.C.
Executive

1 Incl.
Imperial Japanese Budget for 1946

*This was approved by Gen W.
carried by Lt Col Miles
30 AUG 46*

Edwin

(52)

*120 Funds, S-2
~~2110~~*

ESY
G-2, Admin.

orig

BTP/amt

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

COPY

TO : GENERAL HEADQUARTERS OF THE SUPREME COMMANDER
FOR THE ALLIED POWERS.

FROM : Central Liaison Office, Tokyo.

SUBJECT: Japanese Budget for Fiscal Year 1946. (LO 617)

CLO No. 2732 (EF)

6 June 1946

1. Reference: SCAP Memorandum AG 111 (18 May 46)GD, subject as above.

2. The Central Liaison Office forwards herewith a letter of the Ministry of Finance submitting the revised budget of the Japanese Government for the fiscal year 1946 for the approval of the General Headquarters, Supreme Commander for the Allied Powers.

FOR THE PRESIDENT:

(S. Iguchi)
Director of General Affairs,
Central Liaison Office

Enclosure: A letter of the Ministry
of Finance, accompanied by
the Japanese budget for 1946.

9107

CONFIDENTIAL

18796
5302

APO 500
28 August 1946

GB (28 August 46)CIS

SUBJECT: Funds Utilized for Confidential Expenditures

TO : Assistant Chief of Staff, G-2, XXIV Corps, APO 235

1. In the establishment of a revolving fund utilizing occupational currency (Imperial Japanese or Bank of Chosen currency), wherein such confidential expenditures are not applied to appropriated funds, Contingencies of the Army, Project 432, it has proved necessary to delimit the scope of expenditures from both occupational currency and Class "A" yen and, further, to effect adequate accounting systems to eliminate irregularity in use of funds.

2. In the expenditure of Class "A" yen (appropriated funds) by CIC such expenditures are limited to transactions within the military establishment requiring the use of Type "A" yen. The control on expenditures from appropriated funds by other than CIC is effected by this office, and such funds are reserved for high level investigation functions. It is appreciated that sufficient obligations on appropriated funds must be made in order to justify the continued allotment of appropriated funds Project 432. However, where the established exchange rate is unfavorable as to be prohibitive, the use of occupational currency in payment of informants is warranted.

3. Forwarded herewith for your information and guidance in the establishment of proper accounting systems in the use of both occupational and Type "A" yen, as inclosures 1 and 2, are 441st CIC directives concerning the use of Type "A" yen and occupational currency and the accounting procedures to be used.

4. Your views and comments on the information contained in paragraph 3 above are desired, particularly in reference to expenditures from appropriated funds, so as to justify appropriations, Project 432, in the future.

For the Assistant Chief of Staff, G-2:

W. S. WOOD
Colonel, G.S.C.
Chief, Civil Intelligence Section

- 2 Incls:
- Incl. 1 - CIC Memo No. 40
9 Mar 46
- Incl. 2 - CIC Memo No. 40 (C. 1)
2 Aug 46

(misc)

120

CONFIDENTIAL

C-2 FILE COPY

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

APC 500
23 August 1946

SUBJECT: Transmittal of Postal Savings Accounts and Checks.

TO : Central Liaison Office.

1. Forwarded herewith are following documents, received from Commander Truk and Central Carolines:

- a. Postal Savings Account #128290
- b. Postal Savings Account #123466
- c. Postal Savings Account #124033
- d. Postal Savings Account #128011
- e. Postal Savings Account #127993
- f. Three checks, Bank of TAIWAN #0175, #0177, #0178.

2. These documents concern organizational funds of Japanese Army and Navy units which formerly garrisoned the Central Carolines.

For the A. C. of S., G-2:

C. S. MYERS,
Colonel, G.S.C.
Executive.

Incls:
a - f as listed above.

MEMO FOR RECORD:

- 1. Above memo forwards to C.L.O., Japanese Army organizational postal savings accounts and checks of a Japanese Navy unit, received from Cmdr Truk & Central Carolines per ltr (030)-wrm, Serial 106, dtd 30 May 46, with 1st indorsement by U.S. Pacific Fleet, Cmdr Marianas, Ser. 8814, dtd 15 July 1946.
- 2. ESS (Mr. Halff, Asst Executive Officer and Lt. Col. Jennings, ESS/FI) have no interest in these documents and recommended forwarding to C.L.O. per request of Cmdr Truk and Central Carolines.

J.W.S. [Signature] 2-2234

(misc)
120 Funds

G-2 ADM FILE COPY/JWS/awd

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

Authority 795006
By GEC NARA Date 10/25/11

L-12/FF12/
40-KRC-hgs

UNITED STATES PACIFIC FLEET
COMMANDER MARIANAS

4500

15 July 1946

Serial: **3814**

FIRST ENDORSEMENT to
Com Truk & Central
Carolines ltr., Serial:
108, dtd 30 May 1946.

From: Commander Marianas.
To : The Supreme Commander, Allies, Pacific.

Subject: Japanese Organizational Postal Savings Accounts
and Checks, forwarding of.

1. Forwarded, documents enclosed.

A R Kline

A R KLINE
BY DIRECTION

17230
GHQ. AFPAAC
17 AUG 1946
123
RECORDS

12171
42907

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

SEKISUI JUSHI

JGA

15

1級

Authority 795006
By GEC NARA Date 10/25/11

17530

RECEIVED
ATIS. S.W.P.A.
15 JUL 1946

UNITED STATES PACIFIC FLEET
COMMANDER MARIANAS



106, 604-30 May 1946.
Caroline J. J. Serial:
Com Truk & Central
FIRST IMPROVEMENT to

8814

Subject: Japanese Organizational Postal Savings Accounts and Checks, forwarding of.
From: Commander Marianas.
To: The Supreme Commander, Allied Pacific.

Handwritten signature

BY DIRECTION
A R KLINE



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

In reply address:
The Commander Truk and
Central Carolines.
Navy No. 3705, c/o FPO
San Francisco, Calif.

(030)-wrm



COMMANDER TRUK
and
CENTRAL CAROLINES.

Serial No. 106

30 May, 1946.

From: The Commander Truk and Central Carolines.
To: The Supreme Commander, Allies, Pacific.
Via: The Commander Marianas Area.

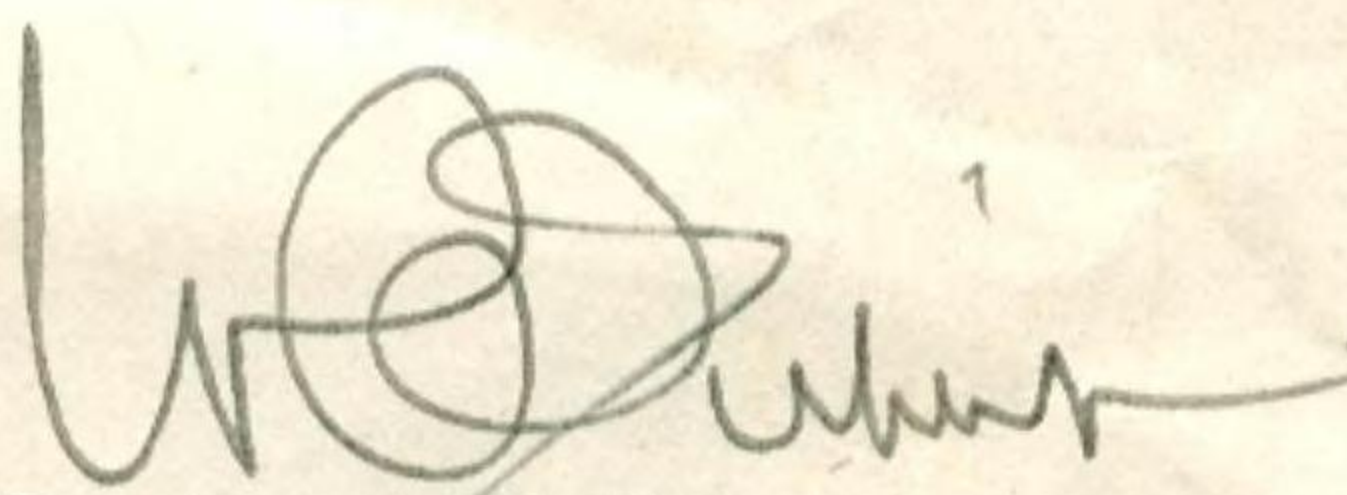
Subject: Japanese Organizational Postal Savings accounts and
checks, forwarding of.

Enclosures: (A) Postal Savings Account #128290
(B) Postal Savings Account #123466
(C) Postal Savings Account #124033
(D) Postal Savings Account #128011
(E) Postal Savings Account #127993
(F) Three checks, Bank of TAIWAN #0175, #0177, #0178.

1. Enclosures (A) through (F) are transmitted herewith. It is requested that these documents be delivered to the 2nd Demobilization Department in Japan.

2. Enclosures (A) through (E) consist of organizational funds of Army units which formerly garrisoned the Central Carolines.

3. Enclosure (F) consists of checks drawn on the Bank of TAIWAN in favor of members of the Japanese 4th Construction Corps, formerly on detached duty at WOLEAI, and who have been evacuated to Japan.


W. C. GILBERT.

A16-2

GHQ. PACIFIC
17 AUG 1946
123
ACQUITTANCE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

Authority 795006
By CEC NARA Date 10/25/11

Postal Savings Account #128290.

31st Japanese Army, SONAE(unit name) #17565, issued to KOBAYASHI, Shigeru;
Balance - 9,730.000 Yen.

ENCLOSURE (A)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI
JGA
JIS
級

Authority 795006
By CEC NARA Date 10/25/11

Postal Savings Account #123466.

Headquarters 52nd Japanese Division, issued to KOEKE, Saburo; Balance -
296.470 Yen.

ENCLOSURE (B)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI
JGA
JIS
級

Authority 795006
By CEC NARA Date 10/25/11

Postal Savings Account #124033.

Headquarters 52nd Division, issued to CHINO; Balance - 17,380.750 Yen.

ENCLOSURE (C)



Authority 795006
By GEC NARA Date 10/25/11

Postal Savings Account #128011.

52nd Japanese Division, KASHIWA (unit name) #4676, issued to KINOSHITA, Masahiro,
Balance - 9,250,000Yen.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI
JGA
JIS
級

ENCLOSURE (D)

Authority 795006
By GEC NARA Date 10/25/11

Postal Savings Account #127993.

Headquarters 52nd Division, issued to GOTO, S. ro; Balance 169,128.240 Yen.

ENCLOSURE(E)



Authority 795006
By CEC NARA Date 10/25/11

Checks #0175, #0177, #0178, drawn on Bank of TAIWAN.
#0175 in favor of KATO, Eiichi
0177 in favor of YONEDA, Sueharu
0178 in favor of KUROIWA, Tsuneco.

ENCLOSURE (F)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI
JGA
JIS
級

4608

BLB/aeb

Funds for Military Intelligence Activities

G-2 Fiscal Director 19 August 1946

1. Attention is invited to Check Note No. 2 from this section, dated 9 July, a copy of which is attached (Incl. 1).

2. This matter has been reconsidered, and it is deemed more practical to maintain separate Intelligence funds under Project 432 covering "Extraordinary Military Expenses" for the office of the Assistant Chief of Staff, G-2 and Counter-Intelligence Service. It is, therefore, requested that in addition to Maj. John E. Arthur being designated Class B agent for the fiscal account of funds made available under Project 432, that Lt. Col. Bazil L. Baker, O-33632, also be designated Class B Finance Officer for such funds as pertain to G-2, AFPAC, as previously in operation.

3. It is further requested that a separate fund be established for the office of the Assistant Chief of Staff, G-2, in the amount of thirty thousand yen (30,000 yen), funds for which will come from the Imperial Japanese government and will be charged against the cost of occupation. Lt. Col. Baker will be the agent Finance Officer for the administration of these funds in addition to those made available under Project 432.

C. A. W.

1 Incl.
Check Note #2, 9 July 1946, to Fiscal Director, subject: "Funds for Military Intelligence Activities".

* Memo for Record:

* The suggestion that the office of the Assistant Chief of Staff, G-2, be given funds chargeable against the cost of occupation was made by the office of the Fiscal Director when they were contacted for approval to convert thirty thousand Imperial Japanese yen (30,000 yen) into Type A Military currency.

* Maj. Arthur was questioned concerning the matter of his being the sole agent Finance Office for G-2 and CIS and he felt that it would not be a good system to have funds charged from him to Lt. Col. Baker on memorandum receipt. This view is concurred in by the latter.

Handwritten initials/signature

120 funds

G-2 Admin. File
BLB/aeb

Handwritten signature

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

16632
4505

Fiscal Director

G-2

13 August 1946

1. Attached hereto is claim of G. Hernandez Gavira, approved for payment for certain alleged services, in the amount of \$1328 by Claims Service, WESPAC. The papers are transmitted to this headquarters for the purpose of obtaining the signature of the Deputy Chief of Staff, as is normal when the appropriation involved is "Contingencies of the Army".

2. Before presentation of the letter to General Clarkson, requesting his signature, it is desired that additional information be available to this office.

3. In the present case, the claimant is stated to be "in charge of all Intelligence Operatives in and around Manila during dates mentioned *****" (August 1944 to March 1945), hence it is considered that his work must have been under G-2 supervision.

4. Request this office be informed as to whether G-2 records or personal knowledge reveal any additional data on the legitimacy of the claim, including your recommendation as to propriety of payment.

Incl: 1

Ltr Hq AFWESPAC, OFD,
5 Aug 46, File GSTFK 150,
"Payment of Claims" to
CINC. AFPAC, with 2 incls.

H. S. R.

2

From G-2

To: Fiscal Director

16 August 1946.

1. Upon examination of the G-2 Philippine Intelligence files, it was determined that Mr. G. Hernandez Gavira was connected with a Lt. Commander Rowe during the period mentioned. The records do not indicate whether or not he received any money as salary.

Incl:

n/c

C.A.W.

5
128 Funds

Card

G-2 Adm Copy RLB/aeb/mjd

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

Authority 795006
By CEC NARA Date 10/25/11

CONFIDENTIAL

2055 5099

Request for Revolving Fund

G-2

Fiscal Director

8 July 1946
CIS:JEA/alc

1. Request a revolving fund of ¥ 300,000, applied to occupation costs, be established by the Fiscal Director for expenditures in Japan normally applicable to Project 432, appropriation "Contingencies of the Army".
2. The fund so established would supplement current expenditures under Project 432, provide a basis for increased intelligence activities that are mandatory in view of recent developments and further serve to reduce expenditures from appropriated funds, wherein the present exchange rate in Japan is extremely unfavorable.
3. It is further desired this office be instructed as to the accounting procedure applicable in event approval is granted for the establishment of the revolving fund. It is recommended the accounting procedure effected incorporate the procedures outlined in para. 2, letter AG 130 (28 Mar 44) OB-S-B-M, War Department Adjutant General's Office, Washington, D. C., dated 30 March 1944, so that expenditures of a secret or confidential nature are not disclosed.

G-2 FILE COPY

----- C. A. W. -----

(43)

120 Funds

CONFIDENTIAL

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

C O P Y

seb

C O N F I D E N T I A L

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Military Intelligence Section
General Staff

APD 500
6 May 1946

SUBJECT: Accounting for Philippine Intelligence Funds.

TO: Assistant Chief of Staff, G-2, War Department,
Washington (25), D. C.

1. During the Japanese occupation of the Philippine Islands from 1942-1945, G-2, General Headquarters, furnished American and pre-war Philippine currency via submarine to leaders of the guerrilla resistance movements and intelligence agents in the islands. The total amount of money thus dispatched was ₱ 3,382,568.00 (\$1,691,284.00). Military requirements at the time precluded procurement of accounting as outlined in WD letter AG 130 (28 Mar 44) OB-S-B-M, subject: Accounting Procedure for Confidential Overseas Expenditures from the Appropriation, "Contingencies of the Army", to support the respective Confidential Vouchers, Form 6.

2. All possible details concerning the disposition of the funds have been secured and the attached report, "Status of Accounting, Philippine Intelligence Funds", is submitted for your approval. The detailed receipts and vouchers substantiating the report are available in our files and will be held awaiting your instructions.

C. A. WILLOUGHBY,
Major General, G.S.C.,
Asst. Chief of Staff, G-2.

1 Incl.
Report: "Status of Accounting
Philippine Intelligence Funds"
(dup)

C O N F I D E N T I A L

G-2 Admin. File

BW

30

120 G-2 funds

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm

SEKISUI JUSHI

JGA

JIS

級

COPY

aeb

CONFIDENTIAL

MID 904

1st Ind.

War Department, Intelligence Div., Washington 25, D.C., 29 July 1946

To: Assistant Chief of Staff, G-2, United States Army Forces Pacific,
APO 500, San Francisco, California

1. Basic letter, together with inclosure, has been carefully examined in the Fiscal Branch, Intelligence Division.
2. You are complimented on the careful and meticulous system of accounting for intelligence funds under your supervision. Considering the difficulties of the operation, the small percentage of funds still unaccounted for is remarkable.
3. The receipts and sub-vouchers of course, are a part of the permanent files of your office, subject to the provisions of W.D. Letter AG 130 (28 Mar 44) OB-S-M, and the responsibility of the War Department Intelligence Division is only one of helpful assistance which will always be extended. It would be appreciated if further reports could be forwarded to this Division for examination and file as collection of, or accounting for, outstanding advances of these funds are made to you.

/s/ S. J. CHAMBERLIN

/t/ S. J. CHAMBERLIN
Major General, GSC
Director of Intelligence

Incl - w/d

CONFIDENTIAL

Authority 795006
By CEC NARA Date 10/25/11

12989

APO 500
26 April 1946

SUBJECT: Philippine Intelligence Funds

TO : Assistant Chief of Staff, G-2, Army Forces, Western Pacific, APO 707

1. The attached letter from Major Jose P. Rueda, dated 15 April 1946 is forwarded for necessary action.

2. I can certify to the accuracy of this report; this officer has handled several intelligence missions of a hazardous nature, from Corregidor, during the period December 1941 to March 1942. I consider his request favorably and a proper charge against intelligence funds or other available source of reimbursement.

C. A. WILLOUGHBY,
Major General, G.S.C.,
Ass't Chief of Staff, G-2.

1 Incl:
ltr fr Maj. Rueda

cc: Maj. Rueda

G-2 file copy R/jfu

120 Funds

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

SEKISUI JUSHI

JGA

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

MPC - APO 707
Manila
15 April 1946

Dear General,

I am enclosing herewith a request for reimbursement of my expenses while I was on Intelligence missions in the mainland. I deem it wise to send it to the General who knew my work other than Gen. de Jesus. I should not have claimed for this but I believed the money I spent belonged to my family who was persecuted and stripped of our belongings because of my work. At least I would just consider the reimbursement as a help from the U.S. Government to my family.

Re my promotion I gave the letter to Gen. Jalaudmi and he immediately acted on it.

Before Independence I would like to transfer to the Philippine Scout. There is not too much politics there. I understand 50,000 boys are being taken in. The Philippine Scouts is the baby of Gen. MacArthur to whom you are a friend. Colonel Dalao is the one in charge.

Politics is getting hotter day by day. From the observation of a G-2 man Roxas may win. However, things, like in States, may come up any time and then the unexpected may come out.

If the general comes here again for a visit I would request that he drops me a line or two so I can visit him.

Best regards,

Sincerely,

Jose P. Rueda

CONFIDENTIAL

11753

Payment of Agent.

G-2

G-3
ESS

15 April 1946

1. Reference is made to the attached letter re the payment of Confidential agent being repatriated from China.

2. It has been indicated informally that this sum, converted into Yen, may be paid to subject directly and personally. This would preserve his past status as an intelligence agent and insure his future availability. It is understood that this method of payment would not, under the circumstances, be viewed as a infringement of currency restrictions promulgated by SCAP or the Ministry of Finance.

3. Your comment on the proposed plan of payment is requested

C.A.W.

1 Incl: As indicated, less dossier.

Note: Copy of enclosure & the dossier on agent are retained by Lt. Selman, pending return of this correspondence
RHS

G-2 File Copy

RHS/lms

32

120 funds.

CONFIDENTIAL

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

B-2 Admin
File Copy
13 May 1946

MEMORANDUM:

SUBJECT : Accounting for Philippine Intelligence Funds.

I Acclimation to P.I. Fund Project

Attached (Tab A) is a copy of the original preamble to the final report: "Status of Accounting, Philippine Intelligence Funds," 25 March 1946 (hereafter referred to as the Report). It indicates briefly the background of the problem, personalities concerned, remaining accounts and the deficiencies still existing in the accounting. It is invaluable not only as a short history but since most of all future correspondence will relate to certain accounts and matters discussed therein. Also attached is Incl 6 to the Report, (Tab B) "Statements of Accounts". This is an analysis of all accounts by party leader showing the breakdown of money received from GHQ, its diversion to other parties, and the record of its disposition in various categories of accounts. At any time, it will show the status of the accounts; who owes accounting and how much.

It should be noted that the preamble attached under Tab A was revised to eliminate particulars as suggested by the Chief of Staff. Full details upon the approval of the report, the comments of the Chief of Staff and General Whitney are filed in file folder headed "Letters/Memos re Report: Status of Accounting, P.I. Funds." This folder is all important and should be carefully preserved at all times.

II Accounting System

The system is based upon the party leader who is the central figure throughout the accounting. Having received the funds and exercised control over their disposition, the party leader is deemed responsible for procuring the accounting. Basically, he has received a certain amount of money and must account for its disposition. Mere evidence that the money has passed to his subordinates does not relieve him of the responsibility for adequate accounting. However, all papers received from subagents are credited to his account. Every effort has been made, within the limits of the informative accounting setup desired, to preserve the system instituted by the party leader. The papers were for the most part received piecemeal. All papers, correspondence, books of account analysis of account are based upon the party leader. Incl 5 to Report "Accounting System, Philippine Intelligence Funds" (Tab C) indicates the complete setup of the system and the procedures followed. Individual vouchers relating to the party are placed in support of the master folder assigned to the party leader. Each time an entry is made in the General Ledger both the voucher and entry are keyed with the party leaders number. The entry is made under his name in the book of account. Full details on the accounting and sample entries are found in Incl 5 to Report.

The accounts with subagents are kept on 3 x 5 cards. Each card relates to an individual who has received money either from the party leader or another party member. A sample card is placed under Tab D and shows the proper procedure for entering information upon the cards.

III Incoming Correspondence

Most incoming correspondence will be explanations by individuals of money received by them from Captain Cabangbang. Letters were sent to these people in early September through the Philippine Army asking that they present an explanation for the expenditure of the funds received. If the accounting explanation comes in the following procedure governs:

*Folders & tabs referred to are found
in P. I. Fund Files*

120 Funds

1. Check individual by name under the major classification of accounts, i.e. by Party leader's name, on the 3 x 5 cards. (The party leader's name will be mentioned in the correspondence somewhere) If the correspondence is found to relate to an open account, an entry is required upon the journal to clear this amount from the books.

2. Set up within the last folder (or start a new one) a journal entry. This consists of the papers pertaining thereto (i.e. the incoming correspondence) and a simple entry made on a journal sheet. Many examples of this are found in the folders.

3. The entry made will be:

(Debit)	Expense, party leader	₱ 000 -
(Credit)	Accounts Receivable, party leader	₱ 000 -

This applies if the correspondence relates to an account on the books. If the person's account is not listed upon the cards, then credit is given to the party leader for the amount. Entry to reflect this:

(Debit)	Expense, party leader	₱ 000 -
(Credit)	Party leader, control account	₱ 000 -

Note: Since the entries are all made through the party leader's account, it is permissible to leave the party leader's name off the entry. We reiterate that all the money and particulars of the system must be handled through the party leader. Many illustrations of this can be found in the existing entries. The entry will then be made in the General ledger (green book) under the party leader's name and set of accounts. Actual data required for the entry is the date of entry, the journal voucher number and the amount of money involved.

Appendix I to Inclosure 5 to Report (Tab C) indicates the progression of the money through various channels and the entries made under different circumstances.

4. If the investigation of 3 x 5 cards reveals that amount listed in the incoming papers has already been cleared, no entry is required. This is made possible by accounting papers having been submitted by the party leader or another person and which were given G-2 after the correspondence requesting an explanation from the individual was inaugurated. The incoming papers are merely cross indexed by the notation thereon "Cleared previously by JV 25-16" and then are filed in the party leader control folder. It is well to complete cross indexing upon the papers which support original journal entry. Many entries are based upon single statements and receipts; additional accounting is always helpful.

Other incoming correspondence will relate to one of the following accounts and papers.

IV Special Instances and Cases

A. Unredeemable Currency

During the War emergency currency was issued in the islands to maintain monetary circulation and in many sectors when issued it circulated at a par with the genuine currency. There is held in G-2 files a certain amount of mutilated and emergency currency (now unredeemable). This will be held in support of entries made in Mutilated money account until such time as the Philippine Government determines the value to be placed thereon. Then it should be presented for redemption and credit given to proper persons. A breakdown of this money is shown in Tab **E**

B. Memo for Records

In an effort to accelerate the closing of Colonel Anderson, Colonel Fertig and Colonel Cushing's accounts, a certificate was written and placed into the files to establish clearance. Copies are filed under Tab F. It was felt that sufficient time and effort had been expended upon the accounts and that the results obtained were satisfactory. Records were received in pieces and inaccuracies naturally resulted. When it became apparent, that further effort did not warrant additional time and labor on the account, the certificate was written and placed into the files in place of the accounting. Should any correspondence be received in relation to the open accounts it can be placed in support of the entry made.

C. Barros Loss

In October of 1944, \$ 25,000 was intended to be delivered to Lt. Colonel Russell Barros via submarine. This was never delivered and correspondence is in effect in an effort to trace down the eventual loss or disposal of this sum. Ensign Hagans, USNR, formerly at ~~Naval~~ ^{Naval} Submarine base is the last man in the chain to have it. Reply has been requested from him through the Navy, and when received will lead to further steps in the tracing of this sum. For complete details see the file folder on "Special File, Barros Loss". This is a comprehensive study of the facts bearing upon the case. Should reply be received the next step is to contact the person receiving it from Hagans for his explanation and so on to the end.

D. Abcede

Abcede returned from the states late in December and made efforts to present his accounting to G-2. Upon its submission it was not found sufficiently complete and the statements were returned to Abcede asking for further clarification of the details listed therein. This correspondence can be found in the Control folder for Abcede.

E. Notes of Files

Every effort has been made to place within each file folder an explanation of the contents and the situation surrounding the papers contained therein. These notes are purely for acclimation to the contents and are not a detail description of the contents.

Funds may be returned to the Finance Office upon a form 38. In doing this select a previous one (Can be traced thru General Ledger for its location) and note the vital information placed thereon. It is essential that the original voucher upon which the party leader returning the funds be determined and the credit placed thereto. This amount is then returned to the Finance Office. A notation made on the confidential voucher concerned and form 38 placed into the files as any other piece of correspondence.

Most important file today is the "Letters/Memo re report: "Status of accounting for Philippine Intelligence funds." This contains comments and recommendations which will materially help to answer question re the disposition of the files and funds, the reasons why no audit is to be made by any agency other than the MID etc.

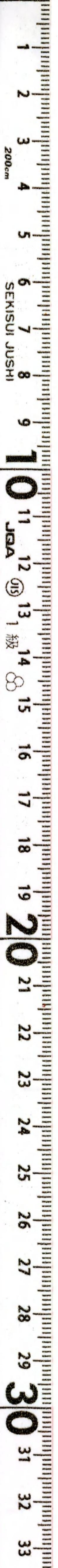
A list of the file folder and contents of the drawers is appended as Tab G. This will serve as a guide to the contents of the files. The personalities involved maybe tied together through the files of the P.I. Sub-section of G-2. The P.I. Fund files however have a separate and distinct identity and should not be associated with any other files at all.

Any other questions coming up can be decided on the basis of the material contained in the folder. Check any unknown correspondence by party leader name and party leader folder and examine the situation presented. Oftentimes a check of the P.I. sub-section files will give the necessary background information desired to answer the question.

In Inclosures 7-10 to 7-45 of the Report are found an account analysis of each party leader. The actual receipt of the money, its passage to others and its desposition are clearly shown.

R. H. Sealans

(30)



30

- 2 -

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33

... to others and the description are clearly shown.
... of each party leader. The actual receipt of the money, the
... in instances 2-10 to 2-22 of the report are found in account
... the necessary background information needed to answer the question.
... presented. ... a check of the F.I. and ... files will give
... party leader name and party leader folder and examine the ...
... material contained in the folder. Check any unknown correspondence by
... any other questions coming up can be decided on the basis of the

[Handwritten signature]

CONFIDENTIAL

13913

APD 500
6 May 1946

SUBJECT: Accounting for Philippine Intelligence Funds.

TO : Assistant Chief of Staff, G-2, War Department,
Washington (25), D. C.

1. During the Japanese occupation of the Philippine Islands from 1942-1945, G-2, General Headquarters, furnished American and pre-war Philippine currency via submarine to leaders of the guerrilla resistance movements and intelligence agents in the islands. The total amount of money thus dispatched was ₱ 3,382,568.00 (\$1,691,284.00). Military requirements at the time precluded procurement of accounting as outlined in WD letter AG 130 (28 Mar 44) OB-S-B-M, subject: Accounting Procedure for Confidential Overseas Expenditures from the Appropriation, "Contingencies of the Army", to support the respective Confidential Vouchers, Form 6.

2. All possible details concerning the disposition of the funds have been secured and the attached report, "Status of Accounting, Philippine Intelligence Funds", is submitted for your approval. The detailed receipts and vouchers substantiating the report are available in our files and will be held awaiting your instructions.

C. A. WILLOUGHBY
Major General, G.S.C.,
Asst. Chief of Staff, G-2.

1 Incl:
Report: "Status of Accounting
Philippine Intelligence Funds"
(dup)

G-2 File Copy

RHS:ms

120 Funds

CONFIDENTIAL

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

9922

File

AG 130 (27 Mar 46) GB

APO 500
27 March 1946SUBJECT: Inadequate Accounting for Philippine Intelligence Funds

TO : Chief of Staff, Philippine Army, APO 501

1. During the Japanese occupation, General Headquarters furnished various guerrilla leaders and intelligence agents with funds to assist the maintenance and expansion of their intelligence activities. The recipients of funds were notified that this money was to be accounted for in detail and accounting submitted to this headquarters. To date satisfactory accounting has been received from the majority of guerrilla leaders. The accounts have been collated and presented to the War Department for audit.

2. a. Your attention is invited to the accounts of Captain Bartolme C. Cabangbang, O-888747, AUS and Captain Enrique L. Torres, O-888746, AUS which are as yet still outstanding. Their status is as follows:

<u>Account</u>	<u>Total</u> <u>Amount Received</u>	<u>Accounted For</u>	<u>Balance Still</u> <u>Unaccounted For</u>
Capt. Cabangbang	₱ 77,500.00	₱ 46,736.50	₱ 30,763.50
Capt. Torres	111,000.00	43,397.00	67,603.00

- (1) Colonel Pedro Vuidez (PA) of the office of the Secretary for National Defense endeavored to clear Captain Cabangbang's account. The pressure of other duties and the lack of detailed personal knowledge has limited the results obtained to those indicated.
- (2) Lt. Jose Molan, a former member of Captain Torres party, succeeded in procuring accounting for amount indicated. Lt. Molan, however, reached an impasse and it is felt that Captain Torres alone can account for the remaining sum.

b. Major Telesco of GHQ was sent to the U.S. to contact officers with outstanding accounts among whom were Captains Cabangbang and Torres. He traced the movements of these officers in the states but was unable to establish personal contact with them. It is understood that Captains Cabangbang and Torres have returned to the Philippine Islands or are enroute thereto.

3. In total, over 50 % of the amounts yet outstanding is charged against Captains Cabangbang and Torres. It is requested that these officers be contacted; informed of the status of their accounts and the necessity for rendering proper accounting be reiterated. In receipting for the funds

Card ✓

G-2 Return Copy (Lt. Seelans) PTA/RHS/mt

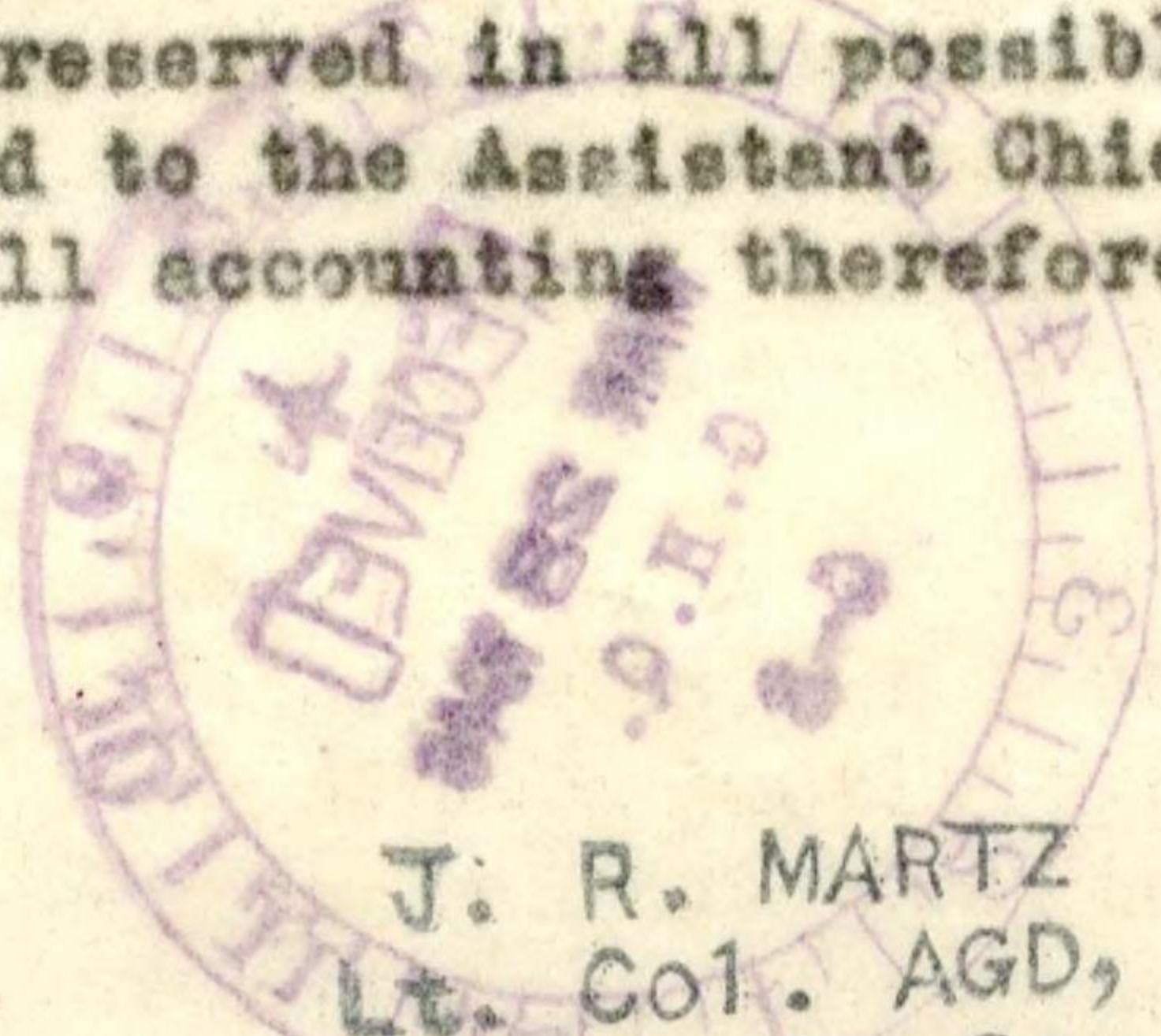
120 Funds

Authority 795006
By CEC NARA Date 10/25/11

"BASIC: Ltr, Chief of Staff, PI Army, file AG 130 (27 Mar 46) GB
dated 27 Mar 46, subj: Inadequate Accounting for Philippine
Intelligence Funds."

advanced it was acknowledged by both officers that "the accounting for the
expenditure of the funds must be preserved in all possible detail and
reports covering the same submitted to the Assistant Chief of Staff, G-2,
General Headquarters, - - -until full accounting therefore has been
completed".

For the Commander-in-Chief:



J. R. MARTZ
Lt. Col. AGD,
Asst. Adj. Gen.

MAILED 18 4 0 Mar 27 '46 AG - GHQ

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI
JDA
19
1級

Authority 795006
By CEC NARA Date 10/25/11

"BASIC: Mr. Chief of Staff, 71 Army, File AG 130 (27 Mar 48) GR
dated 27 Mar 48, subj: Indefinite Accounting for Philippine
Intelligence Funds."

advanced it was acknowledged by both officers that "the accounting for the
expenditure of the funds must be preserved in all possible detail and
reports covering the same submitted to the Assistant Chief of Staff, G-3,
General Headquarters, -- until full accounting therefore has been
completed."

For the Commander-in-Chief:



MAILED 18 4 0 MAR 27 1948 GHD

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

SEKISUI JUSHI

JDA

19

1級

88

9 April 1946

SUBJECT: Report on P.I. Intelligence Funds.

TO : General Willoughby.

1. I talked to Col. Diller about the report as it was formerly submitted. He stated clearly that the report was not acceptable to the Chief of Staff for dispatch to Washington for the following reasons:

a. It indicated that a staff section disagreement interfered with the completion of a business job.

b. Sections and names were mentioned in the squabble.

2. Col. Diller in no way implied that information as presented was wrong or that facts had been distorted, but that certain data would have to be deleted from the report before the headquarters would forward the report to Washington.

3. Action taken. Lt. Seelaus and I went through the report and made alterations, being careful to leave untouched all data which showed that G-2 had done its best in the collection of accounting. Data was also included to show that G-2 had no easy job on its hands and clear references were made to files, where full details may be found. Any auditor who examines these records will be convinced of G-2's efforts to secure an honest accounting.

4. Col. Diller stated that if the matter were not clear to you he would be glad to discuss the matter further.

E.A.W.

MEMO: Secretary, General Staff.

The text, objected to as stated above, was personally modified to eliminate possible reference to interstaff disagreement. This reference was not intended. What was intended, however, was to fix responsibilities in the financial transactions which occurred.

a. After 1943, G-2 control of the intelligence net was only nominal and limited to receipt of intelligence reports; hence, the "validity of the expenditures" became a matter of "control over the application".

b. Moneys in bulk were turned over to the "control agency" of intelligence nets, i.e. the Philippine Regional Section (P.R.S.) under Brig. Gen. Whitney.

c. Forward distribution to intelligence groups or guerrilla leaders of "bulk moneys" and the subsequent accounting, "in detail", was clearly a responsibility of the P.R.S. as the control agency under (b).

d. G-2 intervened, through employment of G-2 personnel, in order to secure an accounting that would reflect credit upon GHQ; I believe this is accomplished.

Note: Original draft by CAW is filed with
P.I. Funds files in folder "Statments and worksheets" C.A.W.

G-2 File Copy

30

120 Funds

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27200cm
SEKISUI JUSHIJGA
1級

82/2

Reimbursement for Loans of Emergency Currency,
G-2 Activities.

G-2

Fiscal Director

4 March 1946

1. Reference is made to the attached letter from AFWESPAC, dated 10 February 1946, "Subject: Re-embursement for loans of Emergency Currency, G-2 Activities." The following data is furnished for your information.

2. a. Gerardo A. Sanchez was a S/Sgt in the intelligence party of Lt. Col. C. M. Smith which was sent into the Philippines in late 1943. Sanchez assumed the rank of captain without consultation with any higher authority and created dissension in the islands by his refusal to cooperate with local intelligence agencies and by his bragging display of his "authority".

b. The identity of Lt. Luis Pangilinan and Lt. Gil A. Rivera is not known in the G-2 and no identification can be made in known agencies in Manila.

3. a. Unless the Philippine Regional Section, G-3, issued special instructions, unknown to G-2, regarding finances of party members, no recorded authority exists for party members to borrow money. It was assumed at the time that parties were dispatched into the islands, that personnel would live with local guerilla agencies and cooperate with them. Moreover, GHQ provided its intelligence operatives with money for their activities. These funds were placed under the control of party leaders who received instructions regarding their use and subsequent accounting therefor. These sums were substantial in amount and were provided where sufficient evidence existed to warrant the need for them.

4. a. In view of the foregoing, payment of these claims will not be made from the appropriation "Contingencies of the Army". Military Intelligence funds are applicable "only when there is a direct relationship between the expenditures involved and the specific functions assigned to Military Intelligence". (WD Letter AG 123 (8 May 44) OB-S-B-M, 10 May 44, subject: "Use of Military Intelligence Funds"). Even though an intelligence operative borrowed the funds it is incumbent upon him to establish this relationship ere they can be properly charged to military intelligence funds.

b. The evaluation of emergency currency and subsequent redemption thereof is one of the most cogent problems of the Philippine Government today. Emergency currency was originally authorized by the Philippine Government and pending their decisions, it is extremely vital that no US Army agency place a redemption value on emergency currency.

GB/RHS/nd

1 Incl: as stated.

C. A. W.

120 funds

G-2 Admin File / nd

19 February 1946

MEMORANDUM:

REFERENCE : Attached claims.

CURRENCY INVOLVED.

The evaluation of emergency currency and subsequent redemption thereof is one of the most cogent problems of the Philippine Government today. The issuance of emergency currency was originally authorized by the Philippine Government and the total amount issued approximates one hundred million pesos (P100,000,000.). Pending the decisions of the Philippine Government (with the assistance of the High Commissioner's Office) it is extremely vital that no U.S. Army agency, least of all G-2, should place a redemption value on the currency involved.

Transactions involving the use of Japanese pesos are also the subject of study by the High Commissioner's office and Philippine Commonwealth. Here again, no precedent should be established and a redemption value placed on Japanese money.

IS G-2 INVOLVED?

GHQ furnished its intelligence operatives money for their activities. These funds were placed under control of the party leaders, who received instructions regarding their use and subsequent accounting required by GHQ. Since funds were supplied directly by G-2 for intelligence purposes, it is possible that the action of Lieutenants Pangilinan and Rivera was merely that of any officer who commandeers supplies and equipment in time of war and should be treated as such. Were all officers sent into the Philippines given a blanket authority to borrow money from anyone and in any amount as they saw fit? From whom did Pangilinan and Rivera derive the authority to borrow money; to whose party did they belong? Cabangbang and Torres, whose parties were active in that area, have not as yet accounted for the money advanced them by GHQ. Believe that these people should show where the money was spent ere it can be established that G-2 is involved.

PAYMENT.

It is doubtful if the money could legitimately be charged to the appropriation, "Contingencies of the Army" - this appropriation is for payment of services and supplies incident to intelligence activities and which "are not covered by other applicable funds. MID funds are applicable when there is a direct relationship between the expenditures and the specific functions assigned to Military Intelligence". (WD letter AG 123 (8 May 44) OB-S-B-M, 10 May 44, subject: "Use of Military Intelligence Funds"). Even though an intelligence operative borrowed the funds,

B-2 Files
 1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
 200cm
SEKISUI JUSHI
JGA
①
級

BASIC: Memorandum, reference: Attached claims, dated 19 Feb 46.

it is necessary for him to establish the relationship shown above ere they can be properly charged to Intelligence Funds. General Willoughby must certify that these funds were spent for intelligence activities and it places him in a precarious position to recognize such action on the facts presented.

In accounting for the funds advanced, a number of claims of similar type have arisen. Persons concerned were informed that G-2 had no further appropriation for Philippine Intelligence purposes and that they should process their claims as normal war claims. There is, or will be, established a fund from which war damage claims will be paid. Could not these claims be classified as such? Payment of these claims from the appropriation "Contingencies of the Army" would establish a dangerous precedent and a host of claims would result.

RECOMMENDATION.

A. Major William's files be consulted:

1. to establish the identity of the Captain Sanchez, Lieutenants Pangilinan and Rivera. To whose party did they belong? When did they enter the Philippines?
2. for investigation and comment on the authority given persons entering the Philippines to borrow money. Were they not to draw funds from the party leader?

B. Further suggest that informal check be made with the High Commissioner's office (possibly through Colonel Fertig) and with Guerrilla Affairs, AFWESPAC for further details and comments on the above points.

RHS
R H S

Inclosures:

Ltr, Hq AFWESPAC dtd 10 Feb 46
w/incls (claims).

8225

GENERAL HEADQUARTERS
UNITED STATES ARMY FORCES, PACIFIC
MILITARY INTELLIGENCE SECTION, GENERAL STAFF

28 February 1946.

SUBJECT: Identification and authority of intelligence agents.

1. Gerardo A. Sanchez was a S/Sgt in the intelligence party of Lt. Col. C. M. Smith which was sent to the Philippines in late of 1943. Sanchez was assigned by Smith to the Cebu City area. He assumed the rank of captain without consultation with any higher authority and caused considerable trouble for local guerrilla intelligence agencies by his refusal to cooperate with them and by his bragging display of "authority."

2. Identification of Lt. Luis Pangilinan and Lt. Gil A. Rivera is not known in the G-2 Philippine Section and no identification can be made in known agencies in Manila.

3. So far as is known to the undersigned the question of authority of penetration party personnel to borrow money was not raised since it was assumed that personnel would live with and cooperate with local guerrilla forces. Furthermore funds were provided by this headquarters for essential purposes.

4. Conclusions. Unless PRS issued special instructions, unknown to this office, regarding finances of party members, no recorded authority for party members to borrow money exists. Believe, if Claims Service chooses to recognize loans floated by genuine penetration personnel, that is a policy which Claims Service alone can work out. The undersigned personally believes that inauguration of such a policy would be based on very tenuous premises and would open up a new avenue for fruitful abuse of United States public funds. Neither Guerrilla Affairs nor the High Commissioner's Office have any suggestions to offer.

Edward A. Williams
EDWARD A. WILLIAMS,
Maj., A.U.S.

(25)

Pr. 27

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI
JGA
19
1級

4999

CONFIDENTIAL

Justification, Contingencies of the Army,
Project 432 for FY 1948.

G-2

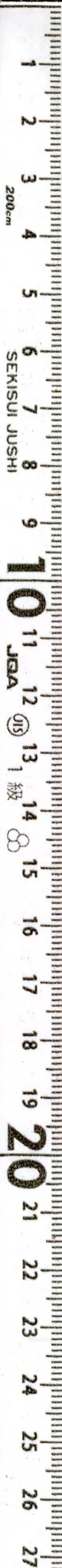
Budget Officer, AFPAC

24 August 1946

1. Submitted herewith is general justification for AFPAC Project 432, Contingencies of the Army.
2. The funds that are required under appropriation, Contingencies of the Army, Project 432, for the fiscal year 1948 total \$460,750. This amount represents an increase of \$53,000 over funds authorized for the fiscal year 1947.
3. It is mandatory that the intelligence agencies of AFPAC expand their scope of activities in order to insure the security of military installations within AFPAC areas of control, in order to investigate and conclusively determine the actions of American subversive groups, in order to combat and nullify the intelligence and espionage activities of foreign powers within Far Eastern sensitive areas and in order to develop the collection and evaluation of positive intelligence as it affects the military position of the United States Government. (See Paragraph 3 attached Memorandum No 7 Military Intelligence Section, General Staff, GHQ USAFPAC dated 3 May 1946).
4. Intelligence and counter intelligence personnel within AFPAC areas are scarce and the majority lack extensive experience. During this transitional period from military occupation to civilian control within certain districts, when conditions are in a state of flux, it is imperative that the military interests of the United States Government be assured. This condition necessitates the current development of informant nets through the utilization of military intelligence funds. (FM 101-5, Section 15, Paragraph 1, Sub-paragraph g.) In effecting the protection of these interests the roll of intelligence and counter intelligence agencies in the regions under consideration becomes greatly magnified and their importance increases in direct proportion with the decrease in military personnel.
5. Current plans outline expansions in the development of intelligence activities as they involve subversion and the determination of compliance with directives and orders in those countries presently occupied by the Allied Powers. (WD Ltr AG 322 CIC (31 Oct 44) OB-S-B-M, dated 13 Nov 1944.)
6. Further plans that have been made will expand the sphere and scope of intelligence operations in connection with the activities of foreign powers in the Far East, as they affect the military position of the United States and as they further affect the military control of AFPAC areas and the occupation of Japan and Korea.

CONFIDENTIAL

120 Funds



SEKISUI JUSHI

JSA

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

CONFIDENTIAL

Justification, Contingencies of the Army,
Project 432 -- Cont'd

G-2

Budget Officer, AFPAC

24 August 1946

7. The continued and increased maintenance of high level intelligence operations throughout the territories controlled by AFPAC as well as those regions north and west of the Japanese Islands is absolutely imperative if AFPAC, the War Department and other interested agencies are to be swiftly and adequately kept cognizant of military and civil development throughout the Far East.

C.A.W.

CONFIDENTIAL

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI
JGA
19
1級
20

CONFIDENTIAL11100
6/5/19

1580

GENERAL HEADQUARTERS
UNITED STATES ARMY FORCES, PACIFIC
MILITARY INTELLIGENCE SECTION, GENERAL STAFF

APO 500

MEMORANDUM FOR RECORD

3 July 1946

SUBJECT : Change in Project 414 of the Appropriation "Contingencies of the Army"
TO : Col. Bratton

BRIEF OF CONTENTS:

1. Intelligence Division (WDGS) and Budget Division (WGSS) have eliminated "Project 414 Military Intelligence" and that portion of "Project 416 Provost Marshal General" which applied to Counterintelligence.
2. "Project 432 Contingencies of the Army" has been substituted and became effective 1 July 1946.
3. The purposes for which "Project 432 Contingencies of the Army" may be expended are as follows:
 - a. Expenses incidental to obtaining information:
 1. Hire of interpreters and guides.
 2. Payments to informers.
 3. Purchase of information.
 - b. Payment of clerical personnel not otherwise provided for.
 - c. Maintenance allowances for:
 1. Military attaches and assistants.
 2. Observers.
 3. Liaison officers.
 4. Official entertainment.
 - d. Postage expenses.
 - e. Entertainment directly connected with obtaining information.
 - f. Costs of travel not reimbursable from other appropriations.
 - g. Costs of investigational materials (photo equipment, etc.) and materials from which information is obtained (maps, books, etc.).
 - h. Costs of civilian clothing for investigational purposes.
 - i. Official fees, licenses, taxes, etc. required of military attaches by foreign governments and not chargeable to other appropriations.

CONFIDENTIAL1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

SEKISUI JUSHI

JGA

19

1級

88

Authority 795006
By CEC NARA Date 10/25/11

AFD 500
22 Aug 1946

MEMORANDUM: Budget Figures for CIS, G-2, and G-2

Budget figures for the G-2 Section (Office of the Assistant Chief of Staff, G-2 and the Civil Intelligence Section), showing estimated man years, dollar instruments necessary; positions established and action that has been or will be taken as a result of the 14% pay increase for civilian employees:

G-2 (Office of the Assistant Chief of Staff, G-2):

Estimated man years, fiscal year 1947 11.0
Dollar instruments necessary for these positions. . . . \$29,494.08

Civil Intelligence Section, G-2:

Estimated man years, fiscal year 1947 166.0
Dollar instruments necessary for these positions. . . . \$874,672.09

Total estimated man years, G-2, fiscal year 1947. 177.0
Total dollar instruments necessary for these positions. . \$904,166.17

Actual established positions within the G-2 section for the fiscal year 1947 would be as follows if full strength is reached during this period:

Man years 191.0
Dollar instruments. \$950,607.43

Seven positions were temporarily cancelled in July to bring the section within the estimated allocated budget - these positions will have to be re-established by October 1946, as military personnel now on the job will be released from service. The re-establishment of these positions will bring the section back to the allocated 198 positions and will require an additional \$47,783.32.

The office of the Assistant Chief of Staff, G-2 will not require any additional funds for the fiscal year of 1947. However, the Civil Intelligence Section, G-2, ACAP will have a shortage of \$116,390.75 for the fiscal year 1947.

If additional funds are not authorized to cover increased operating costs caused by the 14% pay increase, the positions that were temporarily cancelled cannot be re-established. The re-establishment of these positions is an absolute necessity if operations are to continue at a full scale. Further reductions in clerical positions (clerk-typists, clerks and stenos) throughout the entire section will have to be made. Although these positions will fall in the lower-rating categories, they are an integral part of the organization and their loss will be crippling, as important work will

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

be hampered to the extreme. This point cannot be overemphasized as a reduction in clerical positions will place a further overload of work on the remaining personnel. "Deadlines" on publications, special reports will have to be extended and work generally curtailed by the decrease of fields of operation. Another factor that must be considered is the rapid military demobilization program which is draining trained military personnel. The pending 10% reduction of military personnel will further reduce personnel particularly in clerical positions. If operations are to be continued on a full scale, the bulk of this personnel will have to be replaced by civilian personnel. This cannot be accomplished if additional funds are not allocated the G-2 Section.



9117

5266

Budget Figures for G-2 and CIS, G-2

G-2

G-4

28 August 1946
CIS:WTG/hf

1. Budget figures for the G-2 Section (Office of the Assistant Chief of Staff, G-2, and the Civil Intelligence Section, G-2), showing estimated man years, established positions, dollar instruments necessary, and the results of the 1 1/4% pay increase for civilian employees are as follows:

Original authorized positions, fiscal year 1947:

War Department Civilians - - - - -	198
Dollar Instruments required - - - - -	\$998,607.43
Military personnel - - - - -	282

Initial reduction to meet budget reduction of 30 June 1946:

War Department Civilians - - - - -	191
Dollar Instruments Required - - - - -	\$950,607.43
Military personnel authorized - - - - -	205

Estimated number of positions remaining if the 1 1/4% pay increase has to be absorbed within present budget:

War Department Civilians - - - - -	171
Dollar Instruments authorized - - - - -	\$880,000.00
Military personnel authorized - - - - -	205

Estimated loss of Military personnel as result of 10% reduction in strength as of 1 January 1947:

War Department Civilians - - - - -	171
Dollar Instruments authorized - - - - -	\$880,000.00
Military personnel authorized - - - - -	185

Thus, due to initial reductions of budget and the 1 1/4% pay increase, the number of positions is reduced from 198 to 171. Correspondingly there will be a reduction of military personnel on 1 January 1947 from 205 to 185.

2. If additional funds are not authorized to cover the increased operating costs caused by the 1 1/4% pay increase, a drastic reduction in civilian personnel will have to be made. These reductions in civilian personnel will cut the number of clerical positions established throughout the entire section. Although these positions fall within the lower-rating categories, they are an integral part of the organization, and their loss will be crippling. This

12
120 funds G-2

G-2 FILE COPY

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

Budget Figures for G-2 and CIS, G-2

G-2

G-4

28 August 1946

1
(contd)

point cannot be overemphasized, as a reduction in clerical positions will place a further work load on the remaining personnel, and "deadlines" on publications, special reports, routine reports, etc., will have to be extended. Curtailment of operations will seriously affect the mission and responsibility of the G-2 Section.

3. In considering the effects of the 14% pay increase for civilian employees, the impending 10% reduction in military personnel in January 1947 must be considered as a major item. This reduction will mean the loss of twenty (20) officers and enlisted men from the G-2 section. The vacancies created by this reduction must be filled by civilian personnel if the mission of the section is to be continued on a full scale.

4. It is therefore recommended that every effort be made to obtain additional funds to cover authorized number of established positions for the fiscal year 1947 and replacement positions resulting from the 10% reduction of military personnel.

----- C. A. W. -----

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

CONFIDENTIAL

3959

Estimate for Fiscal Year 1948

G-2

Fiscal Director

9 August 1946

Submitted herewith is ATIS' justification for the fiscal year 1948 estimates.

For the Assistant Chief of Staff, G-2:

1 Incl

Memo to Fiscal Officer

P.H.B.

G-2 Admin File Copy

PHB/me
PHB

CONFIDENTIAL

120 Funds

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

CONFIDENTIAL

Appropriation;
Sub-Appropriation;
Project;

JUSTIFICATION OF FISCAL YEAR 1948 ESTIMATES
PERSONAL SERVICE
G-2 (Allied Translator and Interpreter Section)

11893

MEMORANDUM;
TO : FISCAL OFFICER

1. Reference your checknote above the following comments are furnished for your consideration;

a. The current budget allowance for the Allied Translator and Interpreter Service Fiscal Year 1947 (excluding \$128,620.90 for the 5250th Technical Intelligence Company) is \$1,647,996.80. The proposed allowance for the Fiscal Year 1948 is \$1,919,902.68. Since it is proposed that the functions of the 5250th Technical Intelligence Company will be absorbed by ATIS, the budget for this organization is included in the Fiscal Year 1948 budget. Excluding this increase for the 5250th Technical Intelligence Company in the Fiscal Year 1948 budget, the increase for the Allied Translator and Interpreter Service is \$164,799.00. Of this increase, the sum of \$164,799.00 is terminal leave and overtime; leaving an allowance of nothing to cover the increases shown for newly assigned duties that must be carried on for SCAP. (See sample weekly ATIS Work Report, Tab A)

b. The currently assigned mission of ATIS has been expanded during the past several months to the point where virtually all SCAP sections are dependent on the work and versatility of this organization to meet their current translation and interpreter requirements. When the budget for the Fiscal Year 1947 was drawn up the following points were not considered: (See Tab A)

(1) Man hours required per year for translation and interpretation for the Far Eastern Commission;	65,000
(2) Man hours required per year by the International Military Tribunal;	416,000
(3) Man hours required per year by the Legal Section;	128,480
(4) Man hours required by SCAP Sections;	260,000
(5) Man hours required by G-2 Activities;	
(a) Foreign Liaison Section;	45,200
(b) War Department Intelligence;	32,800
(c) 5250th Technical Intelligence Company;	62,000
(d) Civil Intelligence Section;	221,000
(e) Special G-2 Studies for Commander-in-Chief (Petitions etc., with A-1 priority);	124,000
	<hr/>
(6) Man hours required per year for miscellaneous translations and interpretations for C-in-C;	455,000
	270,000
Total Man Hours Per Year	1,624,480
781 (Total ATIS Military and Civilian Personnel) x 2080 working hours per year	1,624,480

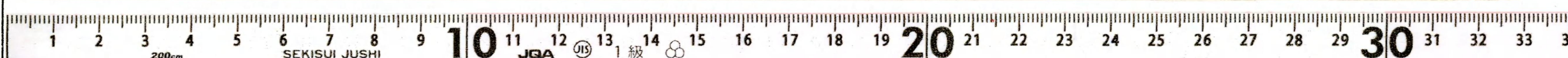
c. ATIS has an allotted military strength of only 92 officers and 209 enlisted men. (39% of ATIS) They furnish the skilled permanent nucleus of ATIS but their effectiveness is based on the civilian experts who represent 61% of ATIS strength. Hence reduction of the civilian component by say 25% would reduce ATIS output by 50% or even more.

2. It is conceivable that during Fiscal Year 1948, less SCAP effort may be placed on some certain phase of the presently assigned ATIS mission, as noted in "b" above, but is it inevitable that increased emphasis will then be placed on other activities, and that any new plans by

CONFIDENTIAL

Admin FILE COPY

DECLASSIFIED
Authority 795006
By NARA Date 10/25/11



CONFIDENTIAL

5. It is recommended that the following items be included in the report:

1. The results of the investigation conducted by the Special Agent in Charge.

2. A list of the names and addresses of the persons who have been contacted during the investigation.

3. A list of the names and addresses of the persons who have been interviewed during the investigation.

4. A list of the names and addresses of the persons who have been visited during the investigation.

(b) The following information should be included in the report:

(1) The results of the investigation conducted by the Special Agent in Charge.

(2) A list of the names and addresses of the persons who have been contacted during the investigation.

(3) A list of the names and addresses of the persons who have been interviewed during the investigation.

(4) A list of the names and addresses of the persons who have been visited during the investigation.

(5) A list of the names and addresses of the persons who have been contacted during the investigation.

(c) The following information should be included in the report:

(1) The results of the investigation conducted by the Special Agent in Charge.

(2) A list of the names and addresses of the persons who have been contacted during the investigation.

(3) A list of the names and addresses of the persons who have been interviewed during the investigation.

(4) A list of the names and addresses of the persons who have been visited during the investigation.

(5) A list of the names and addresses of the persons who have been contacted during the investigation.

It is recommended that the following items be included in the report:

1. The results of the investigation conducted by the Special Agent in Charge.

2. A list of the names and addresses of the persons who have been contacted during the investigation.

3. A list of the names and addresses of the persons who have been interviewed during the investigation.

4. A list of the names and addresses of the persons who have been visited during the investigation.

It is recommended that the following items be included in the report:

1. The results of the investigation conducted by the Special Agent in Charge.

2. A list of the names and addresses of the persons who have been contacted during the investigation.

3. A list of the names and addresses of the persons who have been interviewed during the investigation.

4. A list of the names and addresses of the persons who have been visited during the investigation.

5. A list of the names and addresses of the persons who have been contacted during the investigation.

6. A list of the names and addresses of the persons who have been interviewed during the investigation.

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL



1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

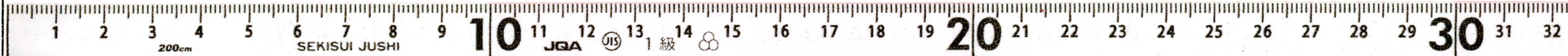
1000

1000

1000

1000

DECLASSIFIED Authority 795006 By NARA Date 10/25/11



FILE COPY

CONFIDENTIAL

any SCAP Section must receive ATIS support. ATIS is the language agency of this theater, and as long as Japan is occupied, must continue a paramount role in support of every SCAP Section.

Incls: 4

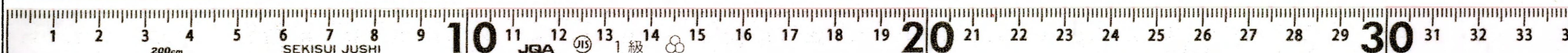
- 1 Form C-4
- 2 Form C-5
- 3 Form D
- 4 ATIS Weekly Report (Tab A)

THOMAS F. WALL
Lt Col, Infantry
Commanding.



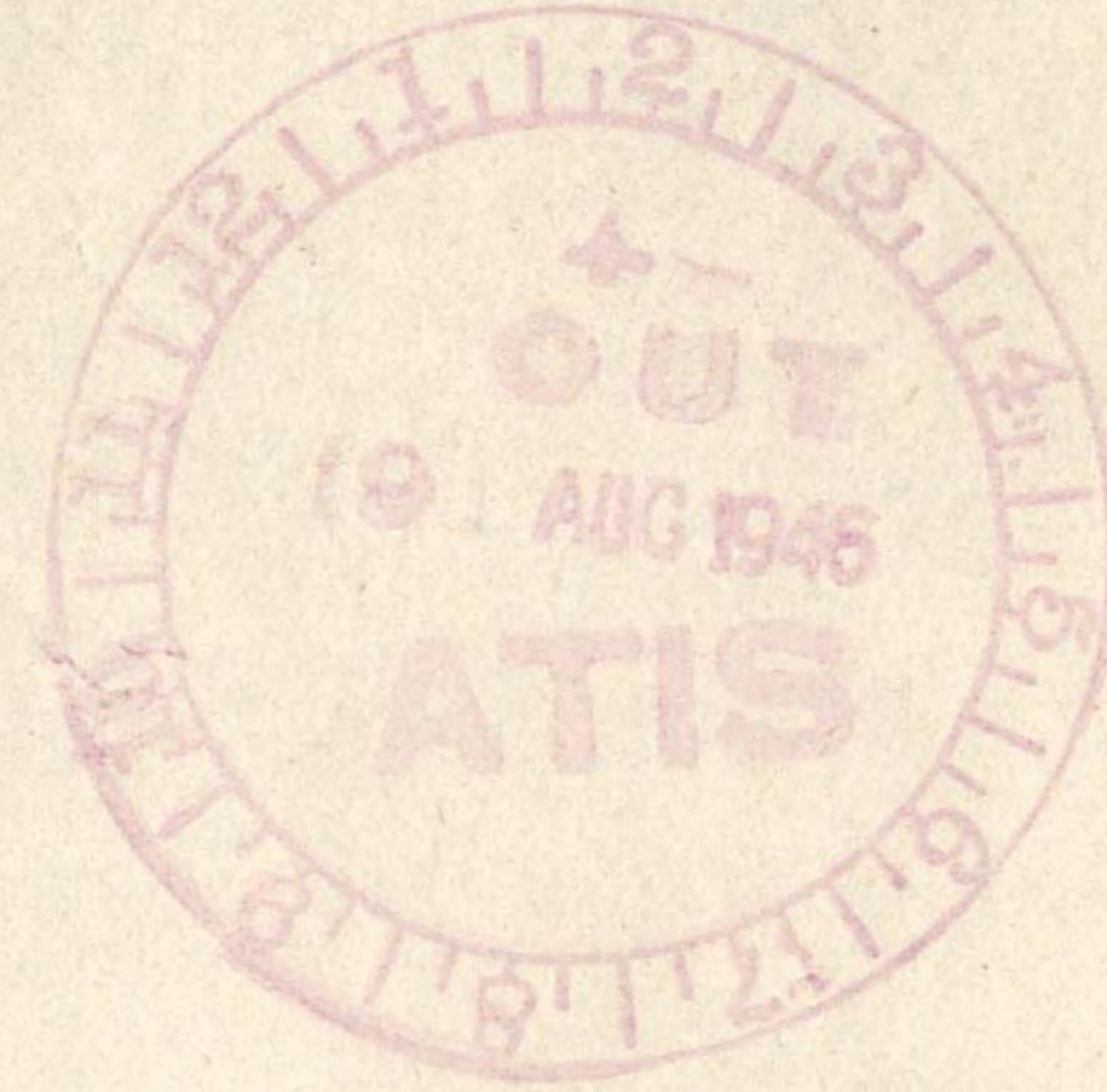
CONFIDENTIAL

DECLASSIFIED
Authority 79500.6
By NARA Date 10/25/11



5

CONFIDENTIAL



Faint, illegible text, possibly a list or header.

Faint, illegible text, possibly a signature or date.

Faint, illegible text, possibly a paragraph or footer.

CONFIDENTIAL

DECLASSIFIED Authority 795006 BY EEC NARA Date 10/25/11



Confidential
FORM C-4

11893

Justification of Estimates for Military Establishment, Fiscal Year 1948

C-2 (Allied Translator and Interpreter Section)

Title of Appropriation: _____

SERVICES AND SUPPLIES
TO BE OBTAINED FROM ECONOMY OF OCCUPIED AREAS AND CHARGED TO REPARATIONS, FY 1948

Man-years

Dollar Value

Personal Services

~~1161~~

~~\$ 705,100~~

Justification should be set forth in narrative form the manner in which personnel of this category are to be utilized, duties they will perform, etc.

1. The utilization of this personnel employed by the Allied Translator and Interpreter Section is divided into the two following categories:

a. Functional AFIS

(1.) The translation of newspapers, magazines and other non-classified material in the Periodicals Sub-Section.

(2.) The typing, proof-reading, duplication, collation and distribution of material shown in (1.) above in the Production Section.

(3.) The training group which provides qualified translators and typists to perform the duties shown in (1.) and (2.) above.

b. Headquarters Commandant

(1.) The execution of the normal duties involved in the maintenance of a large office building and billet. (These duties are synonymous with those in the Headquarters and Service Group.)

2. The utilization of this personnel employed by the 5250th Technical Intelligence Company comes under the following category:

a. Tokyo Arsenal Overhead

(1.) The execution of the normal duties involved in the maintenance of the grounds, laboratories, billets and office buildings at the Tokyo Arsenal. (These duties are synonymous with those in the Headquarters and Service Group.)

Confidential

CONFIDENTIAL

CONFIDENTIAL

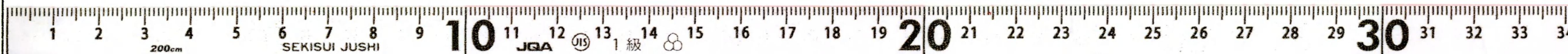
WDI FILE

DECLASSIFIED

Authority

79500.6

By: NARA Date: 10/25/11



Confidential
JUSTIFICATION OF FISCAL YEAR 1948 ESTIMATES

FORM C-5

Appropriation:

PERSONAL SERVICES

Sub-Appropriation:

G-2 (Allied Translator and Interpreter Section)

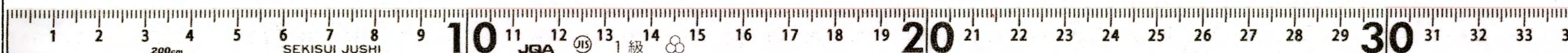
Project:

Civil Service Grade or Other Classification	Base Rate (without differential)	Estimated FY 1947 Obligations		Estimated FY 1948 Obligations	
		Man-Years	Amounts	Man-Years	Amounts
G-2 (Allied Translator and Interpreter Section)					
CAF- 2	\$1954.00	53	\$103562.00	53	\$103562.00
3	2168.28	76	164789.28	76	164789.00
4	2394.00	36	86184.00	36	86184.00
5	2644.80	23	60830.40	23	60830.40
6	3021.00	58	175218.00	58	175218.00
7	3397.20	125	424650.00	125	424650.00
8	3773.40	15	56601.00	15	56601.00
9	4149.60	19	78842.40	19	78842.40
10	4525.80	3	13577.40	3	13577.40
11	4902.00	3	14706.00	3	14706.00
12 O/D not incl. on 1 pos.	5905.20	2	11810.40	2	11810.40
13 O/D not incl.	7102.20	1	7102.20	1	7102.20
P- 2	3397.20	4	13588.80	4	13588.80
3	4149.60	12	49795.20	12	49795.20
4	4902.00	2	16359.00	2	16359.00
CFO- 6	2469.24	1	2469.24	1	2469.24
SP- 4	2168.28	6	13009.68	6	13009.68
6	2644.80	1	2644.80	1	2644.80
7	3021.00	1	3021.00	1	3021.00
UNGR-12	3224.00	3	9672.00	3	9672.00
15	3577.60	3	10732.80	3	10732.80
17	3806.40	1	3806.40	1	3806.40
19	4035.20	1	4035.20	1	4035.20

Confidential

WPI FILE COPY

DECLASSIFIED
Authority 795006
By NARA Date 10/25/11



Confidential
JUSTIFICATION OF FISCAL YEAR 1948 ESTIMATES

FORM C-5 (Cont.)

Appropriation:

PERSONAL SERVICES

Sub-Appropriation:

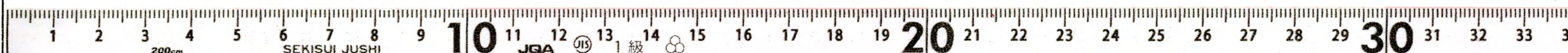
G-2 (Allied Translator and Interpreter Section)

Project:

Civil Service Grade or Other Classification	Base Rate (without differential)	Estimated FY 1947 Obligations		Estimated FY 1948 Obligations	
		Man-Years	Amounts	Man-Years	Amounts
G-2 (5250 Technical Intelligence Company)					
GAP- 3	\$2168.28	1	\$ 2168.28	1	\$ 2168.28
7	3397.20	2	6794.40	2	6794.40
9	4149.60	1	4149.60	1	4149.60
P- 1	2644.80	1	2644.80	1	2644.80
3	4149.60	17	70543.20	17	70543.20
SP- 4	2168.28	1	2168.28	1	2168.28
6	2644.80	1	2644.80	1	2644.80
UNGR-12	3224.00	2	6448.00	2	6448.00
19	4035.20	1	4035.20	1	4035.20
21	4246.00	1	4246.00	1	4246.00
Total Basic Pay		477	(\$ 1,432,849.76)	477	(\$ 1,432,849.76)
(19) ÷ Overtime & Holiday Pay			(None)		(14,328.50)
(25) ÷ Additional pay for foreign service			(343,767.94)		(343,767.94)
(9) ÷ Terminal Leave			(None)		(128,956.48)
÷ Other (Specify)			(-0-)		(-0-)
<u>Total Obligations</u>			(\$ 1,776,617.70)		(\$ 1,919,902.68)

Confidential

DECLASSIFIED
Authority 79500.6
By EEC NARA Date 10/25/11



Confidential
FORM D

Justification of Estimates for Military Establishment, Fiscal Year 1948

G-2 (Allied Translator and Interpreter Section)

Title of Appropriation: _____

Sub-Appropriation: _____

<u>Strength at end of month</u>	
	: 172
June 1946 (Actual)	: 477
December 1946 (Estimated)	: 477
June 1947 (Estimated)	: 477
July 1947 "	: 477
August 1947 "	: 477
September 1947 "	: 477
October 1947 "	: 477
November 1947 "	: 477
December 1947 "	: 477
January 1948 "	: 477
February 1948 "	: 477
March 1948 "	: 477
April 1948 "	: 477
May 1948 "	: 477
June 1948 "	: 477

C
O
N
F
I
D
E
N
T
I
A
L

Average Employment, FY 1948 : 477

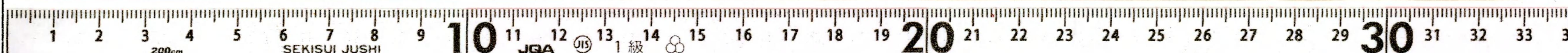
Total Obligations (01) FY 1948	: 81,919,902.68
Total Basic Salary	: 1,432,849.76
Overtime + Holiday Pay	: 24,328.90
Additional pay for foreign service	: 313,767.94
Other (Specify)	: 128,956.48

C
O
N
F
I
D
E
N
T
I
A
L

Confidential

62 7602

DECLASSIFIED
Authority 795006
By NARA Date 10/25/11



3233

4474

Funds for Fiscal Year 1947

G-2

G-1

30 July 1946
CIS: WTG/alc

1. Reference your checknote dated 26 July 1946, subject as above. The following information is submitted:

a. As requested, a survey of civilian positions was conducted and as a result the following positions were cancelled in order to bring this section within the allocated budget:

- Social & Economic Advisor, Special Intelligence Division, P-6
- Chief, Occupational Trends Branch, S.I.D., P-5
- Research Analyst, Occupational Trends Branch, P-4
- Research Analyst, Personalities Branch, P-3
- Prison Administrator, Public Safety Division, CAF-12
- Fire Investigator, Public Safety Division, CAF-9
- Translator-Interpreter, Language Branch, CAF-6

These positions were selected for cancellation because at the present time they are being filled by Military personnel and to date no civilians have been recruited to fill established vacancies. The cancellation of these positions brings the section within the allocated budget. This section will be seriously handicapped by the loss of these positions when military personnel presently on the job become eligible for release. It is the opinion of this section that the cancellation of these positions should be temporary and that they be reestablished at the earliest practicable date, as the military personnel being received as replacements are not at all qualified for these positions due to the special qualifications established.

b. The following is a recapitulation of the existing established positions showing position title, grade and location:

G-2 Positions

<u>Position Number</u>	<u>Position Title</u>	<u>Established Grade</u>
GB 26	Clerk stenographer	CAF-3
GB 30	Clerk typist	CAF-4
GB 32	Secretary	CAF-6
GB 38	File Clerk	CAF-4
GB 39	Chief Social Research	P-4
GB 40	Layout Draftsman	SP-5
GB 41	Clerk Stenographer	CAF-4
GB 42	Clerk Stenographer	CAF-5
GB 44	Clerk Stenographer	CAF-4
GB 45	Clerk Stenographer	CAF-4
GB 47	Clerk Stenographer	CAF-4

120 Funds

(cont)

G-2 FILE COPY

Handwritten initials/signature

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

1
(cont)

G-2

G-1

CIS, G-2 Positions:CIS Executive

<u>Position Number</u>	<u>Position Title</u>	<u>Established Grade</u>
OC 2	Secretary	CAF-5
OC 120	Administrative Assistant	CAF-6
<u>CIS, G-2 Executive Group, Administrative Branch:</u>		
OC 5	Personnel Coordinator	CAF-7
OC 110	Personnel Assistant	CAF-6
OC 124	Clerk Typist	CAF-4
OC 8	Bookkeeper	CAF-4
OC 9	Administrative Assistant	CAF-7
OC 10	Chief Clerk	CAF-6
OC 11	Clerk Typist	CAF-2
OC 11-1	Clerk Typist	CAF-2
OC 11-2	Clerk Typist	CAF-2
OC 11-3	Clerk Typist	CAF-2
OC 12	Chief File Clerk	CAF-4
OC 13	Receptionist	CAF-4
<u>CIS, G-2, Executive Group, Plans and Policies Branch:</u>		
OC 58	Research Analyst	P-5
OC 58-1	Research Analyst	P-5
OC 59	Stenographer	CAF-4
<u>CIS, G-2, Executive Group, Historical Branch:</u>		
OC 3	Research Assistant	P-2
OC 4	Clerk Typist	CAF-3
<u>CIS, G-2, Special Intelligence Division, Executive:</u>		
OC 14	Secretary	CAF-4
OC 94	Stenographer	CAF-5

1
(cont)

<u>Position Number</u>	<u>Position Title</u>	<u>Established Grade</u>
OC 50	Attorney	P-5
OC 51	Research Analyst	P-4
OC 53	Research Analyst	P-3
OC 53-1	Research Analyst	P-3
OC 53-2	Research Analyst	P-3
OC 53-3	Research Analyst	P-3
OC 53-4	Research Analyst	P-3
OC 53-5	Research Analyst	P-3
OC 84	Stenographer	CAF-5
OC 52-1	Stenographer	CAF-4
OC 56	Stenographer	CAF-3
OC 56-1	Stenographer	CAF-3
OC 123	Clerk Typist	CAF-4
CIS, G-2, SID, Foreign Branch:		
OC 62	Research Analyst	P-4
OC 46	Research Investigator	CAF-8
OC 46-1	Research Investigator	CAF-8
OC 46-2	Research Investigator	CAF-8
OC 46-3	Research Investigator	CAF-8
OC 47	Research Investigator	CAF-7
OC 47-1	Research Investigator	CAF-7
OC 47-2	Research Investigator	CAF-7
OC 47-3	Research Investigator	CAF-7
OC 48	Stenographer	CAF-3
OC 49	Clerk Typist	CAF-2
OC 49-1	Clerk Typist	CAF-2
CIS, G-2, SID, Research & Analysis Branch:		
OC 71	Special Advisor	CAF-15
OC 24	Director Research & Analysis	P-7
OC 25	Chief Political Analyst	P-5
OC 72	Research Editor	P-4
OC 20-2	Stenographer	CAF-3
OC 20-3	Stenographer	CAF-3

1
cont)

G-2	G-1	Established Grade
<u>Position Number</u>	<u>Position Title</u>	<u>Established Grade</u>
CIS, G-2, SID, RAA, Special Reports:		
OC 126	Chief, Special Reports	P-4
OC 125	Research Analyst	P-3
OC 125-1	Research Analyst	P-3
OC 28-1	Research Assistant	P-2
OC 28-2	Research Assistant	P-2
OC 28-4	Research Assistant	P-2
OC 29	Stenographer	CAF-3
CIS, G-2, SID, R&A, Occupational Trends:		
OC 31-8	Research Analyst	P-3
OC 31-9	Research Analyst	P-3
OC 35	Research Assistant	P-2
OC 35-1	Research Assistant	P-2
OC 127	Research Writer	CAF-7
OC 127-1	Research Writer	CAF-7
OC 127-2	Research Writer	CAF-7
OC 38	Clerk Typist	CAF-3
OC 38-1	Clerk Typist	CAF-3
OC 39	Stenographer	CAF-3
CIS, G-2, SID, Special Activities Branch:		
OC 150	Chief, Special Activities	P-4
OC 83	Research Analyst	P-3
OC 60	Editorial Clerk	CAF-5
OC 145	Stenographer	CAF-4
CIS, G-2, SID, Language Branch:		
OC 16	Chief Translator	CAF-9
OC 17	Translator Interpreter	CAF-7
OC 17-1	" "	"
OC 17-2	" "	"
OC 17-4	" "	"
OC 17-7	" "	"
OC 17-8	" "	"
OC 17-9	" "	"
OC 17-10	" "	"
OC 17-11	" "	"
OC 17-12	" "	"
OC 17-13	" "	"
OC 17-14	" "	"

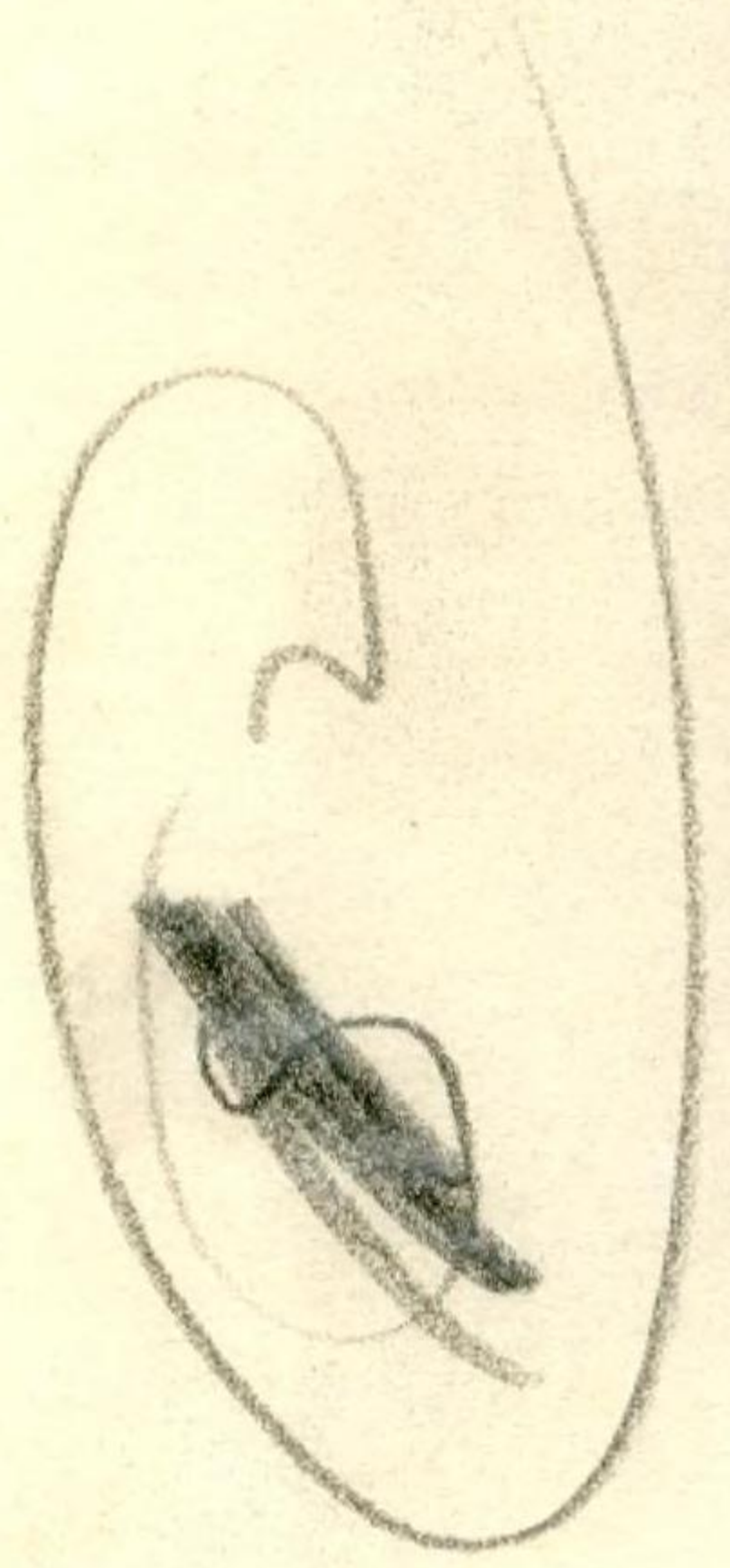
1
(cont)

G-2	G-1	
CIS, G-2, SID, Language Branch (cont):		
Position Number	Position Title	Established Grade
OC 17-15	Translator Interpreter	CAF-7
OC 17-16	" "	"
OC 17-17	" "	"
OC 17-18	" "	"
OC 17-19	" "	"
OC 17-20	" "	"
OC 17-21	" "	"
OC 18	Translator Interpreter	CAF-6
OC 18-1	" "	"
OC 90	Translator Editor	CAF-7
OC 90-1	Translator Editor	CAF-7
OC 19	Translator Editor	CAF-9
OC 66	Translator Interpreter	CAF-7
OC 67	Translator Interpreter	CAF-7
OC 68	Translator Interpreter	CAF-7
OC 161	Stenographer	CAF-4
OC 20-1	Stenographer	CAF-3
OC 21	Clerk Typist	CAF-2
OC 21-1	Clerk Typist	CAF-2
CIS, G-2, SID, Personalities & Organizations Branch:		
OC 153	Research Analyst	P-3
OC 153-1	Research Analyst	P-3
OC 153-2	Research Analyst	P-3
OC 31	Research Analyst	P-3
OC 31-2	" "	"
OC 31-3	" "	"
OC 31-4	" "	"
OC 31-5	" "	"
OC 31-6	" "	"
OC 32	Stenographer	CAF-3
OC 34	Stenographer	CAF-3
CIS, G-2, SID, Library & Intelligence Files:		
OC 128	Administrative Officer	CAF-7
OC 41	Librarian	P-2
OC 42	Assistant Librarian	P-1
OC 42-1	Assistant Librarian	P-1
OC 43	Clerk General	CAF-2
OC 44	Clerk General	CAF-3
OC 93	Clerk General	CAF-3



1
(cont)

G-2	G-1	
<u>CIS, G-2, SID, Library & Intelligence Files:</u>		
<u>Position Number</u>	<u>Position Title</u>	<u>Established Grade</u>
OC 93-1	Clerk General	CAF-3
OC 45-2	Clerk Typist	CAF-2
OC 45-3	" "	"
OC 45-4	" "	"
OC 45-5	" "	"
<u>CIS, G-2, Public Safety Division, Executive Br.</u>		
OS 49	Chief Clerk	CAF-6
OS 2	Stenographer	CAF-4
<u>CIS, G-2, PSD, Fire Branch</u>		
OS 3	Fire Administrator	CAF-12
OS 3-1	" "	"
OS 3-2	" "	"
OS 3-3	" "	"
OS 3-4	" "	"
OS 3-5	" "	"
OS 4	Fire Investigator	CAF-9
OS 4-1	" "	"
OS 4-2	" "	"
OS 4-3	" "	"
OS 5	Stenographer	CAF-3
OS 5-1	Stenographer	CAF-3
<u>CIS, G-2 PSD, Police Branch:</u>		
OS 6	Police Administrator	CAF-12
OS 6-1	" "	"
OS 6-2	" "	"
OS 6-3	" "	"
OS 6-4	" "	"
OS 6-5	" "	"
OS 7	Police Investigator	CAF-9
OS 7-1	" "	"
OS 7-2	" "	"
OS 7-3	" "	"
OS 7-4	" "	"
OS 7-5	" "	"
OS 7-6	" "	"
OS 7-7	" "	"



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

	G-2	G-1	
1 (cont)	CIS, G-2, PSD, Police Branch (cont):		
	<u>Position Number</u>	<u>Position Title</u>	<u>Established Grade</u>
	OS 7-8	Police Investigator	CAF-9
	OS 7-9	" "	"
	OS 7-10	" "	"
	OS 7-11	" "	"
	OS 7-12	" "	"
	OS 7-13	" "	"
	OS 7-14	" "	"
	OS 8	Stenographer	CAF-4
OS 8-1	Stenographer	CAF-4	
CIS, G-2, PSD, Prison Branch			
OS 9	Prison Administrator	CAF-12	
OS 9-1	" "	"	
OS 9-2	" "	"	
OS 9-3	" "	"	
OS 9-4	" "	"	
OS 10	Stenographer	CAF-4	
OS 11	Attorney	P-6	
OS 12	Attorney	P-4	
OS 13	Stenographer	CAF-3	
OS 13-1	Stenographer	CAF-3	
CIS, G-2, PSD, Statistical Branch:			
OS 14	Chief Statistician	P-6	
OS 15	Research Analyst	P-3	
OS 15-1	" "	"	
OS 15-2	" "	"	
OS 16	Stenographer	CAF-4	

Following is a recapitulation of above-listed established positions by grade.

RATING	G-2	CIS	PSD	TOTAL
CAF-2	0	13	0	13
CAF-3	1	16	4	21
CAF-4	6	10	5	21
CAF-5 (P-1)	1	6	0	7
CAF-6	1	5	1	7
CAF-7 (P-2)	0	41	0	41
CAF-8	0	4	0	4
CAF-9 (P-3)	0	23	22	45

1 (cont)	G-2		G-1		TOTAL
	RATING	G-2	CIS	PSD	
	CAF-10	0	0	0	0
	CAF-11 (P-4)	1	4	1	6
	CAF-12 (P-5)	0	4	17	21
	CAF-13 (P-6)	0	0	2	2
	CAF-14 (P-7)	0	1	0	1
	CAF-15 (P-8)	0	1	0	1
	SP-5	1	0	0	1
	TOTALS	11	128	52	191

c. It is recommended the following increase in positions be approved for this section:

(1) The reestablishment of the positions listed in paragraph 1a of this checknote. Military personnel presently on the job in these positions will become eligible for release in November 1946 and it is felt that these positions should be restored in September or October in order to brief civilian employees on the mission of the section.

(2) An increase of twenty-five (25) clerk typists and stenographers positions, to be assigned to the various divisions of G-2, to form typing and stenographic pools. Losses of military clerical personnel place an overload of work on the present authorized strength of all divisions. In order to accomplish the mission of the section, it is imperative that sufficient clerical personnel be available at all times. The present authorization of civilian and military clerical personnel is not sufficient to cope with workloads within the section.

(3) It is recommended that the forty-five (45) authorized P-3 ratings be increased to fifty-four (54) in order that the caliber of research personnel needed as replacements during November 1946 can be recruited at a policy level established for this type of personnel.

(4) It is recommended that the rating of CAF-2 for Clerk Typists be increased to CAF-3, as it has been proved in the past that it is impossible to recruit fully qualified personnel in that rating.

G-2

G-1

1
(cont) d. Listed below is the recapitulation of recommended ratings and grades for this section:

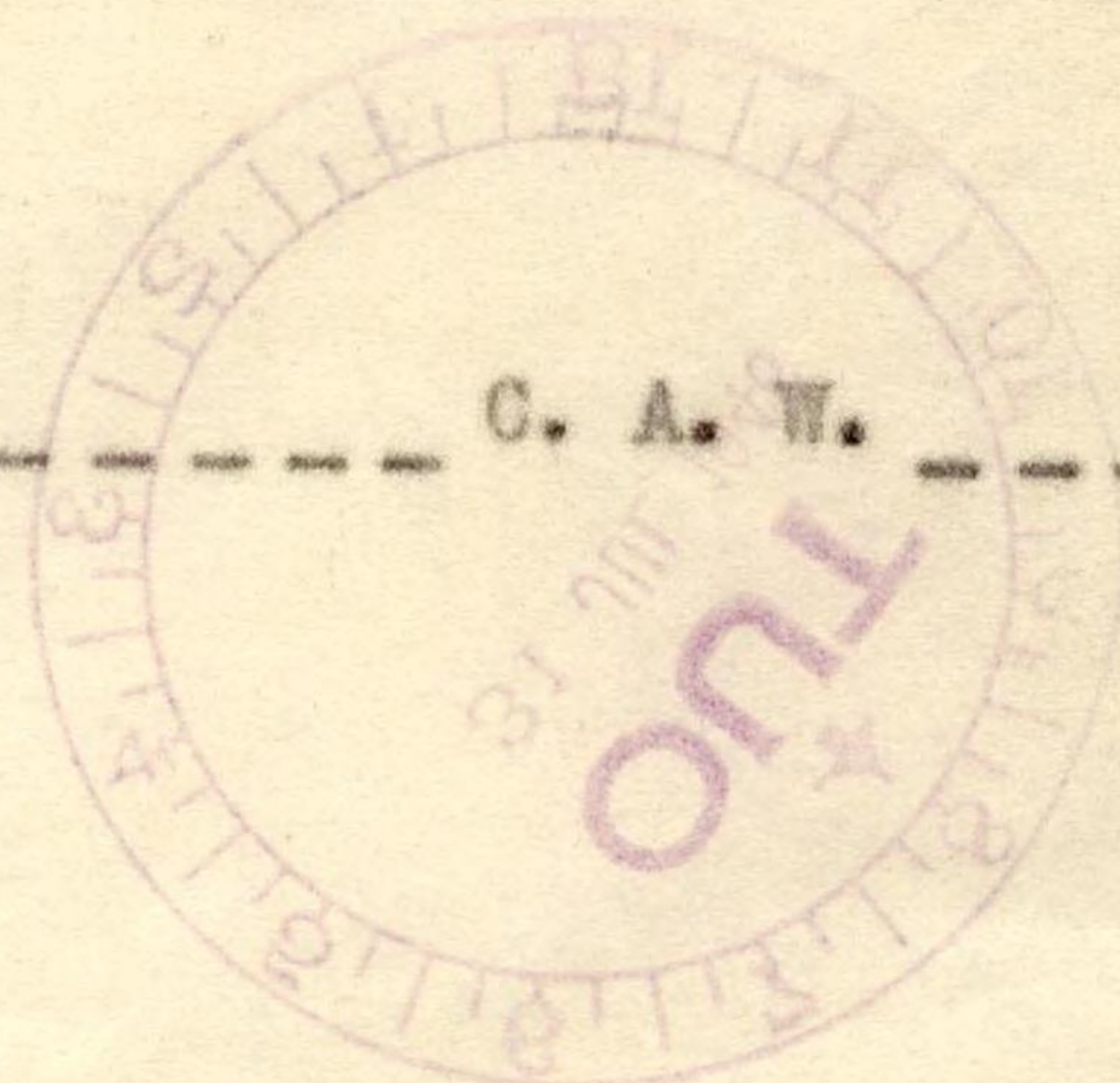
<u>Ratings</u>	<u>No. Recommended</u>	<u>No. Established</u>
CAF-2	0	13
CAF-3	49	21
CAF-4	31	21
CAF-5 (P-1)	7	7
CAF-6	8	7
CAF-7 (P-2)	34	41
CAF-8	4	4
CAF-9 (P-3)	54	45
CAF-10	0	0
CAF-11 (P-4)	7	6
CAF-12 (P-5)	23	21
CAF-13 (P-6)	3	2
CAF-14 (P-7)	1	1
CAF-15 (P-8)	1	1
SP-5	1	1
TOTAL	223	191

e. Attached as Inclosure 1 is an organizational chart for G-2.

1 Incl: Chart

C. A. W.

2





[Faint mirrored text]

[Faint mirrored text]

Category	Item	Value	Value
LAVOT	SS-2	1	1
	OVB-T2 (1-9)	1	1
	OVB-T1 (1-1)	1	1
	OVB-T3 (1-9)	2	2
	OVB-T5 (1-2)	2	2
	OVB-TT (1-1)	1	1
	OVB-T0	0	0
	OVB-2 (1-2)	2	2
	OVB-8	1	1
	OVB-1 (1-5)	5	5
	OVB-9	8	8
	OVB-2 (1-1)	1	1
	OVB-1	1	1
	OVB-2	2	2
OVB-3	0	0	

[Faint mirrored text]

[Faint mirrored text]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

Authority 795006
By CEC NARA Date 10/25/11

**GENERAL HEADQUARTERS
UNITED STATES ARMY FORCES, PACIFIC**

13970

CHECK SHEET

3075

(Do not remove from attached sheets)

File No: _____ Subject: Funds for Fiscal Year 1947.

Note No. _____ From: G-1 To: G-2 Date: 26 July 1946

1. The amounts of funds received by the Theater for the Fiscal Year 1947 were in practically every instance considerably less than those requested. This is particularly true with regard to funds for employment of civilian personnel. The records in this office indicate that 199 positions have been authorized by G-1 for your section. According to the records of the Civilian Personnel Section 197 positions have been established and graded.

2. From the funds available to AFPAC under the appropriation Finance Service Army P-423, \$ 130,000.00 has been suballotted to your section for the first quarter Fiscal Year 1947. Steps will be taken to increase the first quarter allocation when established positions finally authorized, but presently vacant, have been filled.

3. Based on the funds available for GHQ, the amount tentatively allotted to your section for fiscal year is \$ 880,000.00. It is requested, using the above amount as an annual figure, that a review be made of the positions authorized with a view toward reducing the number of positions from those previously authorized (see inclosure for annual salaries).

4. This review requested should be submitted to G-1 not later than 30 July 1946. Included in the review should be a statement of functions which must be curtailed on the reduced fund basis. Organizational chart, together with narrative justification of positions requested, would be helpful in determining proper allocation of positions for your section. Review should include a recapitulation of civilian positions by grade desired under the allocation of funds listed in paragraph 3 above.

5. If, in your opinion, the accomplishment of your mission is jeopardized by the necessitated cut-back in personnel, your recommendations as to increase by number and grade are requested with complete justification therefor.

6. The War Department has advised the Theater that the 1948 Fiscal Year Budget Estimates will be required in the War Department not later than 4 September 1946. You will be requested to submit by 10 August 1946 your Fiscal Year 1948 Budget Estimates with complete justifications therefor.

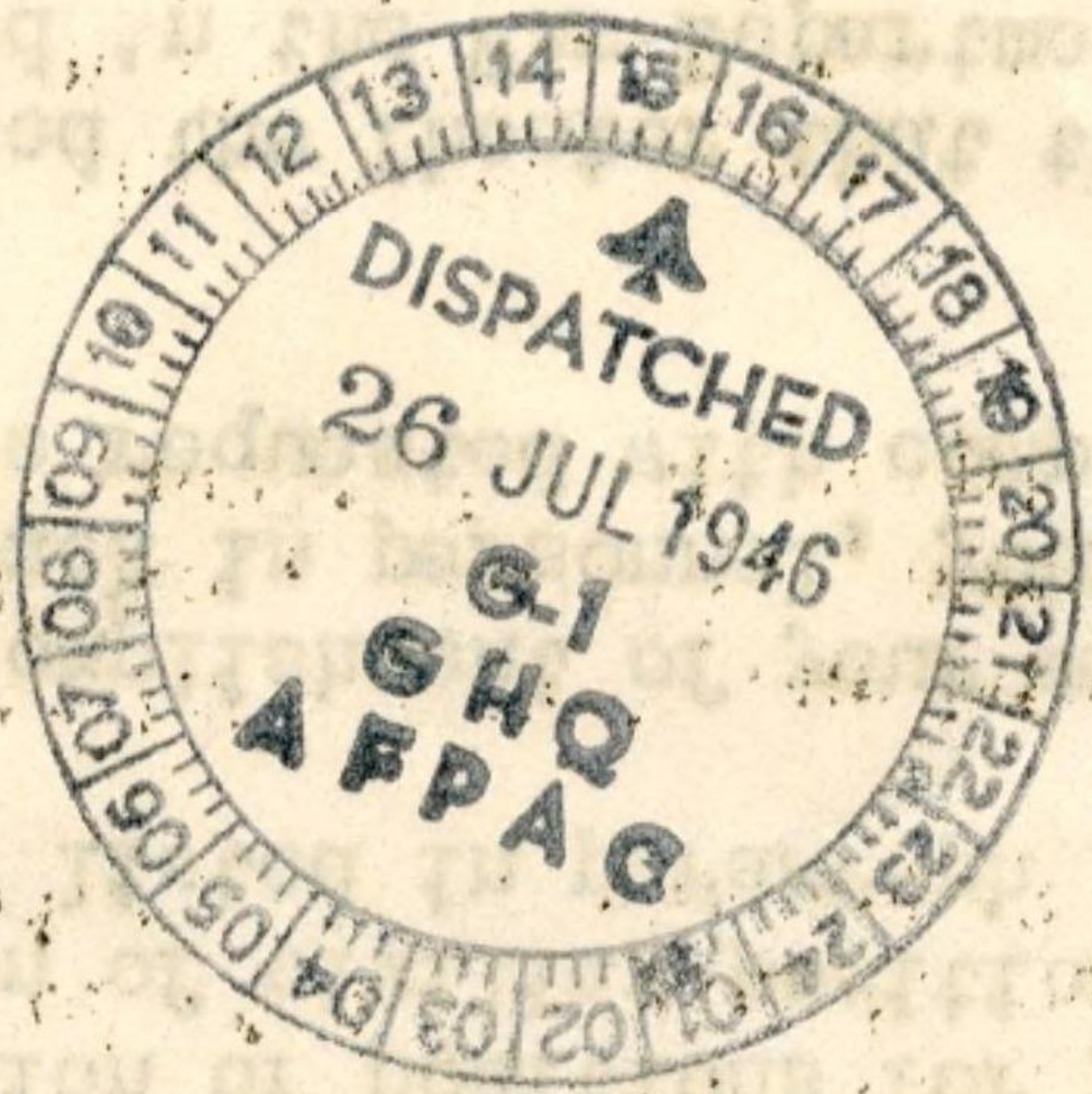
1 Incl: _____
Indicated above.

E. M. A.
E. M. A.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27



Faint, mostly illegible text from a document, possibly a report or memo, with some words like "DISPATCHED" and "G-I" visible.



CHECK PAGE 1

Handwritten number 2674

CONFIDENTIAL

File ³⁸⁰⁷
A

Budget Estimates, F.Y. 1947

G-2

Fiscal Director's
Office
(Attn: Maj Motz)

20 Dec 45

1. Reference Advon GHQ letter, file AG 111 (10 Dec 45)FD, subject as above, dated 10 Dec 45 and confirming phone conversation this date between Major Motz and Lt Col Burns, this office estimates it will require \$12,000.00 for the fiscal year 1947.

2. Funds required will be used strictly for intelligence activities, e.g., pay for information received, entertainment of foreign officials, etc.

For the A. C. of S., G-2:

reh
Information Copies:

F.M.B.

G-2 File Copy

12

120 FUNDS

CONFIDENTIAL

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

Authority 795006
By CEC NARA Date 10/25/11

1911

BASIC: Ltr, HQ USAFWESPAC, file GSTFA 110.02, dtd 12 Nov 45, subject:
"Budget, Third Quarter, Fiscal Year 1946", to C-in-C.

AG 110.02(12 Nov 45) 1st Ind.

G-2, GENERAL HEADQUARTERS, UNITED STATES ARMY FORCES, PACIFIC, APO 500,
20 November 1945.

TO: Commanding General, United States Army Forces, Western Pacific,
APO 707.

Three thousand dollars (\$3,000.00) will be required by this Head-
quarters for Military Intelligence purposes during the third quarter,
fiscal year 1946.

For the A. C. of S., G-2:

F. M. BURNS,
Lt Col., AGD,
Admin. Officer.

G-2 FILE COPY

(12)

120 funds

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

COPY

HEADQUARTERS
UNITED STATES ARMY FORCES WESTERN PACIFIC
OFFICE OF THE FISCAL DIRECTOR

AHM/REH/fcv

APO 707
12 November 1945

GSTFA 110.02

SUBJECT: Budget, Third Quarter, Fiscal Year 1946.

TO : Commander-in-Chief, United States Army Forces, Pacific,
APO 500, ATTN: Asst. Chief of Staff, G-2.

1. Paragraph 3 c. AFPAC Circular No. 29, 23 July 1945, charges the Commanding General, AFWESPAC with authority for the preparation of estimated military fund requirements for Headquarters, AFPAC. By AFWESPAC General Order No. 113, 1945, the Commanding General, AFWESPAC delegated this responsibility to this office.

2. In order that military fund requirements for AFPAC may be compiled, it is requested that a budget setting forth the estimated requirements of your Headquarters for Military Intelligence purposes during the third quarter, fiscal year 1946, be submitted to this office not later than 25 November 1945.

3. At the present time, funds are currently allotted under Allotment Advice No. TFO-161-46 to the Assistant Chief of Staff, G-2, AFPAC, for confidential expenditures in connection with miscellaneous intelligence activities. Such funds will not be available for obligation after 31 December 1945 and any unobligated balances remaining available thereunder will be withdrawn. New funds will be allotted as of 1 January 1946 to meet obligations incurred on and after that date.

For the Fiscal Director:

/s/A. H. Miller
/t/A. H. MILLER
Colonel, F. D.
Executive Officer

COPY

DECLASSIFIED

Authority 795006
By CEC NARA Date 10/25/11

