

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

**Description of contents**

- (1) Box no. 398
- (2) Folder title/number: (24)  
120: Funds and Disbursements, Binder #1, 1 January  
1952 thru \_\_\_\_\_

(3) Date: Mar. 1952 - Apr. 1952

(4) Subject:

Classification	Type of record
034	n

(5) Item description and comment:

(6) Reproduction:  Yes  No

(7) Film no. \_\_\_\_\_ Sheet no. \_\_\_\_\_

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775009

GENERAL HEADQUARTERS, FAR EAST COMMAND  
ADJUTANT GENERAL'S OFFICE  
RADIO DIVISION

G-4 ROUTING

AC/SG-1	
DAC/SG-1	
EXECUTIVE	<input checked="" type="checkbox"/>
INFO	<input checked="" type="checkbox"/>
C+RE	<input checked="" type="checkbox"/>
SUPPLY	<input checked="" type="checkbox"/>

INCOMING MESSAGE  
CONFIDENTIAL <sup>RHS/odh</sup>  
(SECURITY INFORMATION)

② [initials]

ROUTINE

22 Apr 52

FROM : DEPTAR (CAMG CAPAP) WASH DC  
TO : SCAP TOKYO JAPAN  
NR : DA 906887

120 SCAP  
CL

URMSG CX 65331 Mar. Subj is GARIOA funds in projs 412 and 432.

1. Effective date of peace treaty is 28 Apr.
2. Rqst amt of funds aval for transfer (Para 4 URMGS) ASAP.

NO SIG

ACTION : G-1

INFORMATION : CHIEF OF STAFF, COMPTROLLER, G-4, AG, CIV PERS, DIPLOMATIC

06260

ROUTINE

TOO : 213340 Z  
MCN : 80334

(SECURITY INFORMATION)

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GENERAL HEADQUARTERS, FAR EAST COMMAND  
ADJUTANT GENERAL'S OFFICE  
RADIO DIVISION

*Handwritten notes and signatures:*  
MHL  
J  
✓  
✓  
✓  
RAC  
R/L

*Handwritten notes:*  
120  
SCAP  
CC

**INCOMING MESSAGE** HHS/bed  
**CONFIDENTIAL**  
(SECURITY INFORMATION)  
ROUTINE

23 Mar 52

FROM : DEPTAR (SAOOA) WASH DC  
TO : SCAP TOKYO JAPAN  
INFO : CINCPAC TOKYO JAPAN  
NR : DA 904420

URMSG CX/65331, 1 Mar 52.

1. This is an interim reply pending reply to my msg DA 903531. Concur in your msg subject to comments below.
2. Assumption "A" should be modified later based on best revised figure available after effective date of treaty is known, or earlier, if practicable.
3. Request you advise established transfer date for DAC personnel to State Department pay rolls as soon as firm date is set. No objection here to continuation of State employees on SCAP pay roll until established transfer date, provided adequate estimates are provided as indicated in Para 4 below.

As soon as action by the Congress authorizes transfer of funds to State Dept and the effective date of treaty is known, a partial transfer of funds will be made to State Dept here. Agreement with State Dept is as follows:

"The funds used for payment of SCAP personnel who are employed by State Dept at any time after the effective date will be deductible from the total sum of money made available to State Dept by Department of Army from GARIOA sources. The deductions for each employee will commence on the effective day of treaty even though the transfer of employee to State Dept occurs later. If persons are held on SCAP pay rolls at State Dept request for administrative reasons such as security check, the salary is deductible

*Handwritten letter:* H

35154

(over)  
ROUTINE

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ROUTINE

FR: DEPTAR (SA00A) WASH DC NR: DA 904420 23 MAR 52 CONTINUED

from the total amount made available to State Dept."

Consequently, report referred to in Para 4 URMSG must be broken down to include following estimates:

A. SCAP requirement for all employees not chargeable to State Dept under agreement summarized above.

B. SCAP requirement for all employees chargeable to State Dept under agreement summarized above for period from effective date of treaty to date of transfer to State Dept rolls.

C. Total SCAP administrative ceiling for FY 52, by project.

5. Revisions to initial estimates should be reported by 1 Jun 52, or earlier if reasonable firm, so that savings may be credited to USCAR or to Dept of Army Commitment to State Dept.

6. Department of Army made a request for supplemental GARIOA funds to cover the 10% pay raise for civilian employees. The House Committee on Appropriations disallowed this request, making it necessary to absorb the pay raise within the overall GARIOA appropriation. Language now incorporated in House Document 358, when it becomes law, will provide for the utilization of non-administrative funds to meet the pay raise requirement. The present problem is to determine the amount of non-administrative funds which must be set aside to meet the total GARIOA administrative fund requirement. This requirement will involve a small quantity of funds formerly earmarked for Ryukyuan Economic Aid. Since the difference between the total requirement for administrative funds (to include the Department of Army Commitment to State Department) and the present administrative funds available must come in part from Ryukyuan Economic Aid, it is important that potential savings be reported. This statement applies to USCAR funds as well as to all SCAP GARIOA funds.

7. Consequently, in order to reaffirm our figures on overall fund situation and in order to avoid freezing and excessive amount of non-administrative funds your reply to Paras 3 A and B, DA 903531 desired ASAP.

NO SIG

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85154

ROUTINE

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GENERAL HEADQUARTERS, FAR EAST COMMAND  
ADJUTANT GENERAL'S OFFICE  
RADIO DIVISION

**INCOMING MESSAGE**  
**CONFIDENTIAL**  
ROUTINE

FR: DEPTAR (SAOO) WASH DC NR: DA 904420 23 MAR 52 CONT'D

ACTION : G-1

INFORMATION : CHIEF OF STAFF, COMPTROLLER, G-4, AG, DIV PERS,  
DIPLOMATIC

85154

-3-  
ROUTINE

TOO : 222053 Z  
MCN : 65625

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G-4 ROUTING

AC/SG4

DAC/SG4

EXECUTIVE

PRO

C+RE

SUPPLY

GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS

49784

OUTGOING MESSAGE

GA/MOML HRK/ru

15 March 52

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G-4  
151051

120  
SCAP  
CL

FROM: SCAP TOKYO JAPAN

TO: DEPTAR WASHDC . . . . . ROUTINE

INFO: STATE DEPT WASHDC . . . . . ROUTINE

C-65331 For SAOOA. DA 902454, 1 March 52. 1. Recommendations contained herein based on following assumptions:

- a. GARIOA Project 412 ceiling is \$3,627,575.
- b. Funds for payment of DAC personnel desired by State Dept will be available for DA administration until date of transfer mutually agreed upon.
- c. GARIOA funds to be transferred to State Dept may be split between those for personal services of DAC's temporarily remaining under DA administration, and those for other operating expenses.
- d. Funds required by State Dept for such other expenses may be transferred at an earlier date than those for personal services of DAC's mentioned in c above.
- e. That para 3 your message should state "no obligations" from subject funds may be made after 30 June 1952 rather than "no expenditures."

2. Ref your para 4. To facilitate administrative procedures, proposed that DAC personnel as requested by State Dept will be administered by local Army agencies until mutually designated date of transfer. Funds for this personnel and those required for SCAP phaseout will be deducted from funds to be finally transferred to State Dept. Tentative transfer date for DAC personnel to State Dept rolls mutually designated as 17 May 52. Any DAC for whom positive notification of appointment has not been received by that date will be released by "reduction in force" and returned to the ZI for final payment prior to 30 June 1952.

3. Ref your para 6. Total SCAP phaseout requirements plus amount required for payment of DAC personnel retained by State and administered by local Army agencies (provided proposal herein cited is accepted) should be held in DA control. Residual should be transferred as rapidly as legislative procedures permit.

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*Security Information*

FROM: SCAP TOKYO JAPAN TO: DEPLAP WASHDC INFO: STATE DEPT WASH DC  
GA/MOML HRK/ru 15 March 52

4. Information regarding amounts of funds available for transfer will be furnished after receipt of notification of effective date of treaty.

OFFICIAL:

APPROVED:

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

*[Handwritten Signature]*  
BRYAN L. MILBURN  
Major General GS w/Tps  
Asst Chief of Staff, G-1

Copies to: C/S, G-4, AG, CPS, DS, COM

M/R: Approved by Chief of Staff (H), 14 March 52, ref: C/N 1, G-1 to C/S, subj: Proposed Reply to DA Radio 902454, 12 March 52.

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*Security Information*



775009

GENERAL HEADQUARTERS, FAR EAST COMMAND  
ADJUTANT GENERAL'S OFFICE  
RADIO DIVISION

INCOMING MESSAGE

CONFIDENTIAL

(SECURITY INFORMATION)

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REL cea

1 Mar 52

FROM : DEPTAR (SAOOA) WASH DC

TO : SCAP TOKYO JAPAN

NR : DA 902454

170  
SCAP  
CV

Cite OAPP subject is GARIOA funds in projects 412 and 432, as related to phaseout of SCAP. (This msg, formulated on basis discussion held by DA representatives from OOA during recent TDY Tokyo, has been modified to incorporate Bureau of Budget decision to turn over funds in subject projects, not needed to phaseout SCAP, to Dept State).

1. The FY 53 GARIOA budget contains no funds for SCAP operations after 30 June 52. The complete phaseout of personnel paid from subject funds must be accomplished during FY 52 and as soon as practicable after end of occupation.

2. It was determined that the GARIOA ceiling of \$3,627,575 for project 412 would be adequate to cover cost of salaries and terminal leave pay, to include 10 per cent pay increase, for all employees up to end of FY 52.

3. It is recognized that certain residual matters arising from SCAP operations may require retention of some individuals after effective date of Peace Treaty, and that these persons should be paid out of GARIOA funds. No expenditures from subject funds may be made after 30 June 1952. It is hoped that, through joint State-SCAP planning in Tokyo, the reqmt for personnel for

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FROM : DEPTAR (SAOOA) WASH DC NR : DA 902454 1 MAR 52 CONT'D

residual matters can be held to a minimum.

4. In past transfers from Army to State, considerable difficulty in funding was experienced because persons to be employed by State were not transferred to State payrolls by an established date. It is recommended that such a date be mutually designated as soon as the effective date of the Peace Treaty becomes known.

5. It is understood that such military functions, as have been performed by SCAP, will be absorbed by CINCFE prior to effective date of the treaty and at no cost to GARIOA appropriations.

6. When the effective date of the Peace Treaty is known, the total SCAP rqmts from projects 412 and 432 to phaseout SCAP should be determined as soon as practicable and unobligated amts will be transferred to State under present plans and decision of bureau of budget. Bureau of budget did not approve State Dept supplemental for support of activities in Japan for FY 52. Consequently, a substantial amt of the State Dept support must come from GARIOA appropriations. The amt avail cannot be firmly fixed until the total SCAP rqmt is determined.

7. Funds to be made avla to State Dept will be transferred here.

8. Above msg cleared with State.

NO SIG

ACTION : COMPTROLLER

INFORMATION : CHIEF OF STAFF, G-1, G-4, AG, CIV PERS, DIPLOMATIC

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TOO : 010030 Z  
MCN : 61317

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