

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

**Description of contents**

- (1) Box no. 2935
- (2) Folder title/number: (7)  
Policy (on Reparations)
- (3) Date: Dec. 1949 - Nov. 1950

(4) Subject:

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(5) Item description and comment:

(6) Reproduction:  Yes  No

(7) Film no.

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GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Civil Affairs Section  
APO 500

M1-1a

387.6 ( 7 Nov 50 )CAS-ED

14 NOV 1950

SUBJECT: Transfer of Dead Storage Reparations Equipment

N-458

- TO:
- Chief, Kanto Civil Affairs Region, APO 500
  - Chief, Kinki Civil Affairs Region, APO 15
  - Chief, Kyushu Civil Affairs Region, APO 1105
  - Chief, Tohoku Civil Affairs Region, APO 547
  - Chief, Chugoku Civil Affairs Region, APO 182
  - Chief, Shikoku Civil Affairs Region, APO 1050
  - Chief, Hokkaido Civil Affairs Region, APO 309
  - Chief, Tokai-Hokuriku Civil Affairs Region, APO 710

1. Reference is a memorandum for the Reparations Agency, Japanese Government, file 387.6(7 Nov 50)CPC/EX, subject: "Transfer of Reparations Equipment," dated 7 November 1950.

2. Referenced memorandum is forwarded for your information and necessary action in exercising surveillance in accordance with the provisions of paragraph 3b, Operational Directive No. 11, General Headquarters, Supreme Commander for the Allied Powers, Civil Affairs Section, subject: "Industry," dated 10 April 1950.

3. Surveillance of the above will be based on the following criteria:

a. The consolidation of reparation equipment which will affect substantial reduction in custodial cost will be encouraged. Attention is directed to paragraph 1d, referenced memo.

b. Special consideration will be given to applications which propose transfer of equipment at no expense to the Japanese Government.

c. This section will coordinate the transfer of dead storage reparation equipment between Civil Affairs Regions.

d. New custodial areas will not be established except where absolutely necessary.

e. The Japanese Government will not be influenced to effect transfers which exceed their reparations budget.



387.6(7 Nov 50)CAS-ED

Subj: Transfer of Dead Storage Reparatons Equipment

f. Buildings will not be used to house transferred reparation equipment which require extensive repairs, additional guards, rent payment or other expenditures of funds which result in:

- (1) An increase of overall custody cost instead of a substantial decrease for those transfers subsidized by the Japanese Government.
- (2) Additional custody cost for those transfers made at no expense to the Japanese Government.

4. Applications from arsenals, laboratories, munitions aircraft, machine tool and precision bearing plants for the moving of dead storage reparation items will be approved by Civil Affairs regional commanders providing the dismantling of complex integrated facilities are not involved and the movement is in accordance with the provisions of referenced memo.

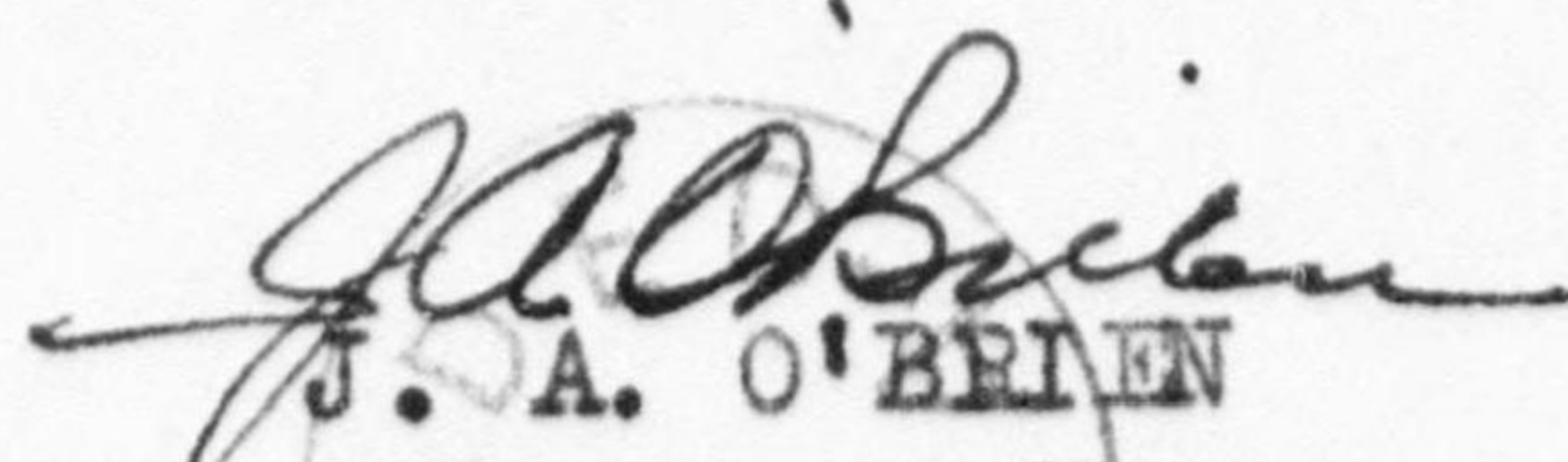
5. Authorized use applications and transfer applications from soda, iron and steel, power, sulphuric acid, rubber and shipbuilding plants, and those involving dismantling of complex integrated facilities from arsenals, laboratories, munition, aircraft, precision bearing and machine tool plants will be forwarded, with Civil Affairs Regions' recommendations, to this headquarters for approval.

6. The reports indicated in paragraph 2 of referenced memo will be forwarded immediately to this headquarters.

7. The approved applications for the movement of dead storage reparation items will be reflected in your monthly activities report.

FOR THE CHIEF, CIVIL AFFAIRS SECTION:

1 Incl:  
CPC/EX memo to  
J.G., dtd 7 Nov 50

  
J. A. O'BRIEN  
OWO USA  
Adm Off  
REC



CIVIL PROPERTY CUSTODIAN  
APO 500

KSV/GM/vh

387.6 (7 Nov 1950)CPC/EX

7 Nov 1950

MEMORANDUM FOR: REPARATIONS AGENCY, JAPANESE GOVERNMENT

SUBJECT: Transfer of Reparations Equipment

1. Applications for authorization to transfer dead storage reparations equipment from one location to another will be submitted by the local agency of the Japanese Government Ministry concerned to the appropriate regional Civil Affairs Team for approval, with the guidance of the following:

a. Funds from the reparations budget may be expended for consolidation of reparations equipment when such consolidation will result in substantial reduction of custodial costs. Funds expended for transfer of a plant's equipment will not exceed plant's present cost of custody for six months. Applications which involve expenditure of reparations funds will include a request for approval for such expenditure. Applications requiring funds beyond the limitations of the reparations budget will not be submitted.

b. Applications to transfer reparations equipment for authorized use purposes will be included in the application for authorized use and will not be submitted independently.

c. Transfer of reparations equipment in order to vacate buildings for Japanese industry will normally be accomplished at no expense to the Japanese Government unless substantial reduction in custodial costs will be effected.

d. Consolidation of equipment within plants will be effected primarily with a view toward reduction in the number of guards; however, when considered more economical, consolidation will be accomplished in preference to repair of damaged buildings housing idle machines. Plant-to-plant consolidation will be effected only between government-owned arsenals and laboratories, privately-owned plants owned by the same company, or between privately-owned plants under separate ownership, with the consent of the owners.

e. Applications to transfer reparations equipment from one regional Civil Affairs Team area to another will be submitted to the regional Civil Affairs Team in which the equipment is presently located.

2. Within 30 days following completion of approved transfer of

*Incl 1*

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387.6 (7 Nov 1950)CPC/EX  
Subj: Transfer of Reparations Equipment

7 November 1950

equipment, correction sheets to the evaluation report for evaluated plants, or a list indicating transferred items for non-evaluated plants, will be submitted to the regional Civil Affairs Team concerned, showing new location of all transferred items.

E. C. MILLER, Jr  
Colonel, Infantry  
Deputy Custodian

COPY



M1-1a

HEADQUARTERS  
KINKI CIVIL AFFAIRS REGION  
APO 15 (Osaka, Honshu)

RAS/sy

13 October 1950

SUBJECT: Application for Release of Reparations  
Equipment for Melt-down Purposes.

TO : Kinki Liaison & Coordination Office

1. Effective immediately, applications for release of scrap equipment from reparations custody for melt-down purposes will be submitted to this headquarters.
2. Applications previously submitted to GHQ-SCAP to which reply has not yet been received should be re-submitted to this headquarters.

FOR THE CHIEF:

STERLIN C. MOORE  
Major Infantry  
Deputy Chief



M1-1a

GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Civil Affairs Section  
APO 500

387.6 (21 Jun 50)CAS-EM

13 JUL 1950

228

SUBJECT: Use of Reparation Items

- TO:
- Chief, Kanto Civil Affairs Region, APO 500
  - Chief, Kinki Civil Affairs Region, APO 25
  - Chief, Tohoku Civil Affairs Region, APO 7
  - Chief, Kyushu Civil Affairs Region, APO 24-5
  - Chief, Chugoku Civil Affairs Region, APO 182
  - Chief, Shikoku Civil Affairs Region, APO 1050
  - Chief, Hokkaido Civil Affairs Region, APO 7-5
  - Chief, Tokai-Hokuriku Civil Affairs Region, APO 710

1. Reference is Operational Directive No. 11, General Headquarters, Supreme Commander for the Allied Powers, Civil Affairs Section, dated 10 April 1950.

2. Present criterion used in screening Japanese applications for use of reparations items is as follows:

a. Approve all applications of private plants for use of their own machinery.

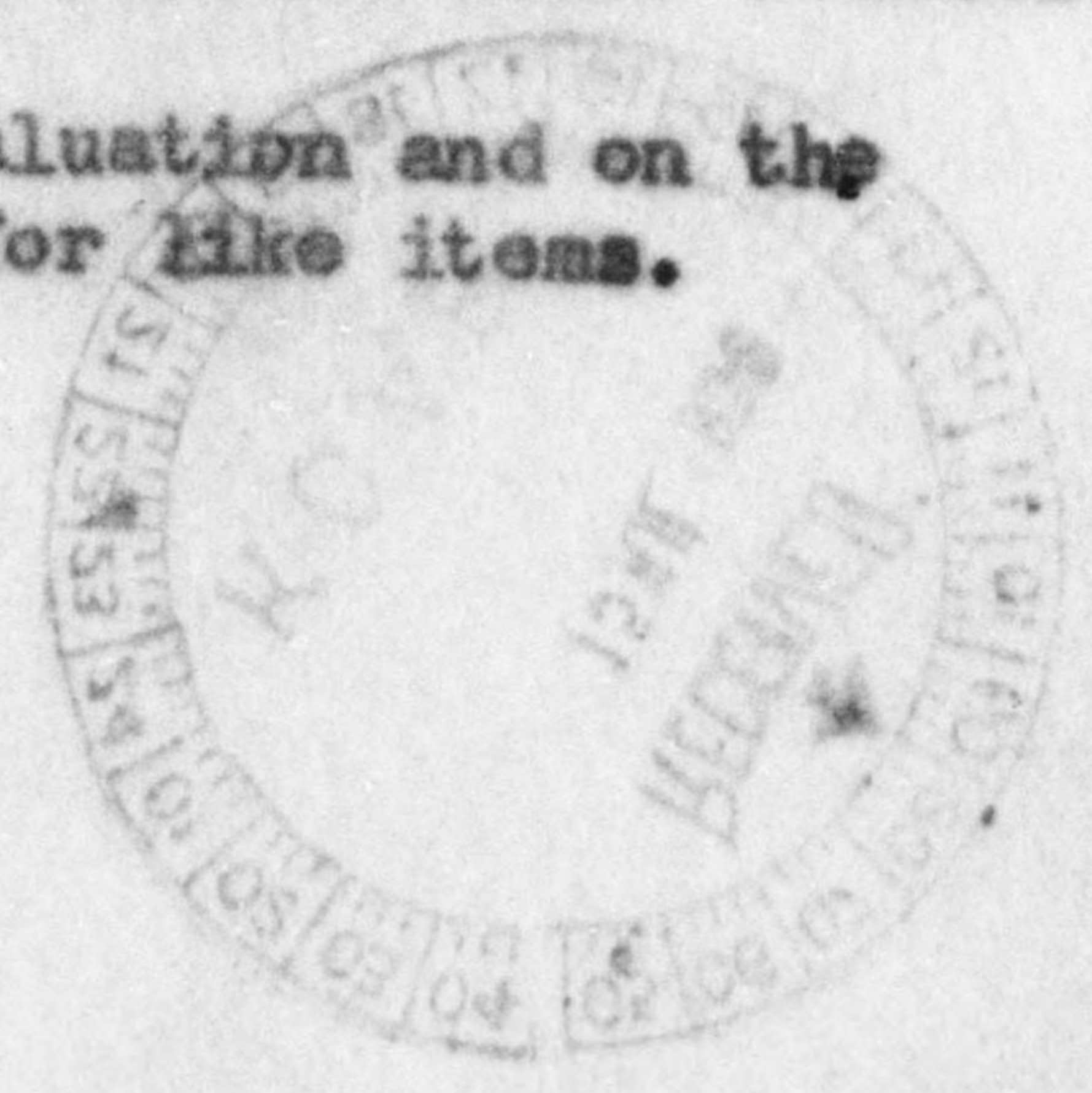
b. Approve all applications for use of privately-owned machinery by non-owners where the approval of the owner for use is shown.

c. Approve applications for use of arsenal facilities or equipment only when it can be shown that:

- (1) The production is necessary for Occupation Force use, export or for domestic requirements.
- (2) The equipment is necessary for this production.
- (3) The equipment is not readily available from other sources.
- (4) The rent is based on the present valuation and on the rent charged by private interests for like items.

FOR THE CHIEF, CIVIL AFFAIRS SECTION:

*J. A. O'Brien*  
 J. A. O'BRIEN  
 CWO USA  
 Adm. Serv. Off.



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MI-1a

GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Civil Affairs Section  
APO 500

387.6( 7 APR 1950) CAS-EM

7 APR 1950

SUBJECT: Evaluation of Equipment in Certain Reparations Plants

B-168

- TO:
- Chief, Hokkaido Civil Affairs Region APO 7-5
  - Chief, Kanto Civil Affairs Region APO 500
  - Chief, Tohoku Civil Affairs Region APO 7
  - Chief, Chugoku Civil Affairs Region APO 248
  - Chief, Shikoku Civil Affairs Region APO 1050
  - Chief, Kyushu Civil Affairs Region APO 24-5
  - Chief, Tokai-Hokuriku Civil Affairs Region APO 710
  - ✓ Chief, Kinki Civil Affairs Region APO 25

1. Reference is Memorandum for Reparations Agency, Japanese Government subject same as above, date 3 April 1950.

2. Forwarded for your information.

FOR THE CHIEF, CIVIL AFFAIRS SECTION:

1 Incl.  
Memo to Rep. Agcy. JG.  
dtd 3 Apr 50

*J. A. O'Brien*  
J. A. O'BRIEN  
CWO, USA  
Adm. Off



1-581  
1415



CIVIL PROPERTY CUSTODIAN  
AFO 500

387.6 (9 Mar 50)CPC/RP

JEV/GM/dms  
3 April 1950

MEMORANDUM FOR: REPARATIONS AGENCY, JAPANESE GOVERNMENT

SUBJECT: Evaluation of Equipment in Certain Reparations Plants

1. Reference is made to:

a. Letter for Civil Property Custodian, General Headquarters, Supreme Commander for the Allied Powers, file R.A.H. No 157 (RA), 9 March 1950, subject, "Application for Encumbrance of Funds for Re-evaluations," from Reparations Agency, Japanese Government

b. Memorandum for Reparations Agency, Japanese Government, file 387.6 (9 May 49)CPC/RP, 31 March 1950, subject, "Reevaluation of Reparations Equipment," from Civil Property Custodian, General Headquarters, Supreme Commander for the Allied Powers.

2. Funds for supplementary evaluation of reparations equipment which has been performed at Iwakuni Army Fuel Depot, Plant No 45-05, are hereby encumbered in the amount of ¥ 295,056.

3. Request for funds for evaluation of equipment moved from plant No 13-44 to Plant No 13-11 was disapproved, reference Paragraph 1b, above.

4. Effective this date, no supplementary evaluation and inventory work for which funds are required will be performed without prior approval from the Civil Property Custodian, General Headquarters, Supreme Commander for the Allied Powers.

E. C. MILLER, Jr  
Colonel, Infantry  
Deputy Custodian

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CAS

Incl 1



MI - Ia.  
Policy

HYOGO PREFECTURAL GOVERNMENT  
Foreign Affairs Section  
Kobe, Japan

HPG-224

April 24, 1950

Chief, Headquarters  
Kinki Civil Affairs Region,  
O s a k a.

Att'n: Commerce & Industry Branch,  
Economics Section.

Sir:

Transference of Management of  
Reparations Business

The Chief of the Industry Section of the Commerce and Industry Department, Hyogo Prefectural Government reports that, in connection with the recent abolition of the Reparations Section, arrangements have been made for his Section, which has been newly created, to look after the reparations business hitherto handled by the now defunct Reparations Section as from April 12, 1950, and we commend this change in the organization of the Prefectural Government to your kind attention.

Yours truly,

*Tatsuo Iwama*  
for Tatsuo Iwama,  
Chief,  
Foreign Affairs Section.

KK/AM

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MI-Ia

HEADQUARTERS EIGHTH ARMY  
United States Army  
Office of the Commanding General  
APO 343

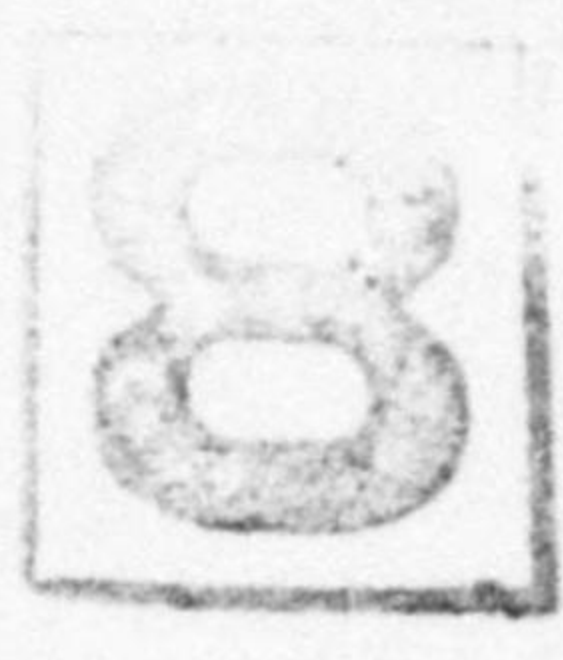
AGMIGEM 386.3

DEC 23 1949

SUBJECT: Accountability of Reparations Equipment Loaned to Occupation Forces

TO: Chief  
Kinki Civil Affairs Region  
APO 25

The inclosed copy of letter from General Headquarters, Supreme Commander for the Allied Powers, subject, same as above, is forwarded for your information.



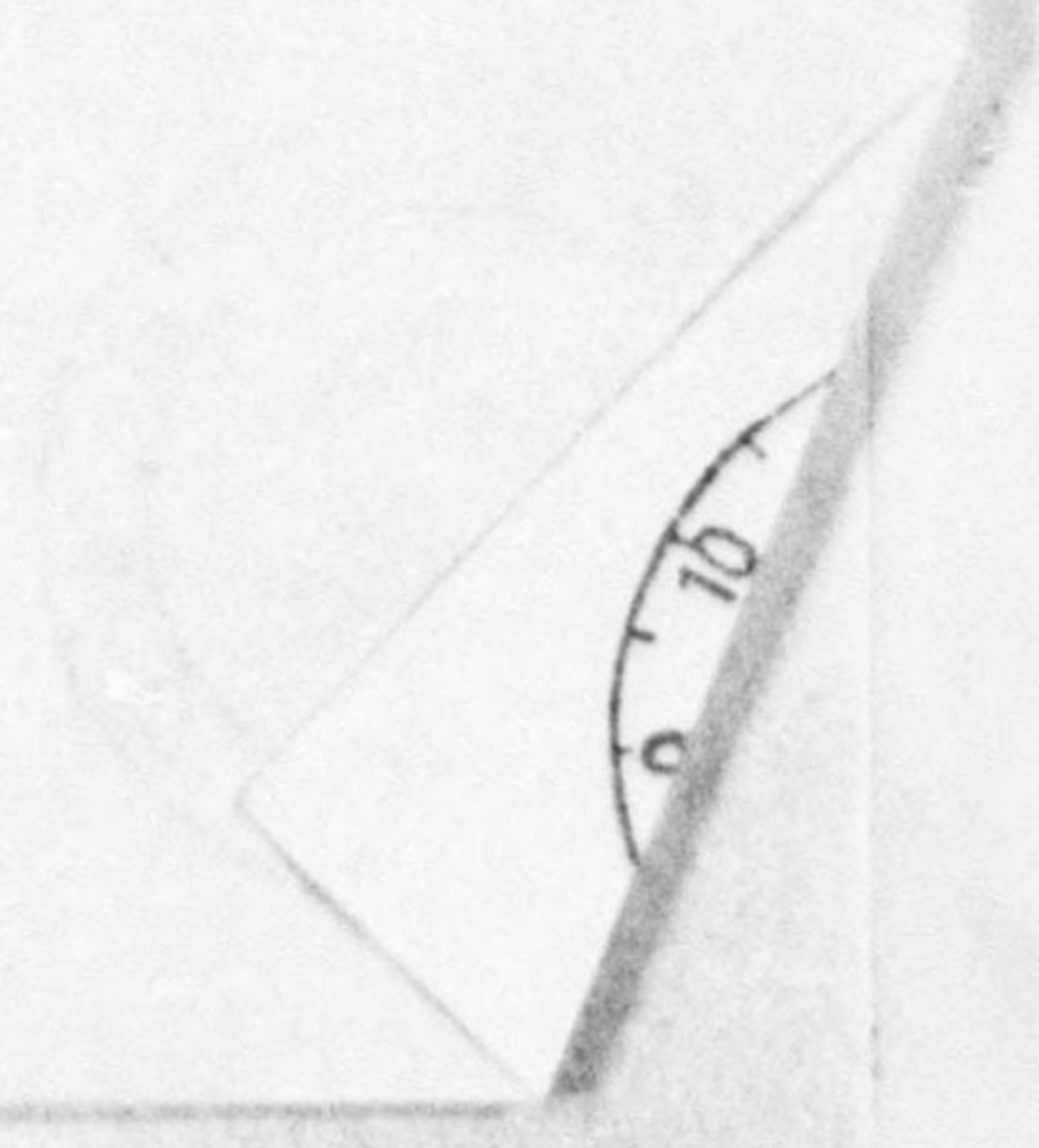
BY COMMAND OF LIEUTENANT GENERAL WALKER:

*[Handwritten Signature]*  
W. R. O'BLOIN  
C. S. HSA  
Ass. Adj. Gen.  
REC'D

1 Incl:  
Ltr, GHQ, SCAP, AG 387.6  
(7 Jul 49)GPC/AD  
dtd 15 Dec 49 (Cy)



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GENERAL HEADQUARTERS  
 SUPREME COMMANDER FOR THE ALLIED POWERS  
 APO 500

AG 387.6 (7 Jul 49)CPG/AD

15 December 1949

SUBJECT: Accountability of Reparations Equipment Loaned to Occupation  
 Forces

TO: Commanding General  
 Eighth Army  
 APO 343

1. Reference is made to letter General Headquarters, Supreme Com-  
 mander for the Allied Powers, APO 500, file AG 387.6 (7 Jul 49)GD,  
 7 July 1949, subject, "Accountability of Reparations Equipment Loaned to  
 Occupation Forces."

2. The provisions of reference letter pertain to industrial machin-  
 ery and equipment. Stock records will not be maintained for expendable  
 items of supply that are issued for consumption incident to the operation  
 of reparations equipment loaned to the Occupation Forces. Requests for  
 release of expendable items should, however, continue to be submitted in  
 the same manner as for non-expendable items, in order that inventory and  
 evaluation records of General Headquarters, Supreme Commander for the  
 Allied Powers, can be changed to reflect non-availability for removals as  
 reparations.

BY COMMAND OF GENERAL MacARTHUR:

/s/C. D. Conley  
 C. D. CONLEY  
 Major, AGD  
 Asst Adj Gen

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*Encl*



*D MI Policy file*

TELEPHONE ABSTRACT

FROM: Major Berry

TO: Mr Sussemann

DATE: 1535, 9 January 1950

"The UK Ship Bendoras arrives Osaka 30 January 1950 to take  
balance of Penang cargo."

Mr Sussemann: "OK."



MI-Ia

TELEPHONE ABSTRACT

FROM: Mr. Frazee

TO: Major Berry, Civil Affairs Section, Eighth Army.  
(Tel: Yoko 20195)

DATE: 1515, 2 December 1949

Mr. F: OD 51 says, "--- ensure that the production of fertilizer is permitted only in those plants authorized by reference 1c." Reference 1c limits operations of only plants making nitrogenous fertilizers. We have chemical fertilizer plants that make other types, for instance two in Hyogo making calcium superphosphats. Is it intended that we check these also?

Maj B: No, the OD was intended to mean "nitrogenous fertilizer."

Mr. F: I have another question regarding machinery in authorized use. Since we no longer process requests for the use of machinery, and they go through Japanese channels to SCAP, have we authority to terminate authorized use where we find unsatisfactory maintenance?

Maj B: You have just as much responsibility and authority regarding equipment in authorized use as you have ever had. If they don't maintain it properly you can terminate the use of it.

cc: Mr. Sussemann