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NND# 740132

SWNCO PENDING

STANDARD FORM NO. 64

*SWNCC - Pending
File*
Office Memorandum · UNITED STATES GOVERNMENT

DATE: June 5, 1946

TO : JA - Mr. Borton, IR - Mr. Gale, FN - Mr. McGuire,
CP - Mr. Gay and Mr. Willoughby, Treasury - Mr. Alk
FROM : JK - Mr. Whitman

SUBJECT:

Attached is a proposed draft for a SWNCC
paper on Japanese import-export policy. I
would appreciate any suggestions or comments
you have to make at your earliest convenience.

*Approved by [signature]
6/11/46.*

JK:RHWhitman:lme

Enclosure:

IMPORT-EXPORT POLICY

*Appendix "B" p. 2.
h.l.*

IMPORT-EXPORT POLICYTHE PROBLEM

1. To restate the policy of the United States with respect to the initial control of Japanese imports and exports.

FACTS BEARING ON THE PROBLEM

2. See Appendix "A".

DISCUSSION

3. See Appendix "B".

CONCLUSIONS

4. All imports to and exports from Japan will take place exclusively under the direct control of the Supreme Commander for the Allied Powers. For the present no government or individual will have contact with the Japanese Government or Japanese individuals except as authorized by the Supreme Commander.
5. The Japanese Government subject to the supervision of the Supreme Commander will be responsible for
 - a. Internal operations necessary to inspection, purchase, collection, and storage of goods for export, and the delivery of these goods to designated ports;
 - b. Custody, sale and distribution of imported goods within Japan;
 - c. Provision of all funds and conduct of internal financing arrangements necessary to these operations.
6. Purchases and sales will be on a government-to-government basis. The Japanese Government or its agent will make all sales and purchases and will guarantee title. The Supreme Commander will approve all transactions. The purchaser from or seller to Japan will be a government agency of an Allied country or must be arranged for by an official trade representative of an Allied Power.

development

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Development of an Import-Export Program

7. The Supreme Commander for the Allied Powers will be responsible for ascertaining the types and amounts of goods available for export and for recommending the types and amounts of goods to be imported.
8. The Supreme Commander will develop an over-all export and import program for Japan, preferably on a six-months' basis. These programs should be revised as frequently as necessary.
9. The United States Government will review the proposed programs and will
- a. Approve in whole or in part;
 - b. Consult other countries as to sources of imports and destinations of exports as provided in SWNCC 278 and SWNCC 128;
 - c. During a period of severe world food shortage, review requests for food imports in light of policy statement FEC 026/3;
 - d. Inform the Supreme Commander of items on the program for which procurement or sale is his direct responsibility and items on which specific instructions will be given by the U. S. Government;
 - e. Procure approved items for which funds are available, if so requested by the Supreme Commander.
10. The Supreme Commander will dispose of all approved export items, disposition of which is not reserved to the United States Government for United States dollars, for other currencies approved by the United States Government or in barter exchange for goods included in approved import programs. Export for other currencies or of reserved items (mostly commodities in world short supply) are subject to prior approval by the U. S. Government.

11. In an

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11. In an emergency and if funds are available, the Supreme Commander may import without prior approval by the United States Government not more than two months' import requirements of any item in the categories defined in 14 a and 14 b below except for food supplies subject to allocation by the Combined Food Board.

12. In an emergency, if necessary to procure needed approved imports either through barter or by accumulating foreign exchange, the Supreme Commander may export without prior approval a maximum of 5 percent of any reserve on hand or one month's output of current production.

13. A record will be maintained of all import and export transactions and periodic reports made to the United States Government.

Imports

14. There are three possible categories of imports:

- a. Imports required to prevent such widespread disease and unrest as will endanger the occupying forces or permanently impede the accomplishing of the objectives of the occupation;
- b. Imports required to accomplish the objectives of the occupation;
- c. Other imports requested by the Japanese Government.

15. For the time being imports under categories 14 a and b will be approved providing they can be financed. Category 14 c imports will not be approved until it is possible to appraise more accurately than can be done at present Japan's foreign trade position, the amount of proceeds of exports required to pay for imports under a and b above, and other costs of the occupation, to be paid for by export surpluses.

16. Imports under category 14 a may be defined, but not by way of limitation, as

- a. Food, and medical supplies, and clothing necessary as immediate relief distribution;
- b. Supplies of transport equipment or fuel necessary to maintain food output and distribution and essential services;
- c. Equipment

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- for financing*
- c. Equipment or supplies necessary if Japan is to provide basic food and clothing and shelter needs required to prevent disease and unrest, such as fertilizer, equipment for fishing vessels, cotton for textiles, spare parts for flour mills, etc.

17. Imports under category 14 b may be defined but not by way of limitation as imports necessary to maintain the minimum peaceful economy permitted Japan by the Potsdam Declaration. Such imports may be required for

- a. Rehousing Japan's urban population on a basis which will be healthful;
- b. Feeding Japan sufficiently well to maintain long-run health (subject to food availability and principles of FEC 026/3);
- c. Revival of non-war industries producing consumer goods to provide employment and curb inflation;
- d. Operation of those plants in an industry subject to reparations which qualify for permanent retention in Japan according to conclusions of SWNCC 236/13;
- e. Equipment and supplies for such export industries as are necessary to enable Japan to pay for minimum imports of items in category 14 a.

18. The commodity requirements for prevention of disease and unrest and to accomplish the objectives of the occupation will be met to a maximum extent by indigenous resources and to a minimum extent by imports.

19. Responsibility for imports under category 14 a and 14 b including their procurement and initial financing will be assumed by the United States as a matter of governmental policy. The War Department will act as agent of the U. S. Government for procurement and initial financing in so far as funds are available. However, for the present 14 b imports will be authorized

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authorized only if the Japanese can pay for them from the proceeds of exports. Proceeds of exports may be used to pay for category 14 b imports even though advances by the War Department for 14 a imports have not been completely liquidated from proceeds of exports.

Exports

20. No goods should be exported from Japan which are clearly required to meet the minimum subsistence needs of the Japanese people.

21. For the present no fixed capital goods or equipment except that which results from current production to pay for imports, should be exported.

22. No exports should be made from production the character of which would contribute significantly to the maintenance or development of Japan's war-making potential or which would promote dependence of other countries on Japan for strategic products.

23. The proceeds of all exports resulting from current production inclusive of current production of gold or other precious metals will be used in the first instance to pay for imports under categories 14 a and b. For the present no exports from current production will be made on reparations account.

24. The proceeds of exports of stocks of raw materials not subject to restitution in accordance with the FEC policy shall also be used in the first instance to pay for imports.

25. If it is not possible to obtain agreement with other members of the Far Eastern Commission to the export of all available raw materials to pay for imports, it will be permissible for the United States Member of the Commission to compromise to the extent of permitting the export as reparations of stocks of raw material in industries which will be used as reparations, if SCAP has declared they are surplus for this purpose.

26. Stocks of jewels and precious metals other than gold not subject to restitution in accordance with FEC policy may be exported and the proceeds used to pay for imports under categories 14 a and 14 b.

27. It is

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RECOMMENDATIONS

27. It is recommended that

- a. This report be transmitted to the State, War, and Navy Departments and the U. S. Member of the Far Eastern Commission for their guidance; *in approval of COMSEC and*
- b. The conclusions in paragraphs 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 26, ^{PDC} be forwarded to SCAP as representing the current views of the U.S. Government.
- c. The conclusions except for those contained in paragraphs 19 and 25 will be forwarded to the U.S. Member of the Far Eastern Commission for presentation to the Commission as a comprehensive statement of the U.S. policy on the control of Japanese trade.

APPENDIX "A"FACTS BEARING ON THE PROBLEM

1. In SWNCC 150/4/A, United States Initial Post-Defeat Policy for Japan it is stated that:

"Japan shall be permitted eventually to resume normal trade relations with the rest of the world. During occupation and under suitable controls, Japan will be permitted to purchase from foreign countries raw materials and other goods that it may need for peaceful purposes, and to export goods to pay for approved imports."

"Control is to be maintained over all imports and exports of goods, and foreign exchange and financial transactions. Both the policies followed in the exercise of these controls and their actual administration shall be subject to the approval and supervision of the Supreme Commander in order to make sure that they are not contrary to the policies of the occupying authorities, and in particular that all foreign purchasing power that Japan may acquire is utilized only for essential needs." (Part IV, 6).

"Exports other than those directed to be shipped on reparation account or as restitution may be made only to those recipients who agree to provide necessary imports in exchange or to pay for such exports in foreign exchange." (Part IV, 4b)

2. In Part II, A, Economic, of SWNCC 52/5, Basic Directive for Post-Surrender Military Government in Japan Proper, "Foreign Economic Transactions":

"26. You will establish controls over all Japanese foreign trade in goods and services. Such controls should be so operated as to give effect during the initial period to the following policies:

- a. Exports shall not be approved if such goods are clearly needed to meet minimum domestic requirements.
- b. No exports of plant and equipment shall be permitted until determination has been made as to whether they may be required for reparations or restitution.
- g. Exports other than those directed to be shipped on reparation account or as restitution may be made only to those recipients who agree to provide necessary imports in exchange or agree to pay for such exports in foreign exchange.
- d. All proceeds

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- d. All proceeds of exports shall be controlled by you and made available in the first place for the payment for approved imports. No person, corporation, or organization in Japan shall be permitted to acquire foreign assets of any kind except with your special approval.
- e. Approval should be given only to imports which are clearly in accord with the economic policies elsewhere set down in this directive.
- f. Neither the need for imports or exports (including exports that might be made on reparations account) shall be deemed a reason for requiring or permitting any branch of Japanese industry to be restored or developed to an extent that might significantly contribute to Japan's war-making potential, or promote dependence by other countries on Japan for strategic products."

3. Part II, B., 29, of SWNCC 52/5 states, under the heading "Civilian Supply and Relief":

- "b. You will be responsible for providing imported supplies only to supplement local resources and only to the extent supplementation is needed to prevent such widespread disease or civil unrest as would endanger the occupying forces or interfere with military operations. Such imports will be confined to minimum quantities of food, fuel, medical and sanitary supplies and other essential items, including those which will enable local production of such supplies which you would otherwise have to import."
- "d. If you deem that you should assume responsibility for additional imports to accomplish the objectives of your occupation, you will submit your recommendations to the Joint Chiefs of Staff."

4. In WARK

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4. In WARX 82794 from JCS to SCAP, 13 November 1945, it is stated that:

"2. All imports to and exports from Japan will take place initially under your direct control and administration. For the present it is desired that Japanese import and export trade transactions involve no direct contacts between the Japanese Government or Japanese individuals and other governments or individuals. You, rather than the Japanese Government, will determine quantities and commodities available for export from Japan."

"3. Your comments requested on present view here that in assuming direct control and administration of Japanese imports and exports, you will, among other things:

- a. Consider Japanese export proposals and receive upon your demand from appropriate Japanese authorities goods for export at points of shipment which you designate.
- b. Consider and recommend import requirements to the War Department as Executive for the Joint Chiefs of Staff.
- c. Arrange for distribution of imports by delivery at ports of entry to Japanese authorities or by such other means as may be determined by you and hold any payments received by you from all your sales of such imports in accordance with paragraph 1 D of WARX 72604.

Japanese Government would be responsible, subject to your supervision, for:

- (A) Internal operations necessary to inspection, purchase, collection and storage of goods for export and the delivery of these goods to designated ports;

(B) Custody

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- (B) Custody, sale and distribution of imported goods within Japan, except in cases where you determine other means of distribution are necessary;
- (C) Provision of all funds and conduct of internal financing arrangements necessary to these operations."

"4. Negotiations with the State Department and other civilian agencies of the government have resulted in agreement that U. S. Commercial Company is proper agency to be used by you to:

- (A) Arrange in accord with government instructions for exports to these recipients who agree to provide necessary imports in exchange or agree to pay for such exports in foreign exchange useable for procuring necessary imports;
- (B) Arrange in accord with government instructions to make proceeds of Japanese exports available for reimbursement to the United States Government for initial financing of supplies under paragraph 6 A B below;
- (C) Arrange in accord with government instructions to procure approved imports under paragraph 6 C below and to make proceeds of Japanese exports available to pay for such imports. Details are now being worked out to this end. If U. S. Commercial Company is made available for these purposes, as appears likely, we are advised it can begin functioning immediately. You will be kept advised of developments."

"5. Your statement in CA 52910 that directive in WARX 68524 provides for importation only where payment can be made by exports is incorrect to the extent that it limits imports to those which can be

initially

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initially financed by Japanese. It is United States policy that Japanese Government will ultimately pay for all imports. It is also United States policy that the United States Government will use foreign exchange available from proceeds of Japanese exports to make ultimate payment for imports which are required by you or for which you recommend you should assume responsibility, as set out below in paragraphs 6 A and 6 B. However, if the United States Government finds that initially no Japanese foreign exchange or other assets exist with which Japanese can pay for approved imports which are required by you or for which you recommend you should assume responsibility, as set out below in paragraphs 6 A and 6 B, War Department will undertake procurement and initial financing of such imports."

"6. Civilian supply and relief portion of draft directive forwarded you in WARX 68524 contemplates three types of imports into Japan from standpoint of procurement and financing action thereon as follows:

- a. Supplies under paragraph 29 B required by you to discharge your responsibility "to prevent such widespread disease or civil unrest as would endanger the occupying forces or interfere with military operations." Requirements for such supplies will be submitted by you to War Department for consideration and approval and to the extent approved, War Department would assume responsibility for procurement and initial financing in absence of Japanese ability to pay therefor and shipment would be made against your requisition.
- b. Supplies under paragraph 29 D required by you in addition to those under a above for which you deem that you should assume responsibility in order "to accomplish the objectives of your occupation

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occupation." Requirements for these additional supplies will be submitted with your recommendations to War Department as Executive for the Joint Chiefs of Staff for consideration in coordination with other governmental agencies and to the extent they are approved and responsibility therefor assumed by United States as a matter of governmental policy, War Department would assume responsibility for procurement and initial financing in absence of Japanese ability to pay therefor and supplies would be shipped against your requisition, in so far as funds may be available.

- g. Supplies which you do not consider are required to be imported by you under a or b above, but which the Japanese desire to import to meet needs of Japanese economy. It would be the responsibility of the Japanese Government to pay for such imports and no procurement or initial financing of such supplies would be undertaken by War Department. Requirements must be submitted here for approval with your recommendations prior to use of proceeds of exports to pay for such imports. No such imports will be permitted until such time as it is possible to appraise more accurately than can be done at present Japan's foreign trade position and amount of proceeds of exports required to pay for imports under a and b above."

"7. Decision as to availability of proceeds of exports and the use thereof to pay for any imports into Japan will for the present be made hereafter considering your recommendations. Subject to paragraph 8 below, until position regarding amount of proceeds of exports is clarified

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is clarified, War Department will procure and initially finance approved requirements within paragraphs 6 a and b above, subject to availability of funds as set forth in 6 b above."

"8. Procurement by War Department of supplies required under paragraphs 6 a and 6 b is subject to your implementation of paragraph 29 C of directive in WARX 68524. All imports, procurement of which is to be effected under paragraph 29 C, must be approved by the War Department prior to procurement. However, you are authorized to proceed to investigate available sources of supply in other Asiatic and Pacific Ocean Areas and to consider the means of payment necessary to obtain any available surpluses. If surpluses available, you should, if possible, report the sources at the time of submitting the requirements together with proposed method of payment for such surpluses."

"9. Until contrary advice received from you, it is assumed that the items and quantities listed in URAD 52910 as desired imports of the Japanese Government do not fall under category 6 a or 6 b and are not considered as being required to be imported by you."

"10. The United States Government will authorize payment for imports not procured with United States funds only by exports approved in accordance with paragraph 11 below or the proceeds thereof."

"11. Before any binding arrangements are made by you for export of supplies from Japan, a statement of the quantities and commodities available for export which such detailed specifications as are possible should be submitted here for consideration and approval. Such statement should include any barter or trade arrangements which you are in a position and desire to recommend with respect to such exports. Consideration and approval of exports here is necessary as an interim measure to deal with problems arising out of disposition of world surplus goods and allocation of goods in short world supply, pending establishment through intergovernmental negotiations of other machinery. Quantities and
commodities

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commodities listed in Part 2 URAD CA 52579 being considered here as statement of available supplies for export and you will be advised."

"12. Decision concerning commodities required by United States from Japan will be made on ad hoc basis in light of:

- a. Your advice concerning availabilities from current production or stocks on hand, and
- b. Spot decisions by appropriate civilian agencies concerning domestic needs."

5. In WARX 89765 from War Department to CINCAFPAC, 20 December 1945, it is stated that:

"1. In view of world wide shortage, many commodities and disruption distribution facilities throughout the world, for present it is necessary to control here allocations of markets for export goods in short supply and sources of supply for some imports. Therefore, request you submit early as practicable overall export and import programs for Japan, phased for first and second half of 1946 and grouped in accordance with 3 categories indicated in paras. 6 A, B, C, OURAD Nov WARX 82794."

"2. B. Requisitions and Procurement.

1. War Department funds may be utilized for initial financing of procurement to meet requirements in programs under 2 A-1 and 2 above. If procurement can be accomplished by you under para. 29 C WARX 68524, you may use War Department funds for the purpose of exports as provided hereinafter in paras. 2 C and 2 D. If procurement cannot be so accomplished, you should requisition on War Department to meet such requirements.
2. Para. 2 C 1 below should apply pending decisions here as to how to utilize currency proceeds of exports for purpose of financing imports.

C. Exports

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C. Exports.

1. Exports in exchange for United States dollars or in exchange for goods included in approved import programs may be made without prior clearance from here, except for items in short supply. At present you should consider short supply items to be rubber, raw silk, cotton textiles, staple foods, tin, antimony, hides, and leather.
2. Export of items in world short supply or for payment in currencies other than by United States dollars should be subject to prior approval here.

D. Future import and export program should be submitted at regular intervals to enable early advance approval of 6 months requirement programs.

E. In an emergency you may:

1. Import without prior clearance from here, not more than 2 months import requirements of any item necessary under 2 A 1 and 2 above. War Department funds should not be considered available except for procurement against War Dept. approved requirements.
2. Export irrespective of Para. 2 B above without prior clearance maximum of 5% any reserve on hand or 1 month's output of current production against payment in United States dollars or in exchange for imports approved by you.

F. In all cases it is necessary to have here complete information on all transactions as follows:

1. Type commodity.
2. Quantity.
3. Recipient of export - whether private government or mil.

4. Destination

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4. Destination of export.
5. Terms on trade, including means of payment and exchange recommended. If transaction is one of barter, state commodity and quantity accepted in exchange.

APPENDIX "B"DISCUSSION

1. The greater part of the conclusions of this paper are already established U. S. policy and have been forwarded to SCAP in WARK 82794 and WARK 89765. No attempt has been made to alter the general lines of control of trade already established. Nonetheless issues of interpretation have arisen to confuse the administration of policy. Furthermore, the United States is embarrassed in dealing with the FEC due to a lack of a comprehensive policy statement on trade. Thus, the only statement so far furnished the FEC is WARK 82794 which has been modified since its issuance and is in many ways out of date. Finally there are additional areas of trade activities on which a clear-cut policy statement is required.

2. Complete SCAP control of trade, with internal trade handled by a Japanese Government agency and external trade by government agents has already been put into effect and is operating satisfactorily. In deciding for complete SCAP control the U. S. Government was initially largely concerned with the security angles. In practice SCAP has been interested in the problems of food, shelter, and transportation which an influx of private traders would raise. There is now general agreement on this problem and none of the other countries on the FEC have objected to this policy as an interim one. It is still U. S. policy to restore private trade at the earliest feasible date.

3. The problems of handling trade with countries other than the U. S. have not been completely worked out, but there is general agreement by SCAP, the U. S. Government and the FEC that it should be handled by official representatives of each country functioning in Tokyo. It is expected that this system will be activated in the near future. Sales will generally be made directly from the Japanese Government to an agency of the purchasing government. It will be possible, however, for title to pass to a non-government agency if the official trade representative

takes

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takes responsibility for the transaction.

4. The procedure of a program for imports and exports to be prepared by SCAP and reviewed by the U. S. Government was devised to meet an emergency and transmitted to SCAP in December by WARX 89765. It has proven to be a useful device for developing and controlling trade and should be continued as SOP. The provision (paragraph 9) for review by the U. S. Government (in practice the War and State Departments) has been as instituted ad hoc and seem satisfactory. The interrelations with the FEC and control over the United States Government exercised by FEC policy statements (approved by the U. S.) are also noted in paragraph 9. However, it is not proposed that the FEC review the program as such.

5. The provisions of paragraphs 10, 11, and 12 are in line with present procedures. It should be noted that U. S. Army food stocks are not included in the food supplies subject to allocation by the Combined Food Board.

6. Records of imports and exports are now required, but reporting has been on a sporadic basis. Reporting must be made more regular or a method devised to organize the material coming from Tokyo into an overall record of trade activity.

7. The general definitions of categories of imports is unchanged. As a matter of clarification an attempt has been made to define the import categories more concretely. The definitions are not intended to be complete and are certainly not exclusive. Actual operating experience will no doubt expand and improve them.

8. The other countries on the Far Eastern Commission, not having the primary responsibility of occupying Japan are quite naturally less interested than the U. S. in providing imports for Japan. Many of these countries were devastated by war and their economies are in a bad condition. It is difficult to defend sending Japan commodities over and above those needed to accomplish the objectives of the occupation. The

other

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other nations will try to insist that Japan pay reparations from exports rather than be permitted to purchase superfluties when their countries need economic assistance.

9. As a matter of fact it will be difficult to convince all members of the FEC that Japan should import to meet the objectives of the occupation. It will be the firm U. S. position, however, that Japan must be permitted imports required for a minimum decent level of economic life on the grounds that

- a. The U. S. has an economic stake in preventing Japan from becoming an international pauper as would be the case if the country is held to a "disease and unrest" level.
- b. The peace and security of the Far East can best be secured by a democratic and peacefully inclined Japan. Such a Japan, however, will not come about if she is not permitted a revival of peaceful economy activity.

10. The Department of State insists that there be no change in the obligations of the U. S. Government and the War Department as set forth in the President's letter of September, 1945, and in WARX 82794 to finance imports for which "responsibility is assumed by the United States as a matter of governmental policy". It is recognized, however, that the War Department will have difficulty obtaining funds for imports beyond the "disease and unrest" level. Fortunately, Japan can almost certainly finance imports to meet the "objectives of the occupation" if she is not required to repay all War Department advances for "disease and unrest" imports. In view of our long-time commitments and our long-run interest in an economically prosperous Japan the fore-going immediate financial return in favor of imports to revive Japan's economic life seems a very wise decision.

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11. Pending a reparations settlement, fixed industrial assets should not be exported to pay for current imports except for capital equipment items such as looms which are the current output of Japanese industry. These commodities are to be considered as regular commercial exports. The freezing of other fixed assets for possible reparations transfer does not preclude establishing a prior claim against such assets for the purpose of covering trade deficits.

12. Our primary objective in the occupation of Japan is security. Therefore, exports which would endanger such security by contributing to Japan's war-making potential to the continued dependence of other countries on Japan for strategic products should be prohibited.

13. That payment for imports is to be a first charge against Japanese exports is a restatement of a familiar principle. It should be recognized, however, that some of our allies, particularly countries like the Philippines, will wish to receive reparations in kind from current output. The U. S. position is based in the first instance on the need to cover the costs of imports and other occupation costs. Unless all Japanese exports are devoted to this end the deficits might be large. Our allies are apt to counter this argument by suggesting that plants which are earmarked for reparations removal remain in Japan and produce for export. This alternative is also objectionable to the United States on the following grounds:

a. Continued production of heavy industries in Japan for export purposes is in contradiction to the security objectives of the occupation. It continues the dependence on Japan of other Asiatic countries for strategic products and postpones a solution of the basic problem of obtaining a better industrial balance in the Far East.

b. Imposition

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- b. Imposition of a long-term program of reparation deliveries out of Japan's current output would probably produce unfortunate results upon the initiative of Japanese managers and owners.
- c. Most Japanese export industries depend on imported raw materials. Financing such imports would be difficult.
- d. Extended allied control over Japanese industry would be required to effectuate such a reparations program.

14. The Far Eastern Commission has interested itself in the possibility of obtaining reparations from current stocks of raw materials such as tin, rubber, aluminum, etc. This interest has been stimulated by the fact that stocks have been reported as not needed for Japanese production, but have not been declared available for export, thus yielding the inference they might be available as reparations. The Far Eastern Commission is now obtaining information from SCAP as to his plans for using these commodities. If he declares them available for this purpose it would seem reasonable to agree to permit their use as reparations of surplus stocks in industries to be used as reparations (e.g. aluminum).

15. Jewels and precious metals are now frozen by SCAP. There seems to be no good reason, however, why such commodities as are not subject to restitution should not be exported to pay for necessary imports.

*Borlan**Pending**JKE**HS*COPY NO. 48RESTRICTEDSWNCC 300/D21 May 1946Page 1STATE-WAR-NAVY COORDINATING COMMITTEEDIRECTIVEPOLICY ON REPATRIATION FROM THE RYUKYUS OF PERSONS
CLAIMING U.S. AND OTHER FOREIGN CITIZENSHIPNote by the Secretaries

The enclosure, a memorandum by the Acting Navy Member, is referred to the State-War-Navy Coordinating Subcommittee for the Far East for the preparation of a draft policy as envisaged therein.

ALEXANDER D. REID

B. L. AUSTIN

HAROLD W. MOSELEY

Secretariat

RESTRICTED

E N C L O S U R E

POLICY ON REPATRIATION FROM THE RYUKYUS OF PERSONS
CLAIMING U.S. AND OTHER FOREIGN CITIZENSHIP.

Memorandum by the Acting Navy Member, SWNCC

18 May 1946

1. During March, the entire population of Okinawa was screened for citizenship information by Military Government authorities.
2. A total of approximately 282 claims of citizenship of countries other than Japan were received, which included 206 claims to U.S. citizenship. Of the 206, 83 claimants possessed documentary evidence in support of their assertions. Verification of the claims of 116 others has been requested from appropriate official sources. In 7 instances, claimants indicated no desire to return to the U.S.
3. CINCPAC has been requested to receive and collate all information concerning citizenship claims. This should be available soon. Meanwhile, it is requested that SWNCC determine the policy regarding repatriation of claimants of U.S. and other foreign citizenship, including:
 - a. Return of persons holding prima facie evidence of U.S. citizenship who indicate a desire to return to Hawaii or the continental U.S., and who meet the requirements of the Immigration and Naturalization Service.
 - b. Return of persons without prima facie evidence of U.S. citizenship, or who, holding such evidence, fail to meet Immigration and Naturalization requirements.
 - c. Return of persons of other than U.S. or Japanese citizenship who indicate a desire to be repatriated to their homelands.
 - d. At whose expense such repatriation should be accomplished.