

Confidential

GENERAL HEADQUARTERS
SOUTHERN COMMAND FOR THE UNITED STATES

John Whitney
EJD
J.S.

CONFIDENTIAL
URGENT MESSAGE
SOS/FIN WFM/WMI/JCS/WP/CO

24 April 1949

FROM: SCAP

240555

TO: DEPT OF ARMY.....PRIORITY

69487
For CSCAD ECON. Learning March W 85132 and W 85230. Subject is utilization of Japanese banks in export-import transactions and reentry of foreign banks into domestic banking functions. This radio in three parts:

Part 1. With specific reference to urmsg W 85132.

1. Present functions of Japanese banks with respect to foreign trade are as follows:

a. Import functions: None presently authorized.

b. Export functions: Fourteen Japanese foreign exchange banks have been designated to screen export documents and

(1) to forward same to SCAP licensed foreign banks for handling and deposit of foreign currency payments into appropriate SCAP accounts;

(2) to make yen payment requests to Bank of Japan for reimbursement to exporters.

2. Proposed functions of Japanese foreign exchange banks, to be permitted as soon as practicable after establishment of an exchange rate, are as follows:

a. Import functions:

(1) To open import letters of credit direct to correspondent banks abroad under exchange allocations made available by the Foreign Exchange Control Board.

(2) Receive shipment consignments for appropriate yen collection from importers.

b. Export functions: To advise shippers in Japan of letters of credit opened abroad, purchase export bills for account of Foreign Exchange Control Board, and forward relative documents direct to foreign correspondents for realization.

Confidential
INFORMATION COPY
CONFIDENTIAL

Confidential

FROM: SCAP, TO DA, ESS/FIN WFM/WKL/JCS/WNR/eb

Part 2. Export functions of Japanese banks will be substantially as stated in ourmsg December C 66413. Some changes will be necessary to conform to provisions of SCAP directive which established Japanese Foreign Exchange Control Board 2 February 1949. Details incident to opening account FPB, N. Y. will be affected thereby and accordingly have been temporarily delayed. It may be found desirable to use private bank facilities in lieu of FRB.

Part 3. It is considered that participation by Japanese banks in operations involving handling of foreign exchange should be accomplished by concomitant action to permit foreign banks to expand local operations to include normal yen acquisitions. Details of plans under consideration will be forthcoming earliest.

OFFICIAL:

E. M. LEVY
Colonel, AGD
Adjutant General

APPROVED:

W. F. Marquat
W. F. MARQUAT
Major General U. S. Army
Chief, Economic and Scientific Section

Copies to:

CinC
C/S
AG
FD
GS
ESS (return)



Confidential

~~RESTRICTED~~ Restricted

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

Handwritten signature and initials

OUTGOING MESSAGE ESS/FTC WFM/RWH/LJG/RJC/pn

22 April 1949

FROM: SCAP

220251

TO: DEPT OF ARMY.....PRIORITY

FOR CSCAD ECON PD REURD WILLIAM EIGHT
THREE THREE THREE ONE JUNE FOUR EIGHT AND OURD CHARLIE SIX
ONE FOUR TWO FIVE JUNE FOUR EIGHT PD SUBJECT IS QUEBRACHO P.
CURRENT QUOTATION FOR HOT SOLUBLE OF TWO THREE EIGHT DOLLARS
PER METRIC TON CHARLIE ITEM FOX JAPAN SEEMS REASONABLE PD
REQUEST ADVICE WHETHER DEPARTMENT OF ARMY FAVORS PROCUREMENT
FROM ARGENTINE SOURCES AT THIS TIME PD THERE IS STILL NEED
FOR QUEBRACHO

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

Signature of W. F. MARQUET
Major General, U. S. Army
Chief, Economic and Scientific Section

Copies to: C-in-C FISCAL NRS
C/S TRANSP GEN ACCTG
G-4 CS GARIOA
AG PH&W ESS (Return)

Memorandum for Record:

1. Radio requests DA to give opinion on present policy of not buying Quebracho from Argentina.
2. Originally, SCAP agreed to cooperate with DA by buying Quebracho only in minimum quantities by utilizing substitute tanning materials. This was part of a move to cooperate with U.S. tanners in an attempt to force a reduction of artificially high prices imposed on this item.

3. Concurrences: ESS/FTC/Ind/Exp - Mr. Cohen
Mr. Christman 26-6536

~~RESTRICTED~~ Restricted

0815

Den Whitney
[Signature]

~~Restricted~~
GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
OUTGOING MESSAGE

ESS/FTC WFM/RWH/HJZ/nfm

20 April 1949

200533

FROM: SCAP

TO: DEPT OF ARMY.....ROUTINE

C-69388 For FAOA. Reurad W 87191 April 49. Subject is Seeds.

1. To date prices quoted by Sterling areas have been in excess those quoted in urad WAR 80056 November 48. Continuing efforts to obtain prices indicated urad.
2. As soon as more definite information at hand will advise and if prices unobtainable will request purchase be made by DA.
3. Status of procurement of hide fleshings and bone sinews will follow soonest.

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

[Signature]
for: W. F. MAQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

Copies to: CC, C/S, G-4, AG, FISCAL, GOVT, RYUKYUS MG, GEN PROC, NRS,
DS, GARIOA, ESS (Return)

MEMORANDUM FOR RECORD:

19 April 1949

1. Ref radio W 87191 dtd 15 Apr 49 from DA (FAOA) wherein request is made as to status of procurement of various seeds handled by this Branch.
2. Ref radio WAR 80056 dtd 24 Nov 48 wherein prices are limited as follows: rosen or petkus rye \$230; timothy \$490; orchard grass \$585; red clover \$1,290.
3. Outgoing radio informs DA that we have been unable to receive offers at the prices as authorized and are awaiting further offers more in line with those prices. As soon as received will advise Washington. If prices not in line will request Washington to make necessary purchases.
4. Chemicals and Minerals Branch will furnish status of hide fleshings and bone sinews soonest.
5. Concurrences: FTC-Import/Export Control Branch (Mr. S. Cohen) Department in accordance with R. W. H. [unclear]

H. J. Zimmerman, 26-6478

~~RESTRICTED~~

Restricted

and transmission of literal plain text of this message as correspondence of the same classification has been received from R. W. H. [unclear] 18-E, 53-A, (1) (2)

INFORMATION COPY

RESTRICTED

180329

X

SGS

JJL/jhs

SCAP

DEPT OF ARMY ROUTINE

C-69325 For JCS. Reurmsg W-87291, receipt acknowledged

180800-Z, ~~18 April 1979~~. Concur in declassification.

OFFICIAL:

R. M. LEVY,
Colonel, AGD,
Adjutant General

DISTRIBUTION:

CinC
CofS
ESS
AG
GOVT
LEGAL
DIPLOMATIC

Memo for Record:

ESS (Col Ryder) concurs in acknowledgement of receipt of the above message and in declassification.

Handwritten notes and stamps:
Handwritten: "transmission of J.J.L."
Stamp: "RECEIVED" with date "18 APR 79"
Stamp: "INFORMATION COPY"
Text: "53-E, 53-A, (2)"

GOVERNMENT

RESTRICTED

RESTRICTED

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

Gen. H. H. Arnold
SSA

OUTGOING MESSAGE CPC/PLD PHT/WRJ/RCP/FFK/ee

DATE: 9 April 1949

Restricted

090831

FROM: SCAP
TO: DEPT OF ARMY ROUTINE

C-69147

For CSCAD FE REURMSG W 86725. Following further review, it was decided 10 Mar 49 that the policy requiring reimbursement by claimant nations for cost of critical materials used in repairing and refitting looted vessels should be discontinued. Chinese, French and UKLM informed 21 Mar 49, Panama 30 Mar 49, U.S. 7 Apr 49.

Reimbursement policy had required that before repairing and refitting was undertaken, claimant nations must agree to reimburse SCAP commercial funds for all materials replacement of which would necessitate expenditure of foreign exchange. Claimant nations informed this policy early in 48 and again Feb 49. All nations concerned protested policy.

Fourteen vessels, six British, five Chinese, one French, one Panamanian, and one US, aggregating 23,207 gross tons, were affected. Total expenditure of foreign exchange to complete entire program, approximately \$56,700.

OFFICIAL: Handling and transmission of literal plain text of this message as a matter of convenience of the same classification has been authorized by the Department in accordance with the Department's policy.

APPROVED: *SS*
Patrick H. Tansey

R. M. LEVY, Colonel, 580D, (1) Adjutant General, 580-5, 6 March 1946
PATRICK H. TANSEY, 18-Bris, 53-4, (2) Stodian

RESTRICTED

Restricted
INFORMATION COPY

Restricted

FROM: SCAP, TO DEPT OF ARMY, CPC/PLD PHT/VRJ/RCE/FPK/ee 9 April 1949

Copies to:

C-in-C

C/S

DC/S

G-3

G-4

AG

GS

ESS

LS

OGA

DS

CPC (Return 15 cys)

Memo for Record: Radio is in reply to DA Radio W 86725, 7 Apr 49, and furnishes information that the policy of requiring reimbursement by claimant nations for critical materials used in the repairing and refitting of looted vessels has been discontinued. Administrative matter - no policy involved. Completes action on Line No. 36051.

for P.H.T. 26-5637

Restricted

V

SECRET

Handwritten signature
EPO
K

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE CPC FHT/ECM/dg

DATE: 9 April 1949

Secret

Reclassified per DRB # 35, 20 June 50.
090829

FROM: SCAP
TO: DEPT OF ARMY PRIORITY

C-69146

For CSCAD. Reourmsg C 50922, March 1947, when may

we expect reply?

OFFICIAL:

APPROVED:

R. M. LEVY,
Colonel, AGD,
Adjutant General.

Handwritten signature
PATRICK H. TANSEY
Brig Gen, USA
Custodian

- Copies to:
- C-in-C
- C/S
- DC/S
- AG
- GS
- DS
- ESS
- CPC (Return 15 cys)

Memo for Record: Radio to DA for CSCAD queries when reply may be expected to ourmsg C 50922, Mar 47. Continues action on Line No. 6669.

Unclassified per DRB # 35, 20 June 50.

handling and transmission of ~~literat~~ ~~is/corre~~ ~~pondence~~ ~~of~~ ~~the~~ ~~War~~ ~~Department~~ ~~in~~ ~~accordance~~ ~~with~~ ~~the~~ ~~pro-~~ ~~visions~~ ~~of~~ ~~AR~~ ~~380-5~~ ~~16-C~~, ~~18-E~~, ~~53-A~~, ~~53-D~~ (1) (2) ~~50-A~~ (1) (2) (3) (4), AR 380-5, 6 March 1946

SECRET

Handwritten signature

26-5637

INFORMATION COPY 23

✓

Gen Whitney
9/9

Confidential
CONFIDENTIAL

GENERAL HEADQUARTERS
FAR EAST COMMAND

OUTGOING MESSAGE

GD SP CWF/HAH/SSB/lg

8 APR 1949

Copy: Govt

FROM: CINCFE
TO: CG PHILCOM.....DEFERRED
CHIEF JUSMAG MANILA.....DEFERRED
INFO: CO 18TH FIGHTER WING.....DEFERRED

08043T

CX69090
REOURMSGS CHARLIE XRAY SIX EIGHT NINE FOUR ZERO DTD
THREE ONE MARCH FOUR NINE AND CHARLIE XRAY SIX EIGHT FIVE FOUR THREE DTD
ONE FIVE MARCH FOUR NINE CMA FOLLOWING DEPT OF ARMY MSG WILLIAM EIGHT SIX
SEVEN THREE ZERO CMA SIX APRIL FOUR NINE IS QUOTED FOR YOUR INFORMATION
AND GUIDANCE CLN QTE REURAD CHARLIE XRAY SIX EIGHT NINE FOUR ZERO DTD
THREE ONE MARCH FOUR NINE PD REVISION OF AGREEMENT TO PROVIDE FOR TRANSFER
OF TITLE TO PHILIPPINES CONTINGENT ON ENACTMENT OF LEGISLATION NOW IN
CONGRESSIONAL CHANNELS PD MATTER WILL BE FOLLOWED AND PROGRESS REPORTED
OUR HEADQUARTERS MEANWHILE TERMS OF EXISTING AGREEMENT WILL BE FOLLOWED
INCLUDING IMPLEMENTATION OUTLINED YOUR CHARLIE XRAY SIX EIGHT FIVE FOUR
THREE DTD ONE FIVE MARCH FOUR NINE PD UNQTE

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

H. E. EASTWOOD
Colonel, GSC
Assistant Chief of Staff, G-4

Copies to: C-in-ct C/S, AG, Govt, Diplomatic, COMNAVFE
53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 280-5, 6 March 1946

CONFIDENTIAL INFORMATION COPY
Confidential

~~SECRET~~ CONFIDENTIAL

Gen. MacArthur
9/10/49
IF

080439

SCAP (MacARTHUR)

C/S

JUL/jhs

DEPT OF ARMY PRIORITY

8 April 1949

C-69094

Personal for Secretary Royall. Reurnsg W-98637.

Since you were here, the suggested visit of an American labor group has been extensively publicized in Washington datelined news dispatches received in Tokyo attributed to Mr. Gibson. This at once brought forth representations from the Government of the United Kingdom, through the Head of its Tokyo mission, that if such an American Labor Group were to enter Japan a similar British labor group should be accorded the privilege of a simultaneous visit. Subsequently, indirect information has been received that at least three other member governments of the Far Eastern Commission, including the Soviet, will demand similar privileges. The claim is advanced that the trade union movement in Japan is subject to a Far Eastern Commission labor policy - that questions of implementation are even now under discussion in that body - and that the problems involved cannot justifiably be regarded as of unilateral concern to any one of the member nations. The visit here of rival international labor groups with conflicting concepts concerning the complex issues involved would most certainly cause grave dislocation in the orderly progress of the Japanese Trade Union Movement and create a most delicate international situation. This intense interest by rival international labor groups in working alliances with Japanese labor also has recently been reflected in efforts by the Soviet and French left wing labor bodies to secure the attendance of Japanese labor representatives at their respective labor conventions. In the circumstances, believe it

GOVT

INFORMATION COPY

CONFIDENTIAL

CONFIDENTIAL

to be highly advisable to postpone any such projected visit until explosive consequences are less likely to materialize.

The suggestion of a visit here by an American labor group has been discussed with Mr. Dodge from the standpoint of its possible effect upon the Economic Stabilization Program. He advises that he is dispatching a personal message to you giving his views thereon.

MacARTHUR

OFFICIAL:

R. M. LEVY,
Colonel, AGD,
Adjutant General.

DISTRIBUTION:

GinC
GofS
ESS
GOVT

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of War Department Order 18-E, 53-A, (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) (34) (35) (36) (37) (38) (39) (40) (41) (42) (43) (44) (45) (46) (47) (48) (49) (50) (51) (52) (53) (54) (55) (56) (57) (58) (59) (60) (61) (62) (63) (64) (65) (66) (67) (68) (69) (70) (71) (72) (73) (74) (75) (76) (77) (78) (79) (80) (81) (82) (83) (84) (85) (86) (87) (88) (89) (90) (91) (92) (93) (94) (95) (96) (97) (98) (99) (100)

CONFIDENTIAL

RESTRICTED
Restricted

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE ESS/EX WFM/WH/eb

7 April 1949

070147

FROM: SCAP

TO: DEPT OF ARMY.....PRIORITY

C-69057
6507
FOR CSCAD ECON PD REURMSG WILLIAM EIGHT
SIX FIVE ONE SEVEN ADVISE DIRECTOR GENERAL ITEM LOVE OBOE
INVITATION TO SEND DELEGATION TO ITEM LOVE OBOE CONFERENCE, CMA
GENEVA AND TO THIRD SESSION OF THE COAL MINES COMMITTEE CMA
PITTSBURGH ACCEPTED PD IN ADDITION TO FOUR OR FIVE JAPANESE IT
IS PROPOSED TO SEND SCAP OFFICIAL TO EACH PD NAMES OF DELEGATES
WILL BE FURNISHED BY LATER MESSAGE

OFFICIAL:

Handling and transmission of literal
plain text message as corres-
pondence of the same classification
has been authorized by the War Depart-
ment in accordance with the pro-
visions of *16 E, 53-A,*

R. M. LEVY
Colonel, AGD
Adjutant General

for W. F. Marquat
Major General, U. S. Army
Chief, Economic and Scientific Section
HHH

- Copies to:
- C-in-C
- C/S
- G-1
- G-2
- AG
- GS
- NRS
- DS
- ESS (Return)

RESTRICTED
Restricted



Approved by C/S 5 April 1949

INFORMATION COPY

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

Gen Whitney
et al

OUTGOING MESSAGE ESS/FTC WFM/RWH/ABS/JM/rhi

7 April 1949

Restricted
RESTRICTED

FROM: SCAP
TO: DEPT OF ARMY.....ROUTINE

070905

For CSCAD BMP. Reurad W86040 dated 24 March 1949,
W89838 dated 26 September 1948 and ourad C-64330 dated 7 October 1948,
subject: Hides.

Request procurement balance of 1,320 tons as follows:

- a. Calfskins (Northern or New York City)
30 tons 5/9 1/2 lbs., 30 tons 9 1/2/15 lbs., Total 60 tons.
- b. Kipskins (Northern or New York City) Total 60 tons 25/30 lbs.
- c. Big Packers Native Steer Hides, 700 tons 40/50 lbs., 500 tons
50/60 lbs., Total 1,200 tons. Butt branded Colorado/Texas
undesirable. All U. S. products.

Request procurement be effected promptly and telegraphic advice covering prices, shipping dates and names of suppliers.

OFFICIAL:

APPROVED:

R. M. LEVY authorized by the War Dept
Colonel, AGDN accordance with the pro-
Adjutant General of paragraphs 16-C, 18-E, Major General, U. S. Army
Economic and Scientific Section

W. F. MARQUAT

Copies to: C in C C/S AG TS PH&W NRS GARIOA
ESS (Return) G-4 FD GOVT GPA GEN ACCTG

MEMO FOR RECORD:

1. Radio W89838 dated 26 Sept '48 from the Dept of Army indicated that 1,450 metric tons of hides have been included in the "Tentative Program for Japanese Imports to be Purchased by U.S. EROA Appropriation During the First Six Months of Fiscal Year 1949".
2. Radio C-64330 dated 7 Oct '48 from SCAP informed of the desired breakdown of the 1,450 tons quota by type and quantity to be purchased periodically.
3. Subject radio notifies Washington our recommendation for the prompt purchase of the balance.

RESTRICTED INFORMATION COPY

J. Marcs: 26-8687

CONFIDENTIAL

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE

JA GWH/dm

1 April 1949

CONFIDENTIAL

Deph...
Eto

011017

FROM: SCAP

TO: DEPT OF ARMY..... ROUTINE

Reurad W-87238. For CSCAD. After thorough study of the problem believe the establishment by the Supreme Commander for the Allied Powers of procedure for the payment of claims of Japanese nationals against occupation personnel undesirable.

This question was considered at length in 1946 pursuant to a request by the Japanese Government for SCAP consideration of "the establishment of procedure for the investigation, judgment and payment of claims resulting from the Occupation." On that occasion it was concluded that the establishment of any procedure whereby the claims in question would be processed, checked or reviewed by SCAP even though they would be paid by the Japanese Government, would make SCAP a party to settlements which would become the basis for claims at the time of the peace treaty and might well be the cause of serious embarrassment for the United States and other allies at the peace table. Accordingly, the Japanese Government was informed that "the Supreme Commander for the Allied Powers recognizes no legal basis for liability with respect to such claims and accepts no responsibility for the judgment and payment thereof" (SCAPIN 1195 dated 11 Sept 46). Since receipt of this notification, the Japanese Government has not once raised the question again, nor, although completely free to do so, has established any special procedure of its own for compensating any of its nationals for damages suffered through acts of occupation personnel. Reopening the question at this time would certainly involve SCAP as recognizing Allied responsibility for claims of this nature and add to the problems of the final peace settlement.

Basically, the obstacles to establishment of any procedure to compensate Japanese nationals from claims arising from acts of allied occupation personnel arise from the international character of the occupation and of the post of the Supreme Commander as agent for the powers represented on the Far Eastern Commission. Any such procedure would inevitably affect the rights of all the Allied powers, not the United States alone. Such procedure in order to be comprehensive and successful in its operation would require the active cooperation of all the participating powers. For example, although occupation courts

Handling and transmission of general plain text of this message as correspondence of the same character has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), A. 384-2, 6 March 1946

CONFIDENTIAL

INFORMATION COPY

Govt Sec

CONFIDENTIAL

FROM: SCAP TO: DEPT OF ARMY

JA GWH/dm 1 Apr 49

or commissions might determine the liability of individuals involved in tort claims, it would be up to each participating nation to determine whether it was answerable for the liability of its nationals, and in other cases to provide measures for enforcing the pecuniary liability of its nationals. Further, the procedure should also include provision for settling claims of occupation personnel for damages suffered from acts of Japanese nationals. The inclusion of such provision would involve the exercise by occupation courts or commissions of civil jurisdiction over Japanese nationals or a change in Far Eastern Commission policy which would permit Allied occupation personnel to enter Japanese courts as litigants for the determination of these matters. Lastly, it is doubtful in the extreme whether the question of compensation of claims of Japanese nationals arising from acts of Allied occupation personnel can be raised without at the same time raising the question of compensation of Allied nationals for damages sustained through the acts of Japanese personnel when the latter were in occupation of China, Malay, Netherlands East Indies and the Philippines.

Moreover, while there is general agreement that there is no legal liability on the part of the occupying powers for damages suffered by nationals of the occupied country through acts of occupation personnel, a moral obligation might be argued on the grounds of humanitarianism, economic rehabilitation, and goodwill value. The case for such moral obligation, however, appears unsubstantial when the amounts of money and number of people involved are measured against the vast quantities of aid poured in by the United States since the beginning of the occupation to save the lives or improve the conditions of millions of Japanese nationals.

Aside from these considerations, account must be taken of the possible effects on the local situation. To the extent that claim payments to Japanese nationals would not be covered by corresponding payments by occupation personnel or their governments, they would be an added burden on the Japanese National treasury. In view of the precarious condition of Japanese public finances and the current efforts of SCAP to force the Japanese Government to effect drastic governmental economies, the imposition of such added burden by SCAP should be avoided. The anti-occupation propaganda potentialities of the addition of such expenditures to occupation costs might seriously counteract the beneficial results of whatever publicity attends the financial contribution currently being made by the United States to the support of Japan.

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

GEORGE W. HICKMAN, Jr.
Colonel, JAGC
Judge Advocate

Copies to: Commander-in-Chief, Chief of Staff,
G-1, AG, Legal Section, Govt Section, JA (return)

CONFIDENTIAL

Confidential
GENERAL HEADQUARTERS
FAR EAST COMMAND

General Headquarters
EJF

OUTGOING MESSAGE

GD SP CWF/HAH/SSB/lg

83 MAR 1949

FROM: CINCFE
TO: DEPT OF ARMY.....ROUTINE
INFO: CG PHILCOM.....ROUTINE
JUSMAG MANILA.....ROUTINE

311203

Copy: Govt

CX68940 For USGCD/D5. Reurmsg W 85803, 18 Mar 49.

1. CG PHILCOM (from JUSMAG) msg S 8033 dated 25 Mar 49 is quoted in part as follows:

"2. Accountability AF and Army property transferred Philippine Govt under mil assistance agreement, title of which remains vested in US per Article 5 necessitates maintaining voluminous records of doubtful value and employment complicated system for relief accountability when such action is indicated. Continuing reduction of pers in both PHILCOM and this command makes it increasingly difficult to maintain and process the records involved. Also point out that property involved is distributed throughout Archipelago and it is physically impossible for JUSMAG pers to make technical inspection of this property prior to approving its disposition. Without technical inspection only a cursory examination of papers and documents submitted to substantiate reports of survey and like requests for disposition of unserviceable property can be made and any decision rendered therefrom is of extremely doubtful value. In view of the tremendous amounts of property involved and the obvious limited value of any action taken by this comd the administrative labor involved is not considered justifiable.

"3. It is recommended that title of all property turned over to the Philippine Govt be transferred to Philippine Govt subj to provisions contained in Article 19 and 22 of subj agreement and subject to receipt by us if desired."

literary
corres-
pendence of the same classification
has been authorized by the War Depart-
ment, 53-A,
(3) (4), AR 380-5, 6 March 1946

2. CINCFE concurs in the recommendation above.

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

H. E. EASTWOOD
Colonel, GSC
Assistant Chief of Staff, G-4

INFORMATION COPY

Copies to: C-in-C, C/S, AG, GOVT, DS, JSPOG, COMNAVFE

Confidential

RESTRICTED

Handwritten signature
EJO

Restricted

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE ESS/FTC WFM/PEP/JG/MLT/jc

28 March 1949

FROM: SCAP

TO: DEPT OF ARMY...ROUTINE

280929

C-68862 FOR CSCAD AMP PD REURAD WILLIAM LIGHT FIVE SIX SEVEN
SIX MARCH FOUR NINE PD T-RE OBOE GEORGE SIX TWO DASH FOUR DASH TWO SIX

ANTHRACITE COAL IS SUBJECT PD MANIFEST WEIGHT TEN SHIPMENTS NINE ONE
TWO FOUR NINE LONG TONS PD URAD ADVISES NINE ONE FIVE NINE NINE LONG TONS
SHIPPED MAKING A DIFFERENCE OF THREE FIVE ZERO LONG TONS PD FOR ACCOUNTING
PURPOSES HERE REQUEST FIGURE TO BE USED

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

Signature
for W. F. M. R. QUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

Copies to:

CINC	PH&W
C/S	GEN PROC
G-4	NRS
AG	DS
FISCAL	TOEC&FO
TRANS	CARICA
CS	ESS (Return)
RYUKYUS MG	

Handling and transmission of literal
plain text of this message as corres-
pondence of the same classification
has been authorized by the War Depart-
ment in accordance with the pro-
visions of paragraphs 15-C, 15-E, 53-A,
53-D (1) (2) (3), and 53-A (2)
(3) (4), AR 350-10, 106

Memorandum for Record

1. This cable requests info as to exact tonnage contained in ten
carpooes of anthracite procured under TDG-62-4-26, inasmuch as Dept of
army figures and manifest weight show 350 tons difference. Info necessary
to revise purchase commitment.

2. Concurrences: Not required.

Miss Tobin-26-8589

RESTRICTED
Restricted

F.E.P.

✓

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

General H. H. Arnold

OUTGOING MESSAGE
~~CONFIDENTIAL~~
Confidential ESS/FTC WEM/FFP/WJK/mr
27 March 1949

FROM: SCAP

TO: DEPT OF ARMY. PRIORITY

270817

C-68848

For CSCAD. Pass to State and Commerce Departments. Subject is SCAP Mission to Central and South America.

1. Suggestions contained State Dept radio NR 191932 Z March 1949 appreciate.
2. SCAP Mission will be guided by suggestions to maximum extent feasible.
3. Request that any further suggestions that appear appropriate to U.S. Government Agencies be passed to SCAP Mission via AEMB on itinerary of ourad C 68314 March 49, as amended by ourad C 68583 March 49.

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

H. H. Arnold
for: W. F. ARQUAT
Major General, U.S. Army
Chief, Economic and Scientific Section

- Copies: CinC,
C/S
G-1
G-2
G-4
AG
Govt.
DS
ESS (Return)

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 53-D (1) (2) (3), and 60-A (1) (3) (4), AR 380-5, 6 March 1946

MEMORANDUM FOR RECORD:

This message is completely self-explanatory, advising Washington that SCAP Mission to S. America will be guided by State Dept radio NR 191932 Mar 49. No concurrence necessary.

F.E.P.

~~CONFIDENTIAL~~
INFORMATION COPY

RESTRICTED

W. J. L.
e/jd
F

25050g

SGS JJL/jhs

CINCPA

25 March 1949

DEPT OF ARMY ROUTINE

C-68794 For JCS. Urmsg W-86030 receipt acknowledged

250100-Z. Concur in declassification.

OFFICIAL:

R. M. LEVY,
Colonel, AGD,
Adjutant General.

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946

DISTRIBUTION:

- CinC
- CofS
- AG
- Government
- ESS
- Legal
- Diplomatic
- GPC

MEMORANDUM FOR RECORD:

General Tansey contacted personally by telephone and concurred in acknowledgement and declassification of the above referred to message. GPC will prepare local press release on this subject.

J. J. L. (26-6227)

INFORMATION COPY

RESTRICTED

Government

RESTRICTED

Gen Tansey
3/10
P

250507

SGS

JJL/jha

CINCPA

25 March 1949

DEPT OF ARMY ROUTINE

C-68193 For JCS. Urmsg W-86005 receipt acknowledged

250100-Z. Concur in declassification.

Government

OFFICIAL:

RM M. LEVY,
Colonel, AGD,
Adjutant General.

Handling and declassification of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 330-5, 6 March 1946

DISTRIBUTION:

- CinC
- CofS
- AG
- Government
- ESS
- Legal
- Diplomatic
- CPC

MEMORANDUM FOR RECORD:

General Tansey contacted personally by telephone and concurred in acknowledgement and declassification of the above referred to message. CPC will prepare local press release on the subject.

J. J. L. (26-6227)

INFORMATION COPY

RESTRICTED

CONFIDENTIAL
Confidential

*Dep W. H. ...
EFO*

GENERAL HEADQUARTERS
FAR EAST COMMAND

OUTGOING MESSAGE

GD SP CTF/HAH/SSB/EHM/lg

21 MAR 1949

Copy: Govt

FROM: CINCFE
TO: CG PHILCOM.....ROUTINE
CG 18TH FIGHTER WING..ROUTINE
C/JUSMAG MANILA.....ROUTINE
INFO: CG FEAF.....COURIER

211209

5 1 0 8 6 9 5 3 1 9 4 9
FIVE EIGHT ZERO THREE CMA ONE EIGHT MARCH FOUR NINE COLON QTE REURAD
C X 6 8 5 4 3 1 5 4 9
CHARLIE XRAY SIX EIGHT FIVE FOUR THREE DTD ONE FIVE MARCH FOUR NINE PD
CONCUR IN YOUR INTERPRETATION PD REQUEST YOUR RECOMMENDATIONS REFERENCE
ADVISABILITY THIS HEADQUARTERS EXPLORING POSSIBILITY OF AMENDING MILITARY
ASSISTANCE AGREEMENT AND EXISTING LEGISLATION TO PROVIDE FOR TRANSFER OF
TITLE PAREN WITH WITHDRAWAL CLAUSE PARTN OF SUBJECT PROPERTY TO PHILIPPINE
GOVERNMENT PD THIS IN LINE WITH RECOMMENDATION CONTAINED IN PARA THREE
S X 8 0 2 8 1
SUGAR XRAY EIGHT ZERO TWO EIGHT ONE PD UNQTE PARA TWO PD REQUEST COMMENTS
AND RECOMMENDATIONS SOONEST ON WHICH TO BASE REPLY

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

H. E. EASTFOOD
Colonel, GSC
Assistant Chief of Staff, G-4

Copies to: C-in-C, C/S, AG, Govt, Diplomatic, JSPOG, COMNAVFE

CONFIDENTIAL
Confidential

INFORMATION COPY

CONFIDENTIAL

GENERAL HEADQUARTERS
FAR EAST COMMAND

Ex 100
Gen Whitney
F

OUTGOING MESSAGE

CG SP

Confidential

150105

152005

FROM: CINCFE

TO: DEPT OF ARMY.....ROUTINE
CG PHILCOM.....ROUTINE
CHIEF, JUSMAG...*MONIA*...ROUTINE

INFO: DEPT OF AIR FORCE.....ROUTINE
DEPT OF NAVY.....ROUTINE
DEPT OF STATE.....ROUTINE
CG FEAF.....ROUTINE (COURIER)

CX68543 CG 18TH FIGHTER WING.....ROUTINE

COPY: GOV SEC

~~CX68550~~ For CSGLD/D5. Re PHILCOM msg SX 80281, 7 Mar 49, info to all. This msg in two parts. Subj is Accountability of Army and AF Property Transferred to Philippine Govt under Military Assistance Agreement dtd 21 Mar 47.

Part I to CG PHILCOM.

1. Formal property accountability by PHILCOM for items transferred to Philippine Govt under terms cited agreement not rpt not required. Property accountability may be eliminated upon receipt of shipping documents signed by an authorized representative of Philippine Govt.

2. Records will be maintained pursuant to provisions of WX 99862, 12 Jun 47, and will cite items transferred as well as the quantity and procurement costs thereof. Survey reports will be screened in accordance with WX 82577, 12 Jun 47, to assure that records of items and quantities in possession of Philippine Army are current.

Ex 100
Gen Whitney
F

has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-C, 53-D (1), (2), (3), and 60-A (1), (2) (3) (4) CONFIDENTIAL

Confidential

INFORMATION COPY

Confidential

FROM: CINCPAC, TO DEPT OF ARMY, CG PHILCOM, CHIEF JUSMAG,
INFO DEPT OF AF, DEPT OF NAVY, DEPT OF STATE, CG FEAF, CG
18TH FIGHTER WING. GD SP CWF:elh

3. Provisions of Article 5 cited agreement preclude the granting of relief from title responsibility except as provided in Article 19 of Agreement.

4. COMGEN FEAF concurs.

Part II to Dept of Army. Request confirmation of above interpretation.

OFFICIAL:

R. M. LEVY
Colonel, AGD
Adjutant General

APPROVED:

M. V. PATTON
Colonel, GSC
Act'g Ass't Chief of Staff, G-4

Copies to:

C-in-C
C/S
AG
Govt Sect
Diplo Sect
JASPOG
COMNAVFE



Confidential

~~SECRET~~

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE ESS/FIN WFM/WML/JCS/CDY/bb

18 March 1949

180141

FROM: SCAP

TO: DEPT OF ARMY, ROUTINE

C-68614 For CSCAD ECON. Reurad W 83854 February 1949.

1. Re par 2 urad. Licenses of news agencies authorize use of their yen for goods and services essential to their authorized operations in Japan. Term, "authorized operations," considered to include filing of outgoing press messages (which SCAP has authorized duly accredited correspondents of news services to do in the name of their principals) as well as receipt and sale of incoming press messages (which SCAP by license has authorized news agencies to do). Not considered feasible to attempt to completely separate double function of news agencies in Japan because of use of same staff, offices, facilities and services.

2. Re par 3 urad. a. Ministry of Communications conducts a Schedule Transmission Service (STS) and a Schedule Reception Service (SRS) similar to kind of radiotelegraph service rendered by Press Wireless, Inc. and certain other U.S. International radiotelegraph carriers.

Re par 3 urad. b. Charges for these services are set up on monthly basis and based on daily use on time basis, which for SRS, takes into consideration number of transmitting frequencies employed. Charges in yen are as follows: 30 min. or less, SRS - 1,200; STS 1 freq - 4,200, 2 freq - 8,000. 30 min to 1 hour, SRS - 1,800; STS 1 freq - 6,300, 2 freq - 12,000. Per hour over 1st basic hour - SRS - 1,000; STS 1 freq - 3,500, 2 freq - 6,700.

Re par 3 urad. c. AP and UP use STS as follows: AP, U.S. area, 9:25 daily hours, 40 WPM speed, 1 freq. AP, Asia area, 1 hour daily, 30 WPM speed, 1 freq., yen 41,300 monthly charge for both areas. UP, U.S. and Asia area, 2 hours daily, 30 WPM speed. 1 freq., yen 9,800 monthly charge. IWS does not use STS.

Handling and transmission of liberal
plain text of this message as con-
pendence of the same classification
has been authorized by the War Depart-
ment in accordance with the pro-
visions of paragraphs 16-C, 18-E, 53-A,
and 60-A (1) (2)
18 March 1946

~~SECRET~~

GS

INFORMATION COPY

Secret

FROM: SCAP, TO DA, LSS/FIN FM/WKL/JCS/CDY/bb 18 March 1949

Re par 3 urad. d. UP and INS use SRS as follows: UP, U.S. area, 8:10 hours daily, 40 WPM speed, 1 freq., yen 10,800 monthly charge. INS, U.S. area, 2:30 hours daily, 35 WPM speed, 1 freq., yen 3,800 monthly charge. INS, Java area, 0:30 hours daily, 35 WPM, 1 freq., yen 1,200 monthly charge. AP does not use SRS.

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

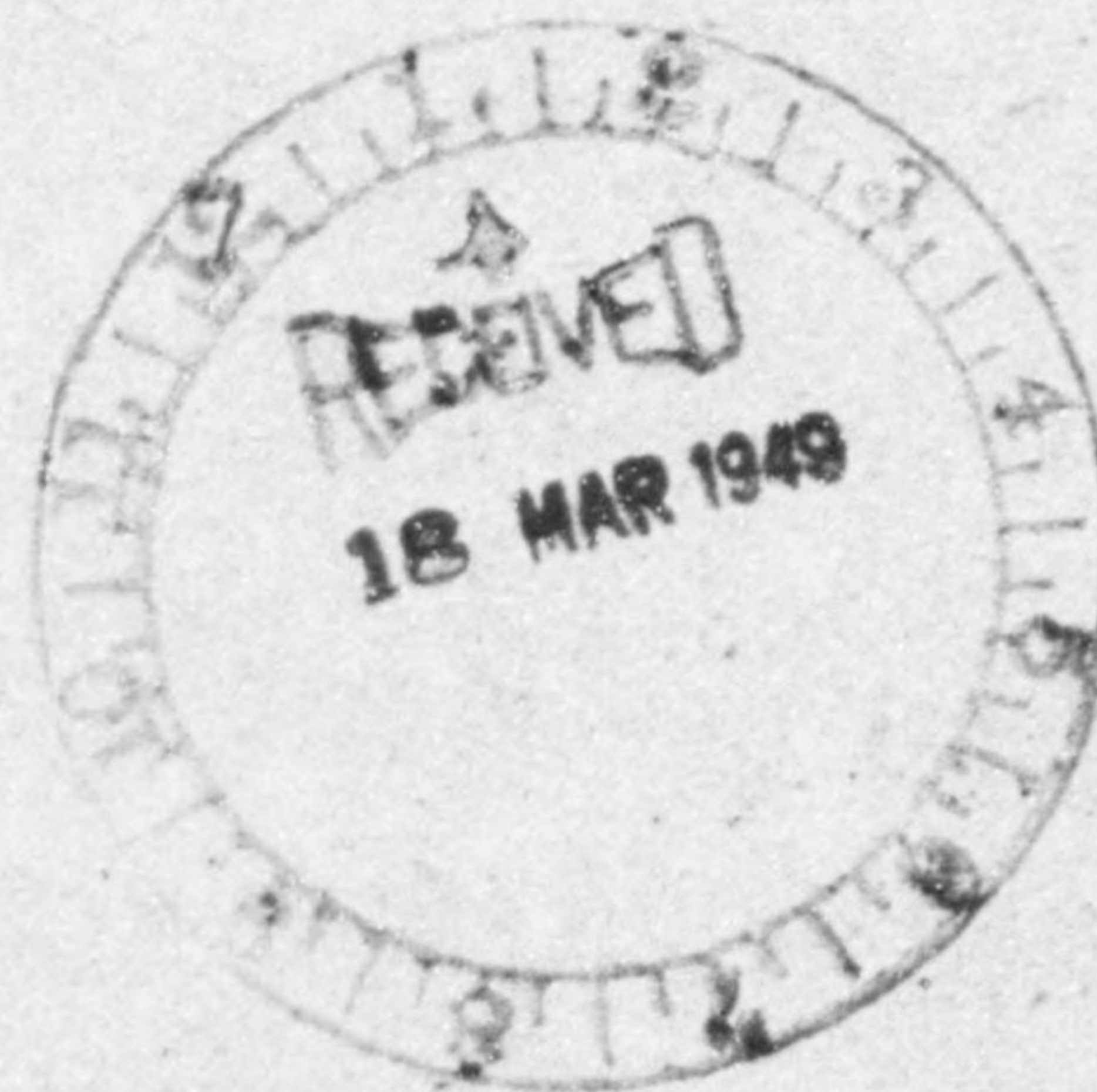
[Signature]
W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

Copies to:

- CC
- CS
- PIO
- FD
- GS
- CI&E
- OGA
- CCS
- LSS (Return)

WTR

Secret



[Handwritten initials]

RESTRICTED

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE ESS/FIN WFM/WKL/JCS/bb

18 March 1949

180137

FROM: SCAP

TO: DEPT OF ARMY. ROUTE 1

C-68612

For CSCAD ECON. Reurads February W 84680, March W 85139, ourads February C 68012, February C 68011 and February C 67837 and our memo O10 dated 28 May 1948, Economic and Scientific Section, Finance Division. Subject is proposed Policy Control Board of Bank of Japan and other changes Japanese banking laws.

1. With reference to paragraph 2 A urad W 84680, Policy Control Board would formulate important monetary, credit and other banking policies and direct or supervise the execution thereof through the present administrative organization of the Bank of Japan with expanded authority and responsibility as suggested urad W 81239. Such policies and operations would encompass currency stabilization, interest and discount rates, reserve requirements, open market operations, loan limitations and priorities, margin requirements, and other loan and investment controls and would be fully coordinated with government fiscal operations and economic stabilization program under surveillance of SCAP.

2. With reference to paragraph 2 B urad W 84680 Policy Control Board would be composed of incumbent Minister of Finance and the Governor of the Bank of Japan ex officio, and five other members appointed by the Cabinet. The initial terms of appointive members would be one to five years, at the end of which successors would be appointed for regular terms of five years, thereby providing for desirable continuity with gradual turnover. To assure a board of broad experience and knowledge of the various phases of Japanese economy, the appointive members should be men of outstanding integrity and ability in their respective fields and should be carefully selected from various areas as follows: one from a category of five men recommended by the association of the large banks; one from a panel of five recommended by the association of prefectural banks; one from a panel of five recommended by agricultural credit groups; one from a panel of five recommended by commerce and industry; and one other at large, well grounded in economic and social conditions and needs of Japan. Government may request new panel if none of original nominees acceptable.

RESTRICTED

85
INFORMATION COPY

Restricted

FROM: SCAP, TO DA ESS/FIN WFM/WEL/JCS/bb 18 March 1948

It is felt that by the exercise of due care and consideration, such board could be selected to represent the general economic interests and well being of Japan and that undue representation of any particular institution or pressure group should and could be avoided.

3. With reference to paragraph 2 C urad # 84680 the foregoing would supersede the provisions of paragraph 4 our memo 28 May 1948 relative to the selection and duties of the Board of Directors of the Bank of Japan, and such of the functions outlined in reference paragraph for the banking board as are considered necessary would be performed by the proposed Policy Control Board.

4. The foregoing could be accomplished by appropriate amendments to Bank of Japan Law and pertinent ordinances.

5. For your current information this outline of terms of reference and powers of Policy Control Board is submitted. When the necessary details are developed you will be advised further. Appropriate consideration re reflection consensus competent Japanese bank authorities and other suggestions urads will continue to be given and information reports and copies legislation as further progress is made in finalization banking laws will be furnished.

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

[Signature]
W. F. FARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

Copies to:
CC
CS
AG
GS
ESS (Return)

MRH

Restricted



~~RESTRICTED~~

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

Gen Whitney
[Signature]
F

OUTGOING MESSAGE ESC/EX WFM/PAM/ew

14 March 1949

FROM: SCAP

TO: DEPT OF ARMY.....PRIORITY

1412254-5

C-68542

For CSCAD ECON. Reurad W 85311 March. Subject is MFN Treatment for Japan.

Part 1. The following comments are submitted on queries raised in Parts 3a and b of urad W 85311:

a. Pending establishment of an exchange rate, policy has been and is to price export goods on the basis of world market prices with adjustments for differences in quality as may be necessary. Toys and gloves incidents referred to cannot be commented on without more specific information and details of particular transactions in question. There is constant readiness to review current price levels on presentation of appropriate data. Definite announced policy is not to permit reversion to "cut-throat" practices mentioned.

b. No need exists for bilateral trade agreement between Japan and Canada and it is presumed that impression to the contrary may have resulted from informal suggestions here that discussions be undertaken with a view to exploring possibilities for expanding present Canada-Japan trade. Bilateral arrangements consummated here do not repeat not make firm commitments on quantities or prices and in no way discriminate against Canada or any other nation. Such agreements have been consummated with a view toward expanding overall trade in accordance with desires of participating countries. Objective is and has been to promote and increase the use of "normal trade practices" to the greatest possible extent without such bilateral arrangements whenever possible.

Part 2. The following additional comments are submitted:

a. Non-discriminatory treatment will continue to be applied to Canada and all other nations and establishment of an exchange rate would have no relationship to application of present tariffs here. In this connection, ourad CX 57076 dated 3 December 1947, indicates that administration of Japanese foreign trade in accordance with draft of ITO charter principles is considered feasible and, as cited therein, that in administering Japan's foreign trade every effort shall be made to place emphasis on charter principles barring trade restrictions and discriminations. At present, the impact of Japan's tariff on foreign trade is negligible since essentially free customs treatment is accorded all commodities likely to enter Japan during occupational phase.

Handling and transmission of this message as corresponding to the same classification by the War Department in accordance with the provisions of G-6-C, 18-E, 53-A (1) (2) 14 March 1949

INFORMATION COPY

~~RESTRICTED~~

Gen Whitney
[Signature]
F

FROM: SCAP TO DA, ESS/EX WFM/PAM/eb

14 March 1949

b. Trade to date with Canada has been and continues to be in favor of Canada. Records for 1948 show purchases from Canada for \$4 million and sales to Canada only \$2 million.

OFFICIAL:

APPROVED:

F. M. LEVY
Colonel, AGD
Adjutant General

W. F. Marquat
W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section
J. H. H.

Copies to:

CinC

C/S

AG

GS

ESS (Return)

Approved by C/S 14 March 1949



Controlled

READING COPY

SECRET

11 March 1949 LS

120259

CINCPAC

CG, HICOM. PRIORITY

G-68482

Reurad E 21434 AINS-Q dated 10 March 49

paragraph 2 all pertinent documents concerning subject case should be addressed to CinCPAC.

GOVT SECTION/TRCK/lk *lwk*

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 15-C, 18-E, 53-A, 53-B (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-9, 6 March 1946

SECRET

INFORMATION COPY 9

SECRET

11 March 1949 LS

CINCPAC

CG, RYCOM. PRIORITY

REURAD E TWO ONE FOUR THREE FOUR AING DASH Q

DATED ONE ZERO MAR FOUR NINE PARA TWO ALL PERTINENT DOCUMENTS
CONCERNING SUBJECT CASE SHOULD BE ADDRESSED TO CINCPAC

OFFICIAL:

APPROVED:

R. W. LEVY
Colonel, AGD
Adjutant General

THEODORE R. C. KING
Major, Infantry
Executive Officer
Legal Section

Copies to:

CinC
CofS
G-1
G-2
Govt Section
Ryukyus MG
Civ I&E
AG Records - 2
LS Comeback
LS File

Memo for Record - 11 Mar 49: Subject radio from RYCOM, paragraph 2,
requested information as to where to forward documents concerning
smuggling case involving MIYANAGO, ISHIGAKI and OSHIMA, who are now
being returned to Japan for investigation and possible trial.
JWC Meiji 362.

SECRET

SECRET

11 March 1949 LS

SCAP

120257

CG, EIGHTH ARMY. PRIORITY

G-68481

UPON REQUEST OF CINCPAC MIYANAGO CMA MAGOYASU
 SMCLN ISHIGAKI CMA KISO SMCLN AND OSHIMA CMA YOSHIO ARE BEING
 RETURNED FROM RYCOM FOR INVESTIGATION AND POSSIBLE PROSECUTION
 IN TOKYO FOR SMUGGLING AND OTHER CRIMINAL ACTIVITIES PD RADIO FROM
 RYCOM DATED ONE ZERO MARCH FOUR NINE STATES THEY ARE BEING RETURNED
 ON REPATRIATION SHIP CMA HOGATA MARU PD APPROXIMATELY ETA SASEBO
 JAPAN ONE FOUR MARCH FOUR NINE PARA REQUEST MILITARY AUTHORITIES
 AT SASEBO BE INFORMED TO TRANSFER CUSTODY OF ABOVE SUSPECTS TO
 SASEBO BRANCH OF THE NAGASAKI PUBLIC PROSECUTOR'S OFFICE AT SASEBO
 PD JAPANESE AUTHORITIES WILL RETURN THEM TO TOKYO FOR FURTHER
 ACTION

OFFICIAL:

APPROVED:

R. M. LEVY
 Colonel, AGD
 Adjutant General

THEODORE R. C. KING
 Major, Infantry
 Executive Officer
 Legal Section

Handling and transmission of literal
 plain text of this message as corres-
 pondence of the same classification
 has been authorized by the War Depart-
 ment in accordance with the pro-
 visions of paragraphs 16-C, 18-E, 53-A,
 53-B (1) (2) (3), and 60-A (1) (2)
 (3) (4), AR 380-5, 6 March 1946

SECRET

INFORMATION COPY

GOVT SECTION/TROCK/lk *JW*

SECRET

11 March 1949 LS

SCAP

CG, EIGHTH ARMY. PRIORITY

Copies to:

- CinC
- CofS
- G-1
- G-2
- Govt Section
- Ryukyus MG
- Civ I&E
- AG Records - 2
- LS Comeback
- LS File

Memo for Record - 11 Mar 49. Above radio to CG, Eighth Army, to inform him of action to be taken on three named suspects being returned by RYCOM to Tokyo for investigation and possible trial for smuggling, etc. Japanese Supreme Procurator's Office (Katsuo) will inform Japanese authorities at Sasebo to take custody of suspects and return them to Tokyo. JWC JWC Meiji 362.

SECRET

SECRET

READING COPY

11 March 1949 LS

SCAP

CG, EIGHTH ARMY. Priority

Upon request of CinCPE, Miyanaga, Nagoyasu; Ishigake, Kiso; and Oshima, Yoshio are being returned from RYCOM for investigation and possible prosecution in Tokyo for smuggling and other criminal activities. Radio from RYCOM dated 10 March 49 states they are being returned on repatriation ship, Bogata-Maru. Approximate ETA Sasebo, Japan, 14 March 49.

Request military authorities at Sasebo be informed to transfer custody of above suspects to Sasebo Branch of the Nagasaki Public Procurator's Office at Sasebo. Japanese authorities will return them to Tokyo for further action.

SECRET

CONFIDENTIAL

FILE

AG-PO CAB/CAR/rbl
7 March 1949

CINCPA

071023

DEPT OF ARMY ROUTINE

C68347 FOR TAG ATTN AGPA DASH OM PD REQUEST CURRENT FGN
 SV TOUR OF MAJ JACK PETER NAPIER ASN OBOE FOUR THREE SIX FIVE SEVEN AGD
 BE EXTENDED UNTIL THREE ZERO APRIL FIVE ZERO PD OFF COMPLETES THREE FOUR
 MONTHS SV ON CURRENT TOUR THREE ONE MAY FOUR NINE PD HIS DEPENDENTS ARE
 PRESENT IN FEC PD OFF HAS NOT REPEAT NOT BEEN REPORTED TO THE DEPT OF
 ARMY FOR REASSIGNMENT PD MAJ NAPIER IS ASSIGNED AS EXECUTIVE OFF OF THE
 GOVERNMENT SECTION GHQ SCAP PD FROM FEB FOUR SEVEN TO MAY FOUR EIGHT HE
 SERVED AS CHIEF OF THE PUBLIC QUALIFICATIONS DIV OF GOVERNMENT SECTION
 PLANNING AND DIRECTING THE PURGE PROGRAM PD ALTHOUGH THIS PROGRAM WAS
 DECLARED COMPLETED MAY FOUR EIGHT IT MAY BE REOPENED FOR REVIEW PD SUCH
 REVIEW IF FORMALIZED INTO ALLIED POLICY WILL CONSTITUTE A DELICATE OPERATION
 OF CRITICAL IMPORTANCE REQUIRING OFFICERS WITH UNIQUE KNOWLEDGE AND
 EXPERIENCE PD MAJ NAPIER IS THE ONLY OFF NOW AVAILABLE WITH THE KNOWLEDGE
 AND EXPERIENCE TO CARRY OUT THIS OPERATION PD OFFICERS RETENTION IS
 DESIRED AND IS BELIEVED TO BE IN THE BEST INTERESTS OF THE SV PD OFF IS
 KEY MG PERSONNEL PD OFF VOLUNTEERS FOR THE ABOVE STATED EXTENSION

OFFICIAL:

APPROVED:

R. M. LEVY,
Colonel, AGD,
Adjutant General.

C. A. HEALL, Jr.,
Lt. Col., A. G. D.,
Asst. Adjutant General.

Copies to: AG-PO (return), G-in-C, G/S, Col, AG, Govt Section, AG-PPOLL.
C\H IL GOAF 200' GED' 2075' 50 SEP PD' 1948

MEMO FOR RECORD:

CONFIDENTIAL INFORMATION COPY

INFO COPY TO GOVT SECTION

SECRET

See Whitey

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE NR-Fi HGS/WCH/jw
5 March 1949

050503

FROM: SCAP

TO: DA.....PRIORITY

C-68299

Reurmsg W83715 dtg 041932Z Feb

49, and previous msgs, subject: Investigation
fur seals off coast Japan.

Presumably in negotiating new fur seal conven-
tion provision will be made for accession of other
primarily involved countries such as Japan. In view
Japan's reasons for terminating 1911 Convention, con-
sider it essential ascertain now scientific and
factual situation regarding effect fur seal herds
upon Japanese fisheries resources off coast Japan.
Availability this information would clearly be of
major assistance in promoting subsequent Japanese
accession to and continued participation in any fur
seal convention that might be entered into by United
States, Canada, and Soviet Russia. Absence this
information would possibly result in convention pro-
visions which would jeopardize rights of interested
countries and foment proposals to abrogate convention

CS

...and transmission of literal
plain text of this message
...and some classification
has been authorized by the
...in accordance with the pro-
visions of paragraphs 16-C, 16-D,
(3) (4), AR 380-5, 6 March 1946

SECRET INFORMATION COPY

Secret

FROM: SCAP, TO DA, NR-Fi HGS/WCH/jw 5 March 1949

at time when Japan enjoys full sovereignty.

Believed here that investigation should proceed without delay while SCAP technical advisors and personnel are available. Request reply soonest since further delay in inaugurating proposed operations will postpone project to winter 1949-50 or later with possibilities for supervision unknown

OFFICIAL:

R. M. LEVY
Colonel, AGD
Adjutant General

APPROVED:

Hubert G. Schenck
HUBERT G. SCHENCK
Lt Col CE
Chief, Natural Resources Section

Copies to:
C-in-C
CS
AG
GS
ESS
LS
DS (2)
NR Return (3)

NOTE FOR RECORD:

1. References

a. SCAP radio to DA, C-66917, dtg 080645Z Jan 49. This radio transmits to DA proposal to conduct pelagic sealing investigation to determine origin and effect of fur seals on Japanese marine resources.

b. DA radio to SCAP, W 82768, dtg 141800Z Jan 49. This radio quotes pertinent US legislation and sets forth current US policy that no pelagic sealing should be carried on prior to consultation with interested countries.

Secret

Secret

FROM: SCAP, TO DA, NR-Fi HGS/WCH/jw 5 March 1949

c. SCAP radio to DA, C-67238, dtg 210349 Jan 49. This radio informs DA that pelagic sealing operations are being discontinued pending establishment of US position but urges immediate action to avoid complete loss of this season's operations.

d. State Dept radio to SCAP NR 270617Z Jan 49. This radio transmits text of note to be forwarded USSR, which requests prior to 20 Feb 49 USSR comments on SCAP proposed fur seal investigation.

e. DA radio to SCAP, W83715 dtg 041932Z Feb 49. This radio states that if USSR voices strong objection to pelagic killing of fur seals by SCAP supervised Japanese operations, US will not be able to authorize this seal investigation because of projected sealing treaty negotiations.

2. In view of projected fur seal treaty ourmsg points out the desirability of obtaining scientific data re fur seals wintering off Japanese coast during current fur seal season while SCAP technical personnel are available. It is also pointed out that absence of this info might possibly jeopardize future rights of parties to the new treaty leading to abrogation at a later date when Japan enjoys full sovereignty. Reply requested soonest.

3. Concurrence: DS (W.J. Sebald)

4. This radio approved by Chief of Staff on 4 March 1949.

W.C.H. _____ 26-6218

Secret

○ RESTRICTED ○

Restricted

EXO
Gen Whitney

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE ESS/FTC WFM/FEP/AJG/MLT/eg

4 March 1949

041207H

FROM: SCAP

TO: DEPT OF ARMY PRIORITY
FOR CSCAD PD

C-68283

/PASS TO OCE AND ENGUF PD PROGRAM TAKE OBOE GEORGE

SIX TWO DASH FOUR DASH TWO SIX PD ANTHRACITE COAL IS SUBJECT PD THIS IS
FOLLOW UP OURAD JAN FOUR NINE CHARLIE SIX SEVEN TWO EIGHT EIGHT PD REQUEST
INFORMATION SOONEST

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

W. F. MARQUET
for: Major General, U. S. Army
Chief, Economic and Scientific Section

Copies to: CINC, C/S, C-4, AG, FISCAL, TRANSP, GOVT, INQUIRY MS, PH&M,
GEN PROC, NRS, GEN ACCTG, DIP, TOECA LO, GARICA, ESS (Return)

This message is completely self-explanatory

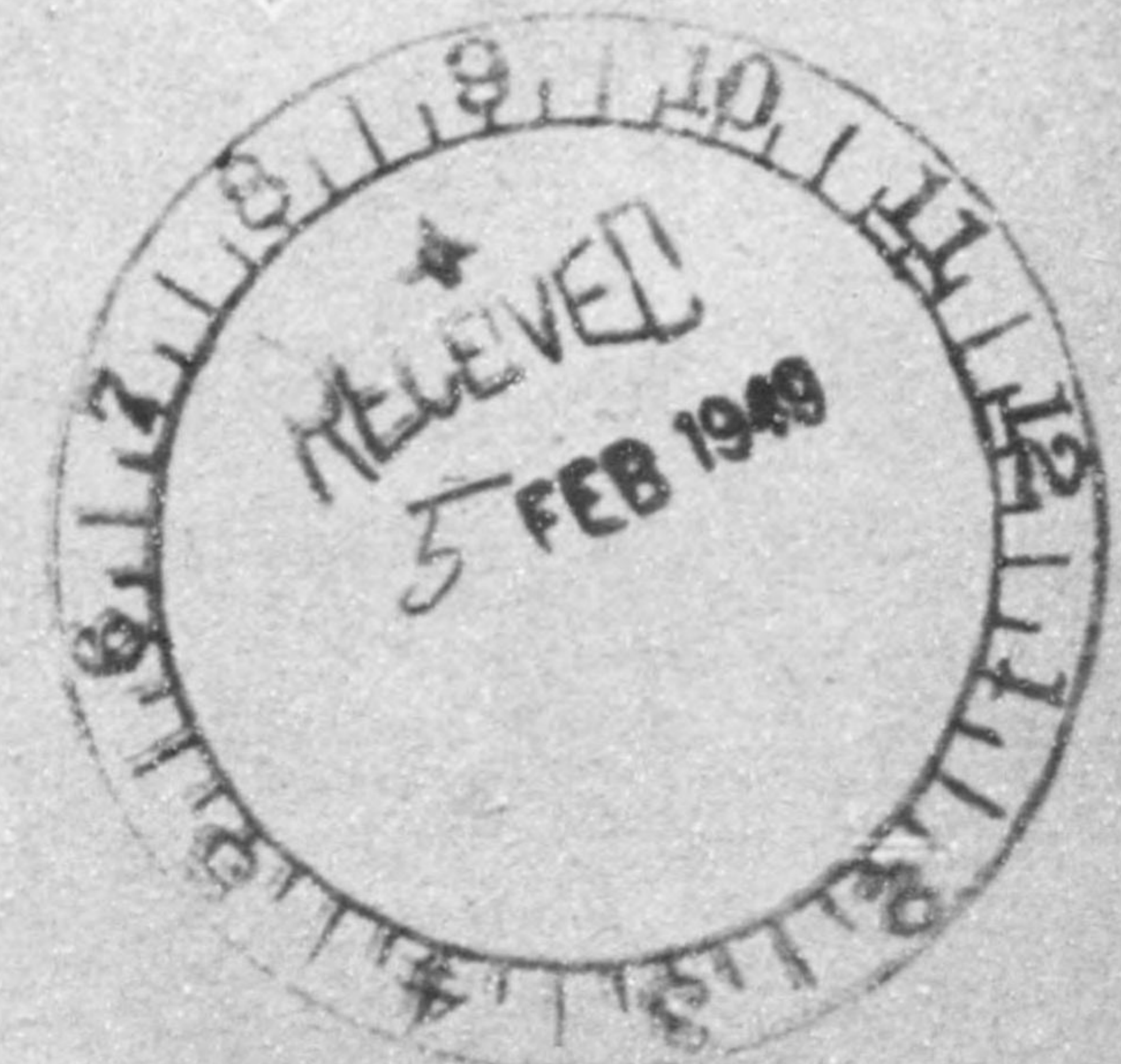
Label L. Tobin 26-8589

WR
F. E. P.

Restricted

RESTRICTED

Classification of literature
as carried
War Department
pro-
18-E, 53-A,
(1) (2)



EXO
Gen Whitney

53-D (1)
(3) (4), AR 380-5, 6 March 1946

INFORMATION COPY

~~RESTRICTED~~
GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

Gen Whitney
Ex F

OUTGOING MESSAGE ESS/FTC WFM/FEP/AJG/MLT/eg

4 March 1949

041121

FROM: SCAP

TO: DEPT OF ARMY. PRIORITY

C-68278

FOR CSCAD BMP PD ANTHRACITE COAL IS SUBJECT PD

PROGRAM TARE OBOE GEORGE SIX TWO DASH FOUR DASH TWO ONE FIVE CHARLIE BAKER

PD REQUEST INFO EXACT QUANTITY PROCURED CMA ALSO SPECIFICATIONS

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

for: W. E. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

Copies to: CINC, C/S, G-4, AG, FISCAL, TRANSP, GOVT, REUKYUS MG, PUBLIC
E & W, GEN PROC, NAT RES SEC, GEN ACCTG, DIPLOMATIC, FORCA LO,
GARICA, ESS(Return)

This message is completely self-explanatory

Mabel L. Tobin 26-8589

F. E. P.

~~RESTRICTED~~

Gen Whitney
Ex F

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 17 March 1946



INFORMATION COPY

SECRET

1 March 1949 LS

020301g

CINCPAC

CG, RYCOM.....ROUTINE

C-68197 REURAD E TWO ONE THREE FOUR SIX AING DASH Q CMA
DATED ONE FOUR FEB FOUR NINE CMA CONCERNING THE SHIPWRECK OF
JAPANESE SAILING VESSEL CMA SEIEI MARU CMA AT MIYAKO SHIMA CMA
SOUTHERN RYUKYUS CMA ON ONE FIVE NOV FOUR EIGHT CMA AND REQUEST
FOR PERMISSION TO SEND MIYANAGO AND OTHERS TO TOKYO PARA PERMISSION
GRANTED FOR RETURN OF JAPANESE CLN MIYANAGO CMA MAGOYASU SMCLN
ISHIGAKI CMA EISO SMCLN OSHIMA CMA YOSHIO SMCLN UNDER ESCORT BY
FIRST AVAILABLE SCAJAP SHIPPING TO TOKYO FOR FURTHER INVESTIGATION
AND POSSIBLE PROSECUTION PD REQUEST ETA AND PORT OF ARRIVAL IN
JAPAN PARA TWO RYUKYUANS CMA FHINOJI YOSHIN AND TOMORI KIN CMA
NOT AUTHORIZED RETURN TO JAPAN

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

THEODORE R. C. KING
Major, Infantry
Executive Officer
Legal Section

handling and transmission of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946

INFORMATION COPY 10

SECRET

GOVT/TRUCK/1K

Handwritten mark

SECRET

Copies to:
AG RECORDS - 2
LS COMEBACK
LS File
CinC
CofS
G-1
G-2
RyCom
Govt
CIE

301

Memo for Record: 1 Mar 49: Reference radio from RYCOM stated Japanese vessel, Seiei Maru, wrecked on Miyako Shima with cargo of medical supplies and school books valued at ¥10,000,000 and only a small portion of cargo salvaged. Owner of ship and cargo, Miyanago, Magoyasu stated cargo was intended as gift for people at Yaeyama Shima, southern Ryukyus, and also purpose of his visit was to gather info on communist activities for CIC, Tokyo. He insisted he was authorized to do so by a Mr. Shu, alias Chu Bai-Toku, alias Saito, and had received a document in English from Shu which he understood was authority for the trip from CIC. Alleged document lost in wreck. Tokyo CIC state Shu not authorized to issue any papers as alleged by Miyanago. RYCOM radio further stated doubtful if Miyanago and others could be convicted there for violation of current laws. Therefore requested permission of SCAP to send them to Tokyo for further investigation and possible prosecution. Action of Miyanago and other Japanese indicates violation of Japanese Customs Law and emergency measures concerning foreign trade, etc. Permission is granted by this radio for their return to Japan. Two Ryukyans not authorized return to Japan as basic radio indicates they were only passengers to Ryukyus. Radio coordinated with G-2, CIC (Col Ind), Ryukyus MG Section (Fielding) and G-1 (Maj Wilderman).
TRCK 26-6889.

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraph 18-E, 53-A, 53-D (1) (2).

SECRET

CONFIDENTIAL

GENERAL HEADQUARTERS
FAR EAST COMMAND

SIGNAL CORPS MESSAGE

PRIORITY
CONFIDENTIAL

CinC

CW/sh

24 February 1949

FROM: SCAP

TO : DEPT OF ARMY

240545

C-68048

For CSCAD IGO. Reurnsg W 84516, Subject; Review of Japanese Constitution. In reply to the specific points raised, the following views are submitted:

1. I am delighted to have the Far Eastern Commission consult with me at any time on any subject pertaining to the administration of our responsibilities in the occupation of Japan.
2. As I pointed out in ourmsg C 67291 replying to the last Far Eastern Commission consultative message, there has been substantial fulfillment by the Japanese Government of the Far Eastern Commission policy requirements on the review of the constitution. We could, of course, force more positive action in this regard upon the Japanese Diet. To do so, however, would require the imposition of "Bayonet" suppression of the free democratic processes which heretofore throughout the occupation have governed all legislative deliberations and action. Such action, moreover, would serve no useful purpose and might well result in irreparable harm. Even though the Diet were compelled to take such action, it would unquestionably be by way of a resolution in opposition to any amendments of the constitution at this time. Such resolution would

and transmission of literal text of this message for the purpose of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-D (1) (2), 53-A (1) (2) (3) (4), AR 380-2, 5 March 1946

CONFIDENTIAL INFORMATION COPY

Govt Sec Info Cy

CONFIDENTIAL

FROM: SCAP TO: DEPT OF ARMY OFFICE OF G-IN-C CW/sh 24 Feb 49

obviously be arbitrary and meaningless. It must be understood that the constitution is under constant scrutiny by the Japanese people in all segments of official and private life, and by its very terms is susceptible to formal change at any time by a two-thirds vote of the Diet with the approval of the electorate.

5. While the Far Eastern Commission is at liberty to make any review of the constitution which it desires at any time, it is my earnest belief that the United States should firmly oppose any action designed to impose upon the Japanese Diet a mandatory requirement that it too do so. As the record discloses, throughout its previous deliberations on the subject the Far Eastern Commission confined itself largely to critically questioning the mechanics involved in effecting the constitutional revision, taking particular issue with SCAP initiative in the matter in the absence of any previous policy considerations other than the broad outline enunciated at Potsdam. It has scrupulously avoided tackling the actual merits of the document. For the Commission now, after the instrument has been in effect and working satisfactorily for nearly two years, to bring its provisions into general doubt by the imposition of an enforced Japanese review would be a grave mistake. Nothing could more completely destroy the progress heretofore made in the absorption of democratic concepts into Japanese thinking. Signed MacArthur.

OFFICIAL:

R. H. LEVY,
Colonel, AGD,
Adjutant General.

DISTRIBUTION:

CinC
C/S
Govt

CONFIDENTIAL

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE BSS/FIN WFM/WKL/JCS/WNR/bb
DATE: 21 February 1949

~~CONFIDENTIAL~~
Confidential

FROM: SCAP

210403

TO: DEPT OF ARMY
C-67991

ROUTINE

() For CSCAD ECON. Reurads W 85963 July 1948, W 90282 October 1948, and curad Z 39132 February 1949, subject is Extension of Credit to Japan or Japanese by Foreign Persons, Agencies or Government Repayable in Foreign Exchange.

In accordance with para 48, JCS 1380/15, 3 November 1945, request JCOS authorization for SCAP to permit private loans repayable in foreign exchange or export commodities to Japanese nationals and firms on the basis of policies set forth in para 2a urad W 85963 and confirmed in urad W 90282. Detailed surveillance and control of reconversion of principal and interest of loans in foreign exchange or export commodities as well as assessment in foreign exchange of loans made in kind will be carried out by the Japanese Government Foreign Exchange Control Board under SCAP supervision. Upon receipt of JCOS authorization herein requested will transmit press release in advance with details of implementing procedures for your info.

OFFICIAL:

Approved by:

R. M. LEVY
Colonel, AGD
Adjutant General

W F Marquat
W F MARQUAT
Major General, U. S. Army
Chief, BSS

Copies to:

CC
CS
G-2
G-4
AG
Fiscal Sec.
GS
CI&E
LS
CPC
BSS

handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (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) (34) (35) (36) (37) (38) (39) (40) (41) (42) (43) (44) (45) (46) (47) (48) (49) (50) (51) (52) (53) (54) (55) (56) (57) (58) (59) (60) (61) (62) (63) (64) (65) (66) (67) (68) (69) (70) (71) (72) (73) (74) (75) (76) (77) (78) (79) (80) (81) (82) (83) (84) (85) (86) (87) (88) (89) (90) (91) (92) (93) (94) (95) (96) (97) (98) (99) (100) (101) (102) (103) (104) (105) (106) (107) (108) (109) (110) (111) (112) (113) (114) (115) (116) (117) (118) (119) (120) (121) (122) (123) (124) (125) (126) (127) (128) (129) (130) (131) (132) (133) (134) (135) (136) (137) (138) (139) (140) (141) (142) (143) (144) (145) (146) (147) (148) (149) (150) (151) (152) (153) (154) (155) (156) (157) (158) (159) (160) (161) (162) (163) (164) (165) (166) (167) (168) (169) (170) (171) (172) (173) (174) (175) (176) (177) (178) (179) (180) (181) (182) (183) (184) (185) (186) (187) (188) (189) (190) (191) (192) (193) (194) (195) (196) (197) (198) (199) (200) (201) (202) (203) (204) (205) (206) (207) (208) (209) (210) (211) (212) (213) (214) (215) (216) (217) (218) (219) (220) (221) (222) (223) (224) (225) (226) (227) (228) (229) (230) (231) (232) (233) (234) (235) (236) (237) (238) (239) (240) (241) (242) (243) (244) (245) (246) (247) (248) (249) (250) (251) (252) (253) (254) (255) (256) (257) (258) (259) (260) (261) (262) (263) (264) (265) (266) (267) (268) (269) (270) (271) (272) (273) (274) (275) (276) (277) (278) (279) (280) (281) (282) (283) (284) (285) (286) (287) (288) (289) (290) (291) (292) (293) (294) (295) (296) (297) (298) (299) (300) (301) (302) (303) (304) (305) (306) (307) (308) (309) (310) (311) (312) (313) (314) (315) (316) (317) (318) (319) (320) (321) (322) (323) (324) (325) (326) (327) (328) (329) (330) (331) (332) (333) (334) (335) (336) (337) (338) (339) (340) (341) (342) (343) (344) (345) (346) (347) (348) (349) (350) (351) (352) (353) (354) (355) (356) (357) (358) (359) (360) (361) (362) (363) (364) (365) (366) (367) (368) (369) (370) (371) (372) (373) (374) (375) (376) (377) (378) (379) (380) (381) (382) (383) (384) (385) (386) (387) (388) (389) (390) (391) (392) (393) (394) (395) (396) (397) (398) (399) (400) (401) (402) (403) (404) (405) (406) (407) (408) (409) (410) (411) (412) (413) (414) (415) (416) (417) (418) (419) (420) (421) (422) (423) (424) (425) (426) (427) (428) (429) (430) (431) (432) (433) (434) (435) (436) (437) (438) (439) (440) (441) (442) (443) (444) (445) (446) (447) (448) (449) (450) (451) (452) (453) (454) (455) (456) (457) (458) (459) (460) (461) (462) (463) (464) (465) (466) (467) (468) (469) (470) (471) (472) (473) (474) (475) (476) (477) (478) (479) (480) (481) (482) (483) (484) (485) (486) (487) (488) (489) (490) (491) (492) (493) (494) (495) (496) (497) (498) (499) (500) (501) (502) (503) (504) (505) (506) (507) (508) (509) (510) (511) (512) (513) (514) (515) (516) (517) (518) (519) (520) (521) (522) (523) (524) (525) (526) (527) (528) (529) (530) (531) (532) (533) (534) (535) (536) (537) (538) (539) (540) (541) (542) (543) (544) (545) (546) (547) (548) (549) (550) (551) (552) (553) (554) (555) (556) (557) (558) (559) (560) (561) (562) (563) (564) (565) (566) (567) (568) (569) (570) (571) (572) (573) (574) (575) (576) (577) (578) (579) (580) (581) (582) (583) (584) (585) (586) (587) (588) (589) (590) (591) (592) (593) (594) (595) (596) (597) (598) (599) (600) (601) (602) (603) (604) (605) (606) (607) (608) (609) (610) (611) (612) (613) (614) (615) (616) (617) (618) (619) (620) (621) (622) (623) (624) (625) (626) (627) (628) (629) (630) (631) (632) (633) (634) (635) (636) (637) (638) (639) (640) (641) (642) (643) (644) (645) (646) (647) (648) (649) (650) (651) (652) (653) (654) (655) (656) (657) (658) (659) (660) (661) (662) (663) (664) (665) (666) (667) (668) (669) (670) (671) (672) (673) (674) (675) (676) (677) (678) (679) (680) (681) (682) (683) (684) (685) (686) (687) (688) (689) (690) (691) (692) (693) (694) (695) (696) (697) (698) (699) (700) (701) (702) (703) (704) (705) (706) (707) (708) (709) (710) (711) (712) (713) (714) (715) (716) (717) (718) (719) (720) (721) (722) (723) (724) (725) (726) (727) (728) (729) (730) (731) (732) (733) (734) (735) (736) (737) (738) (739) (740) (741) (742) (743) (744) (745) (746) (747) (748) (749) (750) (751) (752) (753) (754) (755) (756) (757) (758) (759) (760) (761) (762) (763) (764) (765) (766) (767) (768) (769) (770) (771) (772) (773) (774) (775) (776) (777) (778) (779) (780) (781) (782) (783) (784) (785) (786) (787) (788) (789) (790) (791) (792) (793) (794) (795) (796) (797) (798) (799) (800) (801) (802) (803) (804) (805) (806) (807) (808) (809) (810) (811) (812) (813) (814) (815) (816) (817) (818) (819) (820) (821) (822) (823) (824) (825) (826) (827) (828) (829) (830) (831) (832) (833) (834) (835) (836) (837) (838) (839) (840) (841) (842) (843) (844) (845) (846) (847) (848) (849) (850) (851) (852) (853) (854) (855) (856) (857) (858) (859) (860) (861) (862) (863) (864) (865) (866) (867) (868) (869) (870) (871) (872) (873) (874) (875) (876) (877) (878) (879) (880) (881) (882) (883) (884) (885) (886) (887) (888) (889) (890) (891) (892) (893) (894) (895) (896) (897) (898) (899) (900) (901) (902) (903) (904) (905) (906) (907) (908) (909) (910) (911) (912) (913) (914) (915) (916) (917) (918) (919) (920) (921) (922) (923) (924) (925) (926) (927) (928) (929) (930) (931) (932) (933) (934) (935) (936) (937) (938) (939) (940) (941) (942) (943) (944) (945) (946) (947) (948) (949) (950) (951) (952) (953) (954) (955) (956) (957) (958) (959) (960) (961) (962) (963) (964) (965) (966) (967) (968) (969) (970) (971) (972) (973) (974) (975) (976) (977) (978) (979) (980) (981) (982) (983) (984) (985) (986) (987) (988) (989) (990) (991) (992) (993) (994) (995) (996) (997) (998) (999) (1000)

INFORMATION COPY
~~CONFIDENTIAL~~
Confidential

GenWhitney

SECRET

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE ISS/PTC WEM/FEP/SJJ/WJE
WTF/neh
20 February 1949

FROM: SCAP
TO: AMEMBASSY, NANKING..... PRIORITY
INFO: DEPT OF ARMY..... ROUTINE

200945

() Reference radio CX 67701 from JUSMAG China to American Embassy Nanking. Subject is trade with Taiwan.

CX 67983

1. To date there has been little direct two-way trade between Taiwan and Occupied Japan. A few direct contracts have been written for sugar and salt from Taiwan but such contracts did not provide for fully compensating purchases by Taiwan in Japan. For the most part trade has been controlled by the Chinese Mission in Japan and although it has been indicated that there are sizeable demands in Taiwan for Japanese industrial and consumer goods, the complexities of dealing through the Chinese Govt. Licensing system has deterred sizeable trade between the areas. There is no objection here to exploration of any possible methods whereby such trade could be expanded with provision being made for direct trade between Taiwan and Occupied Japan.

2. Depending on terms and conditions of trade and commercial factors prevailing in respect of each specific transaction, Japan is interested in sugar, salt, coal and ores from Taiwan. In return, Japan could make textiles, leather goods, industrial machinery and equipment, rolling stock, iron and steel products, electrical products, chemicals and drugs, weed manufactures, rubber manufactures, glass, pottery and porcelainware and other goods available to Taiwan.

OFFICIAL:

I. M. LEVY
Colonel, AGD
Adjutant General

APPROVED:

W. F. MAPOUAT
W. F. MAPOUAT
Major General, U. S. Army
Chief, ISS

Copies to:
CinC, C/S, G-1, G-2, G-3, G-4, G-5, G-6, G-7, G-8, G-9, G-10, G-11, G-12, G-13, G-14, G-15, G-16, G-17, G-18, G-19, G-20, G-21, G-22, G-23, G-24, G-25, G-26, G-27, G-28, G-29, G-30, G-31, G-32, G-33, G-34, G-35, G-36, G-37, G-38, G-39, G-40, G-41, G-42, G-43, G-44, G-45, G-46, G-47, G-48, G-49, G-50, G-51, G-52, G-53, G-54, G-55, G-56, G-57, G-58, G-59, G-60, G-61, G-62, G-63, G-64, G-65, G-66, G-67, G-68, G-69, G-70, G-71, G-72, G-73, G-74, G-75, G-76, G-77, G-78, G-79, G-80, G-81, G-82, G-83, G-84, G-85, G-86, G-87, G-88, G-89, G-90, G-91, G-92, G-93, G-94, G-95, G-96, G-97, G-98, G-99, G-100

11

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraph 18-E, 53-A, 53-B, 53-C, and 53-D (1) (2) (3) and 53-A (1) (2) (3) 53-5, 6 March 1946

SECRET

INFORMATION CO

GenWhitney

4/

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE

Unclassified ~~RESTRICTED~~
Restricted DRB # 36, 28 July 50
OP/JFS/JBR/HRM/nm
17 FEB 1949

FROM: SCAP
TO : CG EIGHTH ARMY PRIORITY
CG FEAF PRIORITY (COURIER)
COMNAVFE PRIORITY (COURIER)
CG HQ & SV GP PRIORITY (COURIER)

171027

CX67909

Report requirement contained in SCAP radio CX 67795 dated 11 February 1949 is amended to read as follows:

Reports for directly employed labor will be prepared and forwarded to this headquarters for each major subordinate element of Eighth Army and FEAF and for NAVFE and Hq and Sv Gp each as a unit, as of 28 February, 31 March, and 30 April, by 15 April, 15 May, and 15 June respectively and will include the following information: Col 1 - Type of personnel (requisitioned labor and service personnel only); Col 2 - Total number employed during the month; Col 3 - Total base pay and allowances paid, including tax but excluding overtime; Col 4 - Total overtime paid; Col 5 - Total gross amount paid. Columns 3 thru 5 will be expressed in yen.

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

H. E. EASTWOOD
Colonel, GSC
Assistant Chief of Staff, G-4

INFORMATION COPY

Staff Distribution

Unclassified

~~RESTRICTED~~
Restricted

has been authorized by the War Department in accordance with the provisions of paragraphs 15-C, 15-E, 13-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 330-5, 6 March 1946.



Government

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE ESS/FIN WFM/WIL/JCS/eb
DATE: 14 February 1949

FROM: SCAP

TO: DEPT OF ARMY.....ROUTINE

RESTRICTED

Govt

(C-67837). For CSCAD ECON. Reurad December W 81239, ourad August C 62860, our Memo 010, dated 28 May 1948, ESS/FIN, subject: Banking Reform. This radio in four parts.

141019

Part One. Agree that expansion of authority present Bank of Japan as recommended Part 2 urad W 81239 would provide immediate controls sufficiently powerful to aid in stabilization program, the consequence however would be creation of autocratic organization with extreme concentration of economic power under one man domination. Belief here that long range program recommended ourad C 62860 (including banking board) should not be abandoned. However, as practical immediate counter proposal suggest establishing within framework of Bank of Japan a Policy Control Board composed of about seven members to include the Governor of the Bank of Japan, the Minister of Finance, an appointee of the Federation of Associations of Japanese Bankers and an appointee of the Federation of Agricultural Credit Associations. With the exception of first three named officials, remaining membership should be selected for definite terms of not more than five years, on a staggered rotational basis. This Board would formulate important monetary, credit, and other banking policies and would have power to direct execution thereof through the present directorate and operating management of the Bank of Japan. Such proposal contemplates expansion of authority Bank of Japan, as outlined Part 2 B urad W 81239.

Part Two. The following comments pertain to suggestions and queries raised in Part 4 of urad W 81239 on our ESS/FIN memo No. 010. For ease of review, references below relate to corresponding paragraphs of our memo and your suggestions and queries thereon.

Paragraph 5.

F. Difficulty or impossibility of compliance by credit co-ops and other special credit institutions with all restrictions and limitations applicable to ordinary banks realized here. Hence the provision for "certain exceptions" mentioned paragraph 5f, our memo 28 May 1948. The extent to which central banks for co-ops may be placed under Bank of Japan and practical method of doing so under further consideration.

I. Plan here provided providing in law sufficiently wide limits of reserves ~~has been authorized by the War Department~~ and time deposits and requiring build-up of primary and secondary reserves from present low levels as promptly as practicable ~~visitors of standing conditions, in accordance with~~

53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946

RESTRICTED

INFORMATION COPY

Restricted

Page Two Radio From SCAP to Dept of Army, dtd 14 February 1949

figures to be set from time to time by regulatory body, and providing for special reserves or controls as are considered necessary to effectively implement in a practical way the existing credit priorities law and regulations, especially with respect to future increases in deposits.

K. Paragraph 5k our memo intended to be considered in connection with paragraph 8, our memo, adopting the definitions and restrictions in recently enacted Securities and Exchange Law with respect to dealing in securities by a bank, which specifically exempts government securities and certain other classes from the prohibitions, and permits transactions for customers similar to those permitted by the Federal Reserve Act. In view of needs for equity capital and long-term funded credit and existing relationships and practices, considered practicable here to allow one year from effective date of provisions of proposed law for applying prohibitions indicated.

Paragraph 6.

B. Proposals for extensive reorganization of RFB have been drafted. Plan would make RFB independent of political controls by eliminating loan recommendation functions of Reconversion Finance Commission, which would be limited to establishment of policy. RFB would be required to coordinate all programs with government policy and would be subject to control of Bank of Japan through representation of the central bank on the overall monetary authority to be established. Presently RFB is subject to Bank of Japan control in actual practice and in view of dependence upon Bank of Japan for absorption of large portion of debentures. Plan of reorganization proposes acquisition of all increased capital from Diet appropriation with redemption of all RFB debentures in Fiscal Year 1949 by appropriation or government bond issue, or at least to greatest extent practicable.

C. Two special banks in process of becoming regular banks, retiring outstanding debentures before or at maturity, without necessity of transferring any assets to other organizations. Industrial Bank continuing as debenture bank primarily, discontinuing within this year deposit business except deposits of loan customers. Special laws to be replaced by general long-term Financing Company Law making it possible for any qualified company to enter long-term financing under appropriate regulation.

E. General agreement here with your view as to importance of Postal Savings System and control of investment policy. Present law provides that funds be invested "in the interests of the State and the public", listing several categories of investments. Bulk of the investments now in national bonds and loans to local government bodies and public corporations. Ministry of Finance has responsibility for making investments after consulting with the Committee for the Investment of Funds of the Deposit Bureau. This committee is under the supervision of the Ministry of Finance and consists of 22 members, including 3 Vice

Restricted

Restricted

Page Three, Radi from SCAP to Dept of Army, dtd 14 February 1949

Ministers of Finance, representatives of several other ministries, Representatives of the Economic Stabilization Board, the Governor of the Industrial Bank, the Governor of the Hypothec Bank and the Governor of the Bank of Japan. Although this committee is large the investment policies are dominated largely by the Governor of the Bank of Japan and the Minister of Finance. There has existed wide-spread criticism of past policy of gathering funds from various local areas which received but little or no credit from such funds.

Paragraph 8.

B. Disposal stocks now held by banks intended to be covered in connection with Para 9u and v, our memo 28 May 48, to be effected as soon as practicable in view of critical credit and other economic conditions. Three years considered ample in any case. It is felt that time extension subject to discretion of bank authorities suggested would mean indefinite postponement especially in some cases as attempted by some in U. S. when similar provisions were made applicable there. Under existing policy new acquisitions not expected to be large but no serious objection to extension of time to three years, except in cases of intentional evasion, if applied to all in non-discriminatory manner. Agree thoroughly your opinion relative to desirability of broad ownership and orderly marketing of equity capital. Under authority recently granted a limited number of stock exchanges are expected to be in operation within next thirty days and under proper controls.

Paragraph 9.

A and B. In view of credit practices in Japan, some percentage or time limitations should be stated in the law as definitely as practicable so that banks may know what they can do and cannot do, without necessity of going to supervisory body for permission or information or ruling as occasions arise frequently. Also desirable to eliminate as far as practicable continuation of favoritism or unfair discrimination when important matters left to discretion of the supervisory body suggested. Various banks now have lines of credit so excessive that a loss of 25% to 50% on one line would greatly impair or wipe out the capital. If your suggestion were followed, many such lines would be continued and some probably increased and loan policy most probably would not emphasize dispersion of credit or distribution of risk agreed by all as desirable. Need here is to prevent further increases of excessive credit lines, prevent new excessive lines, and force reduction of various existing excessive lines as soon as practicable in view of present credit and economic conditions. One to three years considered ample for this. Fixing definite loan limits in relation to deposits, rather than on capital and surplus as by Section 5200 USRS applicable to member banks in America for decades, considered desirable and practicable in Japan, especially pending satisfactory increases of capital as contemplated by other proposals. Thorough agreement here that type of security offered is important factor. Hence, the provision indicated paragraph 9a, our memo, for "necessary exceptions in connection with certain types of loans",

Restricted

Restricted

Page Four, Radio from SCAP to Dept of Army, dtd 14 February 1949

comparable to exceptions described Section 5200 USRS.

C. Because of delays and for other practical reasons, date mentioned in paragraph 7d memo not now feasible target. In at least some cases termination of affiliation may not be practicable within a period less than one year from the date of enactment of the prohibition, as contemplated when paragraph 7d was written. See also paragraphs 7f and g and second sentence paragraph 9 our memo for other exceptions. Provision 9c our memo applicable to affiliates, if any, pending severance.

D. Purpose this proposal same as Section 5200 USRS and to minimize disadvantages of unwarranted speculation in such securities in Japan. See also A and B above.

F. Consider proposal desirable because of past tendencies. Home financing in Japan inadequate. Hence, our consideration of institutions to facilitate. Costs and other problems and conditions must be considered in developing program.

H. Disposal period stated and others were tentative for the original purpose of our memo. Some definite period not exceeding twelve months necessary to avoid abuses probable under your suggestion.

M. No intention here to cause directors to become guaranters. Practices in Japan warrant incorporating as definitely as practicable in the law certain principles as to accountability comparable to those expressed in laws and many court cases in America.

R. Purpose of prohibition is to prevent development of abuses in Japan's wide-spread branch banking systems. Practice very limited now and proposal would not be unduly restrictive. Also desired by Japanese Government authorities.

W. Without effective restrictions, there would be probability of much evasion and abuses, as commented on in connection with A and B above. Consideration has been given to the matter of unsecured loans and specific recommendations from you would be welcomed.

Paragraph 10.

A. This provision would relate to new banks only. Purpose is to compel organizers to show justification and need for new banks and to assure initially a reasonable amount of capital. Study has been made of reference bills. Difficulties encountered in determining riskless assets in Japan now and in foreseeable future.

B. The purpose of stating authorized capital is to facilitate future increases in paid up capital without necessity of alteration of original charter or articles in connection with each increase. Such increases would be subject to approval at stockholders' meetings and by

Restricted

Restricted

Page Five, Radio from SCAF to Dept of Army, dtd 14 February 1949

supervisory authority. It is not considered necessary or desirable for published statements of banks to make reference to authorized but unpaid capital. Amount of paid-up capital is the important factor.

T. Purpose of proposal to require minimum percentage of capital structure to consist of capital stock is to facilitate wide-spread holdings of capital stock particularly in view of practices in Japan and to avoid here such criticisms as have been levelled at certain banks by important authorities in America.

U. Purpose of this provision is to further encourage wide-spread holdings of capital stock and to prevent payment of dividends from any source other than earnings after major adjustments over a period of time without the necessity of shareholders' actions which are considered important in such situations.

V. Past practices and present tendency of Japanese banks to pay relatively large dividends on low capital stock necessitate reasonable restrictions in the law itself. Since the preparation of the 28 May 1948 memo Japanese banks generally have increased appreciably their capital stock. In view of large increases in deposits they are considering further increases of capital stock as desirable for adequate protection to depositors. Some consider the figures as stated as restrictive but at the same time agree that there should be restrictions upon dividends under existing conditions.

X. This provision was intended to supplement the purposes of the Anti Trust Law in respect to known or readily ascertainable situations and should not be burdensome to straight-forward directors.

XX. Japanese Government authorities indicate that if a real system of bank directors as in America is developed here, some requirements comparable to the proposal should be provided. To avoid the possibility of undue domination by executive or operating officers, especially in the case of several vacancies in the Board of Directors for any extended period, a provision that vacancies be filled not later than the next shareholders' meeting or sixty-five days seems preferable to leaving the matter to the discretion of the Bank of Japan.

XXI. The intention here was to provide by law ample clarification of terms referred to.

Paragraph 11.

D. Primary purpose here was to provide guiding principles to supervisory authorities in order to prevent continuation of mal-practice which has been too prevalent in Japan, whereby certain government authorities and shareholders have effected mergers without respect to others or the interests of communities involved and without adequate notice. Some aspects of the case now before the Federal Reserve Board

Restricted

Restricted

Page Six, Radio from SCAP to Dept of Army, dtd 14 February 1949.
are equally important here.

G. Proposal contemplated that no charter or other similar permit would be granted without a positive showing as to the necessity, or at least the desirability, in the light of the various factors enumerated, which would in practice give Bank of Japan practical vote power. No objection to specific provision for vote, especially in view of paragraph c part 2 urad.

Paragraph 12.

A. At least some authority with respect to large volume of credit operations of other financial institutions seems necessary here to prevent or minimize difficulties similar to those confronted so often by Federal Reserve Board in attempting to effectively discharge its responsibilities with respect to monetary and credit matters. Your recommendation being considered further here in the light of uncoordinated formulation and enforcement of monetary and credit policies.

I. Large number of important banks and branches spread over wide areas and relatively small number of qualified examining personnel in Japan make it impractical to conduct a satisfactory examination in each twelve months' period. Some leeway will be necessary at least for some time to come.

S. The proposal was intended to relate primarily to examining personnel and others operating under governmental authority. It was anticipated that the exceptions authorized or required by law would not unduly curb appropriate exchange of credit information.

Paragraph 13.

E. Intention was to provide by law ample clarification with respect to this proposal.

Part Three. Reference paragraphs B and C of Part 5 urad 81239.

We are glad that your suggestions apparently are in concurrence with our proposals and intentions in these matters. Other comments and suggestions urad not mentioned above appear to require no further comment.

Part Four. Japanese authorities will not be advised further of this program until cleared by you.

OFFICIAL:

Approved By:

R. M. LEVY
Colonel, AGD
Adjutant General

W. F. Marquat
W. F. MARQUAT
Major General, U. S. Army
Chief, ESS

Copies to: C-in-C, C/S, AG, GOVT 448

Restricted

Eyo

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE CPC/FP PHT/DHB/WRF S/aar
DATE: 12 February 1949

UNCLASSIFIED

120701

FROM: SCAP

TO : DEPT OF ARMY.....ROUTINE

39896

For CSCADRA, reurad WCL 41652, report requested
will be airmailed to Office Alien Property by 1 April 1949.

OFFICIAL:

APPROVED BY:

R. M. LEVY,
Colonel, AGD,
Adjutant General.

P. H. Tansey
PATRICK H. TANSEY
Brig Gen, USA
Custodian

- Copies to:
- C-in-C
- C/S
- AG ✓
- GS ✓
- DC/S
- DS
- CPC (Return 15 cys)

Memo for Record: This radio answers WCL 41652, 5 Feb 49, advising that report on claims of International Silk Guild will be airmailed to the Office of Alien Property by 1 Apr 49. Administrative matter - no policy involved. Completes action to date on line No. 31302.

for P.H.T. *[Signature]* 26-5637

UNCLASSIFIED INFORMATION COPY

31302

Eyo
Sen. [unclear]
[unclear]

RESTRICTED

Handwritten initials and marks

GENERAL HEADQUARTERS
FAR EAST COMMAND

8105

OUTGOING MESSAGE

GA/P&P WLK/tt

11 February 1949

Restricted

FROM: CINCFE
TO: CG FIFTH ARMY ROUTINE
INFO: CG EIGHTH ARMY ROUTINE
CG MDW ROUTINE

111207

CX 67799 CG MDW PASS TO ANVGS-P PLEASE PASS FOLLOWING TO MR GEORGE ROBERT HEANS CMA ASSISTANT SECRETARY CMA ROTARY INTERNATIONAL CMA THREE FIVE EAST WACKER DRIVE CMA CHICAGO ONE ILLINOIS CLM QUOTE REFERENCE YOUR LETTER OF TWO SIX JAN FOUR NINE TO GENERAL MACARTHUR CONCERNING YOUR ENTRY INTO JAPAN PD THE CG MDW WAS INFORMED BY RADIO DATED NINE FEB FOUR NINE THAT YOU ARE CLEARED TO ENTER JAPAN PD HIS OFFICE WILL ADVISE YOU APPROPRIATELY CONCERNING THIS MATTER UNQUOTE

OFFICIAL:

APPROVED BY:

R. H. LEVY,
Colonel, IGD,
Adjutant General.

Copy 12044

W. A. BEIDERLINDEN,
Brigadier General, GSC,
Asst Chief of Staff, G-1.

Copies to: Cinc, C/S, G-2, G-2 CIS, AG, CIE, GS, ESS

M/R:

Approved by C/S 10 Feb 49 reference is C/S 11 to C/S, 10 Feb 49.

RESTRICTED
Restricted

INFORMATION COPY

RESTRICTED

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
AND
FAR EAST COMMAND

Handwritten initials and marks

OUTGOING MESSAGE GD OP-JFS/JBR/EFW/vgd

Unclassified per DRB #36, 28 July 50

1111211

~~RESTRICTED~~

11 FEB 1949

FROM: SCAP

TO :

- CG EIGHTH ARMY PRIORITY
- CG FEAF PRIORITY (COURIER)
- COMNAVFE PRIORITY (COURIER)
- CG HQ & SV GP PRIORITY (COURIER)

GOVT

CX 6779

Despite steadily decreasing numbers of Japanese nationals reported as directly employed by the occupation forces, labor costs have been mounting at a rate not repeat not commensurate with, but in excess of, legal wage increases. This increase appears to be almost entirely due to excessive overtime use of labor, hence overtime controls must be immediately established and energetically administered. It is considered that by abolition of non-essential overtime and by judicious and efficient utilization of labor forces, savings of from 20% to 40% can be effected without adversely affecting the efficiency of operations. It is desired that the addressee commanders take action to effect a minimum of 20% savings during March, April and May against the December yen costs of labor.

Except for domestic servants, effective as soon as possible and not later than 1 March 1949, no directly employed Japanese worker will be worked overtime without written authority of the next higher headquarters over the employing agency except that addressee commanders may authorize overtime for their headquarters commands without reference to General Headquarters. Likewise, Japanese contractors, employed for the occupation forces, will be prohibited from working service contract employees overtime except in emergencies, and with the prior approval of the receiving officer.

Action taken to make effective the requirements of this radio will be communicated to this headquarters by 28 February.

Reports for directly employed labor will be prepared and forwarded to this headquarters for each major subordinate element of 8th Army and FEAF and for NAVFE and Hq & Sv Gp each as a unit, as of 31 March, 30 April and 31 May, by 20 April, 20 May and 20 June respectively and will include the following information: Col 1 - Type of personnel (that is - Requisition, Service, Domestic or Entertainment); Col 2 - Total Number Employed During the Month; Col 3 - Total Base Pay and Allowances Paid, including Tax but excluding Overtime; Col 4 - Total Overtime Paid; Col 5 - Total Gross Amount Paid. Columns 3 thru 5 will be expressed in yen.

INFORMATION COPY

~~RESTRICTED~~
Unclassified

Unclassified
~~RESTRICTED~~

Radio from SCAP to CG EIGHTH ARMY, CG FEAF, COMNAVFE and CG Hq & Sv Gp
Contd.

Reports Control Symbol QGD-62 is assigned "Report of Overtime Employment."

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

H. E. EASTWOOD
Colonel, GSC
Assistant Chief of Staff, G-4

Staff Distribution



O RESTRICTED Q

C/

Restricted RESTRICTED

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE

CCS EX/EGW/lap

10 February 1949

FROM: SCAP

TO: DEPT OF ARMY ROUTINE

110039

C-67749

For CSCAD PG info STATE and SIGOL. Reourad

ZX 25971, 6 Oct 48; urad WCL 33002 and ourad C 66515, 23 Dec 48.

Col Johnson's TDY in Mexico City has been further extended by 30 days to 22 March 49 by GHQ FEC LO 35-8, 10 Feb 49, due to further information indicating that conference may continue until about 20 March 49 in an effort to reach an agreement. This LO also authorizes Col Johnson and Mr. Amishima, upon conclusion of conference, to proceed to Washington, D. C. on 45 days additional TDY as requested in ourad Z 36611, 17 Jan 49, except as to revised dates, and approved by urad WCL 37634, 19 Jan 49.

Govt.
LW

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

GEORGE I. BACK
Brigadier General, Signal Corps
Chief, Civil Communications Section

DISTRIBUTION: CinC, C/S, G-1, G-2, G-4, Fiscal, Govt, Econ & Sci, Diplomatic, Signal, AG-PD, CCS (Return).

NFR:

Approved by Chief of Staff 8 Feb 49.

EGWilliams on/26-6141/lap

Handling and transmission of literal plain text of this message and presence of the same classification authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, and 60-A (1) (2) of the Manual, 6 March 1946

Rest INFORMATION COPY

RESTRICTED
Restricted

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE ESS/ENEC WFM/FB/CSG/bh
DATE: 10 February 1949

FROM: SCAP

TO: DEPT OF ARMY ROUTINE

(C-67.35) For CSCAD ECON.

1. Reurad W 83549 para 1 noted.

2. a. Large yen accumulations held by commercial entrants can have been acquired only in three ways (1) proceeds of operations under SCAP license, (2) yen restitution, or (3) illegal activities. In (1) all commercial entrants are still operating under SCAP licenses which prohibit property acquisition except those necessary for purpose of license. In (2) no special restrictions are desired as per urad W 90282 and validation standards para 9. In (3) investment would be barred under para 3 of validation standards. In any or all cases potential investors are subject to SCAP requirements and also subject, as all Japanese investors, to applicable Japanese laws, such as Anti-Monopoly Law.

b. Reourad C-60475 every measure has been taken to allow JG maximum freedom of choice in validating or forbidding foreign property acquisitions and it is believed that there will be no post-treaty presumption of duress or undue influence stemming from occupation conditions. No assurance can be given here as to post treaty conditions but consider that maximum security possible is afforded by JG validation which has the same effect as any other agreement made by JG and is subject to the same contingencies.

c. No proposals as outlined yet received.

d. Present policy permits reinvestment of yen profits in existing Jap enterprises only if such investment provides add assets for the Jap enterprise and contributes to the rehabilitation of Jap economy. In addition such investors may use such yen to acquire property in Japan for the establishment of new business providing SCAP determines that the acquisition of such property is directly related to and to be used in a business undertaking in which such investor is or may be permitted to engage in Japan. Such profits would be available for reinvestment.

Handling and transmission of ~~literal~~
plain text of this message as ~~correct~~
pendence of the same classification
has been authorized by the War Depart-

23-D (3) (4), AN 580-2, 6 March 1946

RESTRICTED INFORMATION COPY
Restricted

Yant
100929

Restricted

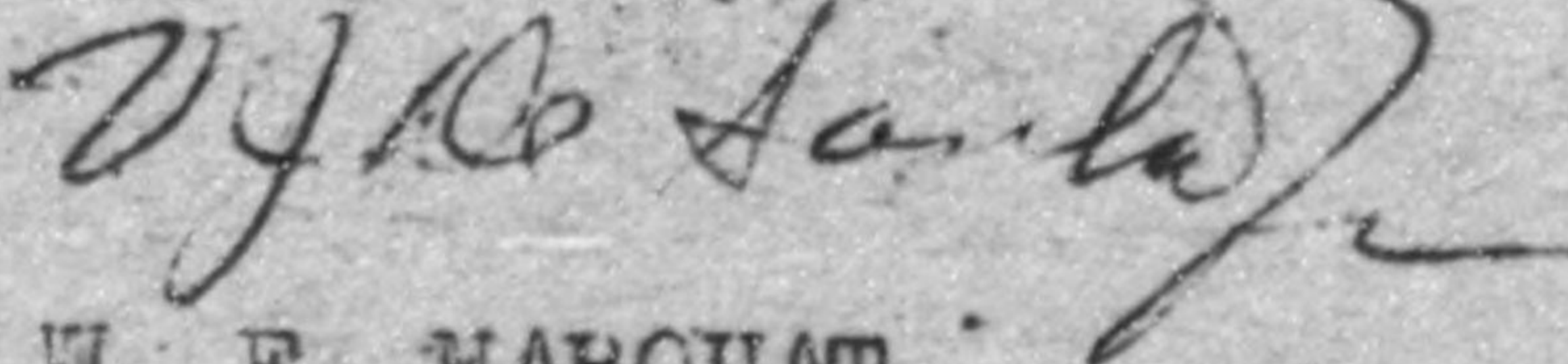
Page Two Radio from SCAP to Dept of Army, dtd 10 February 1949

in same business or in different activity contributory to objectives of economic rehabilitation providing validation from Jap Govt and SCAP obtained.

OFFICIAL:

R. H. Levy
Colonel, AGD
Adjutant General

Approved by:



W. F. MARQUAT
Major General, U.S. Army
Chief, ESS

Copies to: CinC
C/S
G-1
G-2
G-4
AG
FISCAL
GOVT
CIV I & E
LEGAL
CIV PROP CUST
ESS

Approved by Chief of Staff 9 Feb 49

WFM/FB/v1
5 February 1949

MEMO FOR RECORD:

1. Subject radio covers requests for information on program for investment in Japan. Previous record in radios is believed to be complete and questions raised have all been substantially answered previously. However, proposed answer clarifies and amplifies references to previously made.

F.B. / 1/11

Restricted

RESTRICTED



GENERAL HEADQUARTERS
FAR EAST COMMAND

57124

OUTGOING MESSAGE

GA/P&P WLK/1b

Restricted

9 February 1949

FROM: CINCFE

TO: CG MILITARY DISTRICT OF WASH . . . ROUTINE

090933

INFO: CG EIGHTH ARMY ROUTINE

CX 67717

FOR ANWGS-P PD REURMSG WCL FOUR ZERO FIVE ONE ZERO CMA

TWO FEB FOUR NINE PD CLEARANCE GRANTED GEORGE ROBERT MEANS ENTER JAPAN ONE
MARCH FOUR NINE FOR TWO MONTHS FOR PURPOSE ASSIST REORGANIZATION ROTARY CLUBS
IN JAPAN PD BILLETS IN COMMERCIAL HOTEL ON REVENUE BASIS

OFFICIAL:

APPROVED BY:

R. M. LEVY
Colonel, AGD
Adjutant General

for L.G.C.
W. A. BEIDERLINDEN
Brigadier General, GSC
Asst Chief of Staff, G-1

Copies to: CinC, C/S, G-2, G-2 CIS, AG, CI&E, GOVT SEC, ESS, ESS/TS

M/R:

1. WCL 40510, "George Robert Means, Assistant Secretary Rotary International, requests permission proceed Tokyo 1 Mar for two months assist in re-organizing Rotary clubs in Japan. Gen MacArthur knows of proposed visit. Views requested."
2. Clearance was granted for Means enter Japan previously by ourad ZX 11249, approved by C/S, 2 Jun 48. Means spent several weeks in Japan in connection with his proposed work in re-organizing Rotary Clubs.
3. a. Government Section (Gen Whitney) has no objection.
b. ESS (Lt Col Ryder) has no objection.
c. CI&E (Lt Col Nugent) has no objection.
d. G-2 CIS (Mr Wheeler) has no derogatory information on file.
4. ESS/TS (Mr Tewksbury) concurs in hotel space.
5. Approved by C/S, 8 Feb 49.

RESTRICTED COPY
G-1 P & P
Ecob (26-5926)

RESTRICTED

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE ESS/FTC WFM/FEP/AJG/MLT/bg
DATE. 9 February 1949

Restricted

Edg

FROM: SCAP

090731

TO : DEPT OF ARMY PRIORITY

PAREN **C-67712** PAREN FOR CSCAD BMP PD REURAD/WILLIAM EIGHT ZERO

EIGHT TWO ZERO PD TARE OBOE GEORGE SIX TWO DASH FOUR DASH TWO ONE FIVE CHARLIE
BAKER ANTHRACITE FOR JAPAN IS SUBJECT PD ADVISE PROCUREMENT STATUS PD
CRITICAL SHORTAGE ANTHRACITE NECESSITATES DELIVERY IN JAPAN DURING APRIL
MINIMUM ONE FIVE THOUSAND TONS PD REQUEST EVERY EFFORT BE MADE TO EXPEDITE
SHIPMENTS PD ADVISE SOONEST

OFFICIAL:

Approved by:

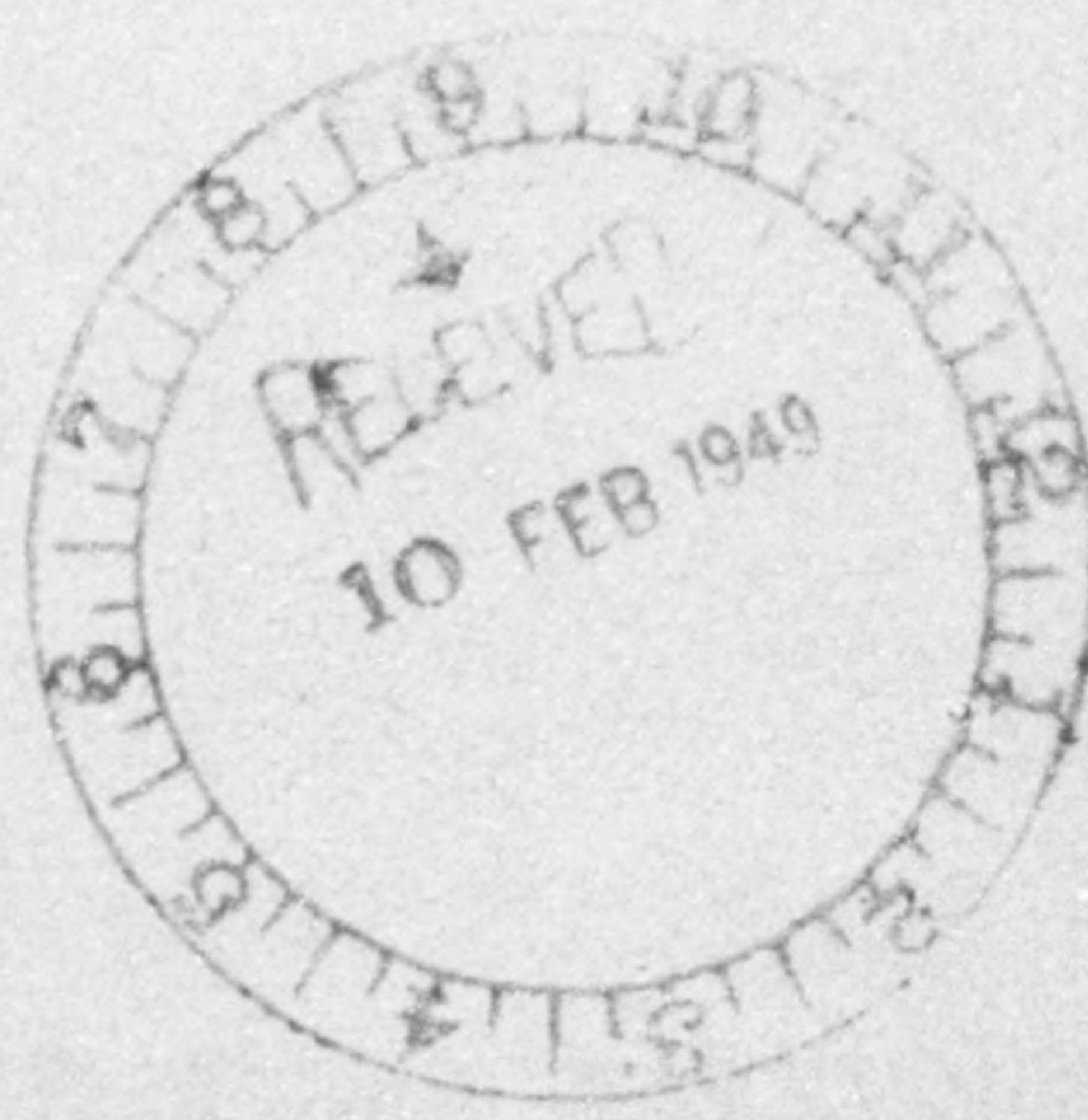
R M LEVY
Colonel, AGD
Adjutant General

W F Marquat
W F MARQUAT
Major General, U. S. Army
Chief, ESS

Copies to: CinC, C/S, G-4, AG, FISCAL, TS, GS, RYUKYUS MG, PH&W, GEN PROC,
NRS, GEN ACCTG, DS, USAFIK LO, GARIOA, ESS

handling and *Edg* revision of liberat
plain text of this message as corres-
No Memo for Record necessary - FEP
pendence
has been authorized by War Depart-
ment
visions
53-D (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) (34) (35) (36) (37) (38) (39) (40) (41) (42) (43) (44) (45) (46) (47) (48) (49) (50) (51) (52) (53) (54) (55) (56) (57) (58) (59) (60) (61) (62) (63) (64) (65) (66) (67) (68) (69) (70) (71) (72) (73) (74) (75) (76) (77) (78) (79) (80) (81) (82) (83) (84) (85) (86) (87) (88) (89) (90) (91) (92) (93) (94) (95) (96) (97) (98) (99) (100)
(3) (4) AR 380-5, 6 March 1946

RESTRICTED



INFORMATION COPY

C
GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE ESS/FIN WFM/WKL/JCS/CDY/rk
DATE: 1 February 1949

~~SECRET~~

010451

FROM: SCAP

TO: DEPT OF ARMY, ROUTINE

(C-67512). For CSCAD ECON. Re ourad May C-60546 and July C-62133, urads April WAR 99748 and September W 88599.

1. Your proposed payment plan for press messages calling for payment of 75% of Japanese carriers share in yen and 25% in acceptable currency not considered feasible here. Even with present arrangement unaffected and yen-dollar adjustments settled between Boeki-Cho and news services, as proposed, American carriers would still be required to furnish statements on which the news services would base their yen payments to Boeki-Cho and certificates specifying that such yen reflects only 75% of the Japanese carriers' share of charges for press messages sent and received by them between Japan and the United States. This would again result in additional administrative and accounting problems which American carriers have repeatedly stated they do not wish to assume.

2. Since initial action on this subject the following new circumstances have developed:

a. Opportunity of reducing out-of-pocket dollar costs by participation in the Rehabilitation Program has been offered three largest American news services.

b. Use of regular commercial radiotelegraph facilities by news agencies is now greatly exceeded by their use of short wave radiotelegraph multiaddress newscast transmission services the charges for which are on a time basis and payable in Japan in yen.

c. Dollar charges paid by U. S. news agencies to Japanese carriers averaged less than \$2000 per month for the first half of 1948 for all U. S. news services.

3. In light of above factors, it is considered advisable to retain present system of operations and no further action this matter anticipated here. Request comments.

Handling and transmission of literal
text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of

R.M. LEVY
Colonel, AGD
Adjutant General

Approved By:

W F MARQUAT
Major General, U.S. Army
Chief, ESS

53-
(2)
1946
INFORMATION COPY

Copies to:
CinC, C/S, PIO, FD, GS, ESS, CI&E, OGA, COS

~~SECRET~~

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE

ESS/FIN WFM/WKL/JCS/GPW
DATE: 29 January 1949

FROM: SCAP

TO: DEPT OF ARMY ROUTINE

290601

(C-67450 Reurad January W 82130.

1. Concerning probability of renewed requests for deposit accounts from U.S. banks interested in correspondent relations with Japanese banks it is considered impractical to allow Japanese banks to open deposit accounts abroad so long as acute shortage of foreign exchange necessitates close control of such funds by SCAP and their concentration so as to increase availability. At such time as these funds are released to Japanese authority or become sufficient for the purpose full consideration will be given to permitting Japanese banks to open deposit accounts abroad.

2. Will authorize upward of fourteen major Japanese banks designated by Japanese Government to forward for collection drafts and documents to areas designated ourad December C 66413. Will extend to other countries as rapidly as conditions permit.

3. Writing FRB NY to arrange details incident to opening SCAP commercial account for purposes stated.

OFFICIAL:

Approved by:

R M LEVY
Colonel, AGD
Adjutant General

W. F. Marquat
W. F. MARQUAT
Major General, U. S. Army
Chief, ESS

Copies to:

CC
CS
AG
FD
GS
ESS

Restricted
RESTRICTED

Handling and transmission of literal
text of this message as corres-
pondence of the same classification
has been authorized by the War Depart-
ment in accordance with the pro-
visions of War Relocation Authority, E. 53-A.

INFORMATION COPY

C

RESTRICTED

Gen Whitcomb
Exo *(signature)*
F

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE

ESS/FC

WFM/FRJG/DFR/alw

Restricted

DATE:

26 January 1949

FROM: SCAP

260559

TO : DEPT OF ARMY PRIORITY

(**C-67362**) For CSCAD. Subject is SCAP Trust Fund.

Urad W-83477 dated 9 June 1948 indicates an unexpended balance of \$1.60 from allocation for radio tubes. Ourad C-62628 dated 29 July requested additional information but figure apparently not considered in Trust Fund adjustments to date nor explanatory reply furnished.

Urad W-61786 dated 15 May indicated unused balance of \$107.91 remaining under allocation for pharmacopoeia. Ourad C-61698 dated 22 June requested information regarding non-return of unexpended balance. Para 1 urad W-84942 dated 1 July and para 3 urad WAR 85769 dated 16 July stated \$107.91 being withdrawn from technical services during July. Trust Fund balances advised to SCAP do not yet reflect this withdrawal.

Request information on final action re these allocations soonest. Also request follow up on all such items reported in future so accounts and records maintained in Tokyo may be kept current.

OFFICIAL:

Approved by:

R. M. LEVY
Colonel, AGD
Adjutant General

(Signature)
W. F. MARQUAT
Major General, U. S. Army
Chief, ESS

Copies to:

- CC
- C/S
- G-4
- AG
- FD
- TS
- CS
- PH&W
- NRS
- DS
- CARLOA
- ESS

Exo
(Signature)
F

Handling and transmission of literal plain text of this message as correspondence of the same classification ordered by the War Department in the provisions of G.O.P. 18-E, 53-A, 53-B (1) (2)

RESTRICTED

Re-**INFORMATION COPY**

C/

Restricted

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

RESTRICTED
OUTGOING MESSAGE

36/PAD CW/CLK/JPN/OH/gk
21 January 1949

FROM: SCAP

TO: DEPT OF ARMY PRIORITY

210725

(C-67247) REURAD WILLIAM EIGHT TWO NINE SEVEN EIGHT DTD ONE NINE
JANUARY ONE NINE FOUR NINE PD FOR CSCAD RA PD CONCUR IN PROPOSAL TO DECLASSIFY
REPORT ON ORGANIZATION OF JAPANESE GOVERNMENT CMA ONE JANUARY ONE NINE FOUR SIX
VOLUMES ONE AND TWO PD

OFFICIAL:

APPROVED BY:

R. M. LEVY
Colonel, AGD
Adjutant General

COURTENAY WHITNEY
Brigadier General, U. S. Army
Chief, Government Section

Copies to:

- CinC
- C/S
- AG
- ESS
- Legal Sec
- GS (Return)

GS Return

Handling and transmission of general
plain text correspondence has been
restricted in accordance with the provisions of
53-D (1) (2) (3) (4), Art 350-2, 6 March 1946

Restricted
RESTRICTED

RETURN COPY

SECRET

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
AND
FAR EAST COMMAND

OUTGOING MESSAGE

NR-F1 HGS/WCH/jw
21 January 1949

FROM: SCAP

TO: DA.....PRIORITY

210349

(C-67238) Reured W 82768 dtg 141800 Z. For CSCAD
ECON. Definite probability exists seals wintering off Japanese
coast materially affect Japanese aquatic resources. Believed
essential that information on magnitude such effect be obtained
prior to renegotiation International Fur Seal Treaty to provide
equitable consideration of factors of vital importance to the
Japanese food supply. Consequently opinion here U.S. Government
should approve fur seal project outlined in ourad C 66917 Jan 49
or carry out research required to obtain essential data. Present
operations discontinued pending establishment U.S. position. Urge
immediate action to avoid complete loss this season's operations.

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

Hubert G. Schenck
HUBERT G. SCHENCK
Lt Col CE
Chief, Natural Resources Section

Copies to:

- C-in-C
- CS
- AG
- GS
- ESS
- LS
- DS (2)
- NR Return (3)

handling and transmission of literal
corres-
communication
War Depart-
the pro-
visions of paragraphs 16-C, 18-E, 53-A,
53-D (1) (2) (3), and 60-A (1) (2)
(3) (4), AR 380-5, 6 March 1946

7

SECRET
INFORMATION COPY

~~SECRET~~

NOTE FOR RECORD:

1. Red W 82768 refers to ourad C 66917 which stated that preliminary operations are being started to conduct scientific investigations on fur seals, involving pelagic sealing, and requested that Dept of State be asked to inform USSR of proposed operations with assurance that all scientific results therefrom would be made available. Ourad C 66917 also states proposed method for disposal of surplus pelts and requests agreement be reached with Dept of State concerning this proposal.

2. Red W 82768, spells out for the first time, current U.S. policy that no pelagic sealing should be carried out prior to consultation with interested countries. This red quotes part of U.S. fur seal legislation which prohibits any citizen or national of U.S. from engaging in pelagic sealing except under scientific permit issued by Secy of Interior, and states that Secy of Interior deems issuance of permit inadvisable prior consultation with USSR. Red also states that "Any participation by U.S. citizens, etc, in proposed operations must be discontinued immediately pending consultation with Russia and U.S. Govt recommends cessation entire operation pending consultation".

3. SANACC 99/3 and 99/11 require that Japanese fishing operations should conform strictly to "the policies or rules governing specific fisheries announced by the United States".

4. Red W 82768 was discussed with Mr J. Bassin, Chief, Law Division, LS, and his comment was requested particularly concerning statement in first paragraph, "any citizen or national of the U.S., or person owing duty of obedience to the laws or treaties of the U.S. is prohibited from engaging in any phase of pelagic sealing in North Pacific Ocean except under scientific permit issued by Secy of Interior". Comment received was that, "SCAF Department of the Army employees and SCAF do owe duty of obedience to laws or treaties of the U.S. SCAF receives policy directives from JCS. Furthermore, it might be ruled that Eighth Army is the occupying unit in Japan under Far East Command, and U.S. law closes to ships carrying on pelagic sealing, any port subject to jurisdiction of U.S."

5. Above red is proposed reply to red W 82768 and states that a definite probability exists that seals wintering off Japanese Coast materially affect Japanese aquatic resources, and obtaining information on magnitude of such effect is essential prior to renegotiation of an International Fur Seal Treaty, in order to provide equitable consideration of factors of vital importance to Japanese food supply. Red also states that U.S. Govt should approve fur seal project as proposed by SCAF or carry out research required to obtain essential data, that present operations have been discontinued pending establishment of U.S. position, and urges immediate action to avoid complete loss of this season's operations.

~~SECRET~~

SECRET

~~SECRET~~

6. Rad W 82768 and proposed reply were discussed with Gen Whitney, Chief, GS, 17 Jan 49, and verbal concurrence was given to Lt Col Schenck, Chief, NR, at that time.

7. All operations involving SCAF pelagic sealing have been suspended pending establishment of U.S. position.

8. Concurrences: DS (W. J. Sebald) per telephone conversation with W. C. Herrington, 1530, 18 Jan 49.

LS (A. C. Carpenter)

9. radio message approved by the Chief of Staff on 20 Jan 49.

W.C.H. _____ 26-8291

~~SECRET~~

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

Sanchez

OUTGOING MESSAGE
ESS/EX WFM/WTF/neh
DATE: 11 Jan 1949

Restricted

FROM: SCAP

110201

TO: DEPT OF ARMY.....PRIORITY

(**C-66972** For CSCAD ECON. Reurad W 82460. Subject is foreign business and investment program. This radio in four parts.

Part 1. Change suggested in your part 1.a. will be accomplished. However, to forestall numerous inquiries regarding yen earning conversion policy it is desired to retain "as is" next to last paragraph of press release referenced in your part 1.b. Consider this statement important to general issue.

Part 2. This confirms new release time of 1330 hours Tokyo time 14 January 1949.

Part 3. a. All foreign firms desiring to engage in business involving receipt of foreign exchange or dissemination of information and cultural material in Japan will require separate SCAP licenses as heretofore. General purposes of such license are to insure adequate supervision over foreign exchange so acquired and to preclude dissemination of material dissonant with occupation objectives. At present 117 individuals or firms are licensed, of which 58 are engaged in information and cultural activities and 59 in service or other activities involving transactions of foreign exchange in Japan. Licensing requirements for these firms will not be changed. Consideration being given to revision of licenses in the near future to simplify terms thereof.

b. No separate announcement regarding conversion of earnings is anticipated in connection with the investment program. Plans are under consideration here for establishment of exchange control authority and limited retention of foreign exchange. Appropriate information will be forwarded at the earliest practicable date but will not be integrated into initial statements on investment policy.

Part 4. Copies of circular, directive and regulations will be forwarded as requested.

OFFICIAL:

F. M. LEVY
Colonel, AGD
Adjutant General

handling and plain text
pendence
has been
ment in
53-D (1) (2)
(3) (4), AR
Approved by: *H. J. Marquat*
18-E, 53-A
E. F. MARQUAT
Major General, U. S. Army
Chief, ESS

RESTRICTED

Copies to:

Approved by C/S 1/10/49.

CinC, C/S, G-2, G-4, G-1, Fiscal, GS, CIE, IS, CEC, ESS

INFORMATION COPY

Restricted

Sanchez

RESTRICTED
 GENERAL HEADQUARTERS
 SUPREME COMMANDER FOR THE ALLIED POWERS

Gen. Whitcomb

OUTGOING MESSAGE

ESS/RP WFM/KDM/FG/CSS/LH/sj
 DATE: 8 January 1948

FROM: SCAP

Restricted

TO : DEPT OF ARMYPRIORITY

080 307

C-66908) For CSCAF ECON.

Reurad WAR 97108, dated 6 March 1948, Import-Export Reports under Reports Control Symbol CSCAF-11, reports on CCC cotton is subject. Advance report for November 1948 herewith, showing estimated dollar values for November 1948 and cumulative dollar values from 1 Jan 48 thru 30 November 48.

A. New stock sales contracts validated:

November 1948	8,149,662
Jan thru November 1948	114,995,291

B. New stock shipments from Japan:

November 1948	10,987,483
Jan thru November 1948	97,877,002

Cumulative figure for shipments January thru November includes revisions for data prior to the current month. Detailed data on quantities and value, by commodity and country, will be forwarded via air mail.

OFFICIAL:

Approved by:

R M LEVY
 Colonel, AGD
 Adjutant General

W F Marquat
 W F MARQUAT
 Major General, U. S. Army
 Chief, ESS

COPIES TO:

- ESS Civ Comm
- CinC Fiscal
- CS GS
- G-1 SRS
- G-4 OGA
- AG DS
- CPC GARIOA



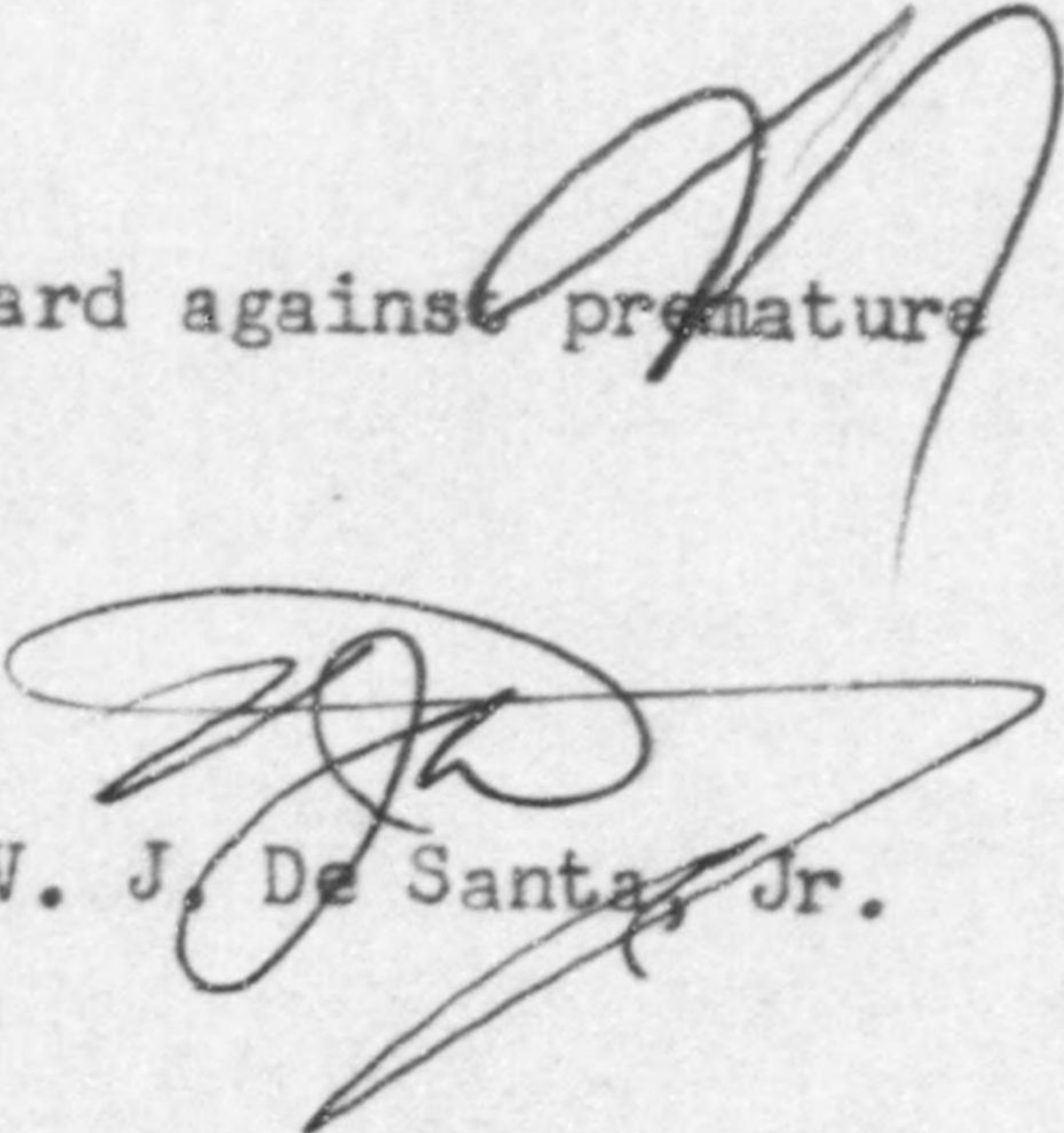
KDM/FG/CSS/LH/sj
 6 January 1949

No memo for record necessary

RESTRICTED
 (4), AR 38045, 6 March 1946
 (2) (3), and 60-A (1) (2)
 16-C, 18-E, 53-A,

INFORMATION COPY

Please guard against premature
release.


V. J. De Santa, Jr.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE ESS/EX WFM/MHH/mm
DATE: 1 Jan 49

FROM: SCAP

Restricted

TO: DEPT OF ARMY.....ROUTINE

(C 66770) For CSCAD ECON. Reurad W 90202, subject is Foreign Business and Investment Program.

1. The Part III urad policy will be put into effect 12 January 1949. Press release which will be issued at 1330 hours Tokyo time 12 January 1949, follows in paragraph 3 below. There is no objection to simultaneous release in Washington. Relevant regulations will be airmailed upon publication.

2. Basic policies indicated in urads W 55963 and W 90282 governing investments will be announced later in the form of minimum standards for validation of property acquisitions by non-Japanese and foreign controlled firms.

3. Press Release:

A new SCAP Circular and SCAP directive to the Japanese government issued this morning broaden the scope of business activities permitted foreigners and allow limited investment and acquisition of business properties where they contribute to Japanese economic rehabilitation.

"This action constitutes another step towards the restoration of Japan's normal international economic relationships and hastens the achievement of self-supporting economy", SCAP officials said.

The new regulations place post-war commercial entrants on an equal footing with non-Japanese who have been continuously resident in Japan since September 2, 1945 and, except for property transactions, on an equal and non-discriminatory basis with Japanese nationals and firms.

Only those foreign concerns which receive foreign currency or exchange in Japan or disseminate information and cultural materials still must obtain a license from SCAP to conduct business here. For other non-Japanese or foreign controlled firms which have been permitted entry, a simple SCAP permission to engage in a specific activity now will suffice, with no special continuing restrictions thereafter. In the case of entrants who are entitled to restitution of prewar interests, even this permission is not required to resume prewar activity. However, if they wish to undertake

Restricted

Restricted

Page 2 Radio from SCAP to Dept of Army

new lines of business activity, they, like the postwar entrants launching business in Japan for the first time, must obtain SCAP permission to conduct such activity in Japan. Criterion for permission is solely whether the activity would improve Japan's foreign exchange position or otherwise aid in its economic rehabilitation.

As an essential part of the expanded business program, postwar entrants now may acquire or lease residential properties for their own bona fide individual full or part-time use without SCAP approval on the same basis as Japanese. Acquisition of chattels or commodities and short term business leases also require no special validation and are permitted subject to Japanese law and applicable SCAP regulations.

However, Japanese real estate acquired by any non-Japanese or by a foreign-controlled firm for business purposes, either by purchase or long-term lease, will require validation by both SCAP and the Japanese government or the transaction will be void. Effective today this requirement applies not only to commercial entrants but to acquisitions made by all foreign nationals and firms owned or controlled by them, it was pointed out.

SCAP and Japanese government validations also will be required for the acquisition of property interests in the following categories: stocks and shares; rights to a portion of the profits, sales or output of a Japanese firm; patents of Japanese origin and rights thereunder, and options or other agreements to acquire such interests.

Japanese government validations will be freely determined by the Japanese government itself, which if it wishes to permit an acquisition or lease will have to certify to its economic desirability and to the absence of duress, fraud or undue influence assignable in any way to the Occupation.

Decisions on SCAP validations will be recommended by a newly established seven-man Foreign Investment Board, headed by Major General W.F. Marquet Chief of SCAP's Economic and Scientific Section, to insure their conformance with Occupation policies. Minimum standards governing SCAP validations will be announced shortly, it was indicated.

The SCAP circular warns prospective foreign business men and investors of shortages of materials, facilities and services in present-day Japan, and notes that permission to do business does not constitute the right to any special allocation of materials. Similarly, foreign business men must obey Japanese laws, particularly economic control legislation.

"The directive to the Japanese government requires the removal of existing discriminatory legislation against foreign business enterprises", SCAP officials explained. They added, "Non-discrimination has to be a two-way street, with equality of opportunity a plain fact for all business men,

Restricted

Restricted

Page 3 Radio from SCAP to Dept of Army

Japanese or foreign, if there is to be no post-treaty challenge to business transactions or arrangements concluded during the Occupation. SCAP officials further indicated that the Japanese government is undertaking revision of the corporation tax laws of Japan as a concomitant measure towards encouraging foreign investment.

For the time being, loans repayable in foreign exchange and conversion of yen returns on business or investment activity will not be permitted.

Occupation personnel still are prohibited from engaging in business here, it was emphasized.

OFFICIAL:

Approved by:

H. M. LEVY
Colonel, AGD
Adjutant General

W. F. Maquart
W. F. MAQUART
Major General, U.S. Army
Chief, ESS

Copies to:

CinC
C/S
G-2
G-4
AG
Fiscal
Govt Sec
CI&E
LS
CPC
G-1
ESS

Restricted