

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

Description of contents

- (1) Box no. 212
- (2) Folder title/number: (38)
430.42
- (3) Date: Jan. 1950 - May 1950

(4) Subject:

Classification	Type of record
611, 631	e, m, n

(5) Item description and comment:

(6) Reproduction: Yes No

(7) Film no. _____ Sheet no. _____

S E C R E T

430.2

BOOK 2

LINE 99

TO
LINE 323

S E C R E T

775009

GENERAL HEADQUARTERS
FAR EAST COMMAND
CHECK SHEET

430.2
3677

(Do not remove from attached sheets)

Col Ammons 57-8589

File No:

Subject: Occupation Patronage at Local Restaurants

Note No.

From: Hq Comdt

To: G-1

Date: 5 May 1950

4

1. Concur in comments made in C/N 2 and C/N 3.

2. Paragraph 3, C/N 3, from Medical Section, GHQ, concerning the feasibility of inspecting and supervising sanitation in selected eating establishments is particularly important and expresses the opinion of this headquarters. In addition, the shortage of medical officers makes it mandatory that all establishments be avoided where the possibility of contamination exists in the slightest degree.

3. Recommend:

a. No change in the provisions of SCAP Cir 23, as related to restaurants until PH&W, SCAP determines the effectiveness of the grading system.

b. The two restaurants mentioned in C/N 1 or any other restaurants not be removed from the category of "Off Limits" at the present time.

----- *W. L. W.* -----

see para 20, SCAP Cir 20, 1950.

NFA - 5011



109

GENERAL HEADQUARTERS
~~WEST~~ EAST COMMAND
 SUPREME COMMANDER FOR THE ALLIED POWERS
CHECK SHEET

(Do not remove from attached sheets) Dr. Beechwood 26-6149

File No:

Subject: Occupation Patronage at Local Restaurants

Note No. 2 (cont'd)	From: PH&W	To: Med Hq Comdt	Date: 22 April 1950
<p>2. When evidence has shown that the grading of restaurants is proving effective in reducing health hazards to a minimum, then PH&W will consider the feasibility of a change in the provisions of SCAP Cir 23 as it relates to restaurants.</p>			

C. F. S.

From: Medical Section To: Hq Comdt

Lt Col Long 26-8024
Date: 28 April 1950

1. The Medical Section concurs in the comments made by Public Health and Welfare Section in C/N 2.

2. Paragraph 14 a (1) SCAP Cir 23, as interpreted in the Medical Section, authorizes local commanders to place selected eating establishments on limits to occupation personnel. If this interpretation is correct, it appears that CG, Headquarters and Service Group, could take such action in Tokyo. Such an action, however, clearly indicates the approval of such establishments by the commander concerned. In view of the comments presented in C/N 2, there appears to be little basis for making such approvals at this time.

3. It is emphasized that it is not feasible for military authorities to supervise or even to inspect initially the number of eating establishments in a metropolitan area such as Tokyo which might desire approval. It is considered undesirable to establish a precedent through inspection or supervision of even a limited number of such establishments.

R. E.

- R. H. E. -

2406

3873

**GENERAL HEADQUARTERS
FAR EAST COMMAND
CHECK SHEET**

(Do not remove from attached sheets) Lt Col Metcalf/bs 26-6356

File No:

Subject: Occupation Patronage at Local Restaurants

Note
No.

From: G-1

To: PH&W

Date: 18 April 1950

Med (in turn)
Hq Comdt

1

1. It has been suggested that certain restaurants in the Tokyo and Yokohama areas which were well known prior to 1941 by Occidental tourists be permitted to reopen on a yen basis to the general trade. Patronage would be on a personal risk and choice basis generally as is presently the policy with respect to consumption of indigenous foods. Some specific restaurants cited were the Hamacho no Hgnacho and Ketel's.

2. Because of the luxury nature of certain of the higher type restaurants, there would be practically no impact on the Japanese economy nor on the normal food serving outlets if selected restaurants were removed from the "off limits" category as outlined in SCAP Cir 23. If sanitary conditions were met, additional recreational outlets would be available to occupation personnel without undue risk.

3. Your comments and recommendations are requested as to the feasibility of removing from the "off limits" category the two restaurants cited above as well as any other specific ones enjoying a reputable culinary standing.

RWA
W.A.B.

2. From: PH&W

To: Med
Hq ComdtDr. Beechwood 26-6149
Date: 22 April 1950

1. PH&W has very recently initiated a sanitary grading system of all food establishments according to sanitary standards for promulgation and enforcement by the Japanese Ministry of Welfare. Restaurants have and always will possess additional health hazards not normally associated with retail food outlet stores. The retail food outlet stores formerly established under SCAP Cir 20 required constant supervision and enforcement of the sanitary standards in order for them to meet the necessary requirements. It would require the same type of enforcement program for restaurants until such time that the sanitary standards could meet the requirements necessary in keeping health hazards to a minimum. Until such time as the effectiveness of the grading system can be evaluated, PH&W recommends no change in the provisions of SCAP Cir 23 as related to restaurants.

(30) 3144

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
AND
FAR EAST COMMAND
Office of the Chief of Staff

Date: 24 Apr 1950

MEMORANDUM TO: G-1

1. Reference attached C/N, transmitted by G-1 for CofS signature.
2. The content of referenced C/N was transmitted by CofS C/N to ESS dated 22 April 1950, subject: "Liquor Sales to Individuals in Japan."

M/R There was no indication that C/S appud
C/N to ESS had ever been dispatched;
therefore submitted to C/S in final
form for initials.

Above info states C/N had been
dispatched.

File -

Bill 2.

JHM for
JOHN H. CHILES
Lt. Colonel, GSC
Secretary of the General Staff

78

43012 3194

Subject: Radio D 90367 YO, Eighth Army



[Handwritten signature]
1-1
H. J. [unclear]

From: G-1

To: JA

Lt Col Reed/11 26-5937
24 April 1950

2

For necessary action as approved by C/S 22 April 1950 (as amended).

2 Incls
n/c

-----W.A.B.-----

M/R: C/S approved ppsd radio (copy attached, amended by C/S) 22 Apr 50.
reference: C/N 1 To C/S, dtd 12 Apr 50, subj: Liquor Sales to
Individuals in Japan.

98°

D R A F T

GENERAL HEADQUARTERS
FAR EAST COMMAND

OUTGOING MESSAGE

JA GWH/HDS/dk

UNCLASSIFIED

10 April 1950

FROM: CINCFE TOKYO JAPAN

TO: CG EIGHTH ARMY YOKOHAMA JAPAN ROUTINE

Urmsg D 80367 YO. Pacific Stores, Osaka, has not had, and does not now have, license to sell any merchandise to occupation force personnel. Application therefor presently being processed. If granted, license will exclude liquor sales to individual ^{Uninformed} United States ^{Armed} occupation force personnel subject to such modifications as may be made by the United States occupation force commander of the area concerned. In case of violation of terms of license individual establishments may be placed "Off Limits" and report of violation made to this headquarters.

OFFICIAL:

APPROVED:

K. B. BUSH
Brigadier General, AGD
Adjutant General

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

Copies to:
G-1
AG

D R A F T

98 April 2

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Lt Col Reed/11 26-5937

Liquor Sales to Individuals in Japan

C/S

ESS

24 April 1950

1

1. In order to preclude commercial entrants from selling liquor to U. S. military members of the Occupation as individuals, it is desired that ESS review licenses presently granted to commercial traders and that all licenses which could be interpreted to include authority to sell liquor be amended with a paragraph reading essentially as follows:

"Sale of intoxicating liquor (beer, wine, or liquor containing more than 3.2% alcohol by weight to uniformed U. S. Armed Forces personnel (exclusive of sales to occupation force clubs or other organized and officially recognized groups) in Japan is prohibited except in such areas where specific written permission for the sale thereof to designated military personnel is obtained from the occupation forces commander concerned."

3. A restriction similar to that contained in para 1, above, will be incorporated in any future authorizations for individuals to engage in business activities with occupation personnel.

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

M/R: C/S approved this C/N on 22 Apr 50, reference: C/N 1 to C/S dtd 12 Apr 50, subject "Liquor Sales to Individuals in Japan".



Handwritten signature or initials.

98

D R A F T

Subject: Liquor Sales to Individuals in Japan

From: C/S

To: ESS

Date:

1. In order to preclude commercial entrants from selling liquor to U. S. military ~~and civilian~~ members of the Occupation as individuals, it is desired that ESS review licenses presently granted to commercial traders and that all licenses which could be interpreted to include authority to sell liquor be amended with a paragraph reading essentially as follows:

"Sale of intoxicating liquor (beer, wine or liquor containing more than 3.2% alcohol by weight) to ^{uniformed armed} U. S. ~~Occupation~~ forces personnel (exclusive of sales to occupation force clubs or other organized and officially recognized groups) in Japan ^{is} ~~are~~ prohibited except in such areas where specific written permission for the sale thereof ^{to} ~~through~~ designated ^{military} ~~occupation force~~ personnel is obtained from the occupation forces commander concerned."

2. A restriction similar to that contained in para 1, above, will be incorporated in any future authorizations for individuals to engage in business activities with occupation personnel.

E. M. A.

E. M. A. -----

Concurrences:

JA *est*

LS *am*
(For legality and verbiage only)

IG *Col M. A. ...*

WTS

CHIEF OF STAFF
APPROVED
INITIALS
4/22/48
E. M. A.

12/7
48-21

08/5

GENERAL HEADQUARTERS

FAR EAST COMMAND

Lt Col Reed/va 26-5937

CHECK SHEET

(Do not remove from attached sheets)

3194

File No:

Subject: Liquor Sales to Individuals in Japan

Note
No.

From: G-1

To: C/S

Date: 12 April 1950

1

1. As a step in regulating the sale of intoxicating liquor (beer, wine or liquor containing more than 3.2% alcohol by weight) to individuals, it is considered desirable to amend present SCAP licenses granted to commercial entrants and to restrict future authorization to conduct business in Japan with occupation personnel in such a manner as will preclude these commercial entrants from selling liquor to individual U.S. occupation personnel.

2. The plan visualized would in no way affect the privilege of clubs or other organized and officially recognized groups not otherwise restricted by the commander in the areas in which they are located, from purchasing liquor from properly authorized commercial entrants, nor will it affect the sale of liquor to non-occupation personnel.

3. This proposal to prevent sales of liquor to individuals is supported by the membership of the GHQ Character Guidance Council. DA Cir 231, 3 Aug 48 (Tab D) states in part:

"In pursuit of the objectives of Character Guidance, Commanders will * * * * establish adequate controls on the sale of liquor."

4. Attached as Tab B is a C/N from JA to G-1 regarding 8th Army radio D 80367 YO (Incl 1 to Tab B). This radio quotes an inquiry received from CG, 25th Inf Div as to whether the franchise granted Pacific stores, Osaka, permits sales of whiskey and intoxicants to occupation force personnel. It further recommends that the franchise be amended to exclude such sales. JA, GHQ, has prepared a proposed radio reply (Incl 2 to Tab B) to 8th Army which states that Pacific stores, Osaka, have not been granted a license to sell any merchandise to occupation force personnel, that an application therefor is presently being processed and that, if granted, the license will preclude liquor sales to individual U. S. occupation force personnel.

5. Recommend approval of:

- a. Proposed C/N from C/S to ESS (Tab A).
- b. Proposed radio to 8th Army (Incl 2 to Tab B).

5 Incls

Tab A - Ppsd C/N fr C/S to ESS, *subj as above*
 Tab B - C/N 1 fr JA to G-1 w/2 incls
 Tab C - Memo to Gen Hickey fr JA w/2 incls
 Tab D - DA Cir 231, 3 Aug 48
 Tab E - SCAP Cir 22

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08/5

21 April 1950

3194

MEMORANDUM FOR: Deputy Chief of Staff, FEC

SUBJECT : Liquor Sales to Individuals in Japan

1. Non-concur.

2. It does not appear wise to invoke the unusual powers which SCAP holds here over commercial entrants, and over the Japanese, in order to further military discipline control or Character Guidance programs. The traditional position of the SCAP side of this command on proposals of this nature is set forth in ESS C/N, 19 Apr 50.

3. In the event it is decided to take the proposed action, suggest that it apply only to personnel of the uniformed services.

G. V. K.
G. V. K.



GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

CHECK SHEET

(Do not remove from attached sheets)

File No.:

Subject: Liquor Sales to Individuals in Japan

Note No.:

From: ESS

To: C/S

Date: 19 April 1950

2

1. References are:

a. C/N to C/S from G-1, subject: Sale of Intoxicating Liquors and Tobacco Products by Commercial Entrants, dated 19 July 1949.

b. C/N from FIB to G-1, same subject as above, dated 7 August 1949.

Review of the above cited check notes indicates that the proposed action has been considered at an earlier date and rejected by the headquarters. The controlling factors dictating disapproval upon previous consideration continue to exist and it is strongly recommended that no such action as amending licenses to prohibit sale of intoxicants to Occupation personnel be approved.

2. The following comments are offered:

a. It reflects an additional restriction upon business concerns in Japan at a time when stated headquarters policy is directed toward relaxation of such controls. The proposed action would affect Occupation personnel other than military and could be unduly restrictive upon them.

b. To deny Occupation personnel the privilege of legal purchases from authorized retail outlets would drive soldiers toward illicit channels and would influence against rather than for character guidance. The tendency to develop a black market based on Occupation trade which does not now exist would be developed.

c. There is under consideration at present an overall staff study governing future operations of foreign retail outlets in Japan. If this study is approved, requirements for SCAP control over the outlets will be terminated and appropriate Japanese taxes applied to imported liquors. The liquor tax averages 900 yen per fifth of a gallon and should have the effect of containing Occupation personnel within their own sources of supply without requiring introduction of separate SCAP regulations to achieve such end.

3. The inherent worth of the objectives of the Character Guidance Program is fully recognized but it is reiterated that character is not strengthened by the invocation of measures penalizing a legitimate business rather than the individual concerned with the moral turpitude issue. The proposed action would be tantamount to an admission that a well disciplined military enclave cannot exist in a normal national economic society.

4. The proposed inclusion of all Occupation personnel in the prohibited category appears to go beyond the intent of referenced DA Circular which is aimed primarily at soldiers and designed to discharge an especial obligation

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

CHECK SHEET

(Do not remove from attached sheets)

File No.:

Subject: Liquor Sales to Individuals in Japan

Note No.:

From: ESS

To: C/S

Date: 19 April 1950

2
(Cont'd)

to the "parents of the youthful soldier." It would, therefore, be difficult to defend and unwarrantedly broad. Occupation personnel are defined in other regulations (e.g. SCAP Circular #4) as all persons in Japan on official business who are on duty with, attached to, or associated with governments or official or quasi-official agencies thereof which are accredited or affiliated with SCAP, and dependents thereof. It is inconceivable that the application of the proposed restriction to all persons would be necessary to accomplish the desired objective and, therefore, complicated interpretations would have to be provided to cover the intent of the regulation to preclude objections which would certainly be raised by personnel not properly affected thereby.

5. In light of all considerations, it is recommended:

a. That the proposed amendment to licenses be not required.

b. That the CG, 8th Army, be advised that the Pacific Stores does not now have license to sell any merchandise to Occupation personnel.

7 Incls:

5 Incls n/c

2 Incls added

Tab F C/N G-1 to C/S

Tab G C/N FIB to G-1

W.F.M.
W.F.M.

C O P Y

Major Rousseau
26-5927Sale of Intoxicating Liquors and Tobacco
Products by Commercial Entrants

G-1

C/S
Thru: FIB

19 July 1949

1. 1. The FEC Character Guidance Council has recommended that SCAP Circular 1, 1949, subject: Private Commercial Entrants, be amended to prohibit the sale of intoxicating liquors and tobacco products by commercial entrants to occupation personnel. (Tab A).
2. Licenses issued to commercial companies, such as Williams International Inc. (Tab B), authorized these firms to engage in the business of importing food stuffs, clothing, and other commodities and wholesaling and retailing them to such persons and organizations as are authorized and have legal access to acceptable foreign exchange, including occupation force agencies and personnel. These licenses are restricted only in that the importation of such items are subject to the tariffs of Japan.
 - b. ESS letter, file 012.2 (7 Jul 49 ESS) to the Minister of Finance, subject: Applicability of Customs and Internal Taxes to Non-Occupation Imports, instructs the Japanese Government to levy customs duty on tobacco products and to continue the present suspension of tariff and internal tax application to liquor products until such time as the Customs Laws have been revised. (Tab C).
 - c. In compliance with para 4-d Section I, Cir. 231, Department of the Army, 3 August 1948, directing the establishment of adequate controls on the sale of liquor, GINCFE letter, file AG 435 (31 Dec 48)GA, dated 31 Dec 1948, subject: "Controls on the Sale and Consumption of Intoxicating Liquor," to major commands prescribed controls for the FEC. (Tab D). Paragraph 3-c of this letter states, "To the fullest extent permitted by local conditions, all sales of liquor to personnel under military control will be restricted to sales made by authorized procurement groups or clubs. Local purchases of intoxicating liquor through other than Army controlled agencies will be discouraged."
3. a. Since there is currently no prohibition or even a protective tariff imposed upon the importation and sale of intoxicating liquor by commercial entrants or firms, to occupation force personnel, G-1 feels strongly that over-the-counter sales of intoxicating liquor to military personnel can only result in an adverse moral influence. Further, the importation and sale of intoxicating liquor is a contradiction to the Character Guidance Program initiated by the Department of Army and implemented by FEC letter. (Tab A).

Major Rousseau
26-5927

Sale of Intoxicating Liquors and Tobacco
Products by Commercial Entrants

G-1

C/S
Thru: FIB

19 July 1949

1
Cont'd

b. Business firms are permitted to engage in business in Japan for the furtherance of the occupation mission and the economic rehabilitation of Japan. It appears to G-1 that the sales of intoxicating liquors and tobacco products to occupation force personnel would not contribute to either of these. While, undoubtedly, it would be a source of lucrative profits to individuals with ulterior motives, it is not in consonance with Department of Army regulations, nor the Character Guidance Program as a whole.

c. A prohibitive tariff would, to some extent, preclude any volume of sales of liquor and tobacco products, however, would not preclude sales of liquor to those individuals desiring same. G-1 feels that adequate sources of these items, for authorized individuals, are provided from occupation force facilities through the medium of Post Exchanges and occupation forces clubs.

d. Paragraph 4 of the licenses issued to commercial firms (Tab B) to engage in business in Japan authorizes amendment or revocation of the license, with or without notification to licensee, by SCAP whenever in his judgement the interest of the occupation or military necessity requires such action.

4. Recommend that:

a. A prohibition against sales of tobacco products and intoxicating liquors to occupation force personnel by commercial entrants be incorporated into the revision of SCAP Circular 1, currently under consideration.

b. Licenses already issued to commercial entrants authorizing sales to OEP be amended to incorporate prohibition of the sale of intoxicating liquors and tobacco products to occupation force personnel.

c. Any additional licenses issued to commercial concerns authorizing sales to occupation force personnel include the prohibition against the sale of intoxicating liquors and tobacco products.

4 Incls

- Tab A - Minutes of Meeting
- Tab B - License for Williams International, Inc.
- Tab C - ESS Letter to Minister of Finance
- Tab D - CINCFE ltr, AG 435 (31 Dec 48)GA

----- W.A.B. -----

(C O P Y)

WFM/lf
General Marquat 26-6458Sale of Intoxicating Liquors and Tobacco
Products by Commercial Entrants

FIB

G-1

7 August 1949

2

1. SCAP Circular 1, 1949, subject: Private Commercial Entrants, already prohibits (paragraph 12) all commercial transactions with Occupation Force agencies or personnel except by specific written authority. This general prohibition is recommended for retention in the proposed revision of this Circular being submitted to the Chief of Staff by separate communication. The insertion of any more limited or special prohibition in the Circular, as recommended by paragraph 4a of check note 1, would therefore be unnecessary, duplicatory and inappropriate.

2. Recommendations in paragraphs 4b and c of check note 1 propose indirect control over Occupation personnel through control over non-occupation civilian facilities. It is believed that this general approach is untimely when every effort is being made to relax SCAP controls over the Japanese economy. In addition, these recommendations contain seriously objectionable features as follows:

a. Any retroactive modification of licenses or regulations on the basis of which financial commitments have been made and which would cause licensees financial loss would be subject to justifiable criticism. It is noted that the licenses already issued had in each case received full staff coordination, including G-1 concurrence or non-objection, prior to issuance. I spoke personally to G-1 on the question of selling liquor to soldiers and at that time he considered such control impractical.

b. Far Eastern Commission policy as communicated to SCAP directs non-discrimination between foreign and Japanese firms. SCAPIN 1968, subject: Business Activities of Non-Japanese in Japan, dated 14 January 1949, further directs the Japanese Government to eliminate discriminatory treatment as between foreign and Japanese firms. A prohibition against foreign firms selling intoxicating liquor to Occupation personnel, while permitting Japanese retail outlets to do exactly the same thing, would constitute discriminatory treatment which would be difficult to justify.

3. If any control over Occupation personnel purchase of liquor or tobacco is deemed advisable, it should be issued as such directly. In that event, since licensees are obligated to conform with applicable regulations, it would be proper to notify each licensee of such prohibition and his obligation thereunder.

4. Character guidance of enlisted personnel is a most worthy objective. Regardless of any laws which may be promulgated on the subject, as long as a nearby supply exists (e.g. Japanese liquor, locker-funds, case sales),

C O P Y

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(C O P Y)

Sale of Intoxicating Liquors and Tobacco
Products by Commercial Entrants

FIB

G-1

7 August 1949

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(cont'd)

Occupation personnel will manage to acquire liquor, and the close of legal channels would merely drive this practice into illicit channels, with resulting bootlegging and blackmarketing and their attendant crimes, as witnessed by our national experience with Prohibition. In the case of the licensed retail outlets, if Occupation personnel were prohibited from direct purchase, it would be naive to expect that they would not purchase through commercial entrants and foreign nationals. Encouraging bootleg patronage is not conducive of character development.

5. The proposed inclusion of all Occupation personnel in the prohibited categories would be difficult to defend. Occupation personnel are defined in other regulations (for example, SCAP Circular 4, 1949) as all persons in Japan on official business who are on duty with, attached to, or associated with governments (other than the Japanese Government) or official or quasi-official agencies thereof which are accredited to or affiliated with the Supreme Commander for the Allied Powers, and dependents of any such persons. It is inconceivable that application of the proposed restrictions to all such persons is necessary to accomplish the objective, and it is certain that strenuous objections will be raised by the representatives of other governments.

6. No clear indication is given in check note 1 as to reasons for restricting tobacco sales by licensed retail outlets to Occupation personnel. The Japanese tariff on imported cigarettes of 355 per cent ad valorem is now being applied, raising the price of a carton of cigarettes at licensed retail outlets to about \$4.00, compared with \$.90 at the Post Exchange and \$1.40 (or \$3.88) on the Japanese black market according to informal advice of FEC Provost Marshal Section. No possibility of feeding the cigarette black market by sales to Occupation personnel at these prices appears to exist and no special restraint of any kind with respect to licensed outlets on tobacco products would appear to be necessary.

4 Incls
n/c

(C O P Y)

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Lt Col Reed/va 26-5937

Liquor Sales to Individuals in Japan

G-1

C/S

12 April 1950

1

1. As a step in regulating the sale of intoxicating liquor (beer, wine or liquor containing more than 3.2% alcohol by weight) to individuals, it is considered desirable to amend present SCAP licenses granted to commercial entrants and to restrict future authorization to conduct business in Japan with occupation personnel in such a manner as will preclude these commercial entrants from selling liquor to individual U.S. occupation personnel.

2. The plan visualized would in no way affect the privilege of clubs or other organized and officially recognized groups not otherwise restricted by the commander in the areas in which they are located, from purchasing liquor from properly authorized commercial entrants, nor will it affect the sale of liquor to non-occupation personnel.

3. This proposal to prevent sales of liquor to individuals is supported by the membership of the GHQ Character Guidance Council. DA Cir 231, 3 Aug 48 (Tab D) states in part:

"In pursuit of the objectives of Character Guidance, Commanders will * * * establish adequate controls on the sale of liquor."

4. Attached as Tab B is a C/N from JA to G-1 regarding 8th Army radio D 80367 YO (Incl 1 to Tab B). This radio quotes an inquiry received from CG, 25th Inf Div as to whether the franchise granted Pacific stores, Osaka, permits sales of whiskey and intoxicants to occupation force personnel. It further recommends that the franchise be amended to exclude such sales. JA, GHQ, has prepared a proposed radio reply (Incl 2 to Tab B) to 8th Army which states that Pacific stores, Osaka, have not been granted a license to sell any merchandise to occupation force personnel, that an application therefor is presently being processed and that, if granted, the license will preclude liquor sales to individual U. S. occupation force personnel.

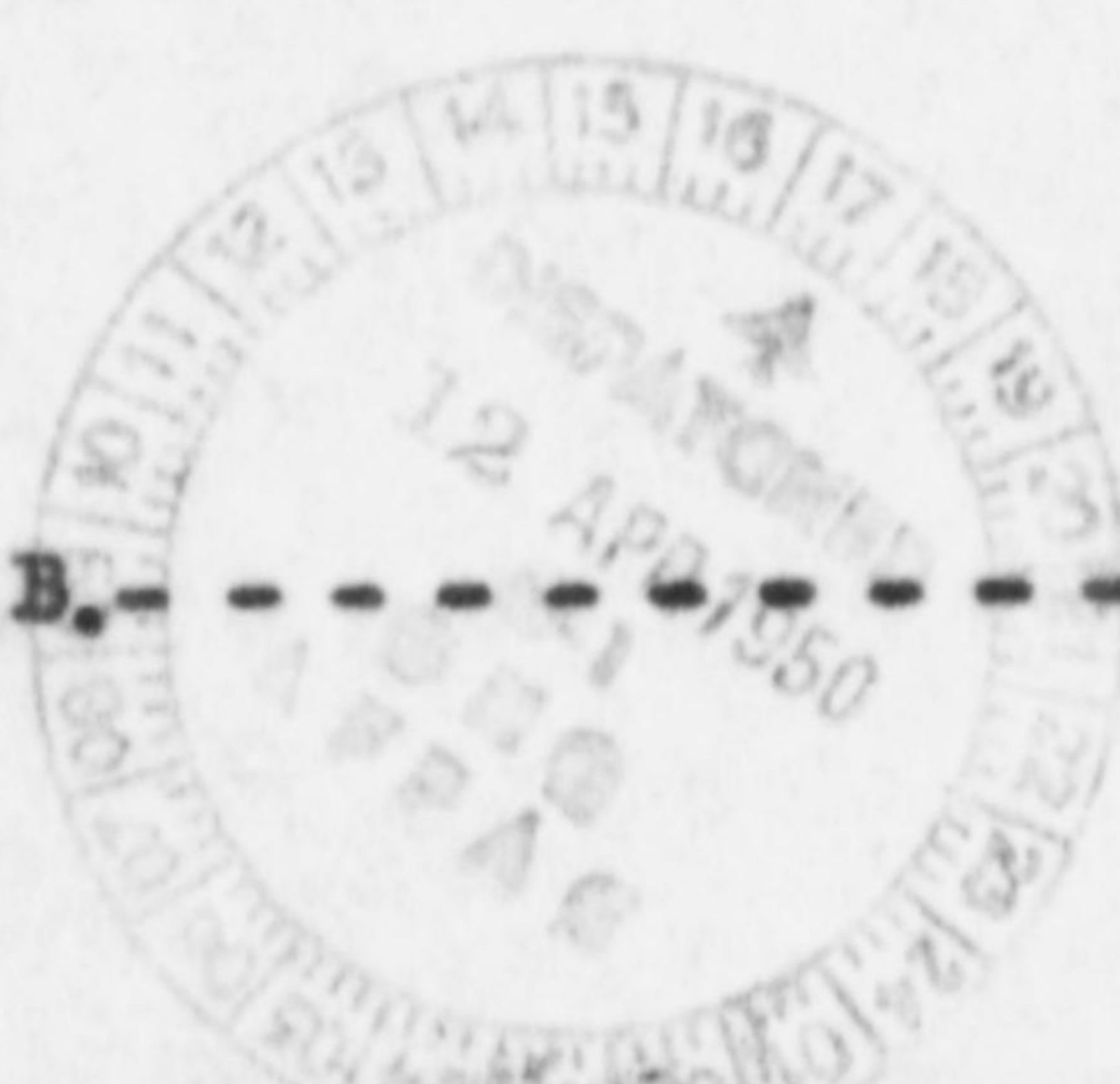
5. Recommend approval of:

- a. Proposed C/N from C/S to ESS (Tab A).
- b. Proposed radio to 8th Army (Incl 2 to Tab B).

5 Incls

- Tab A - Ppsd C/N fr C/S to ESS
- Tab B - C/N 1 fr JA to G-1 w/2 incls
- Tab C - Memo to Gen Hickey fr JA w/2 incls
- Tab D - DA Cir 231, 3 Aug 48
- Tab E - SCAP Cir 22

-----W.A.B.-----



G-1 FILE

Heys

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3139

Radio D 80367 YO, Eighth Army

Lt Col Shrader - Meiji 394

10 April 1950

JA

G-1

1

1. Reference is made to radio D 80367 YO, Commanding General, Eighth Army, to CINCPAC, 7 April 1950.

2. Inquiry of Legal Section (Mr. Bassin) and Foreign Investment Board (Mr. Gregory) discloses that "Pacific Stores" has no license to sell any merchandise to occupation-force personnel.

3. Mr. Gregory further advises that an application for license by that company is now being processed. Consistently with the views of this office contained in memorandum for General Hickey, subject, Liquor Policies in Japan, 31 March 1950, it is recommended that the license, if granted to Pacific Stores, contain the paragraph limiting the persons to whom sales of intoxicants may be made, set forth in paragraph 4 of that memorandum, as amended by G-1.

4. A proposed reply to radio of Commanding General, Eighth Army, is attached hereto for approval.

2 Incls

- 1. Cy radio D 80367 YO, CG, 8th Army, to CINCPAC, 7 Apr 50
- 2. Ppsd radio to CG, 8th Army

----- G. W. H. -----

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

WEEKLY DIRECTIVE
NUMBER 72

21 January 1950

SECTION SUBJECT PAGE NUMBER

XVII Sale of Intoxicating Liquor

Section XVII - Sale of Intoxicating Liquor.

1. Reference.

Section I, Circular 60, 3 September 1948, this headquarters, subject: "Intoxicating Liquor."

2. The above reference prohibits Eighth Army military and civilian personnel from purchasing intoxicating liquor from sources other than the Eighth Army Locker Fund or clubs obtaining their supplies from this fund.

3. It has been reported to this headquarters that members of this command are making illegal liquor purchases from civilian sources and agencies. Commanders will take necessary action to prevent such illegal purchases of intoxicating liquor by members of their organizations. (AGD 435)

BY COMMAND OF LIEUTENANT GENERAL WALKER:

OFFICIAL:

E. M. LANDRUM
Colonel, GSC
Chief of Staff

/s/ Frank L. Hickisch
FRANK L HICKISCH
Lt Colonel, AGD
Asst Adjutant General

JLC #1
sect 23
24

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D R A F T

GENERAL HEADQUARTERS
FAR EAST COMMAND

OUTGOING MESSAGE

JA GWH/HDS/dk

UNCLASSIFIED

12 April 1950

FROM: CINCFE TOKYO JAPAN

TO: CG EIGHTH ARMY YOKOHAMA JAPAN ROUTINE

Reurmsg D 80367 YO. Pacific Stores, Osaka, has not had, and does not now have, license to sell any merchandise to occupation force personnel. Application therefor presently being processed. If granted, license will exclude liquor sales to individual United States occupation force personnel subject to such modification as may be made by the United States occupation force commander of the area concerned. In case of violation of terms of license individual establishments may be placed "Off Limits" and tried by occupation court for violation of para 9, SCAP Cir 22.

OFFICIAL:

APPROVED:

K. B. BUSH
Brigadier General, USA
Adjutant General

GEORGE W. HICKMAN, Jr
Colonel, JAGC
Judge Advocate

Copies to:
G-1
AG

D R A F T

98

COPY

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 113 (12 Dec 49)COM-F

24 January 1950

SUBJECT: Reimbursement for Cost of Lodging in Japanese Hotels

TO: Commanding General, Eighth Army, APO 343
Commanding General, Headquarters and Service Group, General
Headquarters, Far East Command, APO 500
Commander, Naval Forces, Far East, Navy No. 1165
Commanding General, Far East Air Forces, APO 925

1. Effective 1 March 1950 procurement demands for "emergency billet", Japanese Hotels, will no longer be made.

2. Military and civilian personnel, traveling under orders on official business, will pay charges in yen for lodging at Japanese Hotels and obtain receipts.

3. Orders directing travel will authorize reimbursement in yen for expenses incurred for lodging when Government facilities are not available and may, at the request of the traveler, authorize advance payment in yen. Specific authorization for advance payments showing number of days, at not to exceed 1800 yen per day, will be stated in such orders and direct immediate settlement upon return to permanent station. A copy of each travel order, authorizing advance or reimbursement in yen, will be furnished the Fiscal Division, Office of Comptroller, General Headquarters.

4. Advance payments of yen will be made to military and civilian personnel without requiring bond. In the case of military personnel, notation will be made in pencil of such advance under item 35 on the Military Pay record and advances to civilian personnel will be reported to the appropriate Civilian Personnel Section for notation on the employee's WD Form 43.

5. Request for reimbursement for hotel costs incurred will be made to a United States Disbursing Officer who will prepare a modified Standard Form 1012 for execution by the claimant. Vouchers will be paid in yen and will be supported by two copies of official orders and copies of hotel receipts.

AG 113 (12 Dec 49)COM-F, 24 Jan 50
SUBJECT: Reimbursement for Cost of Lodging in Japanese Hotels

6. Army and Air Force Disbursing Officers will transfer paid vouchers to the Central Disbursing Office of their respective services (Army, 179th Finance Disbursing Section - Air Force, Finance Officer, FFAMCOM) as cash items by Form 326-327 method. Transfers will be made by the 5th of the month following that in which payment was made. Navy Disbursing officers will present paid vouchers to an Army or Air Force Disbursing Officer in exchange for yen in cash or check.

7. Central Disbursing Officers will consolidate the paid vouchers and transmit them to the Funding Branch, Fiscal Division, Office of Comptroller, General Headquarters. The latter will purchase the vouchers with a yen check thereby enabling the Central Disbursing Officer to recoup yen expended from yen working fund balance.

BY COMMAND OF GENERAL MacARTHUR:

/s/ K. B. Bush

K. B. BUSH,
Brigadier General, USA,
Adjutant General.

430.2

9+33

Lt Col Metcalf 26-6356

Consumption of Japanese Food Products

G-1

C/S

10 March 1950

1

1. By C/N 6, 3 Mar 50 (copy attached, Tab A) the C/S directed G-1 to "initiate a study to determine the feasibility and desirability of complete relaxation of controls now exercised over Allied Personnel in the purchase of indigenous food products."

2. Conferences were held on 6 and 9 Mar 50 to discuss the matter. In attendance at each were representatives of G-1, G-4, PH&W, Med, ESS and NRS, as well as representatives of 8th Army, Hq & Sv Gp, FEAF, and COMNAVFE. Rosters of conferees are attached as Tabs B and C. Agreement was reached on the subject and a proposed implementing action drawn up (Tab D).

3. Proposed circular (Tab D) contains the following:

- a. Rescinds previous instructions (Tabs F and G).
- b. Permits consumption of all types of Japanese foods, but announces that SCAP, or agencies of SCAP, gives no assurance concerning condition, sanitation, or health hazard.
- c. Warns consumer that he consumes locally procured food at his own risk.
- d. Points out that an informational bulletin is available and will be given wide distribution outlining methods of preparation, purification, and disinfection of foods locally procured.
- e. Statement that this relaxation does not change existing personnel regulations prohibiting eating in Japanese eating establishments, and does not affect ration controls established on certain foods by SCAP or Japanese Government

4. This proposed action completely relaxes controls and places the burden on the individual consumer. While it is recognized that some small increase in the sick rate may result, and the hazard to health is ever-present, the conferees concurred in the relaxation. PH&W will continue its efforts to improve Japanese standards. The Med Sect, GHQ, and the medical sections of the four immediately subordinate commands will collaborate in compiling, publishing, and distributing the informational publication concerning method of preparation, purification, and disinfection of locally procured foods to make them as safe as feasibly possible for consumption. Dependence must be placed upon informing and educating the con-

G-1

WAB/GTM/hp

H.P.S.

Lt Col Metcalf 26-6356

Consumption of Japanese Food Products

G-1

C/S

10 March 1950

1
cont'd

sumer, and subordinate commanders must be expected to give wide distribution to information.

5. Recommend:

a. Approval of attached draft SCAP Circular (Tab D). (Concurrences are indicated thereon.)

b. Approval of attached draft Press release, (Tab E).

c. That publication of the circular and press release be withheld after C/S approval until Med Sect, with PH&W and NRS assistance, can compile the indicated informational publication (about two weeks required) in order that these actions can be simultaneously released.

d. Return of the action to G-1 for implementing coordination.

7 Incls

Tab A - C/S Directive to G-1

Tab B - Roster of Conferees
(6 Mar 50)Tab C - Roster of Conferees
(9 Mar 50)

Tab D - Ppsd Cir (SCAP)

Tab E - Ppsd Press Release

Tab F - Rescinded Circulars
(20, 25 & 28)Tab G - Rescission and Ref
Circular (23)

----- W.A.B. -----

/30.2
1121B

**GENERAL HEADQUARTERS
FAR EAST COMMAND**

CHECK SHEET

Lt Col Metcalf 26 6356

(Do not remove from attached sheets)

File No:

Subject: Sale of Indigenous Foods to Accredited
Foreign Personnel Residing in JapanNote
No.

From: G-1

To: NRS

Date: 4 March 50

1

1. Reference is made to C/N 6, C/S to G-1, dated 3 Mar 50, subject: Sale of Indigenous Fresh Beef through SCAP Authorized Outlets to Accredited Foreign Personnel Residing in Japan, a copy of which was provided your section. (Copy also attached for ready reference).

2. G-1 will conduct a conference on 9 March, 1330 to 1700 hours, in Room 319, Dai Ichi Bldg for the purpose of discussion of the indicated subject matter and drafting of appropriate action to implement the program.

3. Request a representative of your section be designated to attend who will be prepared to:

a. Present the views of your section.

b. Outline the present interest of your section in the matter and the future interest and supervisory or operation responsibilities in connection with implementation.

c. Submit proposed draft of a revised SCAP circular to replace the existing SCAP Cir 20, 6 Sep 49, as amended, as well as necessary changes to any other pertinent regulation.

4. For your information, representatives of GHQ (G-1, ESS, G-4, Med, PHEW, NRS), 8th Army, FEAF, and Hq & Sv Gp have been invited and each has been provided pertinent information concerning the subject matter.

1 Incl
a/s

W. A. B.

2

From: NR

To: G-1

C.M. Adams, 26-7561
HGS/WCH/CMA/ih
Date:

1. NR considers that its present and future interest in this matter is one of determination of the availability of sufficient quantities of desirable food products from indigenous sources for sale to Occupation personnel, and determination of the effect of the sale of such products upon their distribution to the Japanese. NR considers that it has no supervisory or operational responsibility in connection with implementation of this program.

C/S, G-1 to NRS, Subj: Sale of Indigenous Foods to Accredited Foreign Personnel Residing in Japan, 4 March 1950.

2. NR has no objection to the removal of all restrictions against the purchase of indigenous foods by Occupation personnel.

3. NR recommends that SCAP circular No 20, 6 Sept. 49, as amended, be further amended by changing the wording of the first sentence of par 3 to read "The consumption of Japanese food commodities is approved, except for those specific items which have been prohibited by SCAP.....". NR further recommends that inclosure 1 of reference circular be amended to include a list of marine products, the consumption of which may be considered detrimental to health by the Chief Surgeon FEC and the Chief PH&W Section.

H. G. S.

-----H.G.S.-----



**GENERAL HEADQUARTERS
FAR EAST COMMAND
CHECK SHEET**

(Do not remove from attached sheets)

Lt Col Long 26-8024

File No:

Subject: Sale of Indigenous Foods to Accredited
Foreign Personnel Residing in JapanNote
No.

2

From: Medical Section

To: G-1

Date: 9 March 1950

1. The position of the Medical Section with respect to the sale of indigenous foods to occupation personnel is summarized as follows.

2. An obvious hazard attends the eating of food produced in Japan or elsewhere. Even in the United States it has never been possible to inspect all food sources and outlets so that health authorities have had to depend largely on keeping the public informed as to the risks involved. In Japan, where the hazards are somewhat greater than those usually experienced by most Americans, it is impracticable to attempt to control food sources other than a few large outlets. The person who purchases food for his or his family's use is his own best guardian.

3. There are four chief sources of danger in foods:

a. Spoiled fish or meat. These products are dangerous because of the presence of decomposition and contamination. These conditions may be present even though the product is iced or frozen, consequently icing or freezing gives no assurance that these foods are necessarily safe.

b. Fish or meat harboring parasites or toxins. Tapeworms of several varieties as well as other parasites are transmitted in meat or fish when such products are improperly cooked. These parasites cannot live in adequately cooked food. Hence, proper cooking affords the best protection. In Japan, fish tapeworms are transmitted particularly in certain types of fish; for instance, yellow-tail. In addition, some species of fish contain a highly lethal toxin or poison which is not destroyed by cooking. Also, seafoods such as oysters, scallops, etc., taken from polluted waters are extremely dangerous when eaten raw.

c. Improperly processed foods. A variety of foods, if improperly processed, may contain the toxin of botulism, a serious and frequently fatal disease. This disease is caused not by a live organism but by a toxin that the *Botulinus bacillus* has formed. Hence, even though the contaminating organisms have been killed in the processing, the lethal toxin may remain. Some canned foods produced in Japan have been found to contain this toxin, whereas similar products of U. S. origin may normally be regarded as safe.

d. Fruits and vegetables from contaminated soil. In Japan, as in other Oriental countries, human excreta is used to fertilize the soil. When fruits and vegetables grown in soil so fertilized, or washed or rinsed with polluted water, are eaten raw there is a danger of intestinal diseases, such as typhoid fever and dysentery. Proper cooking kills the organisms that cause these diseases; hence, vegetables, such as potatoes that are never eaten raw

**GENERAL HEADQUARTERS
FAR EAST COMMAND
CHECK SHEET**

Lt Col Long 26-8024

(Do not remove from attached sheets)

Sale of Indigenous Foods to Accredited

File No:

Subject: Foreign Personnel Residing in Japan

Note
No.

From: Medical Section

To: G-1

Date: 9 March 1950

2
(Cont'd)

do not constitute a hazard. Raw products, however, such as lettuce, are dangerous.

4. Concurrent with relaxation of restrictions of indigenous foods to be made available to occupation personnel, information based on the above observations should be made available to all who may procure indigenous foods. It should be made clear to the purchaser that if he uses the products that fall within the several categories discussed above, he must be willing to assume the inherent risks described.

5. Recommendations:

a. The Medical Section offers no objection to the recommended relaxation of restrictions on the sale of indigenous foods to occupation personnel provided the inherent dangers are made known to them and that the assumption of personal responsibility by the individual purchaser is made clear.

b. It is recommended that the present system of approved outlets, under the supervision and surveillance of Public Health and Welfare Section and Civil Affairs authorities, be continued. This recommendation is made not with the thought of specific approval of the items sold to such outlets, but rather to provide occupation personnel with sources of indigenous foods over which a degree of control can be exercised.

-----E. E. H.-----

59

775009


**GENERAL HEADQUARTERS
FAR EAST COMMAND**

11218

CHECK SHEET Lt Col Metcalf 26-6356

(Do not remove from attached sheets)

File No:

Sale of Indigenous Foods to Accredited
Subject: Foreign Personnel Residing in Japan

Note
No.

From: G-1

To: Med Sect

Date: 4 March 1950

1

1. Reference is made to C/N 6, C/S to G-1, dated 3 Mar 50, subject: Sale of Indigenous Fresh Beef Through SCAP Authorized Outlets to Accredited Foreign Personnel Residing in Japan, a copy of which was provided your section. (Copy also attached for ready reference).

2. G-1 will conduct a conference on 9 March, 1330 to 1700 hours, in Room 319, Dai Ichi Bldg for the purpose of discussion of the indicated subject matter and drafting of appropriate action to implement the program.

3. Request a representative of your section be designated to attend who will be prepared to:

a. Present the views of your section.

b. Outline the present interest of your section in the matter and the future interest and supervisory or operation responsibilities in connection with implementation.

c. Submit proposed draft of a revised SCAP circular to replace the existing SCAP Cir 20, 6 Sept 49, as amended, as well as necessary changes to any other pertinent regulation.

4. For your information, representatives of GHQ, (G-1, ESS, G-4, Med, PH&W, NRS), 8th Army, FEAF, and Hq & Sv Gp have been invited and each has been provided pertinent information concerning the subject matter.

1 Incl
a/s

W. A. B.

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GENERAL HEADQUARTERS
FAR EAST COMMAND
 SUPREME COMMANDER FOR THE ALLIED POWERS
CHECK SHEET

Lt Col Scothorn
26-6149

(Do not remove from attached sheets)

File No.:

Subject: Sale of Indigenous Foods to Accredited
Foreign Personnel Residing in Japan

Note
No.

From: PH&W

To: G-1

Date: 9 March 1950

2.

1. In accordance with C/N 1 above, the following comments and recommendations are offered with reference to the sale of indigenous foods to accredited foreign personnel residing in Japan.

2. It is considered unwise from a public health viewpoint to completely relax present controls over indigenous food items. However, it might be possible provided an educational training program can be prepared for the information of the foreign personnel in which the health hazards, known to exist in certain categories of food items, are thoroughly explained and the result that can be expected should they be consumed. It is a well established fact that certain types and species of seafood landed in Japan possess lethal toxins which are capable of causing death after consumption either in the raw or cooked state, that the present growing and catching of shell fish takes place in many areas that are known to be highly polluted by waste sewage material with very little control being exercised, and that semi-processed fish, fish cakes, fish paste, and partially cooked shell fish, lobsters, crab, shrimp and prawn, are items commonly found on sale and are known to be common purveyors of bacteria producing intestinal diseases as a result of product deterioration. There are certain meat products which, if produced under unsanitary conditions, are capable of transmitting certain animal diseases to man, and those intestinal diseases resulting from bacterial contaminated products. Present controls over poultry products offered for sale are inadequate and the policy of selling sick and dying birds to markets is not an uncommon procedure. Many commercial food items are currently being offered in blended forms for quick sale due to their perishableness, and foods of this type when improperly controlled serve as excellent media for those organisms commonly causing outbreaks of food poisoning. Many canned fruits and vegetables are known to possess definite health hazards when produced in factories that are poorly equipped and incapable of sterilizing the final product. The utilization of fresh vegetables that must be cooked prior to consumption carry only minimal health hazards; however, the widespread use of night-soil as fertilizer establishes definite health hazards in those vegetables that are consumed in a raw state. The common tendency on the part of the vegetable producers to wash the vegetables in small streams bordering the area where they are grown only serves in many cases to contaminate the product to a greater extent than that at the time it was harvested but unwashed. It is a common

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GENERAL HEADQUARTERS

FAR EAST COMMAND

CHECK SHEET

(Do not remove from attached sheets) Lt Col Scothorn
26-6149

File No:

Subject: Sale of Indigenous Foods to Accredited
Foreign Personnel Residing in Japan

Note
No.

From: PH&W

To: G-1

Date: 9 March 1950

2
(cont'd)

practice for Japanese farmers to pickle and prepare many blended products under home supervision which are actually considered to be more hazardous than similar items produced in cities as a result of the sanitary level being lower in the rural areas.

3. Therefore, in reference to the foregoing, the following comments and recommendations are made concerning the relaxation of restrictions on the sale of indigenous food items to foreign personnel and the provisions of SCAP Cir 20.

a. PH&W interposes no objection to a recommendation that a complete relaxation of restrictions governing the procurement of indigenous food items by accredited foreign personnel be made.

b. It is recommended that a highly informative educational training program be instituted to bring to the attention of the foreign personnel in Japan, the actual hazards that are known to exist in certain categories of food items and which when procured from unauthorized sources may result in sickness or death to the individual after consumption.

c. It is recommended that a given period be established before restrictions are removed, so that sufficient time will be available to implement the educational training program. This recommendation is considered to be important due to the widely scattered groups of foreign personnel that must be contacted before restrictions are removed.

d. Retail Outlet Stores: It is recommended that the present system of approving outlets be continued with additional outlets being approved upon meeting the basic sanitary standards required for such outlets. The service rendered to date by these outlets has been very satisfactory and will be patronized by those individuals who desire to procure indigenous food items in approved outlets, rather than go onto the open market where the source of supply in many cases is unknown.

e. Approved Establishment as Sources of Supply: It is recommended that the same provisions (ref 3d above) apply as stated.

**GENERAL HEADQUARTERS
FAR EAST COMMAND
CHECK SHEET**

(Do not remove from attached sheets)

File No: _____ Subject: Sale of Indigenous Foods to Accredited Foreign Personnel Residing In Japan

Note
No.

From: PH&W

To: G-1

Date: 9 March 1950

2
(cont'd)

Selection of the sources of supply can at least guarantee that the health hazards will be minimal. This statement cannot be made when indiscriminate buying of food items is engaged in by foreign personnel.

4. What is the Interest of Public Health and Welfare Section in this Matter:

a. The present interest of PH&W is to select those indigenous food items for sale in Outlet Stores which possess a minimum of health hazards and which are produced under sanitary conditions comparable to the accepted level of sanitary standards now being enforced in Japan; ascertain the degree of compliance on the part of the store owners with the prescribed sanitary standards; ascertain the degree of compliance with sanitary standards (ref SCAP Cir 20) as amended, by owners of those establishments approved as sources of supply to authorized Retail Outlet Stores; ascertain the degree of compliance on the part of the Japanese food inspector in accordance with the instructions issued by the Ministry of Welfare to all Prefecture Governments, and to make check inspections (PH&W) periodically to determine the degree of compliance on the part of the store owners in offering for sale, only those food items that have been approved.

b. The future interest will be a continuing function as stated in para 4a, with the exception that more responsibility will be placed on the Regional Civil Affairs veterinarians in selecting food items, approving new outlets and sources of supply as sanitary standards are met in the areas under their supervision, which will be placed on the approved lists. During the course of staff visits, inspections will be made to evaluate the effectiveness of the current inspection program and when defects are noted, corrective action will be taken to remedy the situation.

c. Supervision over Japanese food inspectors having the responsibility of enforcing the provisions of the Food Sanitation Law, is being exercised by Regional Civil Affairs veterinarians. All authorized Retail Outlet Stores and sources of supply that have been approved to furnish and sell indigenous food items to foreign personnel are subject to the provisions of the Food Sanitation Law,

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**GENERAL HEADQUARTERS,
FAR EAST COMMAND
CHECK SHEET**

(Do not remove from attached sheets) Lt Col Scothorn
26-6149

File No: Subject: Sale of Indigenous Foods to Accredited
Foreign Personnel Residing in Japan

Note No.	From: PH&W	To: G-1	Date: 9 March 1950
2 (cont'd)	and Japanese food inspectors are making and will continue to make weekly inspections as requested by this Section. The weekly inspection now being made is a concession to the foreign personnel as other domestic food establishments in many cases are being inspected at least once and sometimes twice a month.		
	1 Incl n/c		
	C.F.S. - C. F. S. -		

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**GENERAL HEADQUARTERS
FAR EAST COMMAND**

CHECK SHEET Lt Col Metcalf 26-6356

(Do not remove from attached sheets)

File No:

Subject: Sale of Indigenous Foods to Accredited
Foreign Personnel Residing in Japan

Note
No.

From: G-1

To: PH&W

Date: 4 Mar 50

1

1. Reference is made to C/N 6, C/S to G-1, dated 3 Mar 50, subject: Sale of Indigenous Fresh Beef Through SCAP Authorized Outlets to Accredited Foreign Personnel Residing in Japan, a copy of which was provided your section. (Copy also attached for ready reference).

2. G-1 will conduct a conference on 9 March, 1330 to 1700 hours, in Room 319, Dai Ichi Bldg for the purpose of discussion of the indicated subject matter and drafting of appropriate action to implement the program.

3. Request a representative of your section be designated to attend who will be prepared to:

a. Present the views of your section.

b. Outline the present interest of your section in the matter and the future interest and supervisory or operation responsibilities in connection with implementation.

c. Submit proposed draft of a revised SCAP Circular to replace the existing SCAP Cir 20, 6 Sept 49, as amended, as well as necessary changes to any other pertinent regulation.

4. For your information, representatives of GHQ (G-1, ESS, G-4, Med, PH&W, NRS), 8th Army, FEAF, and Hq & Sv Gp, have been invited and each has been provided pertinent information concerning the subject matter.

1 Incl
a/s

W. A. B.

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1121

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

CHECK SHEET

Col Edmonson 26-8368

(Do not remove from attached sheets)

File No: HC 431 (HSD)

Subject: Sale of Indigenous Foods to Accredited
Foreign Personnel Residing in JapanNote
No.

From: Hq Comdt

To: G-1, GHQ

Date: 8 March 1950

(2)

1. This headquarters recommends that control of the sale of indigenous foods to accredited occupation personnel, as provided for in existing SCAP directives, be retained for health control purposes only.

2. In the event relaxation is desired in the category of authorized items, a recommendation is made that a circular setting forth recognized hazards to health be disseminated. The circular to contain:

- a. Prohibitions
- b. Precautions
- c. Preparation

3. a. Area commanders should retain authority to designate approved wholesale and retail "ON LIMITS" outlets. The outlets to be limited to the number over which close supervision and inspection can be exercised with personnel available.

b. Include a provision that purchases by clubs, commissaries, messes, snack bars, Post Exchange facilities, and all eating establishments under the jurisdiction of the Armed Forces will be limited to approved sources.

4. Conduct an intensified educational campaign through the facilities of Stars & Stripes and AFRS thereby creating appeal to the individual to safe-guard health.

5. The lowering of any standard of inspection now established may result in an increase of the work-load on the medical facilities and the impact of any increase can not be met until our medical personnel situation is improved.

1 Incl
n/c

[Signature]
for L. W.

775009

**GENERAL HEADQUARTERS
FAR EAST COMMAND**

7.12.1

CHECK SHEET

Lt Col Metcalf 26 6356

(Do not remove from attached sheets)

File No:

Subject: Sale of Indigenous Foods to Accredited
Foreign Personnel Residing in JapanNote
No.

From: G-1

To: Hq Comdt

Date: 4 March 50

1

1. Reference is made to C/N 6, C/S to G-1, dated 3 Mar 50, subject: Sale of Indigenous Fresh Beef through SCAP Authorized Outlets to Accredited Foreign Personnel Residing in Japan, a copy of which was provided your section. (Copy also attached for ready reference).

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c. Submit proposed draft of a revised SCAP circular to replace the existing SCAP Cir 20, 6 Sep 49, as amended, as well as necessary changes to any other pertinent regulation.

4. For your information, representatives of GHQ (G-1, ESS, G-4, Med, PH&W, NRS), 8th Army, FEAF, and Hq & Sv Gp have been invited and each has been provided pertinent information concerning the subject matter.

1 Incl

a/s

W. A. B.

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HEADQUARTERS
HEADQUARTERS AND SERVICE GROUP
GENERAL HEADQUARTERS, FAR EAST COMMAND
APO 500

430.2

HC 430 (HX)

4 April 1950

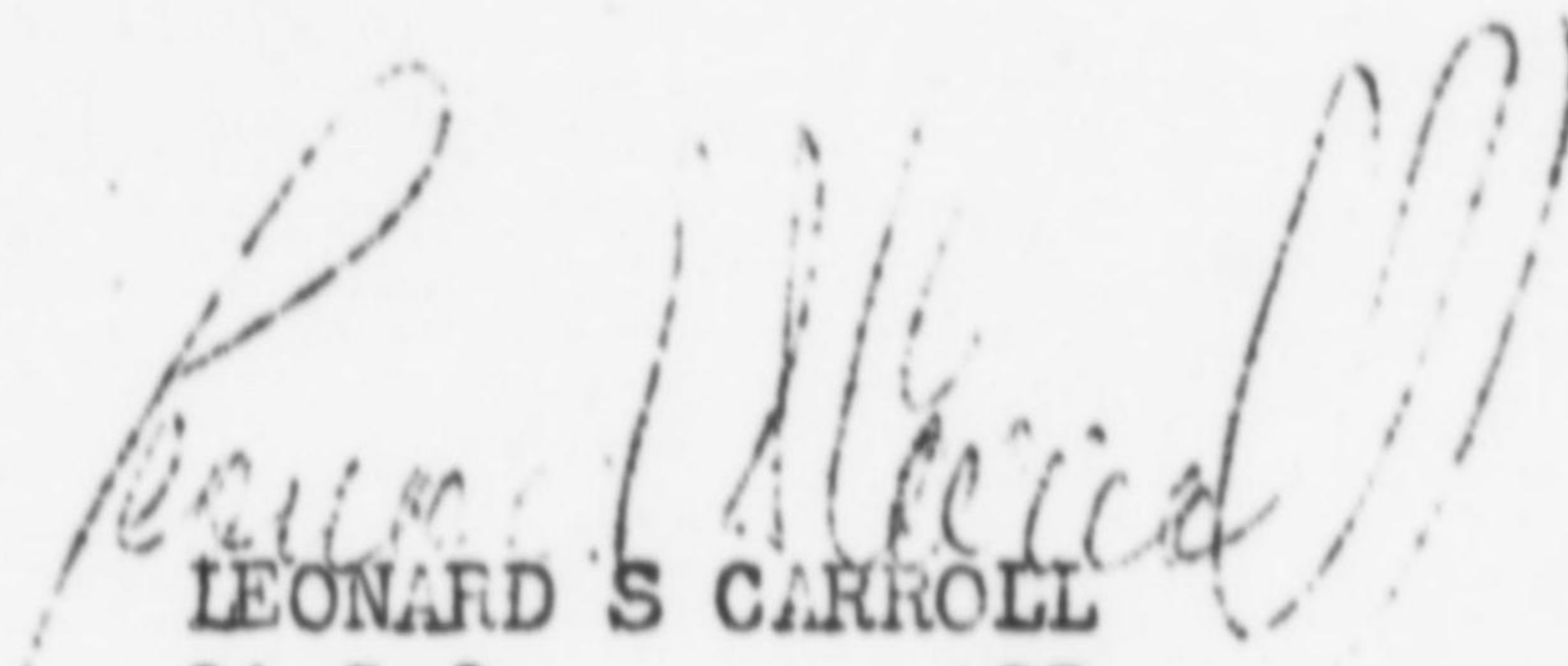
MEMORANDUM:

CONSUMPTION OF JAPANESE FOOD PRODUCTS

1. Attached hereto for the information and guidance of all personnel is an informational bulletin published by General Headquarters, Far East Command, pertaining to consumption of Japanese food products.

2. This Memorandum will be posted on all bulletin boards.

FOR THE COMMANDING OFFICER:


LEONARD S CARROLL
Lt Col AGD
Adjutant

DISTRIBUTION:

"B"

1 Incl
Info Bulletin

CONSUMPTION OF JAPANESE FOOD PRODUCTS

General Information

The following general information about diseases which may be disseminated by food is given for the guidance of occupation personnel. While in general, foods produced in Japan are not as free from danger as those of the United States, it must be realized that almost any food anywhere may, under certain circumstances, serve as a means of transmitting disease. Conditions in Japan have improved greatly and food now available for purchase is of much better quality than formerly, so that there is no reason why occupation personnel should not consume locally produced foods, if they will constantly bear in mind certain fundamental health principles. Each individual is responsible for the food purchased for himself or his family, just as he is in the United States. It is quite impossible to insure that any foods are perfectly safe, and this is as true in other countries as in Japan. Enough food is available in Japan from United States sources to meet the needs of occupation personnel, so that local purchases are to be regarded as supplementary only to foods that may be purchased at commissaries and similar United States agencies.

Fruits and Vegetables

The common Japanese practice of using human waste or night soil as fertilizer causes contamination of the soil and the products grown therein. Water draining from such soil is also contaminated. Similarly, raw vegetables and fruits may be contaminated by unclean hands. Intestinal diseases, such as typhoid fever, dysentery or intestinal worms, may be transmitted by eating raw fruits and vegetables grown in such soil or washed in such polluted water. Therefore, all such foods should be avoided, such as lettuce or strawberries. Foods that are thoroughly cooked are no longer dangerous from this source. But only sound fruits and vegetables should be used, and those bruised or showing signs of decay are to be avoided. Only whole items should be chosen. For example, melons cut or plugged in the market are frequently badly contaminated and should not be used. Care is to be exercised in handling these products, for contamination on the surface can be transmitted to inside, or to other foods. Therefore, to avoid this, they should be carefully washed and stored by themselves. The outer leaves or coverings of such vegetables as onions, cabbage, leeks, etc. should be removed, the vegetables then washed and stored in the refrigerator, if possible.

But the surest way to avoid intestinal infection from locally procured fruits and vegetables is to eat them only after they have been cooked thoroughly. Less sure, but worth while is thorough washing in potable water and immersion in actively boiling water for sixty (60) seconds followed by peeling. The protection afforded by this procedure is considerably lessened if the food has no removable peel. However, such vegetables as head-lettuce, water cress, ground-grown strawberries, cabbage, cauliflower, are apt to be heavily contaminated and cannot be completely disinfected by any other means than cooking. Such vegetables and fruits should never be eaten raw. The rinsing of fruits and vegetables in chlorinated water is of some help but cannot be relied upon.

Mushrooms are dangerous only if gathered by other than experts, because there are no simple rules for distinguishing the edible from the poisonous varieties. Mushrooms sold in better-class stores for food are usually from reliable sources.

Meat and Meat Products

Raw meats and meat products decompose rapidly when not kept at cold temperatures. Icing and even freezing slows the growth of bacteria, but does not kill such organisms. There is always the danger that meats may have been chilled or frozen only after spoiling was under way. Thus frozen meat is not necessarily safe. Wild fowls and other game are particularly likely to undergo early partial decomposition and may be unsafe even though subsequently frozen. It is much safer to purchase live poultry than to rely on dressed fowls. Even eggs may be a source of danger, particularly if washed on the farm. Only reasonably clean, but unwashed, eggs should be purchased. Thorough cooking, preferably just before eating, is required to reduce danger.

Some meats contain undeveloped parasites such as tapeworms. Such parasites are killed by thorough cooking. Underdone or "pink" pork is particularly dangerous.

Sea Foods.

Sea foods usually spoil more quickly than meats. The commonest source of danger is insufficient continuous refrigeration. As with meats, sea foods may partly spoil before being iced, so that a frozen fish is not necessarily safe. Sea foods should be thoroughly cooked. Some fish, particularly yellow-tail and certain trout frequently harbor such parasites as fish tapeworms which are capable of transmission to human beings. Thorough cooking obviates this danger. A few fish found in Japanese waters contain natural poisons and even when eaten cooked may be fatal. Such fish include the puffer or blow-fish (Fugu in Japanese) and certain species of eel. Cooking does not destroy these poisons. So no fish not known to be edible should be eaten in Japan. There have been cases of poisoning of amateur fishermen who assumed they could safely eat their catch. Lobsters, crabs, prawns and the like should be alive when purchased or with certainty frozen in the fresh state. Raw shellfish, such as oysters, clams, and scallops, are dangerous when taken from polluted waters. Shellfish should be eaten only when cooked. Such shellfish as oysters, clams, and scallops are best avoided in Japan. Fish cakes, pastes and blended fish products are also best avoided.

Processed or Canned Foods

Do not suppose that because a meat, vegetables, or fruit is canned that it is necessarily safe. Many are contaminated by living disease-producing organisms. Such organisms may themselves cause disease or may result in spoilage. Besides them there is a still greater danger - botulism. This disease is caused by toxins produced by certain bacteria. Once these toxins have been produced, the food is permanently unfit for consumption.

Even cooking does not render such food safe, because while it may kill the bacteria the toxin, being a chemical product, may remain. Foods containing the toxin of botulism have no abnormal appearance or unpleasant odor. Our only safeguard is the avoidance of canned or processed foods except those from establishments that bear the stamp of Government approval. Particularly dangerous are canned or processed foods preserved on farms or in small family kitchens.

Miscellaneous Foods

There is a large group of miscellaneous foods in Japanese shops and markets which are too often prepared by soiled hands in contaminated surroundings. Such products include ice candies, ice cream, non-alcoholic artificial drinks, etc. Many are definitely hazardous and no guide can be given for their selection, nor can the consumer do anything to render them safe. They should be avoided.

General Precautions

Shop wisely. When possible purchase Japanese foods only from shops displaying a "sanitation care" marked A or B. These indicate that certain minimum standards of sanitation are being met, and sources of supply have been approved by Japanese authorities. But even these signs do not guarantee that food products are safe. Remember that it is each individual's personal responsibility to protect his and his family's health. With respect to foods, warnings can be given; assurances of safety cannot.

file from

430.2

GENERAL HEADQUARTERS
FAR EAST COMMAND

Lt Col F. B. Harrison
26-5938

CHECK SHEET

File No: AG 430 (10 Mar 50)GA Subject: Consumption of Japanese Food Products

Note No. From: AG To: All Staff Sections, Date: 30 Mar 50
GHQ, SCAP & FHC

1 Request that the attached information on consumption of Japanese food products be disseminated to all personnel in your section.

1 Incl
Info Bulletin

*K. F. B.
K. B. B.*

4 Apr 50

Reproduced (Incl only) and distributed on the basis of 1 copy per person (Civ + mil) in G-1 Section

KPM.

CONSUMPTION OF JAPANESE FOOD PRODUCTS

General Information

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Fruits and Vegetables

The common Japanese practice of using human waste or night soil as fertilizer causes contamination of the soil and the products grown therein. Water draining from such soil is also contaminated. Similarly, raw vegetables and fruits may be contaminated by unclean hands. Intestinal diseases, such as typhoid fever, dysentery or intestinal worms, may be transmitted by eating raw fruits and vegetables grown in such soil or washed in such polluted water. Therefore, all such foods should be avoided, such as lettuce or strawberries. Foods that are thoroughly cooked are no longer dangerous from this source. But only sound fruits and vegetables should be used, and those bruised or showing signs of decay are to be avoided. Only whole items should be chosen. For example, melons cut or plugged in the market are frequently badly contaminated and should not be used. Care is to be exercised in handling these products, for contamination on the surface can be transmitted to inside, or to other foods. Therefore, to avoid this, they should be carefully washed and stored by themselves. The outer leaves or coverings of such vegetables as onions, cabbage, leeks, etc. should be removed, the vegetables then washed and stored in the refrigerator, if possible.

But the surest way to avoid intestinal infection from locally procured fruits and vegetables is to eat them only after they have been cooked thoroughly. Less sure, but worth while is thorough washing in potable water and immersion in actively boiling water for 60 seconds followed by peeling. The protection afforded by this procedure is considerably lessened if the food has no removable peel. However, such vegetables as head-lettuce, water cross, ground-grown strawberries, cabbage, cauliflower, are apt to be heavily contaminated and cannot be completely disinfected by any other means than cooking. Such vegetables and fruits should never be eaten raw. The rinsing of fruits and vegetables in chlorinated water is of some help but cannot be relied upon.

5 Incl 1

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Some meats contain undeveloped parasites such as tapeworms. Such parasites are killed by thorough cooking. Underdone or "pink" pork is particularly dangerous.

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60 - / Comeback Copy

430.2

GENERAL HEADQUARTERS
FAR EAST COMMAND
APO 500

AG 430 (10 Mar 50)GA

30 March 1950

SUBJECT: Consumption of Japanese Food Products

TO: Commanding General, Eighth Army, APO 343
Commanding General, Headquarters and Service Group, General
Headquarters, Far East Command, APO 500
Commander, United States Naval Forces, Far East, Navy No. 1165
Commanding General, Far East Air Forces, APO 925

It is desired that the inclosed information on consumption of Japanese food products be given wide dissemination in your command.

BY COMMAND OF GENERAL MacARTHUR:

MAILED 1730 APR 31 50 AG-600
K B Bush

1 Incl
Info Bulletin

K. B. BUSH, *6*
Brigadier General, USA,
Adjutant General.

M/R: Instant action forwards info bulletin on consumption of Jap foods to all commands to be distributed prior to publication of circular on same subj. In accordance with C/S approval on C/N 1, G-1 to C/S, subj as above, dated 10 Mar 50.

G-1 PSD
Lt Col F B Harrison/eb 26-5938

CONSUMPTION OF JAPANESE FOOD PRODUCTS

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400.2

9433
2185
1493

Lt Col F B Harrison/eb
26-5938

Consumption of Japanese Food Products

G-1

AG

27 March 1950

3

1. For necessary action as approved by the C/S.
2. Request that distribution of the approved circular, the command letters with informational bulletin inclosed and C/N to Section Chiefs, be held until such time as all can be released simultaneously.
3. It is further requested that AG notify G-1, informally, when all materials are ready for distribution so that the approved press release, held by G-1, can be released simultaneously.

8 Incls

- Tab A thru D - n/c
- Tab E - w/drawn
- Tab F & G - n/c
- Tab H added - Comd ltr
- Tab I added - AG C/N to SCAP and
FEC Staff Sections

----- W. A. B. -----

M/R: Approved circular authorizes consumption of Japanese food products. Comd ltrs and C/N inclose med info on the dangers of certain foods. Press release announces the relaxation on the consumption of indigenous food. C/S approved action on 17 Mar 50.

Handwritten: R. A. B.
G-1 File
H. G. S.
[Signature]



**GENERAL HEADQUARTERS
FAR EAST COMMAND
CHECK SHEET**

2185

(Do not remove from attached sheets) (Col Eckhardt 26-6415)

File No: _____ **Subject:** Sale of Indigenous Foods to Accredited Foreign Personnel Residing in Japan

Note No.

From: Medical Section **To:** G-1 **Date:** 23 March 1950

- 1. Attached is an article intended for use in educating and orienting occupation personnel on the health aspects of the use of Japanese foods.
- 2. This is submitted in accordance with instructions received at a recent G-1 conference on this subject.

1 Incl
a/s

CEH

----- E. E. H. -----

59

GENERAL HEADQUARTERS
FAR EAST COMMAND

CHECK SHEET

Subject: Consumption of Japanese Food Products

From: AG

To: All GHQ Staff Sections
SCAP and FEC

Date: 27 March 1950

Request that the attached information on consumption of Japanese food products be disseminated to all personnel in your section.

1 Incl
Info Bulletin

----- K. B. B. -----

G-1 File

59'

GENERAL HEADQUARTERS
FAR EAST COMMAND
APO 500

AG 430 ()GA

SUBJECT: Consumption of Japanese Food Products

TO: Commanding General, Eighth Army, APO 343
Commanding General, Headquarters and Service Group, General
Headquarters, Far East Command, APO 500
Commander, United States Naval Forces, Far East, Navy No. 1165
Commanding General, Far East Air Forces, APO 925

It is desired that the inclosed information on consumption of Japanese food products be given wide dissemination in your command.

BY COMMAND OF GENERAL MACARTHUR:

1 Incl
Info Bulletin

M/R: Instant action forwards info bulletin on consumption of Jap foods to all commands to be distributed prior to publication of circular on same subj. In accordance with C/S approval on C/N 1, G-1 to C/S, subj as above, dated 10 Mar 50.

G-1 PSD
Lt Col F B Harrison/eb 26-5938

G-1 File

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775009

930.2

9433

Lt Col F B Harrison
26-5938

Sale of Indigenous Fresh Beef through SCAP
Authorized Outlets to Accredited Foreign
Personnel Residing in Japan

G-1

AG

4 March 1950

6

For necessary action as approved by C/S.

- 1 Incl
- Tabs A and B - w/drawn
- Tab C - n/c

----- W. A. B. -----

M/R: Instant action authorizes the sale of fresh beef through SCAP
authorized outlets. C/S approved on 3 Mar 50.

(Lt Col F B Harrison 26-5938)



WAB/SH/so G-1 File

H. G. S.

1121
1121
1121

Lt Col Metcalf 26-6356

Sale of Indigenous Foods to Accredited Foreign Personnel Residing in Japan

G-1

ESS

4 March 1950

1. Reference is made to C/N 6, G/S to G-1, dated 3 Mar 50, subject: Sale of Indigenous Fresh Beef through SCAP Authorized Outlets to Accredited Foreign Personnel Residing in Japan, a copy of which was provided your section. (Copy also attached for ready reference).
2. G-1 will conduct a conference on 9 March, 1330 to 1700 hours, in Room 319, Dai Ichi Bldg for the purpose of discussion of the indicated subject matter and drafting of appropriate action to implement the program.
3. Request a representative of your section be designated to attend who will be prepared to:
 - a. Present the views of your section.
 - b. Outline the present interest of your section in the matter and the future interest and supervisory or operation responsibilities in connection with implementation.
 - c. Submit proposed draft of a revised SCAP circular to replace the existing SCAP Cir 20, 6 Sep 49, as amended, as well as necessary changes to any other pertinent regulation.
4. For your information, representatives of GHQ (G-1, ESS, G-4, Med, PH&W, NRS), 8th Army, FEAFF, and Hq & Sv Gp have been invited and each has been provided pertinent information concerning the subject matter.

WAB/GTM/eb G-1 File
H.S.

1 Incl
a/s

----- W. A. B. -----

M/R: Same C/N sent to G-4, Med, PH&W, NRS, Hq Comdt.



59

Sale of Indigenous Fresh Beef through SCAP
Authorized Outlets to Accredited Foreign
Personnel Residing in Japan

CofS

G-1

3 March 1950

Copies to: ESS
G-4
Med
PHW
NRS

(6)

1. The change in Circular 20, as proposed by ESS in C/N #1, adding beef to the list of indigenous food products which may be purchased by Allied personnel, has been approved.

2. In discussing this subject with the CinC, he indicated his desire to remove all restrictions against purchase of indigenous foods by Allied personnel. He believes that the food supply and its ready availability to the Japanese indicates that not only should occupation personnel be allowed to purchase Japanese foods as desired individually, but such purchases have the added advantage of creating dollar resources for the Japanese economy. It is recognized that the health considerations from the viewpoint of the Surgeon will be a factor in removing present restrictions, but with intelligent control and properly supervised outlets, it should be practicable to remove the hazards to health that might be proposed as a factor in this matter.

3. It is desired that G-1 initiate a study to determine the feasibility and desirability of complete relaxation of controls now exercised over Allied personnel in the purchase of indigenous food products.

3 Incls: n/c

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

9433

430.2

Subject: Sale of Indigenous Fresh Beef through SCAP Authorized Outlets to Accredited Foreign Personnel Residing in Japan

G-1

WAB/FBH/hp

H.Y.S.



Lt Col Harrison 26-5938

5

From: G-1

TO: C/S

Date: 27 Feb 50

1. SCAP Circular 20, 6 Sep 49 (Tab A) as amended by Cir 25, 20 Sep 49 and Cir 28, 14 Dec 49 (Tab B) announced a list of indigenous food approved for sale to and consumption by the occupation forces.

2. In C/N 1, above, ESS has stated that a local demand exists for fresh beef and recommends this be added to the list of approved foods. ESS states that such sale will not endanger the domestic food supply. In C/N 2, PH&W has concurred provided certain requirements in the handling of this beef are included. In C/N 3 and 4, Med Sec and G-4, respectively, have offered no objection to this proposal provided PH&W recommendations are enforced.

3. It is recommended that Inclosure 1 to GHQ, SCAP Cir 20, Consumption of Japanese Food Products, 6 September 1949 (Tab A) be amended as indicated in attached proposed circular (Tab C).

3 Incls

Tab A - SCAP Cir 20, 6 Sep 49 w/1 Incl

Tab B - Cir 28, 14 Dec 49

Tab C - Ppsd Cir

W.A.B.

775009

430.20

6922-89

Major Grimshaw/ct 26-5938

China Liquor

G-1

C/S

13 July 1950

3
(Cont'd)

b. Stock on hand in the amount of \$2,913.75 be retained for future sales.

c. Unsalable stock in the amount of \$4,379.70 be offered to clubs as a gratuitous issue based on a pro rata share of their business with the GHQ Beverage Fund.

d. Stock not accepted by clubs as a gratuitous issue be offered to G-2 gratuitously for use in intelligence activities. (Coordinated with G-2, Maj Rinalducci and Hq & Sv Gp, Lt Col Ammons).

e. Contents of the unsalable stock not accepted by the clubs or G-2, be dumped and the bottles sold on the Japanese market as scrap and waste and if unable to be sold, then to be donated to the Japanese economy (Coordinated with Hq & Sv Gp, Lt Col Ammons).

1 Incl
n/c

----- W. A. B. -----

4

*C/S approved
7/14
EMQ*

G-1
W.A.B. 7-14-50

From: G-1

To: Hq Comdt

Major Grimshaw/ct 26-5938
Date: 15 July 1950

AW

5

For necessary action as approved by the C/S on 14 July 1950.

1 Incl
n/c

----- W. A. B. -----



22

From: G-1

To: C/S

Major Grimshaw/ct 26-5938

Date: 13 July 1950

3

1. The question of disposition of the remaining stocks of the China liquor has been referred to Hq Comdt to determine the practicability of either assessing the various clubs for the amount due or making a forced issue of proportionate shares of this stock in order that the GHQ Beverage Fund does not absorb the entire loss.

2. The value of the present stock of the China liquor shipment is \$7,293.45 of which \$2,913.75 may be sold over a period of time. The remaining \$4,379.70 is composed of unsalable liquor. Hq Comdt considers a forced issue or assessment an undesirable action as the condition that has arisen is not the fault of any of the clubs and any losses incurred by the clubs will eventually be at the expense of the FEC Club and Mess Fund. There is sufficient cash on hand in the GHQ Beverage Fund to pay the outstanding obligations of the China liquor shipment.

3. Recommend that:

a. Hq Comdt be authorized to pay for the remainder of the stock on hand in the amount of \$7,293.45 by using funds now available in the GHQ Beverage Fund.

China Liquor

Hq Comdt

G-1

10 July 1950

2
CONT'D

4. In view of the above, it is recommended that:

a. This headquarters be authorized to pay for the remainder of the stock on hand in the amount of \$7,293.45 by using funds now available in the GHQ Beverage Fund.

b. Stock on hand in the amount of \$2,913.75, which can be sold over a period of time, be retained for future sales.

c. Stock on hand in the amount of \$4,379.70, which is considered to be spoiled or non-saleable, be offered clubs as a gratuitous issue based on a pro rata share of their business with the GHQ Beverage Fund.

d. Stock not accepted by clubs as a gratuitous issue be destroyed as worthless or condemned stock.

-----W. L. W.-----

From: G-1

To: C/S

Major Grimshaw/ct 26-5938

Date: 13 July 1950

3

1. The question of disposition of the remaining stocks of the China liquor has been referred to Hq Comdt to determine the practicability of either assessing the various clubs for the amount due or making a forced issue of proportionate shares of this stock in order that the GHQ Beverage Fund does not absorb the entire loss.

2. The value of the present stock of the China liquor shipment is \$7,293.45 of which \$2,913.75 may be sold over a period of time. The remaining \$4,379.70 is composed of unsalable liquor. Hq Comdt considers a forced issue or assessment an undesirable action as the condition that has arisen is not the fault of any of the clubs and any losses incurred by the clubs will eventually be at the expense of the FEC Club and Mess Fund. There is sufficient cash on hand in the GHQ Beverage Fund to pay the outstanding obligations of the China liquor shipment.

3. Recommend that:

a. Hq Comdt be authorized to pay for the remainder of the stock on hand in the amount of \$7,293.45 by using funds now available in the GHQ Beverage Fund.

22

From: Hq Comdt.

To: G-1

Date: 10 July 1950

- 2
1. The value of stock on hand of the China Liquor shipment is \$7,293.45. It is believed that certain items, in the amount of \$2,913.75, can be sold over a period of time. An additional \$4,379.70 is chargeable to Del Prado Rum (\$556.50) and Pierre Prat Vermouth (\$3823.20). These two items will not sell because the rum is spoiled and the vermouth is a herb vermouth; much too sweet to be used as a mix. Local firms have the same vermouth on hand at lower prices and many clubs have the same stock on hand which was originally a part of the issue made in July 1948, and which apparently cannot be sold. The net result would be just a transfer of the warehousing and inventory burden to a number of other activities.
 2. In view of the above and the fact that the condition which has arisen is not the fault of the various clubs, it is believed that a forced issue or an assessment is not a desirable action. It should also be considered that any losses which may be incurred by the clubs will eventually be at the expense of the Far East Command Club and Mess Fund since their residual funds will revert to the Far East Command Club and Mess Fund upon their discontinuation. If the money must be paid, we might as well absorb the loss in the Beverage Fund.
 3. The GHQ Beverage Fund now has sufficient funds available with which to pay all outstanding obligations of the China shipment. Payment now will reduce our cash on hand to \$7,706.55. It will effect our operations to some degree.

GENERAL HEADQUARTERS
FAR EAST COMMAND
Assistant Chief of Staff, G-4

G. I. Eberle

30 Jan 50
(Date)

Gen Beberenden

I believe this
gives you the dope
you asked me
for really —



G. I. EBERLE
Major General, GSC
Assistant Chief of Staff, G-4

775009

GENERAL HEADQUARTERS
FAR EAST COMMAND

430.2

OUTGOING MESSAGE

GA/WAB PSD/FBH/hme

UNCLASSIFIED

13 February 1950

8927
22498

FROM: SCAP TOKYO JAPAN

TO: AMCON SHANGHAI CHINA. ROUTINE

190831

2-39 057

URMSG ONE THREE ONE ZERO FOUR FIVE Z PAREN TWO
EIGHT FEB ONE THRE PAREN PD THIS HQ POSITION ON THIS MATTER WAS
STATED IN DETAIL IN SCAP MSG Z THREE SEVEN ZERO ONE FIVE OF EIGHT
FEB FIVE ZERO PD SCAP MSG Z TWO ONE THREE FIVE THREE OF TWO SIX AUG
FOUR NINE STATED THAT QUOTE BALANCE OF FIVE NINE SIX SIX DECIMAL
ZERO NINE DOLLARS EXPECTED RPT EXPECTED TO BE CLEARED BY END OF THIS
YEAR PD/^{UN}QUOTE HOWEVER THESE REMAINING STOCKS OF LIQUOR ARE NOW ACTUALLY
UNSALEABLE PD RQST BABOUD MARY BE QUERIED REF DISPOSITION INSTRUCTIONS
FOR ITS PART OF THIS UNSALEABLE BALANCE

OFFICIAL:

APPROVED:

K. B. BUSH
Brigadier General, USA
Adjutant General

W. A. Berliner
W. A. BERLINER
Major General, GSC
Asst Chief of Staff, G-1

Copies to: M/R: Approved by C/S 18 Feb 50. Reference is Memo for
CinC C/S, subj: Payment for Liquor Obtained from China, dtd
G/S 15 Feb 50.
AG
DS
Hq Comdt

UNCLASSIFIED

27

775009

GENERAL HEADQUARTERS, FAR EAST COMMAND
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

INCOMING MESSAGE

PTS/cq

22438

**UNCLASSIFIED
DEFERRED**

13 Feb 50

FROM : AMCON SHANGHAI CHINA
TO : SCAP (USPOLAD) TOKYO JAPAN
NR : 131045 Z (28 FEB 13)

REURTEL Z 37015, Feb 8. Baboud Mary states there exists no contract nor understanding that liquor was recd on consignment to be paid for as per REFTEL. Letter dated 11 Dec 48 from Liquor Control Officer endorsed by Baboud Mary constituting acceptance terms only existing contract considered binding both Baboud Mary and Office of Liquor Control. URTEL Sepald's 86 dated Aug 26 indicated that balance due would be settled by end of year. Urgent reply requested.

Company office closed Shai, possibly you may contact firm's Hong Kong branch. Ta Lai not known here. Bodega and Co not operating Shai. Suggest you contact their office 250 West 57th Street, New York.

MCCONAUGHY

ACTION : G-1 *PLD*

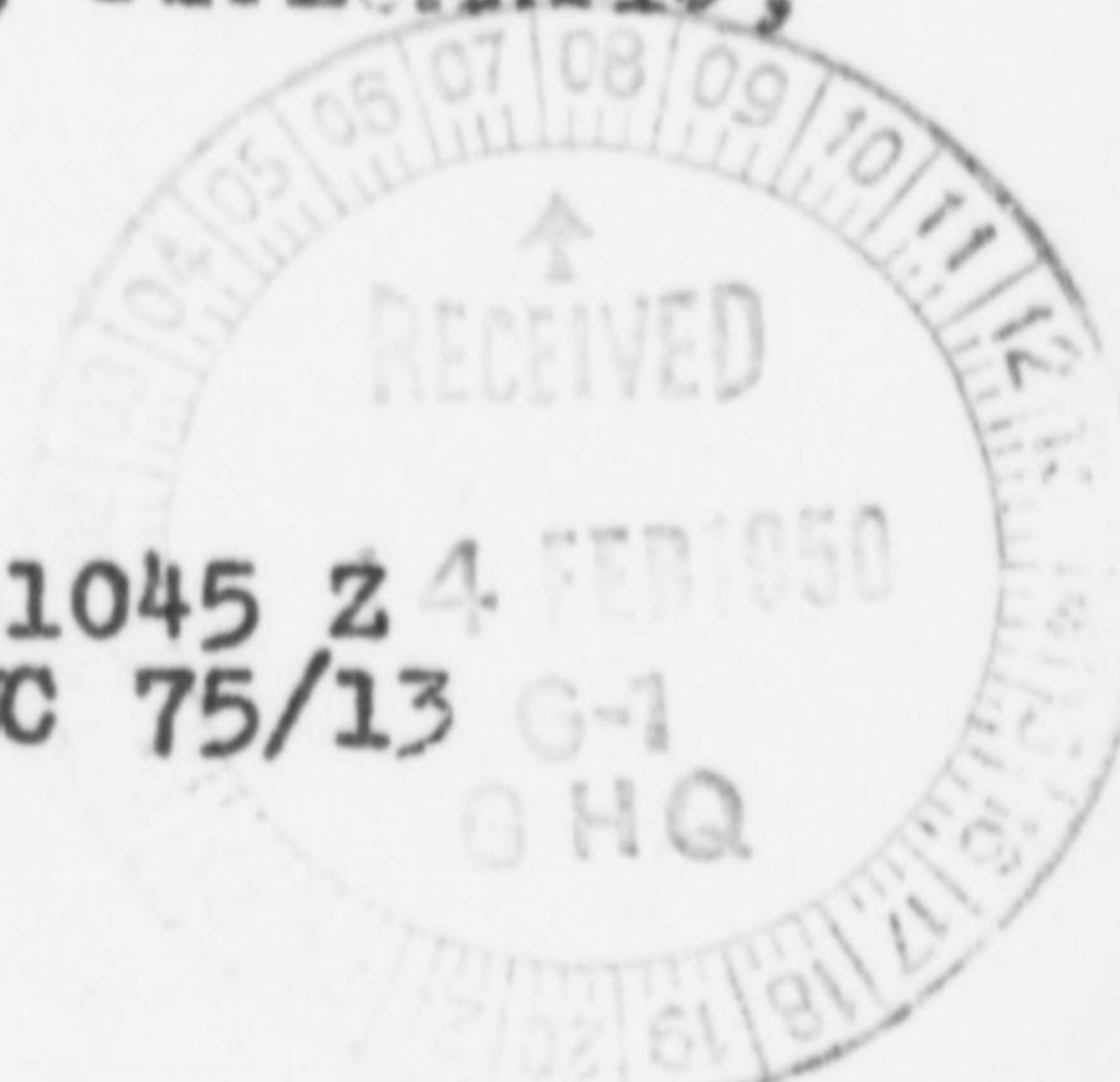
INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, AG, DIPLOMATIC,
HC COMMANDANT

54004

*dis by
2-38057
14 Feb 50
43012*

**DEFERRED
UNCLASSIFIED**

TOO : 131045 Z 4 FEB 1950
MCN : AUC 75/13 G-1
GHQ



G-1 FILE COPY

22

File

Lt Col F B Harrison
26-5938

Payment for Liquor Received from China

G-1

C/S

14 February 1950

1

1. Radio (Tab A) from AMCON, Shanghai is a reply to radio Z 37015, 8 February (Tab B) regarding the payment of liquor received from Shanghai Companies. AMCON was able to contact only one company, Baboud Mary. This company states that there exists no contract nor understanding that this liquor was received on consignment. In view of this statement it appears that GHQ Locker Fund is legally obligated to pay for liquor received from these companies. Although Baboud Mary is the only company pressing for payment, fair treatment indicates that settlement should be made with all companies.

2. Considering the low operating fund (approximately \$3,000) available to GHQ Locker Fund, a proposal that the balance of approximately \$8,900 be paid for in six equal installments seems appropriate. This will have less impact on the Locker Fund and will not curtail their operations to the extent that one payment would.

3. A radio to AMCON, Shanghai has been prepared (Tab C) requesting that they advise Baboud Mary on the method of payment. A C/N (Tab D) to Hq Comdt has been prepared requesting that he make payment to all companies over a six (6) months period.

4. Recommend approval of:

- a. Proposed radio to AMCON (Tab C).
- b. Proposed C/N to Hq Comdt (Tab D).

5. JA concurs.

4 Incls

- Tab A - Rad 131045 Z dtd 13 Feb
50, fm AMCON to SCAP
- Tab B - Rad Z 37015 dtd 8 Feb
50, fm SCAP to AMCONGEN
- Tab C - Ppsd rad to AMCONGEN
- Tab D - Ppsd C/N fm G-1 to Hq Comdt

----- W.A.B. -----

22-15
13

775009

430.2

22498
8927

Lt Col F B Harrison 26-5938
Date: 15 February 1950

MEMORANDUM FOR: CHIEF OF STAFF

SUBJECT : Payment for Liquor Obtained from China

1. Reference memo from C/S (Incl 2) regarding the liquor from China, G-1 has prepared a radio to AMCONGEN requesting that Baboud Mary be advised that payment be made over a six months period. A proposed C/N to Hq Comdt requests that payment be made to all companies on this basis.

2. Attached (Incl 3) is radio from AMCON, 190315 Z, dated 19 July 1949, and the answer thereto, radio Z 17659, dated 22 July 1949, by DS, (Incl 4). Also attached is radio 220239 Z from AMCON, dated 22 August 1949, (Incl 5) and the answer thereto by DS, radio Z 21353, dated 26 August 1949, (Incl 6). This matter was originally a G-4 action, but, as indicated, radios of 22 July and 26 August were not coordinated either with G-4 or G-1. This lack of staff coordination places GHQ Locker Fund in the position of being morally obligated to pay the debt.

WAB/FBH/eb G-1 File



H. J. S.

221

C O P Y

WJS CHB/pf

UNCLASSIFIED

26 Aug 49
86

FROM: SCAP (USPOLAD) TOKYO JAPAN

TO : AMERICAN CONSULATE GENERAL, SHANGHAI . . . ROUTINE

(Z 21353) Reurtel 166 Aug 22 concerning outstanding account of Custodian GHQ Beverage Fund with Baboud Mary and Cie, Shanghai.

Responsible GHQ official informed this office that \$604.13 being remitted few days for account Shanghai firm, following payment method stated ourtel 80 July 23. Balance of \$5,966.09 expected to be cleared by end this year.

SEBALD

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

W. J. SEBALD
Chief
Diplomatic Section

Info copy to:
S-4 (Lt Merton)
43-2254

M/R: Above telegram contains reply to telegram no. 220239 Z sent by the American Consulate General, Shanghai, as no. 166 of 22 Aug 49. Incoming telegram asked this office to pass message to Custodian, GHQ, Beverage Fund, stating that Shanghai firm mentioned above was not willing to reduce its prices for certain wines shipped to Japan last December. Above reply states that payment on outstanding balance being made within a few days, and that it is planned to take care of remaining balance by end of year.

Concurrences: none

C. H. Boehringer
26-5364

UNCLASSIFIED

C O P Y

INCOMING MESSAGE

UNCLASSIFIED
DEFERRED

GGG

22 Aug 49

FROM: AMCON SHANGHAI CHINA

TO : SCAP (USPOLAD) (FOR HUSTON) TOKYO JAPAN

NR : 220239 Z (166)

Reurtel 80 July 23 Baboud Mary and CIE state that price of US dollar 16.20 for Vermouth had been fixed at time of shipment to Japan, that it represented cost price paid in April 1947; did not include transport, storage insurance and normal profit; also full payment agreed upon unreservedly. Co states that in addition to loss sustained through delay in taking delivery, selling prices on different occasions reduced, in some instances below cost; therefore not prepared make further reduction. Please pass Custodian GHQ Beverage Fund.

MCCONAUGHY

ACTION: DIPLOMATIC

INFORMATION: G-4, Hq Comdt

02589

DEFERRED
UNCLASSIFIED

TOO : 220239 Z
MCN : AUB 17/22

28'

COPY aj

COPY aj

UNCLASSIFIED

CKH CHB/pf

22 July 1949

FROM: SCAP (USPOLAD) TOKYO JAPAN
TO: AMCON SHANGHAI ROUTINE

Z - 17659

Reference urtel 157 July 19 containing request to contact Custodian GHQ Beverage Fund regarding outstanding account with Baboud Mary & Cie, Shanghai, for mixed liquors shipped last December.

Responsible SCAP official informed this office that payment of \$13,230.07 made June 24 through local branch of National City Bank, with payment made to agent in US of Shanghai firm. Concerning balance due of \$6,570.22 question complicated by asserted impossibility sell 258 cases Algerian vermouth at \$16.20 per case. Will telegraph near future transmitting proposals aimed to facilitate settlement balance due Shanghai firm.

HUSTON

OFFICIAL:

APPROVED:

R. M. LEVY
Colonel, AGD
Adjutant General

CLOYCE K. HUSTON
Acting Chief
Diplomatic Section

Info copy to:
S-4 (Lt Merton)
43-2244

Concurrences: none

M/R: Above telegram contains reply to telegram no. 190315 Z sent by American Consulate General, Shanghai, to USPOLAD, SCAP, as no. 157 of 19 July 49. Incoming telegram asked this office to contact Custodian GHQ Beverage Fund regarding outstanding account with Shanghai firm for wines, et cetera, shipped to Japan last December. Above reply appears to be self-explanatory.

CHB 26-3364

UNCLASSIFIED

22

C O P Y aj

C O P Y aj

JA
eko

INCOMING MESSAGE

AFA

UNCLASSIFIED
DEFERRED

19 Jul 49

FROM: AMCON SHANGHAI CHINA

TO : SCAP (USPOLAD) (CARL BOEHRINGER) TOKYO JAPAN

NR : 190315 Z (157 JULY 19)

Please contact Custodian GHQ Beverage Fund and ascertain whether their outstanding account with local firm Baboud Mary & CIE for wines shipped last December has been settled. If not, urge settlement.

MCCONAUGHY

ACTION : DIPLOMATIC

91529

DEFERRED
UNCLASSIFIED

TOO : 190315 Z
MCN : AUC 27/19

D R A F T

Lt Col F B Harrison 26-5938

Subject: Payment for Liquor Received from China

FROM: G-1

To: Hq Comdt

Date: 14 February 1950

C/N
1

1. The attached radio to AMCONGEN, Shanghai, is for your information.
2. It is requested that payment for amounts outstanding for liquor obtained from Shanghai companies (Tai Lai Enterprise, Baboud Mary, Bodega and Co., and Compagni Optorg) be completed within six months as indicated in the cited radio.

1 Incl
Rad to AMCONGEN

W. A. B.

D R A F T

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

OUTGOING MESSAGE

GA/WAB PSD/FBH/11

UNCLASSIFIED

FROM: SCAP TOKYO JAPAN

TO : AMCONGEN SHANGHAI CHINAROUTINE

Message 131045 Z, 13 Feb. Request that Baboud Mary be advised that funds are nor repeat not available to make full payment at this time. Beginning 1 Mar 50 one sixth of the amount due will be paid each month until total payment has been made. Total payment will be completed as of 1 Sep 50.

OFFICIAL:

APPROVED:

K. B. BUSH
Brigadier General, USA
Adjutant General

W. A. BRIDGEMAN
Major General, OSC
Asst Chief of Staff, G-1

Copies to: CinC, C/S, AG, DS, Hq Comdt

UNCLASSIFIED

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

180.2

OUTGOING MESSAGE
UNCLASSIFIED

GA/PSD FBH/11
8 February 1950

FROM: SCAP TOKYO JAPAN
TO: AMCONGEN SHANGHAI CHINA ROUTINE

7539
080545

2-37015 Pass to companies listed below. Rad 190903 Z
(11 Jan 50). Following liquor accounts still outstanding, 15 Dec 49:

Ta Lai Enterprise

78 cases - Aubron Brandy @ \$18.50 Total \$1443.00

Baboud Mary and Cie

246 cases - Pierre Prat Vermouth @ \$16.20 Total \$3985.00

46 cases - Peppermint Get @ \$18.12 Total \$ 833.52

Bodega and Co

53 cases - Del Prado Rum @ \$10.50 Total \$ 556.50

Compagnie Optorg

18 cases Peppermint @ \$12.12 Total \$ 218.16

56 cases Nuque Richard @ \$9.58 Total \$ 536.48

23 cases Curacao @ \$14.80 Total \$ 340.40

10 cases Creme de Cassis @ \$22.00 Total \$ 220.00

8 cases Anisette @ \$16.72 Total \$ 133.76

10 cases Marnier Lapostole @ \$23.86 Total \$ 238.60

12 cases Grand Marnier Gordon Rouge @ \$35.47 Total \$ 425.64

P 208



UNCLASSIFIED

UNCLASSIFIED

FROM SCAP TOKYO JAPAN, TO AMCONGEN SHANGHAI CHINA 8 Feb 1950 Ga WAB
FBH/11

Payment outlined in letter dated 11 Dec 48 from Liquor Control Officer, Shanghai, was subject to confirmation. Liquor was accepted by Custodian, GHQ Locker Fund, with the understanding on his part that it was received on consignment to be paid for as sold and not repeat not accepted by Eighth Army under terms stated in reference letter. Liquor was shipped to Japan to save companies from total loss on this merchandise and consignment was condition under which liquor was accepted.

Remaining stocks of liquor are unsalable due to deterioration in storage and large quantities of undesirable brands. Request above companies advise of instructions for disposition of this liquor. Stress necessity for reply, previous request for disposition unanswered.

Official:

Approved by:

K. B. BUSH
Brigadier General, AGD
Adjutant General.

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

Copies to: CinC, C/S, AG, Hq Comdt, DS

M/R: 1. Liquor stocks ordered by various Shanghai dealers on behalf of the Officers' Club in Shanghai and cleared through Chinese Maritime Customs, could not be taken up when the American Forces were preparing to evacuate in December 1948.

2. At a conference held in Tokyo, attended by a liaison officer from Shanghai, it was agreed that the 8th Army would take the goods on consignment. However, the Liquor Control Officer in Shanghai wrote each dealer, "Subject to confirmation," an offer to purchase the stocks outright at fixed prices, payment six months after delivery in Yokohama. Eighth Army having declined to accept the shipment, it was taken over by the GHQ Locker Fund.

3. There now remains on hand \$8,931.29 worth of unsalable stocks.

4. The Shanghai dealers have pressed for payment through American Consulate in Shanghai. The present radio is in reply to a radio inquiry from the American consul. C/S approved 7 Feb 50. Concurrence: JA.

(Lt Col B. Harrison 26-5938)

UNCLASSIFIED

GENERAL HEADQUARTERS, FAR EAST COMMAND
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

INCOMING MESSAGE

EFF/cmk

UNCLASSIFIED
DEFERRED

30 Dec 49

FROM : AMCON SHANGHAI CHINA
TO : CINCFE (USPOLAD) TOKYO JAPAN
NR : 215 DEC 29

REMYTEL 166 Aug 22. CONJEN informed Baboud Marie and Cie
Shai still have not received payment from custodian GHO beverage
fund for US \$ 5,966.09 outstanding. Firm wld appreciate prompt
settlement, by remittance their credit Chase Natl Bank New York
15, NY REURTEL 80 Jul 23 or payment thru Natl City Bank Tokyo
to firm's agent in USA. Pls advise.

MCCONAUGHY

ACTION : DIPLOMATIC
INFORMATION : HQ COMMANDANT

Can by
2-37015
7-1-50
430.2

38953

DEFERRED
UNCLASSIFIED

TOO : 290732 2
MCN : AUA 62/29

22.

C/N 1, fr G-1 to C/S, subj, Payment for Liquor Received from China,
21 Jan 50

6.

From: JA

To: C/S

Mr. Morrison - Meiji 394

Date: 6 February 1950

1. The opinion of this office, expressed in Check Note 2, i.e., that the GHQ fund, on the facts presently available, is legally and morally obligated to pay for the merchandise received, is reiterated.

2. Concurrence by JA in the alternate proposed radio (Tab J), and in the proposal advanced in Check Note 4, does not reflect any modification of the foregoing opinion but is an assent to the purely practical, and legally unobjectionable, proposal that the understanding of a consignment, which (although apparently erroneous) was in fact entertained in this headquarters, be submitted to the dealers since their acquiescence thereto, if given, would relieve the headquarters of the above-stated obligation.

10 Incls

n/c

G.W.H.

775009

GENERAL HEADQUARTERS
FAR EAST COMMAND

OUTGOING MESSAGE

UNCLASSIFIED

GA/PSD FBH/eb

7 February 1950

f30.2

21572

070743

FROM: CINCFC TOKYO JAPAN

TO: ASTARMAT SHANGHAI CHINA DEFERRED

2-36904 ASTARMAT RAD SIX EIGHT CMA TWO FEB FIVE ZERO PD LTR

DTD NINE DEC FOUR NINE WAS RECD PD THIS MATTER UNDER STUDY BY THIS HQS

PD AMCOMGEN WILL BE ADVISED WHEN ACTION IS COMPLETED

OFFICIAL:

APPROVED:

K. B. BUSH
Brigadier General, AGD
Adjutant General

for *W.A.*
W. A. BEIDERLINDEN
Major General, GSC
Asst Chief of Staff, G-1



Copies to: CinC, C/S, AG, DS, Hq Comdt

M/R: Instant action concerns liquor recd fm Shanghai Officers' Club.

72

775009

430.2 7539

Lt Col F B Harrison
26-5938

Payment for Liquor Received from China

G-1

C/S

3 Feb 50

4
Contd

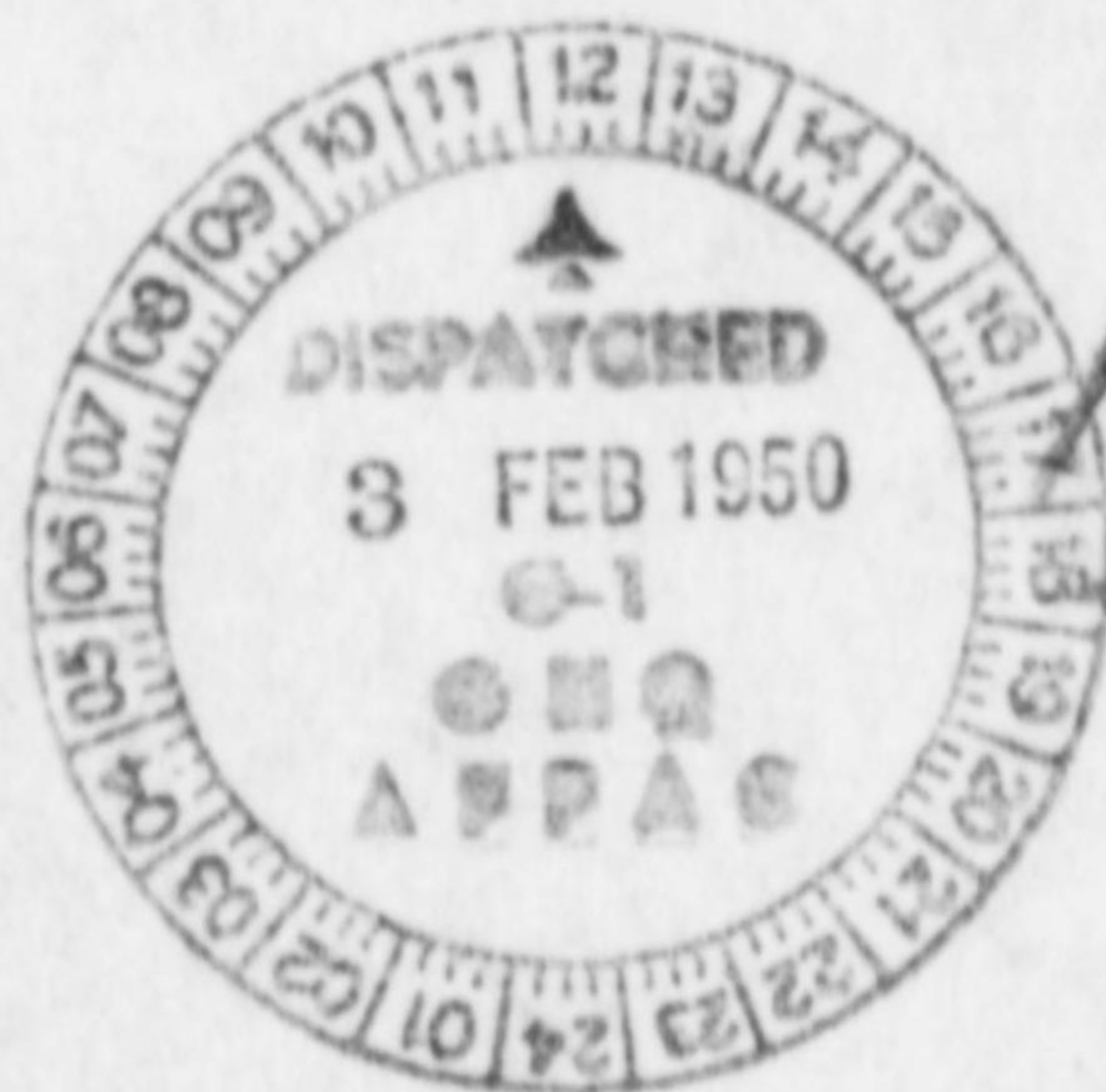
consignment to be paid for as sold. While G-1 does not question the opinion of the JA as to the legal liability for payment for the liquor, it is believed appropriate to advise ANCOMGEN of our understanding of the basis on which the liquor was accepted and to request that action be taken by the companies upon that theory of the transaction. Should that request be unfavorably considered by the companies, it is believed that it will then be appropriate to carry on further negotiations with them in an effort to mitigate the loss which will be sustained by the Locker Fund if it is required to pay in full for the liquor. JA concurs in this proposal.

3. Recommend approval of alternate proposed radio (Tab J).

10 Incls
1-9 n/c
10 added. Tab J - Alternate ppsd rad

----- W. A. B. -----

WAB/FBH/eb
G-1 File



GENERAL HEADQUARTERS
FAR EAST COMMAND
CHECK SHEET

7539

Lt Col F B Harrison 26 5938

(Do not remove from attached sheets)

File No:

Subject: Payment for Liquor Received from China

Note No.

From: G-1

To: C/S

Date: 1 Feb 50

(4)
cont'd

3. Recommend approval of alternate proposed radio (Tab J).

10 Incls
1-9 n/c
10 added - Alternate
Ppsd Rad - Tab J

----- W. A. B. -----

(5)

From: JA

To: G-1

Lt Col Shrader - Meiji 394
Date: 2 February 1950

1. JA concurs in the alternate proposed radio (Tab J), subject to the following, that the radio be amended by inserting after the word "fund," in the third line of page 2 thereof, the words:

"with the understanding on his part that it was received."

2. In order that it will not appear that the foregoing is a reversal of the opinion contained in preceding C/N 2, it is recommended that paragraph 2 of C/N 4 be amended to read as follows:

"2. G-1 has prepared an alternate radio to AMCOMGEN (Tab J), in which it is stated that this liquor was accepted by the Custodian of the GHQ Locker Fund, with the understanding on his part that it was received on consignment to be paid for as sold. While G-1 does not question the opinion of the JA as to the legal liability for payment for the liquor, it is believed appropriate to advise AMCOMGEN of our understanding of the basis on which the liquor was accepted and to request that action be taken by the companies upon that theory of the transaction. Should that request be unfavorably considered by the companies, it is believed that it will then be appropriate to carry on further negotiations with them in an effort to mitigate the loss which will be sustained by the Locker Fund if it is required to pay in full for the liquor."

10 Incls
n/c

----- G. W. H. -----

22

From: CofS

To: G-1

Date 27 Jan 50

3

For comment and recommendation in view of preceding check note.

Subject: Payment for Liquor Received from China
E. M. A.

From: G-1

To: C/S

Lt Col F B Harrison 26-5938
Date: 3 February 1950

4

1. It is the understanding of G-1, who was present at the conference on this subject in December 1948, that this liquor was accepted on consignment basis only. Shipment of this liquor to Japan assisted these companies by avoiding total loss on this merchandise due to conditions in China at the time. Since the Shanghai Officers' Club held this liquor on consignment there was no legal requirement that it be purchased or moved to Japan.

2. G-1 has prepared an alternate radio to AMCONGEN (Tab J), in which it is stated that this liquor was accepted by the Custodian of the GHQ Locker Fund, with the understanding on his part that it was received on

C/N 1, fr G-1 to C/S, subj, Payment for Liquor Received from China, 21 Jan 50

Mr Morrison - Meiji 394
Date: 26 January 1950

2

From: JA

To: C/S

1. The answer to the question posed depends upon whether the subject transaction was a consignment or an outright sale on credit. If it was a consignment, there is no obligation other than to pay for the stocks as sold or otherwise dispose of them at the direction of the consignor. If it was a sale, this headquarters is both morally and legally bound to pay for them, regardless of how ill-advised or disadvantageous the transaction may have been.

2. In the opinion of this office, the letter addressed by the Liquor Control Officer in Shanghai (Tab B) constituted an offer to purchase on six months' credit, on behalf of the Eighth Army Locker Fund. It has been ascertained by this office that similar letters were addressed to the other dealers involved.

3. Since it has been ascertained that the understanding reached at the December 1948 conference contemplated a consignment transaction rather than an outright purchase, the Liquor Control Officer exceeded his authority, and, in the absence of any conduct on the part of this headquarters which might indicate ratification of the contract, this headquarters would not be legally bound.

4. A check with G-1 and G-4 has failed to reveal any correspondence indicating that this headquarters knew of the offer made by the Shanghai Liquor Control Officer or assented to it. Copies of the letter (Tab B) are contained in the file of GHQ Beverage Custodian, but there is no indication of when they

Payment for Liquor Received from China

JA

C/S

Mr Morrison Meiji 394
26 January 19502
(contd)

were received, by whom they were seen, nor what action was taken upon receipt of the information.

5. It is noted that, in Captain Barrie's letter (Tab B), the offer is made "subject to confirmation." Since it seems inconceivable that the Shanghai dealers would release their stocks unless they had some assurance of confirmation, and since it is reasonable to presume that Captain Barrie would not ship \$50,000 worth of stocks and neglect to inform this headquarters of the terms upon which the shipment was made, it may be inferred that this headquarters was informed of Captain Barrie's action in time to have repudiated his offer. Therefore, acceptance of the shipment and sale of all but the dregs constitutes an adoption of the contract Captain Barrie made in behalf of the Eighth Army.

6. For the foregoing reasons, this office does not concur in the proposed radio (Tab G), inasmuch as the information available indicates confirmation of the offer of purchase by Captain Barrie (Tab B) which results in a legal and moral obligation to pay for the merchandise received.

9 Incls
n/c

G. W. H.

GENERAL HEADQUARTERS
FAR EAST COMMAND

OUTGOING MESSAGE

UNCLASSIFIED

GA/PSD FBH/eb

24 January 1950

30.2

20492

240935-

FROM: SCAP TOKYO JAPAN

TO : AMCONGEN SHANGHAI CHINA ROUTINE

2-3502 ✓ RE ONE NINE ZERO NINE ZERO THREE Z PAREN ONE ONE JAN

FIVE ZERO PAREN PD INVESTIGATION OF THIS MATTER IS BEING EXPEDITED HERE
PD WILL REPLY UPON COMPLETION OF INVESTIGATION

OFFICIAL:

APPROVED BY:

K. B. BUSH
Brigadier General, AGD
Adjutant General

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

Copies to: CinC, C/S, AG, Hq Comdt, DS

M/R: Instant action is interim reply to radio fm AMCONGEN Shanghai
concerning liquor obtained by GHQ Locker Fund from Shanghai companies.
C/S approved 24 Jan 50.

(Lt Col F B Harrison 26-5938)

224

775009

GENERAL HEADQUARTERS, FAR EAST COMMAND
 ADJUTANT GENERAL'S OFFICE
 RADIO AND CABLE CENTER

INCOMING MESSAGE

430.2

JA/lde.

UNCLASSIFIED
 DEFERRED

20139

20 Jan 50

FROM : AMCON SHANGHAI CHINA
 TO : CINCPAC (USPOLAD) TOKYO JAPAN
 NR : 190903 Z (11 JAN 19)

REMYTEL 215, Dec 29, CONGEN informed that Baboud Mary & Cie Shai still have not recd payment from custodian GHQ Beverage Fund for US \$5,966.09 outstanding. Documents presented by firm to CONGEN show this outstanding account is result of shipment made following confirmed purchase by Office of Liquor Control Officer Shai. In letter to firm dated Dec 11, 1948, that office promised payment to be made as designated by Baboud Mary within 6 months from date of arrival of undamaged stocks in Yokohama. Hence question non-saleability remaining stocks appears irrelevant. However firm paid Marine Ins of about US \$950 to cover shipment to Yokohama out of own pocket as set forth in contract Dec 11, 48. CONGEN would appreciate early decision and disposition this matter prior closing this office.

REVISED: (21 Jan 50)

ACTION : G-1

P39

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, AG, SC,
 COMMANDANT, DIPLOMATIC

MCCONNERY



45466

DEFERRED
 UNCLASSIFIED

TOO : 190903 Z
 MCN : AUB 105/19

G-1 FILE COPY

22

7539

Lt Col F B Harrison 26-5938

Payment for Liquor Received from China

G-1

C/S

21 Jan 50

1

1. Reference is made to your verbal query concerning the matter of the GHQ Beverage Fund ~~is~~ indebtedness to Baboud Mary & Co., Shanghai.

2. The actual indebtedness is not \$5,966.09 as indicated in message from AMCOM, Shanghai (Tab F) but is \$4,818.72. It is apparent that this company did not take into consideration a payment which was made in December 1949 through the Tokyo Branch National City Bank, & Chase National Bank, New York. Notice of this deposit had probably not yet been received by this company.

3. The original arrangements on this transaction were made in a conference in December 1948, the details of which are included in a memorandum (Tab A) from Lt. Merton, Custodian, GHQ Beverage Fund to S-4, Hqs & Sv Gp. In order to relieve the Shanghai Officers Club of a moral obligation to certain companies with which they had liquor on consignment it was originally considered that Eighth Army Locker Fund would take this merchandise. The Liaison Officer from China (Lt. Col. MacFadden) attended this conference.

4. Subsequent to the above mentioned conference, the Liquor Control Officer Shanghai (Capt Barrie) in a letter to Tai Lai Enterprises (Tab B) made commitments, as follows:

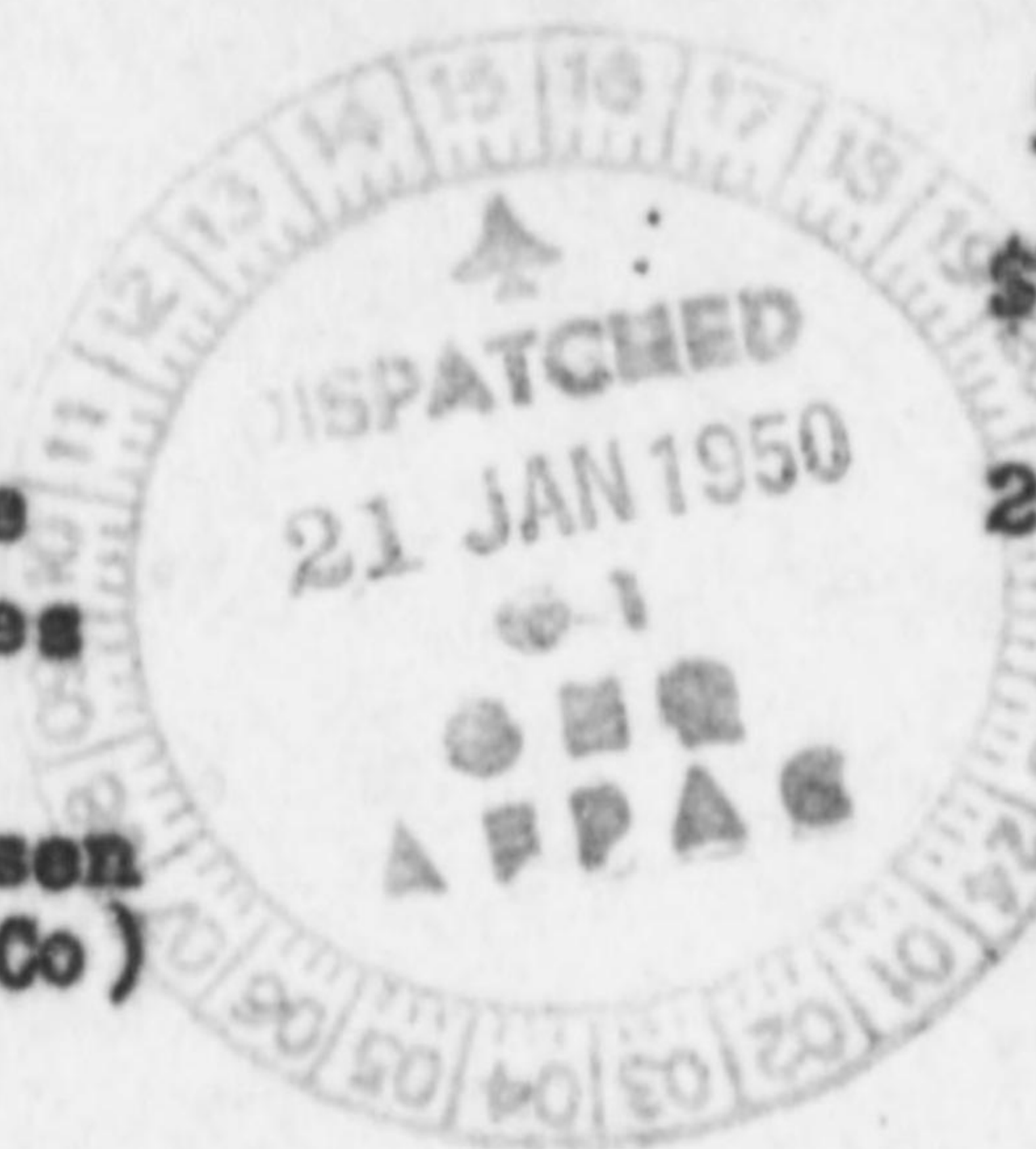
a. The liquor would be paid for within six months after receipt.

b. The liquor would be paid for at the current Eighth Army Locker Fund price or where not listed, at the invoice price from the distilleries. These agreements were made without knowledge, at the time, or authority from this headquarters.

5. Following the conference Eighth Army refused to accept and handle this liquor. It was decided that the GHQ Locker Fund would accept this liquor which amounted to approximately \$50,000.

6. The following is the listing of the companies concerned in this liquor transaction showing the original amount and the present status of the account:

<u>Company</u>	<u>Original Amt</u>	<u>Present Status, 15 Dec 49</u>
Bodega	\$7,725.73	\$ 556.50
Campagne Optorg	8,952.51	2,113.04
Baboud Mary & Cie	20,640.72	4,818.72
Ta Lai Enterprises	1,850.00	1,443.00
S. Trachtenberg	1,002.00	Paid in full
Anker B. Henningsen (Gray Trading Co)	6,840.89	Paid in full



G-1 WAB/ERH/11

H.S.

27

Lt Col F. B. Harrison 26-5938

Payment for Liquor Received from China

G-1

C/S

21 Jan 50

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Cont'd

7. Since receiving this merchandise commercial firms have been established in Japan which handle the same products at a much lower cost than originally agreed upon in this transaction. Since the majority of this liquor was made up of little known brands the Eighth Army price list did not apply, and it was necessary to accept the invoice price. In addition to the excessive cost, this merchandise is unsalable for the following reasons:

- a. Deterioration in storage
- b. Unknown brands
- c. Undesirable types, e.g. sweet vermouth.

8. An effort to terminate this transaction has been made by the Custodian, GHQ Locker Fund. Tab C is radio from ANCON Shanghai reference non-receipt of payment by Baboud Mary and Cie in the amount of U. S. dollars \$5,996.09 for liquor received by GHQ Locker Fund. Reply to subject radio (Tab D) stated "payment of \$1,751.50 to Baboud Mary and Company was made through Tokyo Branch National City Bank, % Chase National Bank, New York. Balance remaining with this payment is \$4,818.73 and not \$5,966.09 as claimed. In this radio disposition of remaining liquor stocks was requested. Previous correspondence with this company also requested disposition of remaining stocks due to its unsalability (Tab E).

9. The total amount outstanding, to all companies, on this transaction is \$8,931.26 (Tab H). The present working capital of the GHQ Locker Fund is \$3,159.87. This amount could be increased by sale of stock on hand to cover this purchase; however, Hq Comdt (Gen Weible) seriously objects to procuring merchandise which is not salable. To do this would definitely curtail the service of the GHQ Locker Fund to the clubs in the Tokyo area. It is the desire of Hq Comdt that GHQ Locker Fund be in a position to close rapidly. To have this stock on hand would make this plan difficult of accomplishment unless this liquor were sold at great loss or given away.

10. Tab F is a radio from ANCON Shanghai which refers to the unpaid balance due Baboud Mary and Company, Tab G is a proposed reply to ANCON, Shanghai which gives them information to companies concerned for settlement of this matter.

11. Recommend approval of proposed radio (Tab G).

Concurrence: Hq Comdt (Gen Weible) (Tab I).

Lt Col F. B. Harrison 26-5938

Payment for Liquor Received from China

G-1

C/S

21 Jan 50

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Cont'd

Incls:

- Tab A - Memo fm Custodian
GHQ Beverage Club
- Tab B - Ltr fm Ta Lai
- Tab C - Rad fm AMCON
- Tab D - Reply to Rad
- Tab E - Ltr to Baboud Mary
& Cie
- Tab F - Mag fm AMCON
- Tab G - Ppsd Rad
- Tab H - Status of Liquor
Stocks
- Tab I - Hq Comdt (Gen Weible) concurrence

-----W. A. B.-----

GA PSD CMG/bmz
21 Jan 50

UNCLASSIFIED

FROM: SCAP TOKYO JAPAN
TO : AMCONGEN SHANGHAI CHINA ROUTINE

Pass to companies listed below. Re 190903 Z (11 Jan 50).

Following liquor accounts still outstanding, 15 Dec 49:

Ta Lai Enterprise

78 cases - Aubron Brandy @ \$18.50 Total \$1443.00

Raboud Mary and Cie

246 cases - Pierre Prat Vermouth @ \$16.20 Total \$3985.00

46 cases - Peppermint Get @ \$18.12 Total \$ 833.52

Bodega and Co

53 cases - Del Prado Rum @ \$10.50 Total \$ 553.50

Compagnie Optorg

18 cases Peppermint @ \$12.12 Total \$ 218.16

56 cases Nuque Richard @ \$9.58 Total \$ 536.48

23 cases Curacao @ \$14.80 Total \$ 340.40

10 cases Creme de Cassis @ \$22.00 Total \$ 220.00

8 cases Anisette @ \$16.72 Total \$ 133.76

10 cases Marnier Lapostole @ \$23.86 Total \$ 238.60

12 cases Grand Marnier Gordon Rouge @ \$35.47 Total \$ 425.64

from

Payment outlined in letter dtd 11 Dec 48 / Liquor Control Officer, Shanghai, was subject to confirmation. Liquor accepted by Custodian GHQ Locker Fund on consignment to be paid for as sold and not rpt not accepted by 8th Army under terms stated in reference letter. Due to lack of funds by GHQ Locker Fund at time merchandise accepted outright purchase could not rpt not be made. Consignment only condition under which liquor was accepted. Present working capital does not rpt not permit purchase at this time.

Since receiving merchandise commercial firms established in Japan handle same products. Due to availability of this merchandise landed costs are less than originally agreed upon in this transaction. In addition to excessive costs merchandise unsalable due to deterioration in storage, remaining stocks undesirable brands and slow movers.

Request above companies advise of shipping instructions if return of unsold merchandise desired. GHQ Locker Fund offers to dispose of remaining merchandise on consignment at a price the market will pay. Request companies concerned set limit of price reduction if such action desired.

Advise companies of necessity of reply, previous request for disposition unanswered.

OFFICIAL:

K B BUSH
Brig Gen, AGD
Adjutant General

APPROVED BY:

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

Copies to: CinC, C/S, AG, Hq Comdt, DS

UNCLASSIFIED

Lt Col Metcalf 26-6356
Date: 20 March 1950

MEMORANDUM FOR GENERAL HICKEY

SUBJECT: Liquor Policies in Japan

1. Lt Col Lane, SGS, advised G-1 on Sunday, 19 March, that you desired the following publications for consideration on Monday morning:

a. The SCAP Circular concerning importation and sale of liquor by commercial entrants, and the SCAP letter on liquor in general. (There is no SCAP or FEC circular specifically dealing with liquor. SCAP Cir 22, 1949 (Tab A) deals with commercial entrants in general, and SCAP Cir 3, 1950, (Tab B), concerns control on entry and exit of individuals and cargo. CINCFE policy on liquor is set forth in letters (Tabs C and D).)

b. A sample copy of a license of a commercial entrant concern license which permitted liquor importation into Japan and sale of liquor to occupationaires. (Copy of Williams International license attached Tab E).

c. Eighth Army's Circular or policy concerning purchases of liquor by occupationaires (Sect I, Cir 60, 8th Army, 3 Sept 48 (Tab F); Sect IV, Cir 63, 8th Army, 15 Aug 49 (Tab G); Sect XVII, Weekly Directive 72, 8th Army, 21 Jan 50 (Tab H).)

2. G-1 has made several staff studies on liquor during the past 6 or 8 months and can make these available if desired.

3. Recommend the attached publications be returned to G-1 files after their purpose has been served.

8 Incls

- Tab A - SCAP Cir 22, 1949
- Tab B - SCAP Cir 3, 1950
- Tab C - GHQ, FEC ltr, AG 435 (31 Dec 48)GA, dtd 31 Dec 48
- Tab B - 2d Ind, GHQ, FEC, AG 095 (19 Aug 49)GA, dtd 14 Oct 49
- Tab E - Cy of Williams Internatl license
- Tab F - Cir 60, 8th Army, 3 Sep 48
- Tab G - Cir 63, 8th Army, 15 Aug 49
- Tab H - Weekly Directive 72, 8th Army, 21 Jan 50

W. A. B.

1354

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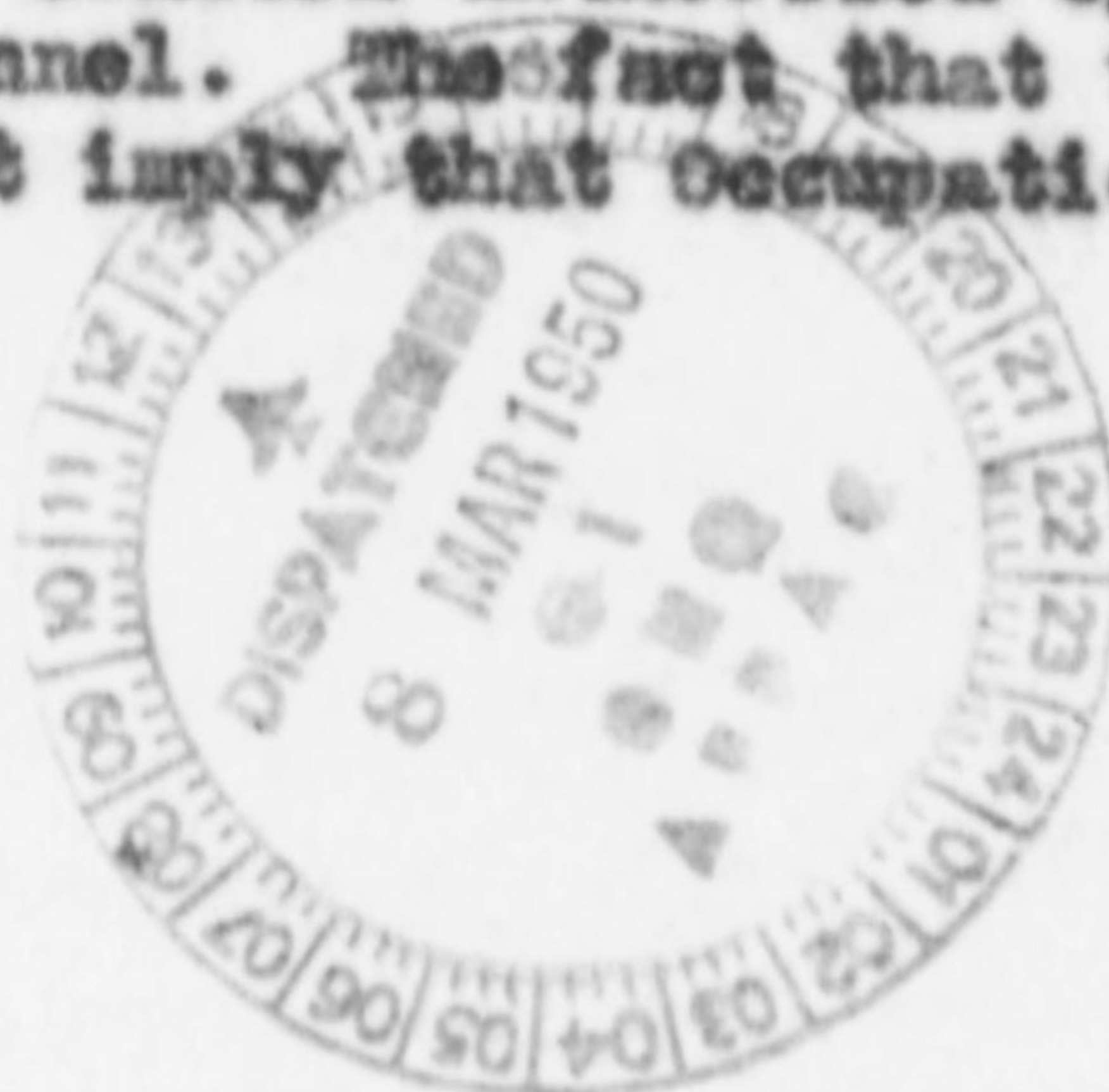
H30.2

Major Pedersen 26-8751
7 March 1950

MEMORANDUM FOR COLONEL CHAZAL, EIGHTH ARMY

SUBJECT: Sale of Alcoholic Beverages to Occupation Members by
Foreign Concerns

1. In response to your telephone request, I am attaching a complete list of foreign concerns licensed by SCAP to do business in Japan.
2. Regarding your inquiry as to which of the foreign concerns are authorized by license to sell alcoholic beverages, I refer you to pages 40, 41 and 42 of the inclosure wherein wholesalers and retailers are listed. Some of the licenses of these concerns specifically authorize the sale of alcoholic beverages to Occupation personnel; others, phrased in more general terms, include authorization for the sale of certain items "and other commodities". The term "and other commodities" has been interpreted to include alcoholic beverages.
3. Accordingly, there is no prohibition against the sale of beverages by any concern authorized by SCAP to sell commodities to Occupation personnel. The fact that there is no prohibition to sell, however, does not imply that Occupation personnel are authorized to purchase.

H. Y. Grubbs
Colonel GSC
G-1 Section
GHQ, FMC

6-1

19.

430.2

18 January 1950

MEMORANDUM FOR: Deputy Chief of Staff, SCAP

7297

Subject: Sale of Liquor to Occupation Personnel.

1. FEC Cmd ltr and licenses issued to commercial concerns do not restrict the sale of liquor to any particular class of personnel.

2. FEC Cmd ltr specifically states that disciplinary control of occupation personnel is the distinct responsibility of the area commander. Further, that he is authorized to place "off limits" any establishment that is prejudicial to the discipline of his command.

3. The theory behind the several papers on the sale of intoxicating liquor to occupation personnel (military) was that no general restriction should be imposed, rather it should be a case of area administration. Should the sale of liquor to military personnel become a hazard to the command, the commander could rightfully impose such restrictions as he deemed necessary.

4. There has come to the attention of this headquarters thru civilian and military sources, that the firm of Jardine, Matheson (located in Yokohama) has, thru its unrestricted sale to military personnel, created within the Yokohama area a situation unfavorable to military discipline.

5. The undersigned was informed, thru civilian source, that unrestricted sales were being effected to the discredit of the military personnel involved in that the military personnel were being used as "go-betweens" between the Japanese and Jardine, Matheson in the sale of liquor. It was reported, and confirmed by the G-1 of 8th Army, that liquor in quantities totally inappropriate to individual consumption was being sold to enlisted personnel.

6. The undersigned, as Acting G-1, in telephone conversation with the G-1 of 8th Army (Colonel Conley) was informed again that Jardine, Matheson was becoming a distinct disciplinary hazard. 8th Army G-1 was informed that the administration of any establishment under the command of 8th Army which involved the members of the occupation (military or civilian) was under their jurisdiction. Furthermore, that if in the opinion of the Commanding General, 8th Army or the local commander, the establishment was inimical to the interests of the occupation that establishment could well be placed "off limits" to the occupation and could remain in that category as long as the commander deemed necessary.

7. This decision is believed, by the undersigned, to be in complete accord with the theory behind the non-restrictive clause in the command letter and license. It is in distinct conformity with the practice in the United

B-1 file

Jardine Matheson

States where authority is given to prohibit the sale of liquor within certain military areas; that the authority granted a commercial concern to engage in business in Japan is subject to the requirements of the occupation. Where a firm does not consider its obligations to the occupation, that firm ceases to benefit either the occupation or the Japanese.

8. Attached hereto (marked by tabs) is a complete file of the several actions that have been taken on the sale of intoxicating liquor to occupation personnel.

Re Cir: Cir 22, 13 Sep (Sec III, pars 3c and 9) and Cir 23, 13 Sept (pars 14b (3), 16a (5) and 18).

1 Incl:
file

C.W.O.
C. W. O.



Lt Col Reed 26-5937
21 January 1950

MEMORANDUM FOR GENERAL BRIDERLINDEN

SUBJECT: Visit to Eighth Army Headquarters and Yokohama

1. In accordance with instructions from acting G-1, the undersigned visited Eighth Army Headquarters in Yokohama on the afternoon of 20 January 1950 for the purpose of inquiring into reported sales of liquor to Occupation personnel in violation of Eighth Army Circular 60, 3 September 1948 (Tab A).

2. During this visit the undersigned contacted Colonel Conley, acting G-1, Eighth Army and Lt. Col. Leigh, G-1 Section, Eighth Army. The undersigned also visited the retail store maintained by Jardine, Matheson & Co. Ltd. and Mays of Tokyo Pacific Stores.

3. a. At the Jardine, Matheson outlet hard liquor was on open sale in unlimited quantities to anyone having acceptable currency. This store has on display at the liquor counter where it can be easily read by anyone purchasing liquor the following sign:

"Eighth Army Regulations do not permit their personnel, military or civilian, to make purchases of liquor other than through Eighth Army Locker Fund. (Circular No. 60, 3 September 1948).

When the undersigned inquired of the sales clerk if he could purchase liquor the clerk pointed to the sign and said, "Yes, if you don't care about the sign." The clerk also offered to sell liquor to Colonel Leigh who accompanied the undersigned and who was wearing an Eighth Army patch at the time. Colonel Leigh and the undersigned witnessed the purchase, payment and delivery of a fifth of whiskey to Recruit William B. Anderson, RA 14259916 of the Fifth Engineers Construction Group who was a customer in the establishment. At the exit to the store a CID agent of the Yokohama Command informed the undersigned that he was there for the purpose of taking the name and other pertinent data of all Eighth Army personnel making purchases of liquor at this establishment.

b. The undersigned, still accompanied by Colonel Leigh, next visited an establishment known as "Mays of Tokyo Pacific Stores." In the portion of the store where liquor was on sale was displayed a small sign reading:

"Regulations require that we limit the sale of liquor to enlisted men holding U. S. Army Commissary cards only. The Management."