

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

Description of contents

- (1) Box no. 212
- (2) Folder title/number: (34)
354.1: Camps and Rest Hotels and Special Service Hotels

(3) Date: Jan. 1950 - May 1950

(4) Subject:

Classification	Type of record
035.1	Z

(5) Item description and comment:

(6) Reproduction: Yes No

(7) Film no. Sheet no.

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RESTRICTED

354.1

W
F

CAMPS AND REST HOTELS
AND SPECIAL SERVICE
HOTELS

LINE

TO

LINE

RESTRICTED

254.1

SUBJECT: Use of Gamagori Hotel as U.S. Army Billet

1425

AG 620 (22 Nov 50)GA 2nd Ind

GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS, APO 500
14 DEC 50

TO: Commanding General, Japan Logistical Command, APO 343

1. Authority is granted to billet the six officers and twelve enlisted men on NPR-J duty at Camp Toyokawa at the Gamagori Hotel, subject to the following restrictions:

a. Occupancy to be on a temporary basis until the termination of the war in Korea or until dependent travel to the FEC is resumed.

b. Care is exercised to insure that billeting of officers in an enlisted billet does not create undesirable morale problems for enlisted guests.

BY COMMAND OF GENERAL MacARTHUR:

A. J. REHE
Lt Col, AGC
Asst Adj Gen

M/R: 1. Chief of the Tokai-Hokuriku Civil Affairs Region, Nagoya, Honshu, in letter dtd 22 Nov 50, subject as above, requested authority to billet and mess six officers and twelve enlisted men assigned to NPR-J duty at Camp Toyokawa at the Gamagori Hotel.

2. JLCOM in 1st Ind to above letter dtd 6 Dec 50 recommends appvl on a temporary basis.

3. A review of the use of the Gamagori Hotel reveals that it was used to the maximum capacity during normal periods when dependent travel was authorized to FEC. At present the hotel has limited use and can accommodate the 18 people mentioned above with little difficulty. The presence of six officers in an enlisted hotel may pose certain problems, however, and it is felt that a proper attitude on the part of the officers concerned can reduce this to a minimum.

Lt Col W.A. Hampton

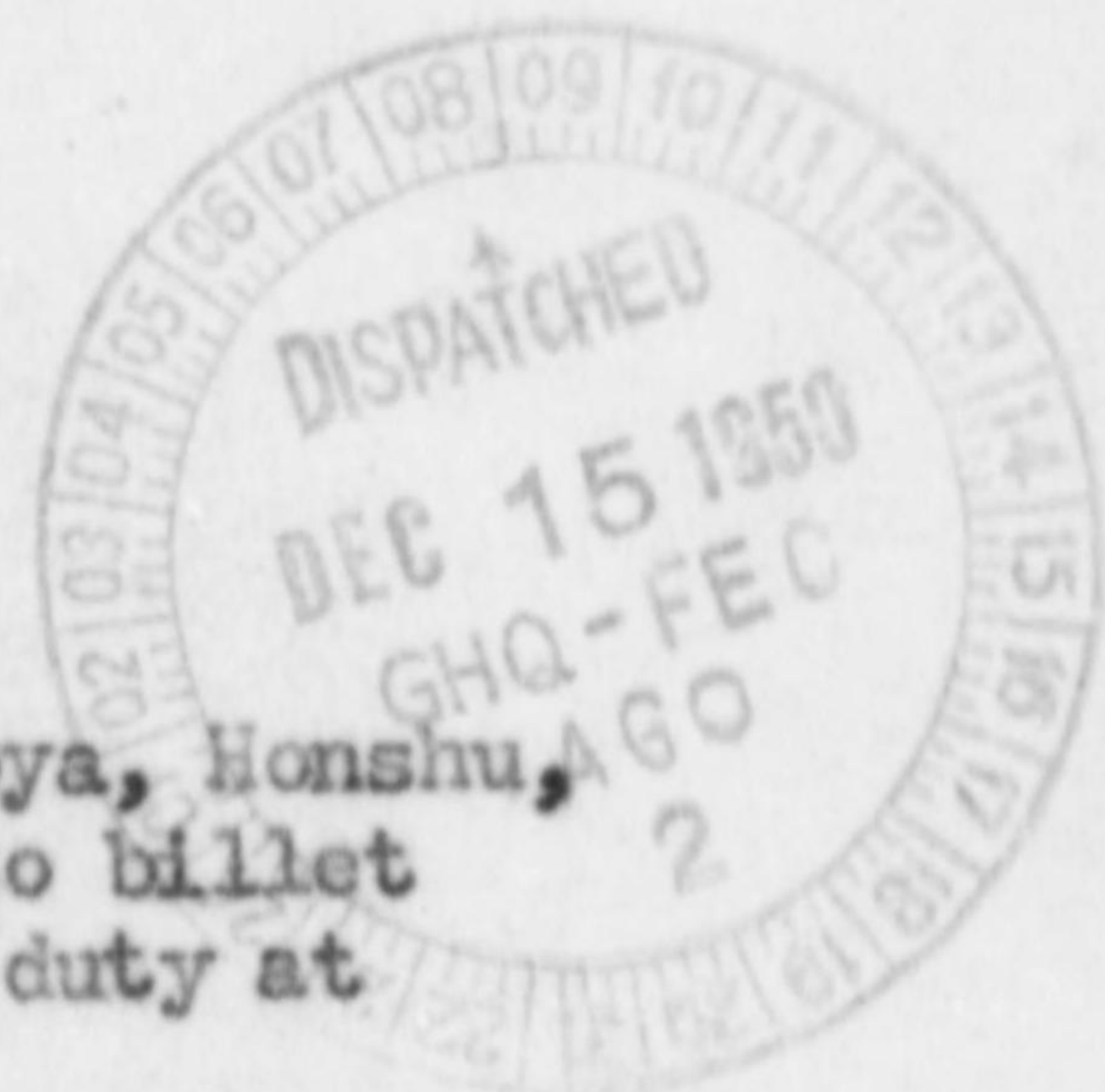
G-1 PSD

274

2 ←

G-1 CHECKBACK

H.Y.S.



775009

354.1

1937

Maj Ross/rs1 26-6930

Non-Military Hotels

G-1

ESS

2 June 50

7 Cont'd

the Japanese Government to cash for yen, checks drawn on convertible accounts. Occupation force personnel could pay for their accommodations in yen purchased elsewhere.

6. In addition to the proposed SCAPIN, a command letter to major subordinate commands informing them of this action is also suggested. This letter should inform the commands that these hotels will be considered as private Japanese hotels and regulations covering their use is covered in appropriate circulars promulgated by this headquarters pertaining to the conduct of occupation force personnel.

2 Incls
n/c

W. A. B.

M/R: See Memo for Gen Beiderlinden, subj: Establishment of Tourist-Trader Hotels, dated 2 June 50



131 *

Rxx
e 1-5

Lt Col J R Fox 26-8051

Non-Military Hotels

COM

G-1

26 May 1950

6
(Cont)

T-T hotel it would be necessary for such a hotel to arrange with a U. S. licensed bank in Japan to provide a teller's window in the same manner such facilities are now offered in the export bazaars and retail stores. This, however, is strictly a matter between the hotel and the U. S. licensed bank.

2 Incls
n/c

-----L. L. W.-----
Maj Ross/rs1 26-6930
Date: 2 June 1950

From: G-1 To: ESS

- 7
1. G-1 concurs in principle with the proposal outlined in the attached study but does not concur in proposed memo for MITI, command letter, or press release. Since the Japanese Government has promulgated Law 279, 1949, which sets forth the requirements for the registration of hotels and inns suitable for use by foreigners in Japan, it is felt that the matter of providing accommodations for the foreign colony and foreign visitors in Japan should not be a responsibility of private Japanese industry as regulated and assisted by the Japanese Government.
 2. It is suggested that ESS prepare a SCAPIN to the Japanese Government directing that a minimum number of accommodations be provided in registered hotels to accommodate foreigners who are authorized to enter Japan. Priority as to the use of a pre-determined number of these accommodations should be given tourists and commercial entrants. Under Law 279, the Japanese Government could register sufficient hotels to accomplish this. This plan is believed more desirable since Tourist-Trader hotels would not conform to the classification given such hotels by the Japanese Government.
 3. The plan for provisioning Tourist-Trader hotels with essential imported food commodities as proposed in basic study is felt to be adaptable to registered hotels.
 4. It is felt that the problem of whether or not these hotels would be "on" or "off" limits to occupation force personnel should be divorced from this study and be covered in appropriate command directives, i.e. SCAP Cir 23, "General Personnel Regulations" which is presently under revision.
 5. Since the foreign colony of Japan will transact business on a yen basis subsequent to 1 July 50, it is felt that the establishment of money changing facilities in Japanese hotels would be unnecessary. Payment could be made by the foreign colony in yen or with checks drawn on a yen convertible account. As a matter of convenience the hotel management may be authorized by

1.31 *

From: COM

To: G-1

Date: 26 May 1950
Lt. Col. J. R. Fox
26-8051

- 6
1. The proposal to place all non-military transactions in Japan on a yen basis as of 1 July 1950 does not alter existing regulations respecting the use of Military Payment Certificates.
 2. SCAPIN 1966, 18 January 1949, Subject: Property Individuals are Authorized to Carry on Entering and Leaving Japan, provides, in the case of all Japanese and Foreign Nationals who are not members of or accredited to the Occupation Forces for the surrendering against receipt, of certain foreign currencies (including U. S. currency), except that currency exchanged for yen or FTFC's, at the port of entry.
 3. Only money changing facilities authorized by SCAP may be utilized for the conversion of military payment certificates to yen. At the present time, such money changing facilities are limited to U. S. licensed banks or agents (Japanese banks may be utilized as agents for American banks in outlying areas) and U. S. disbursing officers in Japan. In order to provide money changing facilities at a

131 *

Major Ross/dem
Date:

MEMORANDUM FOR: General Beiderlinden

SUBJECT: Establishment of Tourist-Trader Hotels

1. The attached study of ESS proposes the abolishment of the present classification "Trade Service Hotels", which are operated primarily for the accommodation of traders and tourists, and substitute therefor a large number of suitable Japanese hotels including former Trade Service hotels as Tourist-Trader hotels.
2. These Tourist-Trader hotels would include the hotels now operated as Trade Service hotels and in addition, suitable Japanese hotels located in scenic centers of Japan thus dispersing the facilities rather than having a concentration in large cities (6 in Tokyo, 1 in Nagoya, 1 in Osaka and 1 in Kyoto).
3. Provided this proposal is approved, the hotels to be designated as Tourist-Trader hotels will be so designated by the Japanese Govt and exempted from tax and customs as provided by law. Imported commodities for serving foreign guests will be purchased from funds allocated these hotels from the Japanese foreign exchange, the allocation to be determined by the Foreign Exchange Control Board in accordance with the general foreign exchange budget. The Tourist-Trader hotels may use this allocation to purchase from licensed wholesalers or transferred to OSS supply stores if the purchase is made from the latter. Guests in these hotels will pay for their accommodations in yen and the hotels will provide money changing facilities, but will not change MPCs without specific SCAP approval.
4. Surveillance as to sanitary and safety standards will be exercised over these Tourist-Trader hotels by the Japanese Govt.
5. These Tourist-Trader hotels will be "on limits" to everyone including occupation force personnel. However, the local occupation force commander

131*

NAME:

ADDRESS IN JAPAN:

ADDRESS IN GERMANY:

AGE: DATE OF BIRTH:

MEMBERS OF FAMILY:

CASE HISTORY: (Include source)

CLASSIFICATION:

Reason:

Authority:

REPATRIATION DATA:

may place any hotel "off limits" for cogent reasons.

6. Comments of PSD are outlined in the attached memorandum (Tab A).

7. CFAD believes that due to the increasing number of tourists, visitors and traders being authorized to enter Japan that there is a definite need for hotels to adequately accommodate them. However, the aforementioned proposal by ESS, although concurred in in principle, is felt to be undesirable for the following reasons:

a. Trade Service hotels were transferred to private management on 1 April 1950. At this time they are not under SCAP control.

b. The Japanese Govt has a Tourist Industry Division which operates under the Ministry of Transportation (Tab B). This division is responsible for the improvement and betterment of the tourist industry, tourist facilities, publicity and other tourist management. In addition, the Japan Hotel Association operating as a private organ under the Ministry of Transportation has as its purpose the development of the international tourist industry by promoting the improvement of hotel facilities.

c. The Japanese Govt by law No. 279, 1949, has the object of contributing toward the improvement of service to visitors by renovating hotels and other facilities for them. This law (Tab C) provides for the registration of hotels, the conditions under which registration may be effected, and sets forth the requirements of a hotel before it can request registration.

8. a. Therefore, rather than accept the proposal of ESS and establish tourist trader hotels, which would be a modification of trade service hotels recently abolished, CFAD believes that providing accommodations for tourists, visitors, and traders should be a function of Japanese industry assisted by the Japanese Govt, that such accommodations should be referred to as registered hotels pursuant to Japanese law and that the Japanese Govt be so informed. In order to insure that adequate facilities exist for tourists, traders and others, that the Japanese Govt be directed to make available a minimum number

NAME:

ADDRESS IN JAPAN:

ADDRESS IN GERMANY:

AGE: DATE OF BIRTH:

MEMBERS OF FAMILY:

CASE HISTORY: (Include source)

CLASSIFICATION:

Reason:

Authority:

REPATRIATION DATA:

of rooms as determined by ESS in registered hotels with priority to tourists and traders, remainder for others including Japanese nationals to be on a first come, first serve basis. The above could be accomplished by a SCAPIN to the Japanese Govt.

b. The plan proposed by ESS with reference to allocation of foreign exchange from the Japanese Foreign Exchange funds for the purchase of essential imported food commodities is felt to be adaptable to registered hotels.

c. CFAD further believes that the problem of whether or not occupation force personnel should use these registered hotels should be divorced from this study and covered in appropriate command directives, i.e. SCAP Cir 23, "General Personnel Regulations". This circular is presently under revision.

d. The matter of offering money changing facilities by the hotels is considered unnecessary, because subsequent to 1 Jul 50 all non-occupation force personnel will be on a yen basis and can either pay for their accommodations in regular yen, or by checks on yen convertible accounts. Occupation force personnel, if and when permitted to use these hotels, could pay in yen. Individual's convertible yen checks could be cashed by hotel management for yen if necessary or desirable.

e. In view of the above, CFAD recommends approval of proposed C/N to ESS.

R. C. E.
R. C. E.

NAME: Sass, Johann

ADDRESS IN JAPAN: Nagano ken, Kamiyama

ADDRESS IN GERMANY: Bundeisdorf/Kendeburg, Schleswig-Holstein

AGE: 43 DATE OF BIRTH: 1903

MEMBERS OF FAMILY:

Hermine	1907
Johanna	1936
Claus	1937
Peter	1939

CASE HISTORY: (Include source)

Bookkeeper, worked for C. Illies + Co

Member NSDAP

DAF (German Labor Front)

In Japan since 1925

CLASSIFICATION: 0

Reason:

Authority:

REPATRIATION DATA:

MJ

D R A F T

Lt Col Reed/ct 26-5937

MEMORANDUM FOR: CIVIL & FOREIGN AFFAIRS DIVISION

1. The following comments are offered on the Trade Service hotel aspect of the attached staff study. As a result of at least two different incidents at the Gajoen, the C/S directed that a study be made of traders' hotels. It was the understanding of the group that made this study that because of these incidents the C/S desired that all traders' hotels be placed "off-limits" to occupation personnel even though no reported incident had occurred at any of the hotels except the Gajoen. Another minor consideration was that a number of hotels were set aside for the exclusive use of occupation forces and by the same token traders should have hotels designated for their exclusive use. In implementing the C/S's desire that traders' hotels be placed "off-limits" certain exceptions to this general policy were recommended and approved by the C/S. Among these were:

- a. When a member of the occupation wishes to make an overseas telephone call from a traders' hotel.
- b. When on official business.
- c. When accompanying a resident of the traders' hotel as a bona fide guest.
- d. When entering places of business which have show rooms or display rooms in the traders' hotels.

Subsequent to this, ESS submitted a C/N pointing out that traders' hotels, particularly those outside the Tokyo area, were then operating at a loss due to the loss of occupation force patrons. As a result of this, use of traders' hotels outside the Tokyo area by occupation personnel on leave was authorized.

2. Except that the above action was taken at the direction of the C/S PSD perceives no objections to permitting occupation personnel the use of

Memo for CFAD

these hotels or the use of tourist-trader hotels as outlined by FSS.

3. Informal information available to PSD indicates that since all privately-operated Japanese hotels have been placed "on-limits" to occupation personnel, there has been promiscuous use of these hotels for immoral purposes. It is believed that the placing of privately-owned Japanese hotels "off-limits" and the placing "on-limits" of an adequate number of tourist-trader hotels, such as is outlined in the attached paper where a reasonable degree of supervision of the clientele could be maintained, would be at least a partial answer to this problem.

4. At the present time, special service hotels originally intended primarily for leave purposes are being used to such an extent for temporary billeting of dependents that it is difficult to secure leave reservations. If privately-owned Japanese hotels are to be placed "off-limits" again, a sufficiently large number of tourist-trader hotels should be established as to enable occupation force personnel unable to secure leave space in special service hotels to be accommodated in these tourist-trader hotels.

H. Y. G.
H. Y. G.

From: G-1

To: ESS

Major Ross/dem 26 6930
Date:

7

1. G-1 concurs in principle with the proposal outlined in the attached study but does not concur in proposed memo for MITI, command letter, or press release. Since the Japanese Govt has promulgated Law 279, 1949, which sets forth the requirements for the registration of hotels and inns suitable for use by foreigners in Japan, it is felt that the matter of providing accommodations for the foreign colony and foreign visitors in Japan should be a responsibility of private Japanese industry as regulated and assisted by the Japanese Govt.

2. It is suggested that ESS prepare a SCAPIN to the Japanese Govt directing that a minimum number of accommodations be provided in registered hotels to accommodate foreigners who are authorized to enter Japan. Priority as to the use of a pre-determined number of these accommodations should be given tourists and commercial entrants. Under Law 279, the Japanese Govt could register sufficient hotels to accomplish this. This plan is believed more desirable since Tourist-Trader hotels would not conform to the classification given such hotels by the Japanese Government.

3. The plan for provisioning Tourist-Trader hotels with essential imported food commodities as proposed in basic study is felt to be adaptable to registered hotels.

4. It is felt that the problem of whether or not these hotels would be "on" or "off" limits to occupation force personnel should be divorced from this study and be covered in appropriate command directives, i.e. SCAP Cir 23, "General Personnel Regulations" which is presently under revision.

5. Since the foreign colony of Japan will transact business on a yen basis subsequent to 1 July 1950, it is felt that the establishment of money changing facilities in Japanese hotels would be unnecessary. Payment could be made by the foreign colony in yen or with checks drawn on a yen convertible

1317

GENERAL HEADQUARTERS
FAR EAST COMMAND

32207

OUTGOING MESSAGE GA/CFAD HJR/dlw

UNCLASSIFIED 25 May 50

FROM: CINCPAC TOKYO JAPAN

TO: CG RYCCO OKINAWA ROUTINE

RYCCO MSG R ZERO EIGHT ONE ZERO FIVE PD US

EMPLOYEE'S WAIVER BENEFIT REPATRIATION TO US UPON TERMINATION OF
EMPLOYMENT PD HOWEVER IT IS ENCOURAGED UPON RYCCO ASSURE THAT INDIV
IS FINANCIALLY ABLE DEFRY COSTS REPATRIATION PD THIS MAY ACCOMPLISHED
BY TRANSFERRING OBLIGATION OF REPATRIATION TO ANOTHER EMPLOYER WHO
ACKNOWLEDGES SUCH OBLIGATION IN WRITING OR IF INDIV DESIRES ENGAGE
BUSINESS ON HIS OWN REQUIRES SURETY FUND AMOUNT SUFFICIENT DEFRAY
REPATRIATION SHOULD HIS BUSINESS FAIL PD

OFFICIAL:

APPROVED BY:

K.B. BUSH
Brigadier General, USA
Adjutant General

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

Copies to:

AG
DS

- 1. Basic is Msg R 03105, 22 May 50: "Please advise whether you regard statutory obligation of overseas employer of US personnel to repatriate the latter to the US on termination of their employment as a benefit which may be waived by an employee wishing to take other private employment in the same overseas area. Ref is an American employee of a govt contractor desiring to terminate and engage in an authorized business here."
- 2. Reply in consonance with policy here regarding separation of US personnel to secure private employment.
- 3. Coordinated with G-1 CFD (Mr. Head).

Major Ross/dlw 26-6930
GA CFAD

account. As a matter of convenience the hotel management may be authorized by the Japanese Govt to cash for yen, checks drawn on convertible accounts. Occupation force personnel could pay for their accommodations in yen purchased elsewhere.

6. In addition to the proposed SCAPIN, a command letter to major subordinate commands informing them of this action is also suggested. This letter should inform the commands that these hotels will be considered as private Japanese hotels and regulations covering their use is covered in appropriate circulars promulgated by this headquarters pertaining to the conduct of occupation force personnel.

WTS

354.1-
131 493 ✓

(Lt Col Potter - Meiji 393)

Non-Military Hotels

JA

G-1

19 May 1950

4
(Cont'd)

4. Attention is invited to paragraph 15c of staff study (Tab B) which provides for money changing facilities on the premises by acquisition of appropriate licenses, and by inference authorizes the conversion of Military Payment Certificates through such money changing facilities providing express SCAP approval is obtained. It is the opinion of this office that under the provisions of paragraph 8, SR 35-510-1, 26 May 1949, Tourist-Trader (T-T) Hotels may not under any circumstances acquire Military Payment Certificates through money changing facilities either with or without SCAP approval.

2 Incls
n/c

-----C. E. W.-----

From: G-1

To: Compt

Major Ross/dem 26 6930
Date: 22 May 1950

5

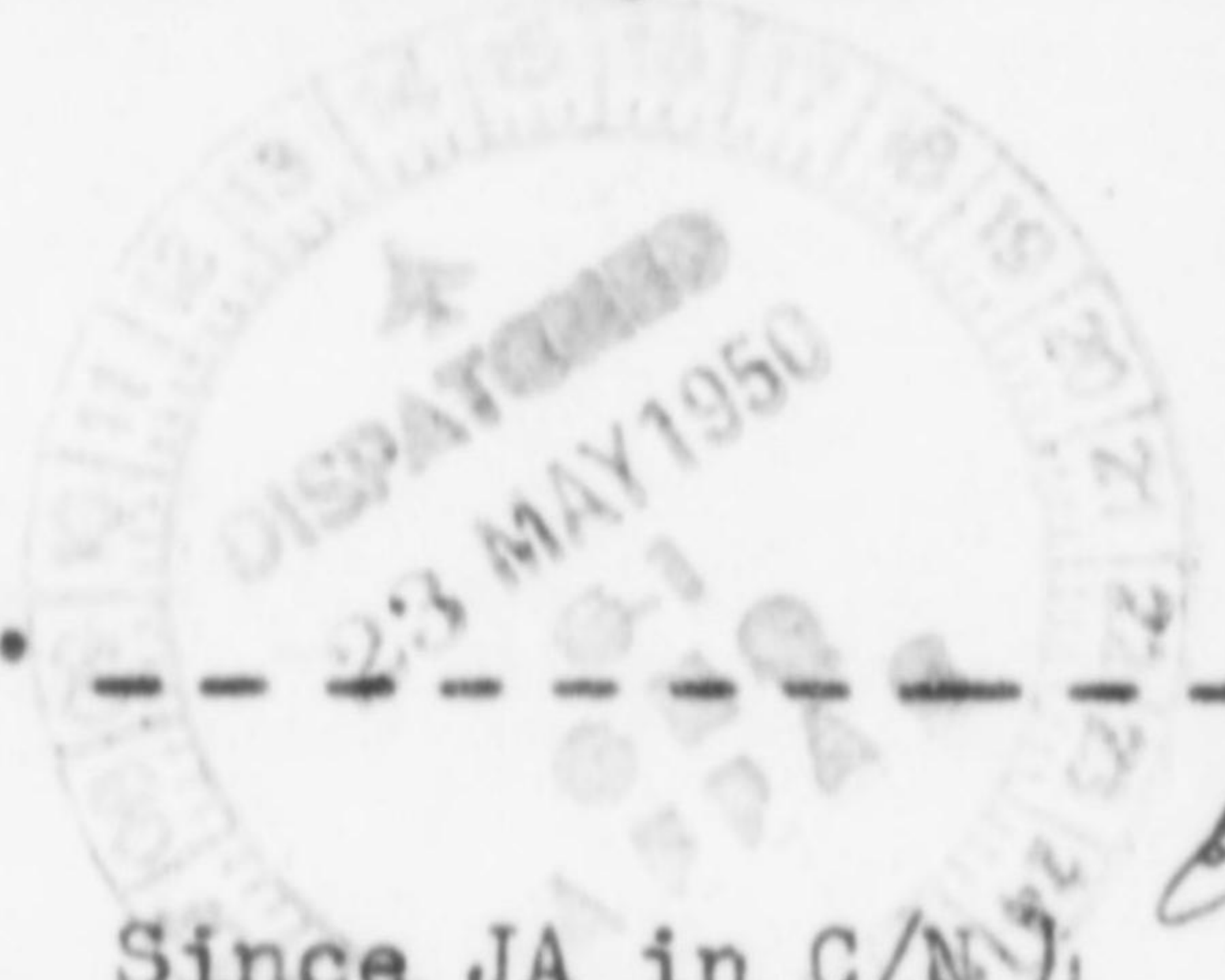
Request your comments and recommendations.

2 Incls
n/c

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

M/R: C/N 2 from G-1 to PM and JA requested comments. Since JA in C/N 4 brings up the problem of money changing facilities, etc, considered appropriate to obtain Compt views.

G-1 File



BM

131

(Lt Col Potter - Meiji 393)

FROM: JA

TO: G-1

DATE: 19 May 1950

4

1. There is no legal objection to the establishment of T-T Hotels in consonance with the plan contained in the attached staff study (Tab A).

2. In accordance with paragraph 14a(1), SCAP Circular 23, 1949, bars and restaurants of proposed T-T Hotels will be "Off Limits" to occupation personnel.

3. If permissive use of bars and dining rooms in proposed T-T Hotels by occupation personnel is intended, it is recommended that paragraph 14a(1), SCAP Circular 23, 1949, be amended by the addition of the words "Tourist-Trader (T-T) Hotels are expressly excluded from this prohibition unless placed 'Off Limits' for cogent reasons by local occupation commanders in that area". This recommendation, if adopted, will necessitate modification of letter to subordinate commanders (Incl 5).

WFM/lf

File No.: 628(3 May 50)ESS/EX

Subject: Non-Military Hotels

From: ESS

To: G-1

Date: 3 May 1950

1. Request comment or concurrence on appended staff study, subject: Non-Military Hotels, and transmission to Chief of Staff.

6 Incls as indicated

From: G-1

To: PM
JA (in turn)

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

Major Ross/dem 26 6930

Date: 12 May 1950

2. Request your comments and/or concurrence.

6 Incls
n/c/1/ R.H.H.
for

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

From: PM

To: JA

Col. Chaplin 26-5703

Date: 16 May 1950

3.
 1. Par 14.a (1) SCAP Circular 23 places all Japanese eating and drinking establishments "Off Limits" to Occupation personnel unless approved by the local Occupation Force Commander in the area. JA has recently rendered an opinion that the bars and restaurants of Japanese hotels are "eating and drinking establishments" in the sense of par 14.a (1) SCAP Circular 23 (see Tab B). It therefor appears that the proposed command letter (Incl 5 to Staff Study) will not operate to place "On Limits" the bars and restaurants of T-T hotels.
 2. It is believed that the following factors should be given consideration prior to changing present policy by opening up the bars and restaurants of T-T hotels to Occupation customers:
 - a. If bars and restaurants in some 250 T-T hotels are placed "On Limits" to Occupation personnel but all other restaurants and bars (whether in hotels or not) remain "Off Limits", the T-T hotel bars and restaurants will, undoubtedly, be patronized by minority undesirable elements among the soldiers and civilians of the Occupation, as well as by desirable Occupation customers.
 - b. Since many of these bars and restaurants will be open to Japanese as well as to foreign nationals, soldiers will, in many cases, bring Japanese female friends, some of questionable character, into these places with them.
 - c. Japanese bars and restaurants, whether in hotels or not, are not in a position to deal effectively, so far as Occupation customers are concerned, with the disorders and abuses which inevitably occur in public places where hard liquor

354.1

4932

Subj: Non-Military Hotels

From: G-1

To: PM
JA (in turn)

Major Ross/dem 26 6930
Date: 12 May 1950

2

Request your comments and/or concurrence.

6 Incls
n/c

Ruby

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

M/R: 1. C/N 1 fm ESS fwds staff study, subj: Non-Military Hotels.
2. Inst C/N is to obtain comments and/or concurrence from interested staff sections.

G-1 File



131

3541. 22/4

28 March 1950

AG 200.1 (23 Mar 50) CS

SUBJECT: Leave Facilities for British Commonwealth Troops in Japan

TO : General Officer Commanding
British Commonwealth Occupation Force
Kure, Japan

1. The Supreme Commander for the Allied Powers approves your request to offer leave facilities in Japan for troops of the British Army Stationed in Hong Kong.

2. Since United States troop units outside the occupied area which are authorized leave in Japan total less than two hundred in number at any one time, the Supreme Commander authorizes entry into Japan for British Army troops on a leave status not to exceed one hundred at one time, except that the same incoming ships may be used for taking out an equal increment.

FOR THE SUPREME COMMANDER:

EDWARD M. ALMOND
Major General, General Staff Corps
Chief of Staff

Signed & dispatched 29 Mar
Am

C O P Y

Basic ltr withdrawn

*82 **

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 200.1 (23 Mar 50) GA

SUBJECT: Leave Facilities for British Commonwealth Troops in Japan

TO: General Officer Commanding
British Commonwealth Occupation Force
Kure, Japan

1. The Supreme Commander for the Allied Powers approves your request to offer leave facilities in Japan for troops of the British Army stationed in Hong Kong.

2. Since ~~our existing total~~ ^{US troop units outside the occupied area} less than two hundred troops,

which authorized leave in Japan from ~~China and Guam~~ ^{in number at any one time} The Supreme Commander can authorize entry ^{into Japan} for not over one hundred British Army troops ^{on a leave status} at any one time.

FOR THE SUPREME COMMANDER:

be used for ^{the same} ~~transporting~~ ^{incoming ships may} an equal ~~number~~ ^{increment} ~~to those~~

EDWARD M. ALMOND,
Major General, General Staff Corps,
Chief of Staff.

CHIEF OF STAFF
APPROVED
3/28
TIALS

as amended

KCS

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8217

775009

GENERAL HEADQUARTERS
FAR EAST COMMAND

22/2

CHECK SHEET

Lt Col Hampton/eb 26-8751

(Do not remove from attached sheets)

File No:

Subject:

Leave Facilities for British Commonwealth
Troops in Japan

Note
No.

From: G-1

To: C/S

Date: 28 March 1950

2
Contd

3. Officers, civilians of comparable grade, and married enlisted men come to Japan on a space available basis. Average of such persons (including dependents) from Guam and Okinawa is about 150 per month. Of these, not over 50 would normally be officers.

4. Statement in proposed letter (Tab A) that our exterior total is less than 200 troops is therefore a correct one.

4 Incls

Tab A thru C - n/c

Tab D added - Memo fr C/S, dtd 27 Mar 50

KCS.
for - W. A. B. -

82

**GENERAL HEADQUARTERS
FAR EAST COMMAND**

2212

CHECK SHEET

Lt Col Hampton/ct 26 8751

(Do not remove from attached sheets)

File No:

Subject: Leave Facilities for British Commonwealth Troops in Japan

Note No.

From: G-1

To: C/S

Date: 27 Mar 50

- 1
- In accordance with C/S memorandum (Tab B) to G-1, dated 23 March 50, a draft of a proposed letter for the signature of the C/S has been prepared. (Tab A).
 - In a letter from BCOF (Tab C) the Cinc, BCOF requests permission to authorize British Troops stationed in Hong Kong leave in Japan. These troops to come to Japan on leave and to be accommodated in the present British facilities.
 - Recommend approval of the draft of the proposed letter (Tab A).

3 Incls

- Tab A - Ppsd ltr to BCOF
- Tab B - Memo fm C/S
- Tab C - Ltr fm BCOF

W.A.B.
for

From: G-1

To: C/S

Lt Col Hampton/eb 26-8751
Date: 28 March 1950

- 2
- In accordance with a memo to G-1 from SGS (Tab D) the following statistical information is listed on the number of troops (EM) that are authorized leave in Japan from Okinawa and Guam.

	Tokyo Leave Program	Camp Fisher	Total
Guam	20	10	30
Okinawa	30	20	50
Total	50	30	80

The 80 total includes Airmen as well as Army enlisted men.

- In addition to the above, Army and Air-men in Guam and Okinawa may use, upon application, SS hotels. The SS hotels are operated on a space available basis and can accommodate at least 25 more enlisted men from Guam and 25 more from Okinawa, or a total of 50 men over and above the 80 listed in para 1, above. Actually, information from 8th Army, SS Hotel Div, is that no request has been disapproved recently but that an average of only 4 men per month from both Guam and Okinawa apply.

327 S
2/12

FD *

0110

CHIEF OF STAFF
SCAP and FEC

Date 3/23 1950

MEMORANDUM FOR: Gen B

Deputy CofS, FEC _____	G-1 _____	G-4 _____
Deputy CofS, SCAP _____	G-2 _____	ADC _____
Sec. Gen. Staff _____	G-3 _____	AG _____

Information & your file _____
 Note & return to _____
 Appropriate circulation _____
 Necessary action _____
 Process action to C/S _____
 by draft letter _____
 by draft radio _____
 Comment to C/S _____
 by memo _____
 orally _____

This refers to _____
 CofS file _____
 Noted _____
 Suspend to _____
 Return with reference _____
 dispatches _____
 This slip is part of _____
 permanent file _____
 Destroy this slip _____

*Prepara a favorable
 reply for my
 Sig. Jaynes
 "C in P approves but
 since all exterior
 total (Guam & Okinawa)
 is less than 200 @
 and not over 100 at any one time*

EDWARD M. ALMOND
 Major General, GSC
 Chief of Staff.

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

Date: 27 March 1950

MEMORANDUM TO: G-1

SUBJECT: Leave Facilities for British Commonwealth
Troops in Japan.

The Chief of Staff desires that the statistical information as to the number of troops that are authorized leave in Japan from Okinawa and Guam be stated in accordance with latest doctrines on this subject.

JH
AMS
JOHN H. CHILES
Lt. Colonel, GSC
Secretary of the General Staff

Tab D

*JH**

354.1 22/2

Lt Col Hampton/eb 26-8751

Leave Facilities for British Commonwealth Troops in Japan

G-1

G/S

28 March 1950

2
Contd

3. Officers, civilians of comperable grade, and married enlisted men come to Japan on a space available basis. Average of such persons (including dependents) from Guam and Okinawa is about 150 per month. Of these, not over 50 would normally be officers.

4. Statement in proposed letter (Tab A) that our exterior total is less than 200 troops is therefore a correct one.

4 Incls
Tabs A thru C - n/c
Tab D added - Memo fr G/S, dtd 27 Mar 50

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

G-1 File

1449.



82*

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 200.1 (23 Mar 50) GA

SUBJECT: Leave Facilities for British Commonwealth Troops in Japan

TO: General Officer Commanding
British Commonwealth Occupation Force
Kure, Japan

1. The Supreme Commander for the Allied Powers approves your request to offer leave facilities in Japan for troops of the British Army stationed in Hong Kong.

2. Since our exterior total is less than two hundred troops authorized leave in Japan from Okinawa and Guam, The Supreme Commander can authorize entry for not over one hundred British Army troops at any one time.

FOR THE SUPREME COMMANDER:

EDWARD M. ALMOND,
Major General, General Staff Corps,
Chief of Staff.

**GENERAL HEADQUARTERS
FAR EAST COMMAND**

CHECK SHEET

Lt Col Benson 26 8979
CFAD/dem

(Do not remove from attached sheets)

File No:

Subject: Japanese Government Operated
Commercial Hotels

Note
No.

From: G-1

To: ESS/TS

Date: 14 March 1950

1

1. Reference is made to SCAP letter, AG 354.1 (28 Dec 49)GA, subject as above, 19 Jan 50.

2. Par 1b of referenced letter will be applicable to personnel of foreign missions in Japan who are traveling on official business and desire accommodations on a reimbursable basis.

3. DS has been notified of the above interpretation.

4. Request all Japanese Government operated commercial hotels be informed as above.

From: ESS

To: G-1

WFM/WTR/WEB/CWB/ep
Date: 27 March 1950

2

1. Contents of C/N #1 have been noted.

2. The definition of Occupation personnel, which was proposed by G-1 in C/N of 24 January was employed in the circular letter which was dispatched to the Ministry of International Trade and Industry on 25 January 1950 regarding the operation of Trade Services Hotels.

3. In view of the facts:

a. That the above cited definition was interpreted to exclude foreign mission personnel,

b. That the present understanding of the Ministry of International Trade and Industry is that such persons are accorded free excess to hotels,

it is considered that current instructions are adequate to cover the principle cited in the basic C/N.

W.F.M.

NAN

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354.1

Lt Col Benson, 26-8979

Request for Orders

G-1

AG

17 Mar 50

1. Request issuance of orders for the travel indicated in the attached memorandum from the Indian Liaison Mission.
2. Billeting in the New Osaka Hotel is not authorized. However, Japanese Government operated commercial facilities are authorized.
3. ETD has been changed to 18 March 1950.

1 Incl
Memo fr Indian
Liaison Mission

Raw
G-1

W. A. B.

M/R: Basic is request for orders to enable a member of the Indian Mission to proceed to Kobe and Osaka on official business. The request also indicates that Occupation Force billets are required. Since commercial hotel facilities are available, the use of Occupation Force billets is not favorably considered.

G-1 CFAD
Lt Col Benson/rsl

Mh.



5a*

354.1

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 354.1 (28 Dec 49)GA

10 March 1950

SUBJECT: Japanese Government Operated Commercial Hotels

TO: Commanding General, Eighth Army, APO 343
Commanding General, Headquarters and Service Group, General
Headquarters, Far East Command, APO 500
Commanding General, Far East Air Forces, APO 925

1. Reference: Letter, General Headquarters, Supreme Commander for the Allied Powers, AG 354.1 (28 Dec 49)GA, subject: Japanese Government Operated Commercial Hotels, 19 January 1950.

2. Reference letter is amended to add a subparagraph d to paragraph 1 as follows: "d. When such personnel are in a leave status and in the possession of competent leave orders, use of traders' hotels is authorized if the hotel visited is outside the greater Tokyo area."

BY COMMAND OF GENERAL MacARTHUR:

MAILED 15 30 MAR 10 '50 AG. - GHO.
[Handwritten signature]

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

Copies Furnished:
COMNAVFE, Navy No. 1165
GOC, BCOF, Kure, Japan

G-1

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354.1 9489
Lt Col Reed 26-5937

Japanese Government Operated Commercial Hotels

G-1

C/S

6 March 1950

2

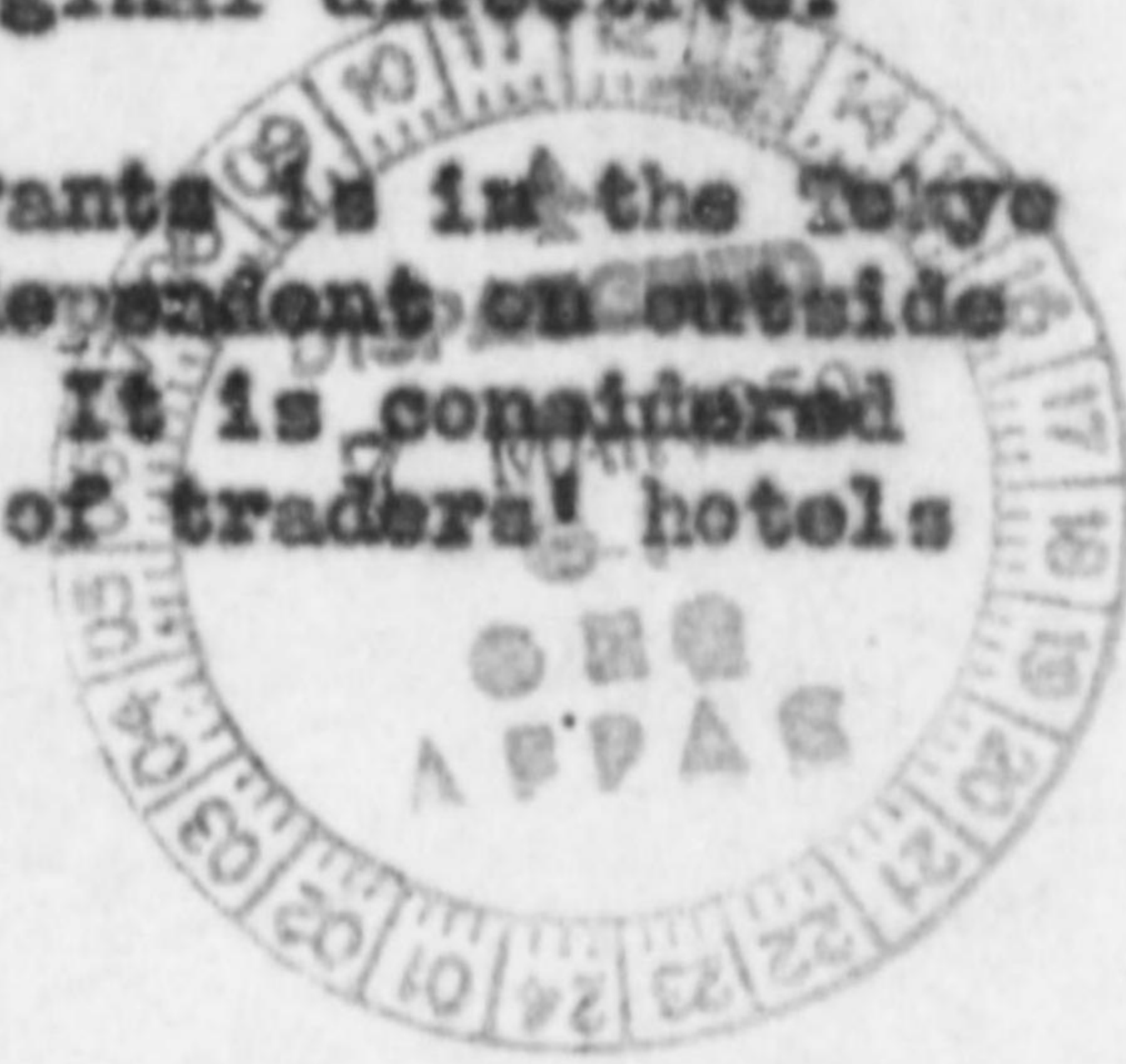
1. a. In C/N 1, ESS requests that consideration be given to rescinding letter, SCAP, GHQ, AG 354.1 (28 Dec 49)GA, subject: Japanese Government Operated Commercial Hotels, 19 Jan 50 (Incl 1 to Tab A). In the event the letter is not rescinded ESS suggests that para 1 c of the letter be liberalized to permit Occupation personnel to make purchases at Japanese owned souvenir shops operated in traders' hotels.

b. The foregoing represents a complete reversal of ESS's former position on this matter and appears to result from the fact that since the implementation of this directive the Rakuyo Hotel in Kyoto is now operating on a unprofitable basis. There has been a decrease of more than 75% of the gross business of this hotel during the first 10 days of February as compared with the corresponding period in January. ESS also points out that Japanese owned souvenir shops operated in traders' hotels are discriminated against as compared to commercial entrants having sales or display rooms in these hotels.

2. The primary purpose in publishing this directive was to keep Occupation personnel from patronizing these hotels because of the frequent indiscretions which grew out of such patronage. A second and minor purpose was to provide the commercial entrants with hotel facilities free of the presence of members of the Occupation just as there are hotels in Japan available only to members of the Occupation and which traders may not patronize.

3. G-1 is fully cognizant of the necessity of rehabilitating the Japanese economy and concurs that it would be unfortunate if the Rakuyo Hotel in Kyoto was forced to close because of an unprofitable operation. However, G-1 does not share a similar concern for Japanese owned souvenir shops operated in traders' hotels. It is considered that these are purely privately owned business enterprises which should be operated without regard to the presence of the Occupation forces and, if they can not be operated profitably as a result of the patronage emanating from those persons authorized use of the hotel facilities, they should terminate their operations. Granting Occupation personnel the privilege of patronizing Japanese owned souvenir shops operated in these hotels would be inimical to the purposes of the original directive.

4. As the greatest concentration of commercial entrants is in the Tokyo area, it appears that traders' hotels in Tokyo are less dependent on outside sources of income than are those outside the Tokyo area. It is considered desirable to take remedial action to increase the income of traders' hotels which may be located outside the Tokyo area.



G-1 WAB/JFR/11

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Lt Col Reed 26-5937

Japanese Government Operated Commercial Hotels

G-1

C/S

6 March 1950

2
Cont'd

5. Recommend approval of proposed letter (Tab B)

6. Concurrences:

PM _____

IG _____

ESS _____

2 Incls

Tab A - n/c

Tab B - Fpsd ltr

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

M/R: Informal information from ESS (Mr. Bradford) indicates that ESS will probably concur in the above C/N. CFAD concurs, in general proposed action but believes it may be somewhat premature.

W E Bradford 26-6501

WFM/WEB/lj

Japanese Government Operated Commercial Hotels

ESS

Thru: C/S
G-1

23 FEB 1950

1. Reference is Check Note No. 1 from C/S to ESS, subject as above, dated 20 January 1950, inclosing copy of command letter and directing ESS to take necessary steps to implement paragraph 3 thereof.

2. It is believed that implementation of the directive has been successful thus far in preventing the recurrence of past abuses. The most serious adverse effect has been loss of foreign exchange revenue to the Japanese Government. In the case of the Rakuyo Hotel in Kyoto this has meant the difference between a profitable and an unprofitable operation. During the first ten days of February as compared with the corresponding period in January there was a decrease of more than 75 percent of the gross business. Since use of the Rakuyo Hotel is essential to plans for development of tourist trade in Japan, loss of the hotel from the chain of traders' hotels would be a serious indirect effect of the recent directive.

3. It is further noted that the wording of paragraph 1 c of subject command letter tends to discriminate against Japanese-owned souvenir shops operating in the traders' hotels by restricting visits of Occupation personnel to "those sales or display rooms in the hotels maintained by commercial entrants...."

4. As a means of restoring the operation of the Rakuyo Hotel to a profitable basis and of supplementing revenues of other hotels, ESS suggests that the traders' hotels operated under the supervision of the Japanese Government be treated under the same principles as other Japanese inns, as established in SCAP Circular 23 of 1949, and that each hotel be considered "on limits" unless placed "off limits" by the local occupation force commander for cogent reasons. This would permit a particular hotel guilty of misconduct or negligence to be penalized without affecting the operation of other hotels under different management. This would involve action to rescind the command letter referred to in paragraph 1 above and to instruct commanding officers as to the application of SCAP Circular 23 to traders' hotels.

5. In the event that it is still desired to treat the traders' hotels in a separate category from other Japanese hotels and to maintain current restrictions in full force, ESS suggests modification of paragraph 1 c of command letter to read as follows:

"When such personnel are actually visiting as customers those sales or display rooms in the hotels which are authorized to have commercial transactions with Occupation forces agencies or personnel. Such visits will be limited to normal business hours and, in any event, will be completed prior to 1700 hours."

1 Incl:

C/N 1 fr C/S to ESS
(with 1 subsidiary incl)

W. F. M. -----

5a

D R A F T

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 354.1 (28 Dec 49)GA

SUBJECT: Japanese Government Operated Commercial Hotels

TO: Commanding General, Eighth Army, APO 343
Commanding General, Headquarters and Service Group, General
Headquarters, Far East Command, APO 500
Commanding General, Far East Air Forces, APO 925

1. Reference: Letter, General Headquarters, Supreme Commander for the Allied Powers, AG 354.1 (28 Dec 49)GA, subject: Japanese Government Operated Commercial Hotels, 19 January 1950.

2. Reference letter is amended to add a subparagraph d to paragraph 1 as follows: "d. When such personnel are in a leave status and in the possession of competent leave orders, use of traders' hotels is authorized if the hotel visited is outside the greater Tokyo area."

BY COMMAND OF GENERAL MacARTHUR

D R A F T

GENERAL HEADQUARTERS
FAR EAST COMMAND

354.1

169-A

CHECK SHEET Lt Col Reed 26-5937

(Do not remove from attached sheets)

6634
6531

File No:

Subject: Operation of Trade Services Hotels

Note No.

From: G-1

To: Hq Comdt

Date: 24 Jan 50

1

Attached for your information and subsequent return to G-1 are two C/N's from ESS to G-1 each with one inclosure which enumerates certain information regarding traders hotels which may be of interest to PM and other sections of Hq & Sv Gp.

2 Incls

- 1. C/N fm ESS to G-1, 7 Jan 50
- 2. C/N fm ESS to G-1, 10 Jan 50

W. A. B.

Major J. H. Wear
26-6724

FROM: Hq Comdt

TO: G-1

DATE: 30 January 1950

(2)

Noted.

L. W.

SA*

928

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

6531

CHECK SHEET

W E Bradford 26-6501

(Do not remove from attached sheets)

WFM/⁷²¹³WEB/lj

File No.:

Subject: Operation of Trade Services Hotels

Note No.:

From: ESS

To: G-1

Date: 7 JAN 1950

- 1
1. Pursuant to agreement reached at recent conference in General Beiderlinden's office on the subject of restrictions on use of trade services hotels by Occupation personnel, attached draft of instructions to hotels has been prepared by ESS, Tourists and Service Division. This is merely a summary, for the convenience of hotel managements, of a large number of written instructions and suggestions previously issued.
 2. As stated at the conference, trade services hotels are of two types:
 - a. Hotels which are the direct responsibility of the Japanese Ministry of International Trade and Industry. The Ministry operates these hotels through hotel companies acting as agents. The Ministry pays all operating expenses and pays the operating company a commission of 4 yen for each dollar taken in for accommodations or service. In the Tokyo area the Tokyo, Teito, Yashima, and Shiba Park Hotels are of this type.
 - b. Hotels which are operated privately, subject to the same rules and regulations as the Ministry's hotels, but for private responsibility and profit. The operating company, under terms of its contract with the Ministry, pays its own expenses, and receives the margin between gross dollar revenue and the cost of imported food and beverage supplies, converted to yen at the existing exchange rate. The Gajoen Kanko and the Ambassador hotels are of this type.
 3. It is planned to transfer all existing trade services hotels to private management (type 2 b), by permitting private hotel companies to make their own contractual arrangements with the Ministry.
 4. A complicating factor in the case of the Gajoen Kanko Hotel is that only one building is under contract with the Ministry for operation as a trade services hotel, catering only to commercial entrants, mission personnel, and other non-Japanese. Thus, although the main building falls into this category and is subject to the rules laid down by ESS, Tourists and Service Division, other buildings on the grounds, including the Rainbow Room, are classed strictly as a Japanese private hotel and subject to all policy and regulations governing such establishments.

1 Incl:
Listed par 1

W. F. M.
W. F. M., Lt. Col., AGO

W. F. M. -----

SA *

W. F. M.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
APO 500

D R A F T

MEMORANDUM FOR: Trade Services Hotels
THRU: Ministry of International Trade and Industry
SUBJECT: Operation of Trade Services Hotels

1. Confirming and summarizing instructions, rules, and suggestions issued under date of 10 September 1947 and in subsequent memoranda, the following is intended as a guide for the managements of all trade services hotels.

2. The contracting agent and the manager of each hotel will sign a circulating copy of this memorandum stating that he understands all instructions contained therein and that he will abide by them and enforce them to the best of his ability.

3. Any guest who receives service resulting either in a charge or cash payment will sign a chit showing the item or items and the amount charged, both by item and in total.

4. Bar chits will be presented and signed (or paid for, in the case of non-residents of the hotel) after each service.

5. Guests who are authorized to pay in currencies other than Foreign Trade Payment Certificates, will sign, in addition to the chit, a voucher showing the amount of such payment made and the organization to which they belong.

6. The bartender, waiter, or waitress will refuse service to any person who is obviously under the influence of alcohol and likely to annoy other guests by his conduct.

7. In accordance with Japanese law, intoxicating beverages may not be sold to anyone under 20 years of age. Any hotel violating this law may have its license suspended or revoked. Notices to this effect should be posted in the bar of each hotel.

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YML

- 2 -

8. If any controversy arises over the enforcement of these or other rules, the hotel employee will call the manager, whose duty and responsibility will be to call the Military Police if he cannot settle the matter peacefully.

9. Traders are allowed to entertain guests of their own choice, but conduct prejudicial to the reputation of the hotel should not be condoned.

10. Notices regarding the conduct of guests have been posted in all rooms and it will be the responsibility of the manager or his assistant to see that these rules are enforced.

11. No food or beverages will be purchased except from the Overseas Supply Store or other source specifically authorized by Tourists and Service Division, ESS, GHQ, SCAP.

12. In the case of hotels which also operate an establishment for Japanese guests exclusive of the trade services hotels, no food or beverage purchased from the Overseas Supply Store will be served on the Japanese side, nor will any food purchased on the Japanese market be served on the traders' side.

13. Each manager will make a daily inspection of the kitchen, store room, refrigerator, and bakery shop of his hotel. This is in addition to periodic sanitary inspections to be made by Japanese Government or GHQ officials, on which occasions the manager will also be present.

14. All public rooms will be kept clean and sanitary at all times.

15. Guest rooms should be cleaned and put in order as soon as possible after the guest has departed for breakfast. Bath tubs, toilets, etc. should be spotless at all times. Hallways should be kept clean and as a safety measure halls and stairways must be kept free at all times of boxes, barrels, and other rubbish.

16. All employees who come in contact with the public should present as neat and as clean appearance as possible.

5A *

- 3 -

17. Waitresses, cooks, elevator and bell boys, porters, maids, and bartenders should be in uniform while on duty.

18. Employees of the hotels should stay out of guest rooms except when actually performing service.

19. In order not to disturb guests, all employees should work quietly. Running or loud talking in halls or stairways is unnecessary and should be avoided.

20. Hours of service for different departments, such as barber shops, souvenir shop, dining room, bar, should be posted on the outside of each department, in the hotel lobby, and in each guest room.

21. Employees should refer all complaints to the manager or assistant manager. If the manager or his assistant cannot satisfactorily adjust a complaint, he should refer the matter to the Chief, Hotel Management Branch, Tourists and Service Division.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

WILLIAM E. BRADFORD
Chief
Tourists and Service Division

I have read these instructions, rules, and regulations. I understand them, will abide by them, and will enforce them to the best of my ability.

(Title)

(Title)

5A *

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

CHECK SHEET

W E Bradford 26-6501

(Do not remove from attached sheets)

WFM/WEB/1j

6634

File No.:

Subject: Operation of Gajoen Kanko Hotel

Note No.:

From: ESS

To: G-1

Date:

1

1. In accordance with telephone conversation between Lt. Col. Reed of G-1 and Mr. Bradford of ESS/TS, copy of contract between Japanese Board of Trade (now the Ministry of International Trade and Industry) and the Ga-Jo-En Kanko Co. is attached.

2. It will be noted that apart from general supervisory responsibilities of ESS over the Ministry of International Trade and Industry, contract specifically provides for ESS approval of hotel facilities (paragraph 1), management (paragraph 2), prices (paragraph 4), eligibility of guests and allocation of rooms (paragraph 5). It further provides that ESS may require reports on foodstuff and drinks supplied from Overseas Supply Store (paragraph 6). ESS supervision is implicit in those matters which require approval or concurrence of the Ministry of International Trade and Industry, such as employing or discharging the manager (paragraph 2), reporting on the handling of "Trader's Script" (paragraph 7), etc.

3. Particular attention is called to paragraph 10, which provides, among other things, that the agreement may be terminated if the Ministry of International Trade and Industry finds that the private company "has not carried out the management entrusted in good faith or....has committed a serious blunder".

4. Although the contract, providing as it does for private financial responsibility and risk, places the Gajoen Kanko in a different category from the other Ministry of International Trade and Industry supervised trade services hotels (except for the Ambassador Hotel, which has a similar contract), ESS supervisory responsibilities are considered to be identical for all these hotels, including supervision over rates, accounting for foreign exchange revenues and the use of imported supplies, eligibility of guests and allocation of rooms, and general conduct and integrity of the hotel.

1 Incl:
Copy contract

W. F. M.
W. F. NOYES, Lt. Col., AGD

for W. F. M.

5A*

Gold

W E Bradford 26-6501
WFM/WEB/lj

Operation of Gajoen Kanko Hotel

ESS

G-1

1. In accordance with telephone conversation between Lt. Col. Reed of G-1 and Mr. Bradford of ESS/TS, copy of contract between Japanese Board of Trade (now the Ministry of International Trade and Industry) and the Ga-Jo-En Kanko Co. is attached.

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1 Incl:
Copy contract

SA F. NOYES, Lt. Col. A-80

W. F. M.

ESS FILE

5A*

C O P Y

AGREEMENT made this 10th day of December 1948 between Jiro Shirasu, the director general of the Board of Trade (hereinafter referred to as "A") and Kunizo Matsuo, president of Ga-Jo-En Kanko Co. (hereinafter referred to as "B").

WHEREAS, "A" is desirous of using No. 4 building and a portion of No. 6 building (main kitchen on the basement and main dining room on the second floor) of Gajoen Hotel exclusively for foreigners and "B" agrees to take responsibility of management of the said portion of the hotel for the purpose as mentioned above.

NOW, in consideration of the premises and of the mutual covenants herein set forth, the parties hereto agree as follows:

1. "B" will rehabilitate and maintain the said portion of the hotel as a well equipped western style hotel to be approved by Trade Services Division, ESS, GHQ, SCAP and "A".

"B" shall undertake to open the operation of the hotel not later than 10th January 1949.

2. "B" will employ competent staff in sufficient number and manage the hotel as approved by Trade Services Division, ESS, GHQ, SCAP and "A".

"B" shall obtain a prior approval and/or direction in writing from "A" for employing and discharging the manager.

3. "A" will provide "B" with the foodstuff and drinks necessary for the guests, which will be supplied from the OSS.

4. Prices for OSS supplies, as well as prices for room, food and services charged by "B" to the guests shall be determined by "A" subject to the approval of Trade Services Division, ESS, GHQ, SCAP.

5. Eligibility of guests to be served and accommodated as well as allocation of rooms, if necessary, shall be determined by "A" subject to the approval of Trade Services Division, ESS, GHQ, SCAP.

6. "B" shall prepare the whole records of the above OSS - supplied foodstuff and drinks to be submitted to "A" and/or Trade Services Division, ESS, GHQ, SCAP, whenever required.

7. "B" is to collect Traders' Script which will be received from the guests in the hotel for all charges, and to deposit them daily with Trade Services Division, ESS, GHQ, SCAP, or N.C.B.

Daily report thereof shall be made to "A".

"A" may inspect anytime all accounting records concerning the above.

C O P Y

AGREEMENT made this 10th day of December 1948 between Jiro Shirasu, the director general of the Board of Trade (hereinafter referred to as "A") and Kunizo Matsuo, president of Ga-Jo-En Kanko Co. (hereinafter referred to as "B").

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5. Eligibility of guests to be served and accommodated as well as allocation of rooms, if necessary, shall be determined by "A" subject to the approval of Trade Services Division, ESS, GHQ, SCAP.
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7. "B" is to collect Traders' Script which will be received from the guests in the hotel for all charges, and to deposit them daily with Trade Services Division, ESS, GHQ, SCAP, or N.C.B.
Daily report thereof shall be made to "A".
"A" may inspect anytime all accounting records concerning the above.

C O P Y

- 2 -

8. "A" shall pay to "B" at the end of every 10 days the amount of yen equivalent to the net proceeds in U.S. dollars received within those 10 days which will be the gross revenue in dollars of the hotel minus the total dollar amount of the foodstuff and drinks supplied from the OSS during those 10 days. The rate between Japanese yen and U.S. dollars for the above purpose of conversion shall be ¥270 to \$1, it being understood that when a new rate is officially established, that rate will apply.

However, the said rate may be changed through consultation between "A" and "B" in case any serious change takes place in the economic conditions of the country, subject to the approval of Trade Services Division, ESS, GHQ, SCAP.

9. If "A" suffers any loss as a result of payment in U.S. dollars from SCAP's Special Account to a guest because of theft or burglary or fire occurred in the hotel, "B" shall compensate in yen to "A" without delay such loss at the rate of 270 yen per U.S. dollar.

10. The term of this agreement shall be one year from the date of this contract, and shall be renewed automatically for next one year, if either of the parties does not notify to the other party in writing his intention to terminate this agreement at least one month prior to the end of the term of this agreement.

Provided, however, that when and if there occurs a serious change in the general economic social or business situation and if it becomes impossible or very difficult to carry on the business of the hotel on account of earthquake, fire or any other cause; or "A" recognizes that "B" has not carried out the management entrusted in good faith or that "B" has committed a serious blunder: "A" may terminate this agreement at any time.

"B" may terminate this agreement with the approval of "A" two months prior to the termination of the said agreement.

In witness whereof the parties of the agreement have put their respective signature below on the date above stated.

FOR THE DIRECTOR GENERAL

s/s A. Kodaki

Chief,
Liaison & Cordination Division
Board of Trade

s/s K. Matsuo

President of the Gajoen Kanko Hotel

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Lt Col Reed 26-5937

Operation of Trade Services Hotels

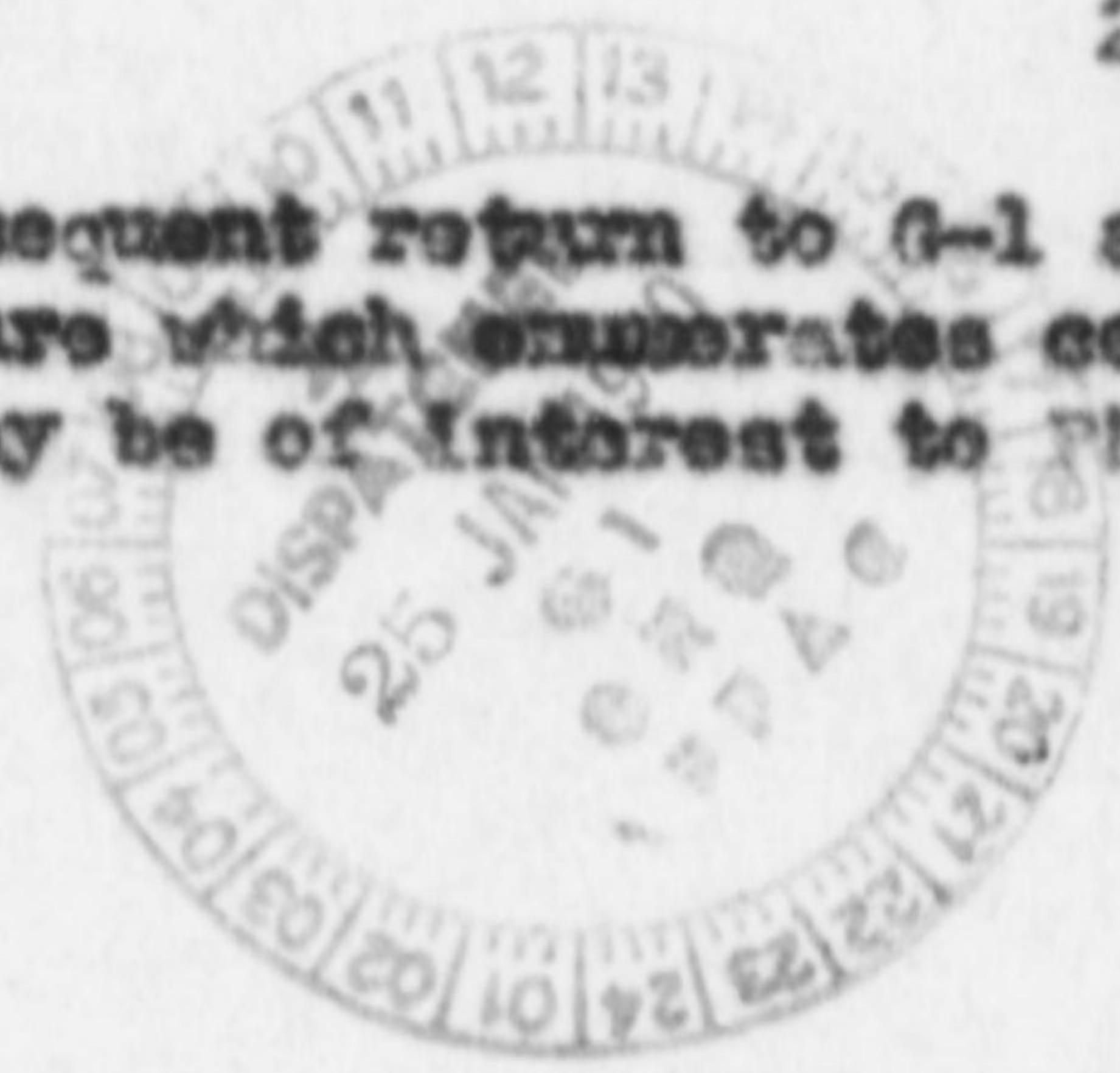
G-1

Hq Comdt

24 Jan 50

1

Attached for your information and subsequent return to G-1 are two C/N's from ESS to G-1 each with one inclosure which enumerates certain information regarding traders hotels which may be of interest to PH and other sections of Hq & Sv Op.



2 Incls

- 1. C/N fm ESS to G-1, 7 Jan 50
- 2. C/N fm ESS to G-1, 10 Jan 50

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

RAK
G-1
WAB/JFR/11

H.Y.S.

4986
51 Nov 19

SAK

6531

W E Bradford 26-6501

WPM/WEB/lj

Operation of Trade Services Hotels

ESS

G-1

7 JAN 1950

- 1
1. Pursuant to agreement reached at recent conference in General Beiderlinden's office on the subject of restrictions on use of trade services hotels by Occupation personnel, attached draft of instructions to hotels has been prepared by ESS, Tourists and Service Division. This is merely a summary, for the convenience of hotel managements, of a large number of written instructions and suggestions previously issued.
 2. As stated at the conference, trade services hotels are of two types:
 - a. Hotels which are the direct responsibility of the Japanese Ministry of International Trade and Industry. The Ministry operates these hotels through hotel companies acting as agents. The Ministry pays all operating expenses and pays the operating company a commission of 4 yen for each dollar taken in for accommodations or service. In the Tokyo area the Tokyo, Teito, Yashima, and Shiba Park Hotels are of this type.
 - b. Hotels which are operated privately, subject to the same rules and regulations as the Ministry's hotels, but for private responsibility and profit. The operating company, under terms of its contract with the Ministry, pays its own expenses, and receives the margin between gross dollar revenue and the cost of imported food and beverage supplies, converted to yen at the existing exchange rate. The Gajoen Kanko and the Ambassador hotels are of this type.
 3. It is planned to transfer all existing trade services hotels to private management (type 2 b), by permitting private hotel companies to make their own contractual arrangements with the Ministry.
 4. A complicating factor in the case of the Gajoen Kanko Hotel is that only one building is under contract with the Ministry for operation as a trade services hotel, catering only to commercial entrants, mission personnel, and other non-Japanese. Thus, although the main building falls into this category and is subject to the rules laid down by ESS, Tourists and Service Division, other buildings on the grounds, including the Rainbow Room, are classed strictly as a Japanese private hotel and subject to all policy and regulations governing such establishments.

1 Incl:
Listed par 1

M. F. NOYER, Lt., Col., AGO

W. F. M.

5A *

W E Bradford 26-6501

WFM/WEB/lj

Operation of Gajoen Kanko Hotel

ESS

G-1

1

1. In accordance with telephone conversation between Lt. Col. Reed of G-1 and Mr. Bradford of ESS/TS, copy of contract between Japanese Board of Trade (now the Ministry of International Trade and Industry) and the Ga-Jo-En Kanko Co. is attached.

2. It will be noted that apart from general supervisory responsibilities of ESS over the Ministry of International Trade and Industry, contract specifically provides for ESS approval of hotel facilities (paragraph 1), management (paragraph 2), prices (paragraph 4), eligibility of guests and allocation of rooms (paragraph 5). It further provides that ESS may require reports on foodstuff and drinks supplied from Overseas Supply Store (paragraph 6). ESS supervision is implicit in those matters which require approval or concurrence of the Ministry of International Trade and Industry, such as employing or discharging the manager (paragraph 2), reporting on the handling of "Trader's Script" (paragraph 7), etc.

3. Particular attention is called to paragraph 10, which provides, among other things, that the agreement may be terminated if the Ministry of International Trade and Industry finds that the private company "has not carried out the management entrusted in good faith or....has committed a serious blunder".

4. Although the contract, providing as it does for private financial responsibility and risk, places the Gajoen Kanko in a different category from the other Ministry of International Trade and Industry supervised trade services hotels (except for the Ambassador Hotel, which has a similar contract), ESS supervisory responsibilities are considered to be identical for all these hotels, including supervision over rates, accounting for foreign exchange revenues and the use of imported supplies, eligibility of guests and allocation of rooms, and general conduct and integrity of the hotel.

1 Incl:

Copy contract

W. E. BRADFORD, Lt. Col. ASD
W. F. M.

5A*

C O P Y

AGREEMENT made this 10th day of December 1948 between Jiro Shirasu, the director general of the Board of Trade (hereinafter referred to as "A") and Kunizo Matsuo, president of Ga-Jo-En Kanko Co. (hereinafter referred to as "B").

WHEREAS, "A" is desirous of using No. 4 building and a portion of No. 6 building (main kitchen on the basement and main dining room on the second floor) of Gajoen Hotel exclusively for foreigners and "B" agrees to take responsibility of management of the said portion of the hotel for the purpose as mentioned above.

NOW, in consideration of the premises and of the mutual covenants herein set forth, the parties hereto agree as follows:

1. "B" will rehabilitate and maintain the said portion of the hotel as a well equipped western style hotel to be approved by Trade Services Division, ESS, GHQ, SCAP and "A".
"B" shall undertake to open the operation of the hotel not later than 10th January 1949.
2. "B" will employ competent staff in sufficient number and manage the hotel as approved by Trade Services Division, ESS, GHQ, SCAP and "A".
"B" shall obtain a prior approval and/or direction in writing from "A" for employing and discharging the manager.
3. "A" will provide "B" with the foodstuff and drinks necessary for the guests, which will be supplied from the OSS.
4. Prices for OSS supplies, as well as prices for room, food and services charged by "B" to the guests shall be determined by "A" subject to the approval of Trade Services Division, ESS, GHQ, SCAP.
5. Eligibility of guests to be served and accommodated as well as allocation of rooms, if necessary, shall be determined by "A" subject to the approval of Trade Services Division, ESS, GHQ, SCAP.
6. "B" shall prepare the whole records of the above OSS - supplied foodstuff and drinks to be submitted to "A" and/or Trade Services Division, ESS, GHQ, SCAP, whenever required.
7. "B" is to collect Traders' Script which will be received from the guests in the hotel for all charges, and to deposit them daily with Trade Services Division, ESS, GHQ, SCAP, or N.C.B.
Daily report thereof shall be made to "A".
"A" may inspect anytime all accounting records concerning the above.

- 2 -

C O P Y

8. "A" shall pay to "B" at the end of every 10 days the amount of yen equivalent to the net proceeds in U.S. dollars received within those 10 days which will be the gross revenue in dollars of the hotel minus the total dollar amount of the foodstuff and drinks supplied from the OSS during those 10 days. The rate between Japanese yen and U.S. dollars for the above purpose of conversion shall be ¥270 to \$1, it being understood that when a new rate is officially established, that rate will apply.

However, the said rate may be changed through consultation between "A" and "B" in case any serious change takes place in the economic conditions of the country, subject to the approval of Trade Services Division, ESS, GHQ, SCAP.

9. If "A" suffers any loss as a result of payment in U.S. dollars from SCAP's Special Account to a guest because of theft or burglary or fire occurred in the hotel, "B" shall compensate in yen to "A" without delay such loss at the rate of 270 yen per U.S. dollar.

10. The term of this agreement shall be one year from the date of this contract, and shall be renewed automatically for next one year, if either of the parties does not notify to the other party in writing his intention to terminate this agreement at least one month prior to the end of the term of this agreement.

Provided, however, that when and if there occurs a serious change in the general economic social or business situation and if it becomes impossible or very difficult to carry on the business of the hotel on account of earthquake, fire or any other cause; or "A" recognizes that "B" has not carried out the management entrusted in good faith or that "B" has committed a serious blunder: "A" may terminate this agreement at any time.

"B" may terminate this agreement with the approval of "A" two months prior to the termination of the said agreement.

In witness whereof the parties of the agreement have put their respective signature below on the date above stated.

FOR THE DIRECTOR GENERAL

s/s A. Kodaki

Chief,
Liaison & Cordination Division
Board of Trade

s/s K. Matsuo

President of the Gajoen Kanko Hotel

775009

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Lt Col Reed 26-5937

Operation of Trade Services Hotels

G-1

ESS

24 January 1950

1 G-1 concurs with the proposed ESS letter, subject: Operation of Trade Services Hotels, which was hand carried to G-1 24 January 1950, providing para 2a is amended to read as follows:

a. "Occupation personnel" are to be considered all military and US civilian personnel, employed by the Occupation Forces, including their dependents.

2 Incls

C/N fm C/S to ESS w/ 1 incl - Incl 1

Pped Ess ltr to Ministry of - Incl 2

International Trade and

Industry, Tokyo

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

Max
G-1
WAB/JFR/11



Hyg?

SAX

Japanese Government Operated
Commercial Hotels

c/s

ESS

20 January 1950

1. Copy of command letter, subject as above, dated 19 January 1950, is attached for your information and necessary action.
2. It is desired that ESS take necessary steps to implement paragraph 3 of this letter. These arrangements are to become effective not later than 1 February 1950.

1 Incl
Cpy of command ltr

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

5A*

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

354.1

AG 354.1 (28 Dec 49)GA

19 January 1950

SUBJECT: Japanese Government Operated Commercial Hotels

TO: Commanding General, Eighth Army, APO 343
Commanding General, Headquarters and Service Group, General
Headquarters, Far East Command, APO 500
Commanding General, Far East Air Forces, APO 925

1. Effective 1 February 1950 Occupation personnel will be permitted access to the premises of all Japanese Government operated commercial hotels (Inclosure 1) only as follows:

a. When such personnel are bona fide guests of a resident of the hotel visited and are actually accompanied by that resident.

b. When such personnel are on official business and entry upon the premises becomes a necessary part of their duties.

c. When such personnel are actually visiting as customers those sales or display rooms in the hotels maintained by commercial entrants and authorized by the Supreme Commander for the Allied Powers to have commercial transactions with Occupation forces agencies or personnel. Such visits will be limited to normal business hours and, in any event, will be completed prior to 1700 hours.

2. For purposes of this directive the following will apply:

a. "Resident of a hotel" is considered to be a person who is registered with the hotel management as being a resident of that place.

b. Occupation personnel making overseas telephone calls from Japanese Government Operated Commercial Hotels will be considered as on official business while actually making such telephone calls.

3. General Headquarters, Supreme Commander for the Allied Powers will make arrangements with the managements of the Japanese Government Operated Commercial Hotels to cooperate in preventing violation or circumvention of this directive.

4. In accordance with paragraph 13, General Headquarters, Supreme Commander for the Allied Powers, Circular 23, addressee commanders are directed to place hotels of this type which are located within the geographical area of their command "off limits" except for the purposes enumerated in paragraph 1 of this letter.

5A*

B

LIST OF JAPANESE OPERATED
COMMERCIAL HOTELS IN JAPAN

Hotel Tokyo	Tokyo
Hotel Ito	Tokyo
Hotel Shiba Park	Tokyo
Hotel Yashima	Tokyo
Hotel Ambassador	Tokyo
Gajo-on	Tokyo
Hotel Takiwa	Nagoya
Hotel Rakuyo ✓	Kyoto
Hotel Naniwa	Osaka

5774
354-1

Japanese Government Operated
Commercial Hotels

C/S

ESS

20 ~~th~~ January 1950

1. Copy of command letter, subject as above, dated 19 January 1950, is attached for your information and necessary action.

2. It is desired that ESS take necessary steps to implement paragraph 3 of this letter. These arrangements are to become effective not later than 1 February 1950.

1 Incl
Cpy of command ltr

----- E. M. A. -----
M/R: Approved by C/S, 17 Jan 50. Reference is C/N, fr G-1 to C/S, dated 14 Jan 50, subj: Japanese Government Operated Commercial Hotels. C/S also approved ltr to CG, 8th Army, CG, Hq & Sv Gp, GHQ, FEC, and CG, FEAF, subj same as above, 17 Jan 50, and Press Release on 18 Jan 50.

G-1 File WAB:JFR:JP



5A *

Lt Col Reed 26 5937

Japanese Government Operated Commercial
Hotels

G-1

C/S

14 Jan 50

2

1. In accordance with instructions of the C/S received from SGS, G-1 has revised the proposed action regarding use of Japanese Government operated commercial hotels.

2. The action as amended will not permit Occupation personnel to avail themselves of the facilities of Japanese Government operated commercial hotels except as bona fide guests of a resident of the hotel visited, when on official business in the hotel, when visiting sales or display rooms during normal business hours, or when actually making overseas telephone calls from the facilities available in hotels of this type.

3. G-1 recognizes the possibility of an occasional person using subterfuge and thus gaining admission to the hotel under the pretext of making a 'phone call. Such offenders can be properly disciplined without denying overseas telephone privileges to all members of the Occupation. G-1 considers it highly important to the morale of the command to be able to make overseas telephone calls during off-duty hours with the minimum of restrictions. Overseas telephone service is now available in Tokyo in accordance with the following schedule:

Main Office of the Overseas Telephone Service, 0800 to 2000 hours

Teito Hotel, 0800 to 0200 hours

Tokyo Hotel, 0800 to 0200 hours

Red Cross on Ginza Avenue, 0900 to 1700 hours

It is understood that Gajoen has made application for the installation of overseas telephone facilities. By making overseas telephone facilities at trader's hotels in Tokyo unavailable to Occupation personnel, the only overseas telephone service available to these persons during off duty hours would be at the main office of the Overseas Telephone Service from 1700 to 2000 hours. This is not a particularly good time to make overseas telephone calls to the U. S. as the period 1700 to 2000 in Tokyo corresponds to the period 0100 to 0400 on the East Coast of the U. S. The best time for these calls is usually between 2300 and 0200 hours -- Tokyo time. The Signal Section has indicated that it is not practical or economical to attempt to extend the service at either the Tokyo main office or the Red Cross Ginza office to include these hours.

4. Signal Section (Gen Back) concurs.

5. Recommend approval of:

5A*

Lt Col Reed 26 5937

Japanese Government Operated Commercial
Hotels

G-1

C/S

14 Jan 50

2
cont'd

- a. Proposed command letter with inclosures (Tab I).
- b. Proposed checknote to FSS (Tab J).
- c. Proposed press release (Tab K).

10 Incls

1-7 n/c

8-Revised ppsd cmd ltr with incls (Tab I)

9-Revised ppsd c/n to FSS (Tab J)

10-Revised ppsd press release (Tab K)

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

5A*

LIST OF CONFEREES
G-1 Conference, 5 January 1950

Colonel Owens	G-1, GHQ
Colonel Chaplin	PM, GHQ
Colonel Hagan	PM, Hq & Sv Gp
Lt Cmdr Clarke	COMNAVFE
Lt Col Williamson	JA, GHQ
Lt Col Harrison	G-1, GHQ
Lt Col Reed	G-1, GHQ
Lt Col Erlenbusch	G-1, GHQ
Mr. L. E. Tewkesbury	ESS/TS, GHQ
Capt G. Merrifield	IG-PM, Hq FEAF
Mr. W. E. Bradford	ESS/TS, GHQ
Major P. Durbin	JA, Hq & Sv Gp

354.1
5771
Lt Col Reed 26 5937Japanese Government Operated Commercial
Hotels

G-1

C/S

14 Jan 50

2

1. In accordance with instructions of the C/S received from SGS, G-1 has revised the proposed action regarding use of Japanese Government operated commercial hotels.

2. The action as amended will not permit Occupation personnel to avail themselves of the facilities of Japanese Government operated commercial hotels except as bona fide guests of a resident of the hotel visited, when on official business in the hotel, when visiting sales or display rooms during normal business hours, or when actually making overseas telephone calls from the facilities available in hotels of this type.

3. G-1 recognizes the possibility of an occasional person using subterfuge and thus gaining admission to the hotel under the pretext of making a 'phone call. Such offenders can be properly disciplined without denying overseas telephone privileges to all members of the Occupation. G-1 considers it highly important to the morale of the command to be able to make overseas telephone calls during off-duty hours with the minimum of restrictions. Overseas telephone service is now available in Tokyo in accordance with the following schedule:

Main Office of the Overseas Telephone Service, 0800 to 2000 hours

Teito Hotel, 0800 to 0200 hours

Tokyo Hotel, 0800 to 0200 hours

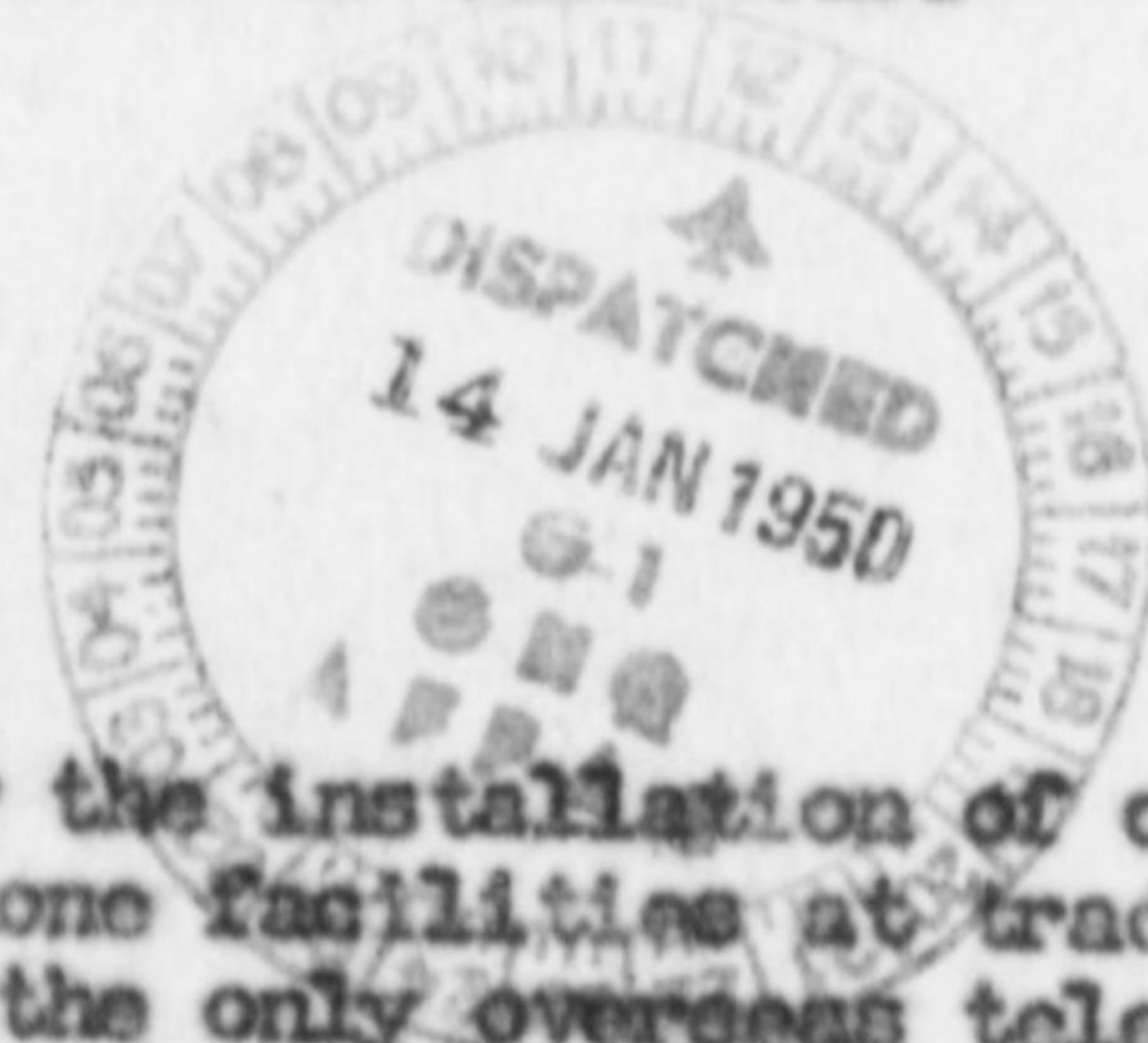
Red Cross on Ginza Avenue, 0900 to 1700 hours

It is understood that Gajoen has made application for the installation of overseas telephone facilities. By making overseas telephone facilities at trader's hotels in Tokyo unavailable to Occupation personnel, the only overseas telephone service available to these persons during off duty hours would be at the main office of the Overseas Telephone Service from 1700 to 2000 hours. This is not a particularly good time to make overseas telephone calls to the U. S. as the period 1700 to 2000 in Tokyo corresponds to the period 0100 to 0400 on the East Coast of the U. S. The best time for these calls is usually between 2300 and 0200 hours -- Tokyo time. The Signal Section has indicated that it is not practical or economical to attempt to extend the service at either the Tokyo main office or the Red Cross Ginza office to include these hours.

4. Signal Section (Gen Back) concurs.

5. Recommend approval of:

PKM
G-1 WAB/JFR/as



H.G.S.

5A *

Lt Col Reed 26 5937

Japanese Government Operated Commercial
Hotels

G-1

C/S

14 Jan 50

2
cont'd

- a. Proposed command letter with inclosures (Tab I).
- b. Proposed checknote to WSS (Tab J).
- c. Proposed press release (Tab K).

10 Incls

1-7 n/c

8-Revised ppsd cmd ltr with incls (Tab I)

9-Revised ppsd c/n to WSS (Tab J)

10-Revised ppsd press release (Tab K)

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

5A*

DRAFT

Japanese Government Operated
Commercial Hotels

C/S

ESS

14 January 1950

1 1. Copy of command letter, subject as above, dated 3 January 1950,
is attached for your information and necessary action.

2. It is desired that ESS take necessary steps to implement paragraph
3 of this letter. These arrangements are to become effective not later than
1 February 1950.

1 Incl
copy of command ltr

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

547

D R A F T

*** PRESS RELEASE ***

Mr. W. E. Bradford, Chief of the Tourist and Services Division, General Headquarters, Supreme Commander for the Allied Powers, announced today that: Effective 1 February 1950 Occupation personnel will be permitted access to the premises of all Japanese Government Operated Commercial Hotels only when such personnel are the bona fide guests of a resident of the hotel visited and are actually accompanied by that resident; when such personnel are on official business and entry upon the premises becomes a necessary part of their duty; when such personnel are actually visiting as customers those sales or display rooms in the hotel maintained by commercial entrants and authorized by the Supreme Commander for the Allied Powers to have commercial transactions with Occupation force agencies or personnel. Such visits will be limited to normal business hours and, in any event, will be completed prior to 1700 hours.

For purposes of this directive, it was announced the following definitions will apply: "Resident of a hotel" is considered to be a person who is registered with the hotel management as being a resident of that place; occupation personnel making over-seas telephone calls from Japanese Government Operated Commercial Hotels will be considered as on official business while actually making such phone calls.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 354.1 ()GA

SUBJECT: Japanese Government Operated Commercial Hotels

TO: Commanding General, Eighth Army, APO 343
Commanding General, Headquarters and Service Group, General
Headquarters, Far East Command, APO 500
Commanding General, Far East Air Forces, APO 925

1. Effective 1 February 1950 Occupation personnel will be permitted access to the premises of all Japanese Government operated commercial hotels (Inclosure 1) only as follows:

a. When such personnel are bona fide guests of a resident of the hotel visited and are actually accompanied by that resident.

b. When such personnel are on official business and entry upon the premises becomes a necessary part of their duties.

c. When such personnel are actually visiting as customers those sales or display rooms in the hotels maintained by commercial entrants and authorized by the Supreme Commander for the Allied Powers to have commercial transactions with Occupation forces agencies or personnel. Such visits will be limited to normal business hours and, in any event, will be completed prior to 1700 hours.

2. For purposes of this directive the following will apply:

a. "Resident of a hotel" is considered to be a person who is registered with the hotel management as being a resident of that place.

b. Occupation personnel making overseas telephone calls from Japanese Government Operated Commercial Hotels will be considered as on official business while actually making such telephone calls.

AG 34.1 () GA
SUBJECT: Japanese Government Operated Commercial Hotels

3. General Headquarters Supreme Commander for the Allied Powers will make arrangements with the managements of the Japanese Government Operated Commercial Hotels to cooperate in preventing violation or circumvention of this directive.

4. In accordance with paragraph 13 General Headquarters, Supreme Commander for the Allied Powers, Circular 23, addressee commanders are directed to place hotels of this type which are located within the geographical area of their command "off limits" except for the purposes enumerated in paragraph 1 of this letter.

5. It is desired that this information be disseminated to all members of your command.

BY COMMAND OF GENERAL MACARTHUR:

Info cpy furnished to:
COMNAVFF, Navy No. 1165
GOC, BCOF, Kure, Japan

5A *

LIST OF JAPANESE GOVERNMENT OPERATED
COMMERCIAL HOTELS IN
JAPAN

Hotel Tokyo	Tokyo
Hotel Teito	Tokyo
Hotel Shiba Park	Tokyo
Hotel Yashima	Tokyo
Hotel Ambassador	Tokyo
Gajo-en	Tokyo
Hotel Takiwa	Nagoya
Hotel Rakuyo	Kyoto
Hotel Naniwa	Osaka

354.1
5771

Japanese Government Operated
Commercial Hotels

CofS

G-1

4 January 1950

2

1. It is desired that G-1 go over the attached proposed action re coordination with Tourist and Services Division, ESS, and any other interested agencies, with a view to restricting Occupation personnel patronage of only the specific hotels requiring such restriction, and submit this paper by 1800 5 January. Any restrictions recommended must be workable. For instance, allowing Occupation personnel to enter a hotel to visit shops and to use overseas telephones but prohibiting the use of other facilities would be most difficult to control. Why should they go in at all?

2. Blanket restriction would not be in consonance with announced relaxation of controls. Likewise, restricting all such hotels to only bona fide residents and formally approved guests would be depriving all Occupation personnel of privileges abused only in a few instances by a small fraction of Occupation personnel.

7 Incls: n/c

DISPATCHED
JAN 1950
E. M. A.
G-1
KMAE/JFR/11

From: G-1

To: C/S

Lt Col Reed 26-5937

Date: 5 January 1950

3

1. In accordance with Chief of Staff instructions contained in check-note 2, G-1 called a conference of representatives of Hq. & Sv Gp, FRAF, Navy, JA, Provost Marshal and ESS. For a list of those attending see Tab H.

2. a. The hotels in question are primarily provided for Traders and Tourists. The use by Occupation personnel is incidental and subordinate to their primary purpose. Since each area served by a hotel is confronted by different problems the major commanders concerned should be charged with whatever action is necessary to maintain the discipline, conduct, and reputation of the Occupation personnel under his command.

b. The conditions in the several areas where Japanese Government operated commercial hotels exist vary so greatly that it is not deemed desirable to issue specific limitations in instructions to major commands. The consensus of the conferees however is that major commands should be informed that they have full authority to control the use of these hotels by members of their commands within the provisions of SCAP Circular 23, 1949.

*for ref see line
357 in 1949 file*

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387

Lt Col Reed 26-5937

Japanese Government Operated
Commercial Hotels

G-1

C/S

5 January 1950

3
Cont'd

3. In order to lessen the likelihood of incidents such as have recently occurred at the Gajo-en, it is also considered desirable to inform Headquarters Comdt essentially as follows:

a. Effective 15 January 1950 unless on bona-fide official business Occupation personnel will be permitted access to the premises of Gajo-en only as follows:

- (1) When such personnel are bona-fide guests of a resident of the Gajo-en and are actually accompanied by that resident.
- (2) When such personnel are the host, or guests at pre-arranged social functions for which arrangements were made with the management of the hotel not less than 48 hours prior to such social functions. In such cases the host will provide the hotel management with a guest list and only those individuals whose names appear on the list will be permitted to attend.

b. A clarification of the status of the Rainbow Room with instructions that inasmuch as the Rainbow Room is not in the approved trader portion of the Gajo-en that it will have the same status of other Japanese establishments of a similar nature.

c. A copy of the contractual relationship between ESS and the management of the hotel with an elaboration to include ESS responsibilities as they pertain to supervision of the Gajo-en and other hotels in similar status as well as action to be taken on the enforcement of the revision of a contract when such action is considered necessary.

d. The proposal contained above will be submitted to the C/S as a separate action.

4. In reconsidering this action G-1 concludes that action as outlined in para 2 and para 3 above is appropriate and will accomplish the desired results. It is not considered that a press release is necessary under the revised proposals.

5. Recommend approval of:

- a. Proposed letter to major commanders (Tab I).
- b. Procedure outlined in paragraphs 2 & 3 above.

5-A

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Lt Col Reed 26-5937

Japanese Government Operated
Commercial Hotels

G-1

C/S

5 Jan 50

3
Cont'd

¹⁰
Incls

7 n/c

3 added:

Tab H - List of conferees

Tab I - Ppsd and ltr

Tab J - C/S Memo

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

5A

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GENERAL HEADQUARTERS
FAR EAST COMMAND
APO 500

AG 354.1 ()GA

SUBJECT: Japanese Government Operated Commercial Hotels

TO : Commanding General, Eighth Army, APO 343
Commanding General, Headquarters and Service Group, General
Headquarters, Far East Command, APO 500
Commanding General, Far East Air Forces, APO 925

1. References:

- a. Circular 22, Supreme Commander for the Allied Powers, subject: "Private Commercial Entrants," dated 13 September 1949.
- b. Circular 23, Supreme Commander for the Allied Powers, subject: "General Personnel Regulations," dated 13 September 1949.

2. In accordance with the provisions of the above cited references addressee commanders are notified that they have full authority to control the use of Japanese Government Commercial Hotels or Trade Service Hotels by Occupation personnel. These are hotels operated by Japanese acting as agents of the Japanese Government primarily for the use of commercial entrants and where reimbursement for supplies and services must be paid in Foreign Trade Payment Certificates at dollar rates.

3. While these hotels are under the supervision of General Headquarters, Supreme Commander for the Allied Powers, inasmuch as they are operated primarily for commercial entrants, their use by Occupation personnel in consonance with the provisions of Supreme Commander for the Allied Powers Circular 23 is a command responsibility as stated above.

BY COMMAND OF GENERAL MacARTHUR: