

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

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- (2) Folder title/number: (2)
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(4) Subject:

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MEMORANDUM FOR RECORD

GD R&P JEM/hv
9 March 49

SUBJECT: Payment of Expenses of Non-Military Witnesses Called by Occupation Forces During Period 1 April 1948 to 1 February 1949

~~XX~~

1. Under the provisions of SCAPIN 1872, 31 Mar 48, Japanese witnesses required by the occupation courts, courts martial, investigations and interrogations could not be reimbursed from TOW funds for their expenses incident to rendering service to the Occupation Forces.
2. SCAPIN 1872/6, 28 Dec 48, authorized the JG to pay expenses of non-military witnesses called by Occupation courts, courts martial, investigations and interrogations. PD's to accomplish this were issued 1 Feb 49. During the period between the issuance of SCAPIN 1872 (1 Apr 48) and the PD's referred to above, there were no payments made to non-military witnesses called by Occupation courts and courts-martial.
3. ELCO ltr No. 468 (SS), subj, "Travelling Expenses for Witnesses Called by the Occupation Forces," 19 Feb 49, requested action by SCAP in resolving the problem of legal payment of witnesses called during period 1 Apr 48 to 1 Feb 49.
4. Payments to non-military witnesses called during this period are deemed to be a legitimate cost against occupation.
5. Instant action (Letter to CG, 8th Army, and SCAPIN) extends SCAPIN 1872/6 to include witnesses called by Occupation Forces between 1 April 1948 - 1 February 1949.
6. Within policy.
7. Completes action on G-4 Journal #77868.
8. Coordinated with:
 - G-4 Budget (Lt Col Irvin)
 - ESS/FIN (Mr. McGlaulin)

J.E.M. JEMG.D. GDF.L.R. FLR

JAPANESE GOVERNMENT**CENTRAL LIAISON AND COORDINATION OFFICE**

TO : GENERAL HEADQUARTERS OF THE SUPREME COMMANDER
FOR THE ALLIED POWERS.

FROM : Central Liaison and Coordination Office, Tokyo.

SUBJECT : Travelling Expenses for Witnesses Called by
the Occupation Forces.

C.L.C.O. No. 468(SS)

19 February 1949 ✓

1. Reference:

- a. SCAP Memorandum AG 400.12 (31 Mar 48)CE-GD (SCAPIN 1872), subject: "Expenditures from Funds Appropriated for Occupation Force Requirements."
- b. C.L.C.O. Memorandum No. 3197(3WC) dated 10 September 1948, subject: "Travelling Expenses for Designated Individuals."
- c. SCAP Memorandum AG 248 (31 Mar 48)GD (SCAPIN 1872/6), dated 8 December 1948, subject: "Payment of Expenses of Non-Military Witnesses Called by Occupation Forces."
- d. PD, JPNO 5353 dated 25 January 1949.

2. On 10 and 11 August 1948 respectively, Judge Advocate, General Court Martial, Yokosuka, directed the Japanese Government to defray the expenses incurred to witnesses summoned there by the General Court Martial. In compliance with the request and in view of the circumstances in which the witnesses were then placed, the local representative of this Office made the payment from a borrowed fund.

3. Various cases of deviation of this kind from Procurement Demand Procedure were caused throughout this country since April 1948 due to a lacuna in the provisions for procuring services. Full details of the cases will be reported later upon completion of investigation. The reference 1d Procurement Instrument issued effective 1 February 1949 in pursuance of 1c SCAP Memorandum has solved the problem as of 1 February. There still remains pending, however, the question of such payments made prior to 1 February 1949 as mentioned in para. 2 of this Memorandum.

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4. In the absence of specific authorization for payments and in the light of provisions prescribed by reference 1a SCAP Memorandum and for reasons described in para. 3 of the reference 1b C.L.C.O. Memorandum, the individual Government officials who were contacted for reimbursement of such expenses were forced to accept the net personal losses or to resort to subterfuge measures of some sort despite the requirements of the SCAP Memorandum as well as the existing Japanese rules and laws of budgetary accounting. This Office solicits hereby the attention of the General Headquarters, Supreme Commander for the Allied Powers, to this matter and requests that General Headquarters be good enough to find out ways and means of straightening out the difficulties.

FOR THE DIRECTOR-GENERAL:



(K. Tatsuke)
Director of First Division,
Central Liaison and
Coordination Office.

Enclosures: Two letters (A and B).

1872/9

775009

Enclosure A.

COMMANDER FLEET ACTIVITIES
NAVY NO. 3923
F.P.O. SAN FRANCISCO, CALIF.

11 August 1948

From: Judge Advocate, General Court Martial, Yokosuka,
Japan.
To: To Whom It May Concern.
Subject: Isamu Tanaka and Takayoshi Yoshida.

1. This will certify that the above named men have been required to remain in Yokosuka as witnesses before the general court martial of which I am Judge Advocate, from 5 August until 12 August 1948.

2. Expenses entailed by their stay in Yokosuka is to be borne by the Japanese Government and paid for directly by the Yokosuka Liaison Office.

James M. Jefferson, junior
First Lieutenant, U.S.M.C.

1872/9

Enclosure to O. I. C. O. No.

468
(55)

775009

Enclosure B.

COMMANDER FLEET ACTIVITIES
YOKOSUKA, JAPAN
NAVY NO. 3923
P.P.O. SAN FRANCISCO, CALIF.

10 August 1948

From: Judge Advocate, General Court Martial, Yokosuka, Japan.
To: To Whom It May Concern.
Subject: Hiroshi Kinoshita, doctor.

1. This will certify that the above named man has been required to remain in Yokosuka as a witness before the general court martial of which I am Judge Advocate, from 5 August until 10 August 1948.

2. Expenses entailed by his stay in Yokosuka is to be borne by the Japanese Government and paid for directly by the Yokosuka Liaison Office.

James M. Jefferson, junior
First Lieutenant, U.S.M.C.

1872/9

GD P&F JEM/mlw
7 March 1949

MEMORANDUM FOR RECORD

SUBJECT: Payment of Expenses of Non-Military Personnel Called by the
Civil Property Custodian

1. CLCO Letter No. 467 (SS), dated 19 February 1949, subject, "Travelling Expenses for Japanese Nationals Called by the Civil Property Custodian," requested authorization for payment of travelling expenses of witnesses called by CPC with or without issuance of additional P.D.s.

2. SCAPIN 1872/6 authorizes the JG to reimburse Japanese Nationals called before Occupation Force courts, courts-martial, investigations and interrogations. P.D.s have been issued by 8th Army for the services for these cases.

3. However, the return of looted property is considered to be a responsibility of the Japanese Government in carrying out the terms of surrender, and not a requirement for support of the Occupation Forces. As such, no costs incurred should be paid from funds appropriated for support of the Occupation Forces. Instant SCAPIN so informs Japanese Government.

4. Within policy.

5. Completes action on G-4 Journal No. 77869.

6. Coordinated with:
ESS/FIN (Mr. McGlaufflin)
CPC (Mr. Hoffer)
G-4 Budget (Lt. Col. Irvin)

J. E. M. *JEM*G. D. *GD*F. L. R. *FLR*

1872/8

TO : GENERAL HEADQUARTERS OF THE SUPREME COMMANDER
FOR THE ALLIED POWERS.

FROM : Central Liaison and Coordination Office, Tokyo.

SUBJECT : Travelling Expenses for Japanese Nationals
Called by the Civil Property Custodian.

C.L.C.O. No. 467(SS)

19 February 1949

1. Reference:

a. SCAP Memorandum AG 400.12 (31 Mar 48)CE-GD (SCAFIN - 1872), subject: "Expenditures from Funds Appropriated for Occupation Force Requirements."

b. C.L.C.O. Memorandum No. 3197(3WC) dated 10 September 1948, subject: "Travelling Expenses for Designated Individuals."

c. SCAP Memorandum AG 248(31 Mar 48)GD (SCAFIN - 1872/6), dated 8 December 1948, subject: "Payment of Expenses of Non-Military Witnesses Called by Occupation Forces."

d. (1) PD, JPNO 5353, dated 25 January 1949.

(2) PD, JPNO 5354, dated 25 January 1949.

(3) PD, JPNO 5355, dated 26 January 1949.

2. On 14 February 1949, the Civil Property Custodian, General Headquarters, Supreme Commander for the Allied Powers, made a written request through Japanese Liaison Section, G-2, to the effect that this Office would reimburse to a Japanese national, Koshika SATO, all reasonable expenses incurred in coming to Tokyo and reporting to the Civil Property Custodian for interview concerning the recovery of looted property.

3. Whereas the reference 1c SCAP Memorandum authorized the payments of reasonable expenses to Japanese nationals who reported to various agencies of the Occupation Forces at their direction, the reference 1d Procurement Instruments issued in pursuance of the reference 1c SCAP Memorandum, do not comprise such cases as mentioned in para. 2 of this Memorandum and the Japanese Government, therefore, is still technically unable to meet these requirements in view of the provisions prescribed in para. 5 of the reference 1c SCAP Memorandum.

1872/8

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4. It is hereby requested that specific authorization for payment be made to the Japanese Government at the earliest practicable date with or without the issuance of additional Procurement Instruments.

FOR THE DIRECTOR-GENERAL:

(K. Yoshida)
Chief of Liaison Section,
Central Liaison and
Coordination Office.

Enclosure: Copy of Check Note issued by Civil
Property Custodian.

1872/8

GD P&P GD/mlw
17 February 1949

MEMORANDUM FOR RECORD

SUBJECT: Disposition of Supplies, Equipment and Materials Released to the Japanese Government

1. References:

a. SCAP letter to CG, 8th Army, file AG 400.703 (21 Jul 48) GD, subject, "Release of Occupation Forces Supplies and Equipment," dated 16 November 1948.

b. Memorandum for the Japanese Government (SCAPIN 1872/), subject, "Expenditure from Funds Appropriated for Occupation Force Requirements," dated 31 March 1948, and SCAPIN 1872/2, dated 10 August 1948.

2. Reference 1a directed the CG, 8th Army, to review all indigenously procured supplies and materials on hand and release, unconditionally, to the Japanese Government all inventories in excess of the coordinated known requirements of the Occupation Forces. CG, 8th Army, was further directed in reference 1a to recommend a method for reimbursing the Japanese Government for the cost of warehousing and handling of materials from date of receipt by the Japanese Government until date of release by 8th Army (this latter provision was intended to cover excess stocks held by Special Procurement Board on letter directives and which would not be procured by the 8th Army). Subsequent to issuance of reference 1a it was found that this reference would not cover Special Procurement Board stocks since it had specified procured stocks.

3. Since there are large quantities of excess stocks in Special Procurement Board custody for which there is no Occupation Force requirement and which should be returned to the Japanese economy, an agenda was prepared, directives drafted and a conference held between GHQ and 8th Army representatives on 24 January 1949 on the release of Special Procurement Board stocks. At this conference the CG, 8th Army, proposed that Occupation Force stocks be warehoused at five key locations in Japan and all other Special Procurement Board warehouses be released as rapidly as possible. 8th Army could furnish no firm date as to the accomplishment of complete screening of Special Procurement Board stocks and issuance of procurement demands against them for his coordinated known requirements. However, it was agreed that releases would be as rapidly as possible, and preferably in time to meet Spring construction demands of the Japanese economy.

4. This action is a SCAPIN to Japanese Government and letter to CG, 8th Army, to accomplish the release of Special Procurement Board stocks. The provisions of these directives are self-explanatory.

5. Initiated action; action completed.

6. Within established policy.

7. Informal concurrence: ESS

G. D. 

F. L. R. 

1872/7

W 6 may be OK but
it's not clear to me.

Looks like W 6 + 7
are part of FA plan.

W 9 - "dispute" ???

~~Paul~~

D R A F T

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 400.13 ()ESS/FIN SCAPIN

MEMORANDUM FOR: JAPANESE GOVERNMENT

SUBJECT: Disposition of Supplies, Equipment and
Materials Released to the Japanese
Government

1. Reference is made to:

a. Memorandum for the Japanese Government from
General Headquarters, Supreme Commander for the Allied Powers,
AG 400.12 (31 Mar 48)CE-GD, SCAPIN 1872, 31 March 1948,
subject: "Control of Construction, Maintenance and Acquisition
of Real Estate."

b. Memorandum for the Japanese Government from
General Headquarters, Supreme Commander for the Allied Powers,
AG 400.12 (31 Mar 48)EO, SCAPIN 1872/2, 10 August 1948, sub-
ject: "Expenditures from Funds Appropriated for Occupation
Force Requirements."

2. Effective 1 April 1949, those portions of paragraphs
5b and 6 of reference 1 a and paragraph ^{5c} of reference 1 b
authorizing payments from JG funds appropriated for the support
of the Occupation Forces for requirements for construction and
maintenance materials and equipment ^{on the basis of} as described in letter
directive issued by the Commanding General, Eighth U. S. Army
are rescinded except insofar as may be necessary to liquidate
obligations outstanding as of 31 March 1949.

1872/7 REVISED

DRAFT

AG 400.13 ()ESS/FIN, SCAPIN 1872/ , dtd
Subj: Disposition of Supplies, Equipment and Materials Released to the
Japanese Government.

3. All Special Procurement Board supplies, equipment and materials procured with funds appropriated for support of the requirements of the Occupation Forces will be inventoried at an early date. This inventory will include those stocks procured by the Japanese Government in accordance with letter directives as provided for by paragraph 5 b of reference 1 a, as amended by paragraph b of reference 1 b. The foregoing inventory will be conducted jointly by representatives of the Commanding General, Eighth Army, and the Japanese Government. Stocks which are not to be placed on procurement demand as determined by the Commanding General, Eighth Army will revert to the control of the Japanese Government for disposition.

4. Schedules and necessary arrangements for the conduct of inventories will be in accordance with directives to be issued by the Commanding General, Eighth Army.

The J. G. will prepare and submit a plan
5. A plan will be prepared and submitted to SCAP within thirty *from date of this directive* (30) days covering the custody and disposition of all stocks released for disposition including supplies, equipment, and material released to the Japanese Government from Occupation Force stocks accumulated as a result of procurement instruments issued to the Japanese Government. ~~AND~~ ~~or from former Japanese Army or Navy property surrendered to the Allied Powers.~~ Such plan should provide for disposition of materials in a manner that will provide maximum revenues to the Japanese Government under applicable Japanese laws. A single national government agency will be designated to receive and dispose of these stocks.

6. The disposition of released production materials designated

AG 400.13 ()ESS/FIN, SCAPIN 1872/ . dtd
 subj: Disposition of Supplies, Equipment and Materials Released to the
 Japanese Government.

7 for allocation by the Japanese Government Economic Stabilization Board
 will be programmed with other such materials being allocated.

7. Priority in sales between equal eligible bidders will be estab-
 lished by the Economic Stabilization Board.

6 8. A separate revenue account will be maintained by the Japanese
 Government to reflect the proceeds of any sales of the released items
 mentioned ^{in paragraph 3} above. None of these items will be disposed of without a rea-
 sonable compensation to the Japanese Government based on current value;
 nor shall they be made available for use of any government agency except
 when a similar reasonable Japanese payment is made to the revenue account
 mentioned above from appropriated funds of the agency concerned.

7 9. The Japanese Government will submit periodic progress reports
 to, and as directed by, the Commanding General, Eighth Army regarding
^{disposition of}
 dispute of SPB Stocks.

8 10. Direct communication ^{is authorized} between the Commanding General, Eighth
 Army and the Japanese Government with respect to release of stocks and ^{between}
 the Economic and Scientific Section, General Headquarters, Supreme Com-
 mander for the Allied Powers, and the Japanese Government with respect to
 the distribution of supplies, equipment and materials and the funding ad-
 justments covered by this directive. ~~is authorized.~~

FOR THE SUPREME COMMANDER:

R. M. LEVY
 Colonel, AGD
 Adjutant General

GD P&P JEM/mlw
24 December 1948

MEMORANDUM FOR RECORD

CONFIDENTIAL

SUBJECT: Payment of Expenses of Non-Military Witnesses Called by
Occupation Courts

1. C/N 1 from G-2 to G-4, subject, "Financing the Interrogation Program", dated 23 Oct 48, advised that Finance Ministry had refused to advance any additional funds for the payment of repatriates called by G-2 ATIS since SCAPIN 1872/3 made no provisions for this specific category of witness.
2. C/N 2 dtd 25 Oct 48 returned original C/N to G-2 per request of Colonel Svensson following conference held on 25 Oct 48 to discuss this problem.
3. C/N 3, G-2 to G-4, dtd 26 Oct 48, was hand-carried to G-4 without further proposal by G-2, with the request that G-4 reply to original proposition, i.e. (a) Ministry of Finance be directed to honor the form now used by ATIS as authority to reimburse individuals called for interrogation by ATIS; (b) that no PD nor additional SCAPIN be issued.
4. C/N 4, G-4 to G-2, dtd 28 Oct 48, listed the possible plans outlined in the conference referred to in par 2 above, and strongly recommended use of the PD procedure. C/N further stated that G-4 would, however, concur in yen funding arrangement if security requirements would justify such procedure, but that G-4 would not concur in G-2 proposal unless interrogation was included in the processing of repatriates prior to demobilization, and provided adequate controls were established for such procedure. G-4 requested G-2 to draft a letter to 8th Army directing the issuance of a blanket PD covering interrogation of repatriates in the event that G-2 elected to utilize this procedure.
5. By C/N 1, G-2 to G-4 dtd 6 Dec 48, subject, "Financing the Interrogation Program", G-2 objected to use of the PD procedure on the grounds that security would be compromised. No comment was made on the funded yen procedure recommended by G-4 as an alternate. Accordingly, C/N 2, G-4 to G-2, dtd 8 Dec 48, returned the correspondence for comment on the feasibility of using the funded yen procedure.
6. C/N 3, G-2 to G-4, dtd 14 Dec 48, stated G-2's objections to funded yen plan. G-2 stated that a number of DAC and EM linguists would be required to process vouchers, keep necessary accounts and handle 1000 Japanese interrogatees per month, and that such linguists are of a critically short category. G-2 requests issuance of a PD which is limited to existing agencies now financing the interrogation program and which avoids both SPB and 8th Army Procurement Section.
7. CINCFE ltr to 8th Army, file AG 400.12 (31 Mar 48) GD, subject, "Payment of Non-Military Witnesses Called by Occupation Force Courts".

CONFIDENTIAL**G-4 FILE**

1872/6

CONFIDENTIAL

MEMORANDUM FOR RECORD (cont'd):

dtd 5 Oct 48, inclosed copy of SCAPIN 1872/3 and requested 8th Army to prepare procedure to effect prompt payment of witnesses.

8. Eighth Army ltr to CINCFE, subject, "Payment of Non-Military Witnesses Called by Occupation Force Courts", dtd 14 Dec 48, presented plan for accomplishing the payment of non-military witnesses called by occupation force courts. Plans call for:

a. Issuance of a single PD with CLCO (Central Liaison and Coordinating Office) as the agency to furnish the services.

b. Issuance of individual subpoenas under the authority of the demand for individual witnesses required. The subpoenas will act as work orders and serve the dual purpose of the court's requirement for subpoenas and the agencies requirement for vouchers to justify expenditures.

c. Monthly consolidation of individual subpoenas by CLCO in Tokyo with GPA 2 to be prepared and submitted to SPB for payment.

The advantages of the above plan are as follows:

- (1) Accomplishment of the requirement by one Japanese agency with representatives in all prefectures.
- (2) Minimum administrative expense to Occupation Forces and JG.
- (3) Permits advance of expenses to witnesses - a provision said by Japanese agencies to be necessary in the vast majority of cases.

9. This action includes the following:

a. Approves Eighth Army plan for payment of non-military witnesses called by Occupation Courts as modified.

b. Adopts above plan to the payment of repatriates called for interrogation by TIS, witnesses called for questioning by CIC, and of other non-occupation personnel who might be called to appear before occupation authorities in connection with investigations and interrogations.

c. Rescinds SCAPIN 1872/3.

d. Proposes SCAPIN authorizing the Japanese Government to advance sufficient funds to the disbursing agency (SPB) in advance of receipt of Forms GPA 2, for 2 months' operation. (No JG agency has funds available to carry out this plan, therefore, advance funds must be provided. Under SCAPIN 1872, the JG cannot advance more than 30 per cent of funds.)

CONFIDENTIAL

G-4 FILE

CONFIDENTIAL

MEMORANDUM FOR RECORD (cont'd):

10. A check was made with OGA (Mr. Gallagher and Mr. Reeves) as to the funds available to JG in the amount required for the above program. The estimated cost of the proposed program for the remainder of JFY 48 is ¥ 21,450,000 and OGA states that sufficient funds are available to finance this program without any additional appropriation. ESS/FIN (Mr. McGlaufflin) concurs with this statement.

11. At conference held between representative of SPB (Mr. Gleason), ESS/FIN (Mr. McGlaufflin) and the Ministry of Finance, and attended by G-4 representative (Capt. McMahan), Eighth Army plan was discussed with the view of deciding whether or not it would be utilized under existing Japanese Accounting Laws. Decision rendered by Ministry of Finance Officials was that payment of witnesses could be effected, as specified in Eighth Army Plan, under existing laws, provided an official of CLCO was appointed "funding officer" by the SPB disbursing officer. To hold such a dual position will require clearance through the Japanese Government Civil Service, since, under the Japanese Public Service Law, no official may hold two positions in the JG.

12. It is considered that the issues contained in paragraph 11 above are of a minor nature, and that the issuance of the proposed SCAPIN would be sufficient grounds for a JG interpretation of their existing laws to permit utilization of the 8th Army Plan as modified.

13. Exception to policy.

14. Completes action on G-4 Journal No. 73731 (related to 73835).

J. E. M.

G. D.

M. E. S.

ADDED M/R:

15. This action was briefly outlined to Col. Slocum, G-2, who expressed agreement in principal therewith. Details of action were coordinated with Mr. Schneider, G-2 Liaison, and Mr. McGlaufflin, ESS Public Finance.

CONFIDENTIAL

G-4 FILE

775009

Ltr, Hq Eighth Army, AGPDO 248, subject, "Payment of Non-Military Witnesses Called by Occupation Force Courts", 4 Dec 48

AG 248 (4 Dec 48)GD

1st Ind

GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS, APO 500
28 December 1948

TO: Commanding General, Eighth Army, APO 343

1. Proposed plan for payment of witnesses as outlined in basic letter is approved as modified below.

2. It is desired that the procedure be modified to include non-occupation force personnel who may be required to appear before occupation force authorities in connection with investigations and interrogations. A single procurement demand will be issued to include not only witnesses called to testify before occupation force courts, but also to include the additional categories of personnel cited above. A receipt form other than the subpoena should be designated for use in the payment of personnel appearing in connection with investigations and interrogations by other than courts or court agencies.

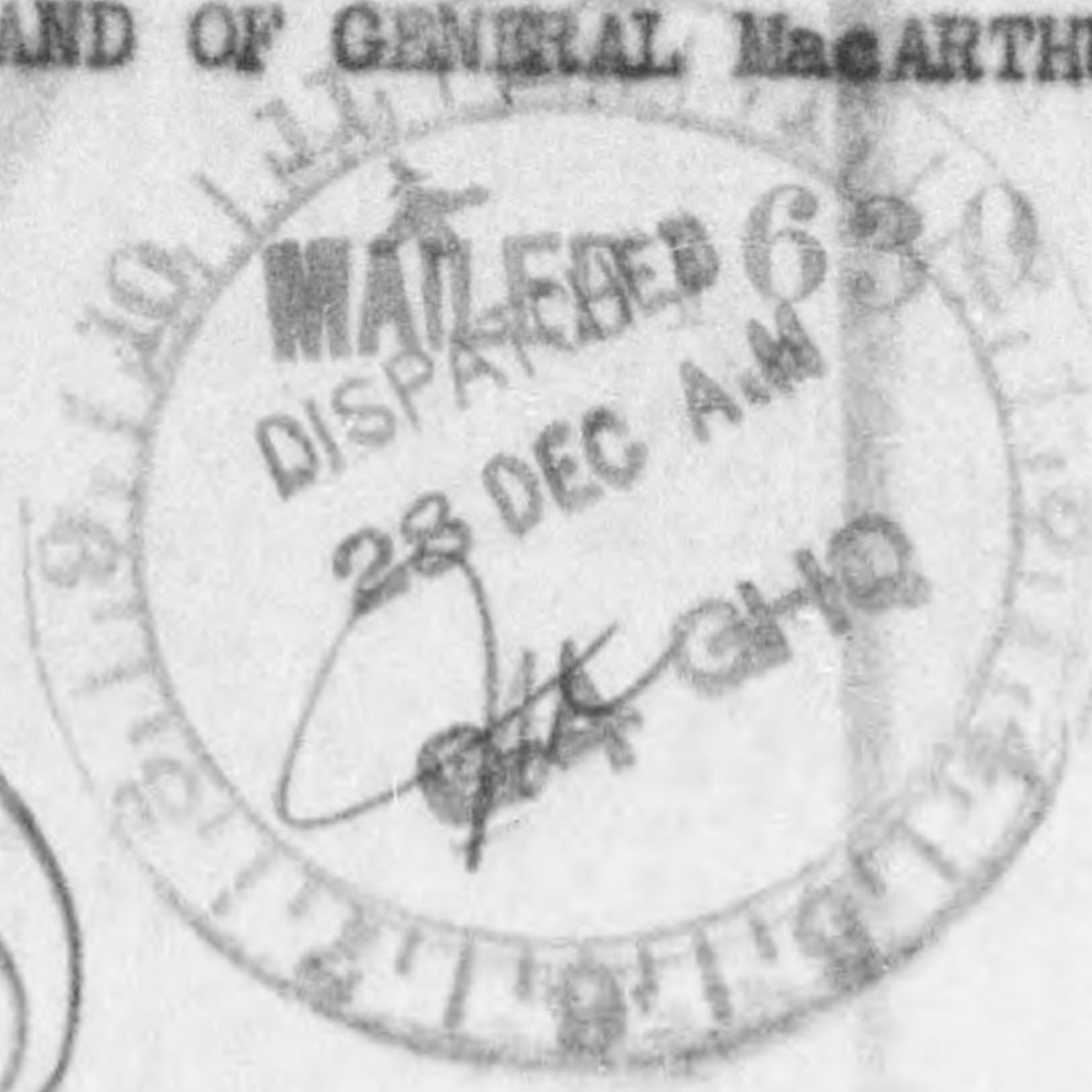
3. During the remainder of the Japanese Fiscal Year 1948, payments under the procedures established hereby will be limited to travel of individuals as directed by occupation force courts and occupation force intelligence agencies. Beginning with the Japanese Fiscal Year 1949, payments for travel under those procedures will be limited to those agencies which have forecast such requirements.

4. General Headquarters, Supreme Commander for the Allied Powers' Memorandum to the Japanese Government, file AG (31 Mar 48)GD, SCAPIN 1872/6 dated 28 December 1948, inclosed herewith, authorizes the Japanese Government to advance sufficient funds to make required payments for a two months' period to witnesses required to appear before occupation courts and courts-martial, and other individuals specified in paragraph 2 above.

BY COMMAND OF GENERAL MacARTHUR:

G-4 ROUTING	
AG/AS G-4	_____
AG/AC/S G-4	_____
EXECUTIVE	_____
PLANS & POL	_____
OPERATIONS	_____
CONST & FAC	_____
TRANSPORTATION	_____
SUPPLY	_____
PETROLEUM	_____
BUDGET	_____
PERSONNEL	_____
ADMINISTRATION	_____

1 Incl
SCAPIN 1872/6



DEC 31 '48

A J REHE
Major, AGD
Asst Adj Gen

P+P

73731

G-4 FILE

G-4 Comeback copy

1872/6

GD P&P ROI/bs
18 November 1948

MEMORANDUM FOR RECORD:

SUBJECT: Disbursement of Transportation Expenses of Laborers
Directly Employed for the Occupation Forces.

1. CLCO ltr No. 3766 (LO 4114 AD/IF) subject as above, dtd 5 Nov 48 incloses inquiry of Ministry of Finance relative to the portion of TOW Budget from which transportation expenses of laborers directly employed by occupation forces should be paid.

2. Ministry of Finance advises that such expenses thru 30 Sep 48 have been paid from "Office Expenses for TOW", but believes payment should be made from "Operation Expenses of TOW Budget".

3. Funds for payment of Transportation of Laborers Employed for the Occupation Forces were provided under "Termination of War Affairs" section of the budget and are not now subject to P.D. Such procedure leaves to the JG the discretion as to how much transportation shall be used and the manner in which it will be employed.

4. It is felt that transportation of workers to and from work locations is not a justifiable expense which should be paid from TOW funds. The Occupation Forces realize value only from use of the labor itself and do not receive any value in return for expenses incurred in the transport of these workers.

5. a. Proposed SCAPIN to JG advises of this decision.

b. Command letter points out that there is no objection to the employing command furnishing transportation from designated assembly points to points of use provided no increase in motor transportation is required.

6. Within policy.

7. Completes action on G-4 Journal #71767.

R.O.I. ROI

G.D. _____

J.P.B. _____

M.E.S. MES

G-4 Comeback copy

G-4 FILE

1872/5

DRAFT

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 121.6 ()GD
SCAPIN

MEMORANDUM FOR: Japanese Government

SUBJECT: Disbursement of Transportation Expenses of Laborers
Directly Employed for the Occupation Forces.

1. Reference is made to the following:

a. Central Liaison and Coordination Office Letter No. 3766
(IO 4114 AD/IF), 5 November 1948.

b. Supreme Commander for the Allied Powers Memorandum for
Japanese Government, file AG 400.12 (31 Mar 48)CE-GD, SCAPIN 1872.

2. It is the responsibility of the Japanese Government to deliver
procured labor to the site of employment, or to an assembly point if
designated by the procurement demand. This responsibility is identical

to the responsibility of the Japanese Government for the deliver^{ing}
~~to the designated point of use or storage~~
of other procured requirements of the Occupation Forces, consequently

Procurement Demands covering the transport of Japanese workers to and
~~from work locations~~ ^{or assembly points if designated,} will not be issued, ~~nor will future costs incurred~~

~~in transport of such workers be paid from Termination of War funds.~~

FOR THE SUPREME COMMANDER:

*Aug
2 c
AG
b-4
b-4
2 stay
Harris*

*OK
GH Sig
mrb*

DRAFT

1872/5

C-4 Comeback copy

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 121.6 ()GD
SCAPIN

MEMORANDUM FOR: Japanese Government

SUBJECT: Disbursement of Transportation Expenses of Laborers
Directly Employed for the Occupation Forces

1. Reference is made to the following:

a. Central Liaison and Coordination Office Letter No. 3766
(LO 4114 AD/IF), 5 November 1948.

b. Supreme Commander for the Allied Powers Memorandum for
Japanese Government, file AG 400.12 (31 Mar 48)CE-GD, SCAPIN 1872.

2. Procurement Demands covering the transport of Japanese workers
to and from work locations will not be issued, nor will future costs
incurred in transport of such workers be paid from Termination of War
funds.

FOR THE SUPREME COMMANDER:

1872/5

TO : GENERAL HEADQUARTERS OF THE SUPREME COMMANDER
FOR THE ALLIED POWERS.

FROM : Central Liaison and Coordination Office, Tokyo.

SUBJECT : Inquiry Concerning Disbursement of Transporta-
tion Expenses of Laborers Employed Directly by
Occupation Forces.

C.L.C.O. No. 3766 (LO 4114 AD/IF)

5 November 1948

1. Reference: SCAP Memorandum AG 400.12(31 Mar 48)CE-GD,
(SCAPIN 1872), subject: "Expenditures from Funds Ap-
propriated for Occupation Force Requirements."

2. Transmitted herewith is a letter of the Ministry of
Finance on the subject matter, addressed to the General
Headquarters, Supreme Commander for the Allied Powers.

FOR THE DIRECTOR-GENERAL:

(K. Yoshida)
Chief of Liaison Section,
Central Liaison and
Coordination Office.

Enclosure: A letter of the Ministry of
Finance (LO 4114 AD/IF).



1872/5

MINISTRY OF FINANCE
THE JAPANESE GOVERNMENT

LO 4114 (AD/IF)

4 November 1948 ✓

MEMORANDUM FOR: GENERAL HEADQUARTERS FOR THE ALLIED POWERS.

THROUGH : Central Liaison and Coordination Office.

SUBJECT : Application for Disbursement of Transporting Expenses of Laborers
Employed directly by Occupation Forces.

1. It was the responsible affairs for the Japanese Government hitherto to transport the laborers employed directly by the Occupation Forces from a meeting place to a operation place. This transporting expenses has been paid from the "office expenses for termination of war" until 30 September 1948.
2. However it is our opinion that this transporting expenses is to be paid from the "Operation-expenses for termination of war", for it is the incidental expenses directly to the procurement of labor for the Occupation Forces.
3. Your Instruction is requested whether such opinion of the Japanese Government as prescribed in paragraph 2 above is right or not.

Furthermore, your favorable consideration is requested to issue smoothly the due Procurement Demand Instruments and Receipts in accordance with AG 400, 12 (31 March 48) CE/GD 31 March 1948 subject: Expenditures from Funds Appropriated for Occupation Force Requirements, if it will be decided to be paid from the "operation expenses for termination of war".

FOR THE MINISTER OF FINANCE

Y. K.
for Takeshi Watanabe
Chief of Ministers' Secretariat

(SAG)

1872/5

RECEIVED
NOV 11 1948
PM 2 15
MINISTRY OF FINANCE

MINISTRY OF FINANCE
THE JAPANESE GOVERNMENT

LO 4114 (AD/IF)

4 November 1948 ✓

MEMORANDUM FOR: GENERAL HEADQUARTERS FOR THE ALLIED POWERS.

THROUGH : Central Liaison and Coordination Office.

SUBJECT : Application for Disbursement of Transporting Expenses of Laborers
Employed directly by Occupation Forces.

1. It was the responsible affairs for the Japanese Government hitherto to transport the laborers employed directly by the Occupation Forces from a meeting place to a operation place. This transporting expenses has been paid from the "office expenses for termination of war" until 30 September 1948. .
2. However it is our opinion that this transporting expenses is to be paid from the "Operation-expenses for termination of war", for it is the incidental expenses directly to the procurement of labor for the Occupation Forces.
3. Your Instruction is requested whether such opinion of the Japanese Government as prescribed in paragraph 2 above is right or not.

Furthermore, your favorable consideration is requested to issue smoothly the due Procurement Demand Instratments and Receipts in accordance with AG 400, 12 (31 March 48) CE/GD 31 March 1948 subject: Expenditures from Funds Appropriated for Occupation Force Requirements, if it will be decided to be paid from the "operation expenses for termination of war".

FOR THE MINISTER OF FINANCE

for *Y. K.*
Takeshi Watanabe
Chief of Ministers' Secretariat

(SAG)

1872/5

RECEIVED
NOV 11 1948
LIAISON OFFICE
CENTRAL HEADQUARTERS
FOR THE ALLIED POWERS

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

11/16/49
(Date)

PVP

See me please

MVP

M. V. PATTON
Colonel, GSC
Deputy Assistant Chief of Staff, G-4

775009



387.7
Logan 1872

Revision of SCAPIN 1872

30 JUL 1948

G-4

Ingr

2

G-4 concurs in proposed SCAPIN with following modifications:

a. Proposed paragraph 1b changed to read as follows:

"b. The scope of paragraph 5b(1) is extended to include all construction, and will read as follows:

"(1) Directions for advance procurement of materials and equipment required for maintenance and for construction projects."

b. Proposed paragraph 1c deleted.

1 Incl:
n/c

G-4 ROUTING	
C/S G-4	_____
C/S G-4	_____
EXECUTIVE	_____
OPERATIONS	_____
CONST & FAC	_____
TRANSPORTATION	_____
SUPPLY	_____
PETROLEUM	_____
BUDGET	_____
PERSONNEL	_____
ADMINISTRATION	_____

jm

H.S.E.

GD R&P WPG/hv
29 July 1948

MEMORANDUM FOR RECORD:

- C/N from Ingr to G-4 dtd 16 July 48, subject: "Revision of SCAPIN 1872", enclosed draft of proposed SCAPIN revising SCAPIN 1872 which governs the expenditures from funds appropriated for Occupation Force requirements.
- Proposed SCAPIN extends the scope of SCAPIN 1872 by amending:
 - Par. 4a(2) to include procurement controls over supplies used for utilities and services.
 - Par. 5b to further define letter directives issued by 8th Army to cover transporting and warehousing of these materials as well as advance procurement and covering all construction and not just dependent housing construction.
 - Par. 6b to extend to 1 Oct 48 the provisions of this paragraph. This extension deadline is desirable from an economy viewpoint due to the late date of passage of the Japanese 1948 budget and to allow sufficient time for negotiation for payments between the suppliers and the Japanese Government.
- Concurrence in 2a and 2c above is recommended, but revision as proposed by Ingr in 5b appears to disorganize this paragraph, unnecessarily limits letter directives to a particular type and includes transporting and warehousing of materials and equipment instead of a general statement as to procurement. G-4 recommended re-draft of this paragraph as included in our C/N to Engrs.
- Within policy.
- Korea not affected.
- Completes action on G-4 Journal #64719.

64719

1872/2

J.P.B.

jm

G-4 FILE

AG 400.21(16 JUL)1848

Revision of SCAPIN 1872

Engr

Thru: G-4

16 JUL 1948

(1)

1. Reference. SCAPIN 1872, file AG 400.12 (31 Mar 48)CE-GD, subject: "Expenditures from Funds Appropriated for Occupation Force Requirements," dated 31 March 1948.

2. SCAPIN 1872 established a deadline of 1 July 1948 for the Japanese Government to complete payments for all procurement that was accomplished outside of the provisions of the SCAPIN. The late date of passage of the JFY 1948 budget by the Japanese Diet resulted in this deadline being unrealistic. Also, from an economy viewpoint it is desirable to extend the deadline so as to allow sufficient time for negotiation of final payments between the suppliers and the Japanese Government. Attached is a proposed SCAPIN (1872/1) which modifies SCAPIN 1872 by extending the effective date to complete final payments to 1 October 1948.

3. The proposed SCAPIN also extends the scope of the original SCAPIN 1872 by the following changes:

a. Paragraph 4a(2) is extended so as to require that, effective 1 August 1948, special additional supplies as may be required in connection with a utility or service, will be procured only when covered by separate and specific procurement instruments. Materials presently obtained on a service-type procurement demand are a major omission from current forecasts. It is considered that the same restrictions which apply to the procurement of construction, equipment and real estate in connection with a service or utility obtained on procurement demand should also apply to supplies.

b. Paragraph 5b, letter directives, is extended to include the advance procurement, transporting and warehousing of materials and equipment for all maintenance and construction requirements instead of limiting the directives to advance procurement of materials for all maintenance and the construction of Dependent Housing projects. SPB procures and transports to SPB warehouses all maintenance and construction materials included on the forecast and placed on letter directives by the CG, 8th Army. These functions of SPB should all be specifically covered by authorizing letter directives. Segregation of construction materials procured for dependent housing projects and for other requirements are not made.

4. The proposed SCAPIN has been coordinated informally with ESS (Mr. McGlaufflin, Public Finance). Concurrence and dispatch is requested.

1 Incl:
Ppad SCAPIN (1872/1)

----- EJC -----

1872

DRAFT

CHECK NOTE

Subject: Revision of SCAPIN 1872

2

From: G-4

To: Engr.

Date:

G-4 concurs in proposed SCAPIN with following modifications:

a. ^{Proposed} Paragraph 1b change^d to read as follows:

"b. The scope of paragraph 5b (1) is extended to include all construction, and will read as follows:

"(1) Directions for advance procurement of materials and equipment required for maintenance and for construction projects."

b. ^{Proposed} Paragraph 1c deleted.

1 Incl:

n/c

H. E. E.

OK
MMP

D R A F T

MEMORANDUM FOR RECORD:

SUBJECT: Revision of SCAPIN 1872

1. C/N from Engr to G-4 dated 16 July 1948, subject: "Revision of SCAPIN 1872", enclosed draft of proposed SCAPIN revising SCAPIN 1872 which governs the expenditures from funds appropriated for Occupation Force requirements.

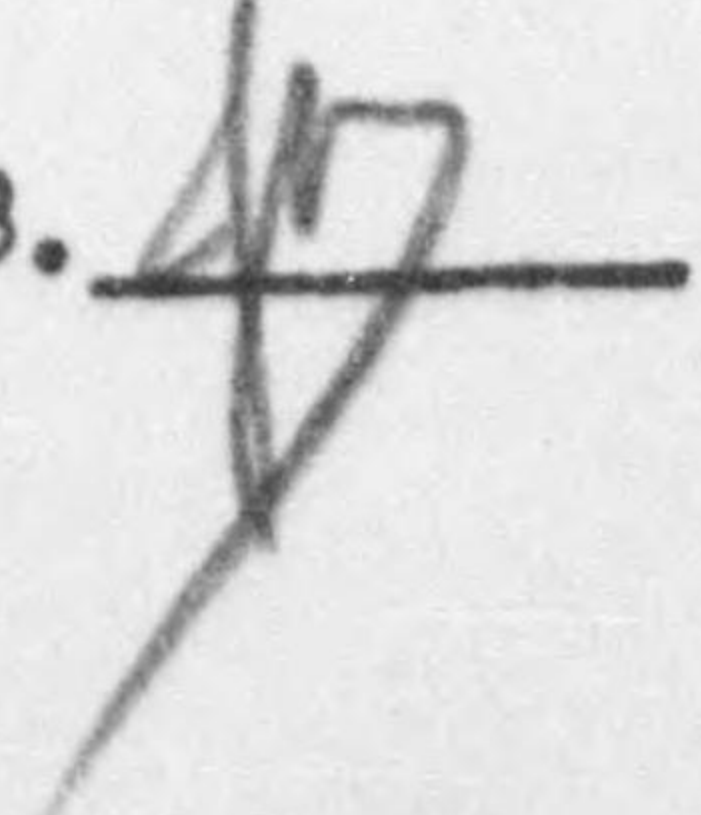
2. Proposed SCAPIN extends the scope of SCAPIN 1872 by amending:

a. Paragraph 4a (2) to include procurement controls over supplies used for utilities and services.

b. Paragraph 5b to further define letter directives issued by 8th Army to cover transporting and warehousing of these materials as well as advanced procurement and covering all construction and not just dependent housing construction.

c. Paragraph 6b to extend to 1 October 1948 the provisions of this paragraph. This extension deadline is desirable from an economy viewpoint due to the late date of passage of the Japanese 1948 budget and to allow sufficient time for negotiation for payments between the suppliers and the Japanese Government.

3. Concurrences in 2a and 2c above is recommended, but revision as proposed by Engr in 5b appears to disorganize this paragraph, unnecessarily limits letter directives to a particular type and includes transporting and warehousing of materials and equipment instead of a general statement as to procurement. G-4 recommended re-draft of this paragraph as included in our C/N to Engrs.

J.P.B. 

775009

GENERAL HEADQUARTERS
FAR EAST COMMAND

CHECK SHEET

(Do not remove from attached sheets)

Note No. 1.	File No.	Subject:	Form	Lt. P. T. Smith
	From: AG-OP	To:		26-5731
				Date:

1. Attention is invited to the attached Form which was received in the Publications Branch, Adjutant General's Section, General Headquarters, Far East Command, via air mail this date.

2. Forwarded for information only, as this form replaces Form , which may be used until present supply is exhausted.

1 Incl:

R. O. R.

SCAPIN 1872

CROSS REFERENCES OTHER THAN RADIO

DATE 16 Jan 50

FROM: GHQ SCAP

TO: COMMANDING GENERAL FEAF

SUBJECT: 5th IND: AMPLIFICATION OF SCAPIN 1872 AS AMENDED

5th Ind with memo for record

DOCUMENT IN...400.12

JC.NO. 17

MEMORANDUM FOR RECORD

GD P&P JPB/ajs
29 March 1948

SUBJECT: Expenditures for Funds Appropriated for Occupation Force Requirements.

1. Conference was called by G-4 at 1400 15 March for the purpose of review of two proposed documents as follows:

a. SCAPIN, subject "Expenditures from Funds Appropriated for Occupation Force Requirements".

b. Letter to Japan Occupation Force Commanders, subject, "Control of Construction, Maintenance and Acquisition of Real Estate".

2. All interested staff sections were invited to be present at conference. Conference was continued on 16 and 18 March. Following staff representatives from GHQ and Eighth Army were present on the dates indicated.

		<u>3/15</u>	<u>3/16</u>	<u>3/18</u>
Col. J. P. Breden	G-4 P&P GHQ	x	x	x
Lt. Col. R. O. Irvin	G-4 P&P GHQ	X	x	x
Col. S. E. Rall	G-4 Opns GHQ	x		
Lt. Col. H.S. McGuire	G-4 Opns GHQ	x		
Lt. Col. D.J. Cook	G-4 Sup GHQ	x		
Maj. R. M. Johnson	G-4 Sup GHQ	x	x	x
Lt. Col. H.L. Cornutt	G-4 Trans GHQ	x		
Maj. R. H. Felter	G-4 O&F GHQ	x	x	
Col. H. R. Sykes	Engr GHQ	x	x	x
Lt. Col. H.N. Turner	Engr GHQ	x	x	x
Mr. A.M. McGlaufflin	ESS/Fin GHQ	x	x	x
Lt. Col. W. Scandrett	Sig GHQ	x		
Maj. J. P. Johnson	Sig GHQ	X		
Col. J. D. Blattin	Sig & CCS GHQ	x		
Maj. B. W. Caron	CCS GHQ	x	x	x
Col. K. H. Lewis	GPA GHQ	x	x	x
Lt. Col. C. C. Albaugh	Trans GHQ	X	x	x
Maj. B. H. Mitchell	OGA GHQ	x	x	x
Col. J. D. O'Connell	Sig 8th A			x
Col. M. G. Beck	Sig 8th A	x		x
Maj. T. W. Gilman	Sig 8th A	x		
Maj. W. M. Shepard	Sig 8th A	x	x	x
Capt. C. E. Reed	Sig 8th A	x		
Lt. Col. H. R. Reitsnyder	Engr 8th A	x		
Capt. S. E. Dowling	Engr 8th A	x	x	
Lt. Col. A. Fregosi	MG 8th A		x	x
Capt A. W. Poushard	MG Econ 8th A			x
Mr. G. S. Conn	MG 8th A	E		
Mr. S. W. Nitzman	MG 8th A		E	x
Mr. H. Gleason	MG 8th A		x	x
Mr. A. P. Gerardi	MG 8th A		x	
Maj. E. R. Gooding	G-4 8th A	x	x	x

3. Attached proposed drafts incorporate all amendments adopted at conference and were concurred in by all sections represented. All conferees indicated concurrence in documents as written and that no necessity existed for referring to their sections for formal concurrence.

4. Recommend approval for dispatch of subject documents.

5. The interests of USAFIK are not concerned.

6. Without policy.

7. C/S advised by Colonel Eastwood regarding contents on 28 March 1948. Noted by D C/S SCAP (Gen Fox) 27 Mar 48.

8. Completes action on G-4 Journal No. 53343.

J.P.B. _____

C.R.H. _____

775009

387.7 SCAPIN # 1872
X400.12
X601

Ltr. Hq. FEAF, AG 400.12 (P) Op-Comm, subj: Amplification of SCAPIN 1872 as Amended, 29 Nov 49

AG 400.12 (29 Nov 49)GD

1st Ind

GD C&RE RNL/JBM/hp

GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS, APO 500
9 DEC 49

TO: Commanding General, Far East Air Forces, APO 925

1. The criteria to be used in determining whether a Procurement Demand or Communication Order is applicable, is whether the floor space used is incidental to the provision of a service by the Japanese Government.

a. GPA Form 1 - Procurement Demand is required in all cases where technical floor space or real estate is not incidental to the provision of a service and is required by the occupation forces for the installation, operation, maintenance, control or supervision of occupation force owned or indigenous equipment.

b. GPA Form 8 - Communication Order will be used for limited purposes as defined in paragraphs 3b and 3c of SCAPIN 1872, 31 March 1948, to procure the use of technical floor space incidental to the provision of a communication service by the Ministry of Communications, Japanese Government, and the rental of same should be included in the cost of the service.

2. In view of the above and present policy which precludes retention of aerial navigational aids by the Japanese Government, the procurement of facilities referred to in paragraph 3a and 3b of basic letter require the issuance of GPA Form 1 - Procurement Demand.

BY COMMAND OF GENERAL MacARTHUR:

MAILED 1430 DEC 10 '49 AG. - SMC

cc: Signal Section
Procurement Section



G-4 ROUTING	
A C/S G-4	C. D. CONLEY
D AC/S G-4	Major AGD
EXECUTIVE	Asst. Adj. Gen
PLANS & POLICY	
OPERATIONS	
CONST & FAC	
TRANSPORTATION	
SUPPLY	
PETROLEUM	
BUDGET	
PERSONNEL	
ADMINISTRATION	

BH

93132
CARE

G4 File

93132

G-4 Comeback copy

GD C&RE RNL/JBM/nm
6 December 1949

MEMO FOR RECORD:

SUBJECT: Amplification of SCAPIN 1872 as Amended

1. For additional information regarding this subject, see M/R to SCAPIN 1872/10, subj: Expenditures from Funds Appropriated for Occupation Force Requirements, 10 March 1949.
2. SCAPIN 1872/10, referred to in para 1, clarified the use of GPA Form 1 - Procurement Demand, and GPA Form 8 - Communication Order.
3. Letter, Hq, FEAF, AG 400.12 (P) Op-Comm, subj: Amplification of SCAPIN 1872 as Amended, 29 Nov 49, referred to SCAPIN 1872 and to SCAPIN 1872/10, stating that there are occasions when a service may be requested by either of the afore-mentioned procurement instruments. It was requested that more exact limits be prescribed for procurement instruments. FEAF letter, referred to above, made reference to a request for provision of a radio housing beacon near Miyako, Japan which requires the procurement of land and erection of operational building and housing facilities (GPA Form 1, Procurement Demand obviously indicated). It was added that this facility was to be operated as a contractual service and it was anticipated that it would remain in service as a capital asset of the Japanese after the termination of the occupation.
4. Reference was also made to a Communication Order requesting the movement of the Nagoya Radio Range which will require the procurement of land and the erection of necessary buildings for operations and for housing personnel. It being stated that this installation is to be operated as a contractual service and will remain in use as a capital asset to the Japanese after the termination of the occupation.
5. FEAF letter quotes excerpts from SCAPIN 1872, 31 March 1948 and SCAPIN 1872/10, 17 March 1949, which outlines the use of Procurement Demands and Communication Orders, and the following question was asked; which procurement instrument is required to obtain the buildings necessary for the provision of each of the services described above?
6. Current action informs FEAF that the criteria to be used in determining whether a Procurement Demand or Communication Order is applicable, is whether the floor space used is incidental to the provision of a service by the Japanese Government. Clarification is outlined as follows:
 - a. GPA Form 1 - Procurement Demand is required in all cases where technical floor space or real estate is not incidental to the provision of a service, and is required by the occupation forces for the installation, operation, maintenance, control or supervision of occupation force owned or indigenous equipment.

MEMO FOR RECORD: Cont'd

b. GPA Form 8 - Communication Order will be used for limited purposes as defined in paragraphs 3b and 3c of SCAPIN 1872, 31 March 1948, to procure the use of technical floor space incidental to the provision of a communication service by the Ministry of Communications, Japanese Government and the rental of same should be included in the cost of the service.

c. In view of above information and present policy which precludes retention of aerial navigational aids by the JG, the ^{procurement of} facilities referred to in pars 3a and 3b of basic letter require the issuance of a GPA Form 1 - Procurement Demand.

7. Action taken is within established policy.

8. G-1 action is complete on Journal No. 93132.

*Coordinate with
G.P. P.S.
WFW
cc*

JBM	<u>JBM</u>	26-6443
RHM	<u>RHM</u>	26-6029
RNL	<u>(M)</u>	26-6028

775009

387.7

~~400.12~~

Scapin 1872

CROSS REFERENCES OTHER THAN RADIOS

Date: 27 Sept 48

FROM: G-4

TO: ESS

SUBJECT: Japanese Government Inquiry re Relief Payment to Workers Furnished to the Occupation Forces

Revision of Scapin 1872

Document in . . .

230.033

1872

68638

SCAPIN
1872/10

CROSS REFERENCES OTHER THAN RADIOS

387-7

DATE 17 March 49

FROM: GHQ SCAP

TO: Commanding General Eighth Army

SUBJECT: Letter AG 400.12 (31 Mar 48) Partial Revision of SCAPIN 1872

DOCUMENT IN . . .

400.12

78721

1872

775009

387.7
Scapin
1872
file with
Scapin

GD C&RE EHB/JSL/nn
14 March 1949

MEMO FOR RECORD:

1. Sig Sec by R/S, 10 Mar 49, refers for G-4 comment or concurrence, msfm to 8th Army which states that Comm. Orders forwarded by 8th Army with letter AG 400.12, subject, "Approval of Communications Orders as Exceptions to SCAPIN 1872," 29 December 48, have been forwarded to SCAP for approval on those directing MOC to operate US Army owned VHF equipment in Japanese VHF relay stations. Further states SCAPIN 1872 is being revised to clarify rental of technical floor space used for such purposes, that publication of revision is expected prior to 14 March 1949. MOC is being instructed by CCS to provide services immediately.

2. Msfm is forwarded thru G-4 because that section is preparing and processing the revision of SCAPIN 1872 mentioned above. Change is now being processed in final after approval of draft by G-4 and concurrence of Sig & Engr. Sig (Capt Prothro) was contacted informally and agreed that change of target date for issuance of revision to 20 Mar 49 from 14 Mar 49 would be appropriate inasmuch as the AG will hold up distribution of the revision of the SCAPIN for 5 days to permit 8th Army sufficient advance info prior to date of release. Capt. Prothro authorized G-4 to make the above change in the msfm.

3. Inasmuch as the info contained in msfm concerning revision of SCAPIN 1872 is correct and since in actuality it is routed thru G-4 for coordination with regard to date of issuance, G-4 can perceive no objection to release of msfm.

- 4. Concurrence indicated by initial on AG routing slip.
- 5. Action taken is within established policy.
- 6. G-4 action complete on Journal No. 78966.

G-4 ROUTING	
A C/S G-4	_____
D AC/S G-4	_____
EXECUTIVE	_____
PLANS & POLICY	_____
OPERATIONS	_____
CONST & FAC	<i>JSL</i>
TRANSPORTATION	_____
SUPPLY	_____
PETROLEUM	_____
BUDGET	_____
PERSONNEL	_____
ADMINISTRATION	<i>J</i>

② G-4 File

JSL *JSL* 26-6029

EHB *EHB* 26-6028



1872

775009

G-4 ROUTING	
<input type="checkbox"/> C/S G-4	_____
<input type="checkbox"/> D AC/S G-4	_____
<input type="checkbox"/> EXECUTIVE	_____
<input checked="" type="checkbox"/> PLANS & POLICY	<i>[Signature]</i>
<input type="checkbox"/> OPERATIONS	_____
<input type="checkbox"/> CONST & FAC	_____
<input type="checkbox"/> TRANSPORTATION	_____
<input type="checkbox"/> SUPPLY	_____
<input type="checkbox"/> PETROLEUM	_____
<input type="checkbox"/> BUDGET	_____
<input type="checkbox"/> PERSONNEL	_____
<input checked="" type="checkbox"/> ADMINISTRATION	<i>[Signature]</i>

File with 387.7 Perkins X120 3 Oct

(9)

↓

121(30 Aug 48) CE

Interpretation of SCAPIN 1872

Engr

14 SEP 1948

(2) cont'd

3. It is considered that, in accordance with the provisions of SCAPIN 1872 as amended, requirements of the occupation forces for the acquisition of supplies, materials, equipment, real estate, and the construction or rehabilitation and maintenance of structures and equipment should be the subject of separate and specific procurement instruments and not acquired as a part of a "Service Contract" or "Contract Service" type of procurement demands.

H. J. C.

3

From: G-4

To: ESS
Thru: Engr

Date: 3 OCT 1948

1. Reference C/N's 1 and 2 above, it is recognized that some variations from the procedure visualized and established by SCAPIN 1872 are currently being encountered.

2. Present controls consist of (1) forecasts, and (2) materials allocations within the limits of the Japanese economy. Forecasts for JFY 1949 are now under study and service contracts are required to include all expected procurement by line item. 8th Army reviews and evaluates these requirements and determines a yen cost at current rates of the procurement necessary. Items not included in the forecast for those service contracts will not be procured unless a corresponding reduction can be made by elimination of an approved item of equal or greater estimated value. With those controls in operation, the remaining requirement is for careful supervision in the preparation of procurement instruments and receipting for the requirements actually requested and supplied.

3. G-4 feels that any attempt to define or categorize those things to be included in "service contracts" and in "contracts for service" might have a tendency to further confuse rather than to clarify the situation at present. According to a recent informal check there are some 41,000 GPA Forms #2 ranging from December 1947 to date now awaiting processing by 8th Army. In those instances where the receipt shows deviation from the requirements listed under GPA Form #1, it is returned by letter to CG, 8th Army, to the receiving officer with instructions to correct and to exercise greater care in the future. Until such time as the processing of procurement instruments and receipts becomes more nearly current, it is believed advisable to continue on the basis of existing directives.



M. V. P.
[Signature]

G-4 FILE

1872

From: Engr

To: G-4

Date: BDR/HMT/mem
14 SEP 1948

(2)

1. It is believed that the confusion existing in the interpretation of SCAPIN'S 1872 and 1872/2 stems partly from the unauthorized practice of certain commands and technical services to use service type procurement demands for the procurement of a multitude of requirements which should be classified as other than services, and which are subject to controls such as by the forecast procedure, limitation on minor construction, etc. This practice is the result of the lack of a clear definition as to what type of procurement constitutes "Service Contracts", and what type constitutes "Contract Services" as included in the Japanese budget estimates and to the use of service type procurement demands to circumvent restrictions and limitations, particularly in procuring items not included in forecast procedures.

2. It is recommended that "Service Contract" type procurement demands be limited to the procurement of services that can be clearly converted into standard predictable requirements with a definite unit of measure (para 9a of C/N 1). Procurement demands for "Contract Services" such as for the operation of facilities, maintenance of facilities, repair of equipment and other requirements of a variable nature where the end requirement cannot be foreseen should be on a cost-plus-fixed fee basis for labor and rental of equipment, but without authorization for acquisition of special supplies, construction, equipment, etc., except by separate procurement demand.

1872

GD P&P ROI/bs
27 September 1948

MEMORANDUM FOR RECORD:

SUBJECT: Interpretation and Clarification of SCAPIN 1872

1. ESS C/N dtd 30 Aug thru Engr to G-4 advises that recent discussions with representatives of Japanese Government and of 8th Army indicate confusion exists in interpretation of par 4a of SCAPIN 1872 regarding procurement and receipts for services. It is indicated that service contract type PD's are being used for procuring many items in connection with the service requested. Such items are often subject to forecast and budget controls, and this method is used to circumvent such restrictions. Hence, the controls intended by basic directive are rendered ineffective. ESS recommends modification of existing directives to correct the abuses indicated.

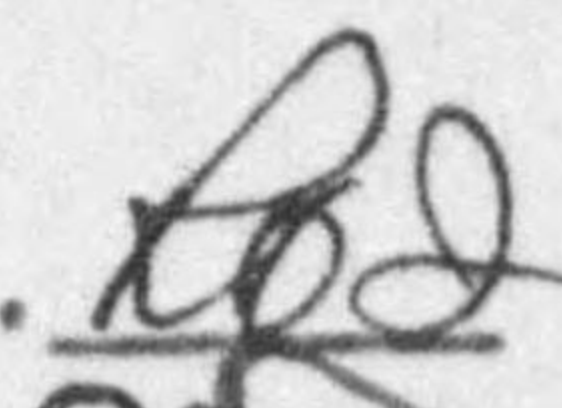

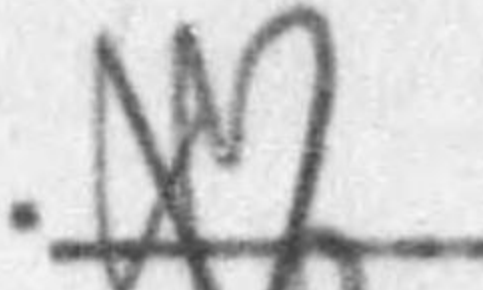
2. The Engr recommends clarification of the terms "service contract" and "contract service" and that limitations be placed upon the use of each respective type of PD to fit the particular requirement.

3. Proposed C/N to ESS thru Engr recognizes the fact that some variations in procedure established by SCAPIN 1872 still exist. Existing controls are cited and appear to be sufficient if adhered to. 8th Army Procurement Section (Capt. McCarthy) advises that as of Saturday 18 September 1948, there was a backlog of 41,000 GPA Forms #2 awaiting processing. Those receipts extend from December 1947 to date. Capt. McCarthy further stated that in cases where receipts (GPA Form #2) were at variance with PD's (GPA Form #1), they were returned by CG, 8th Army for correction. Receiving Officers should soon become familiar with the established procedure. Therefore it appears inadvisable to issue any further directive at this time which would add to the administrative load and might result in further confusion.

4. C/N to ESS thru Engr advises accordingly and states that G-4 considers it advisable to continue under existing directives at present.

5. Within policy.

6. Completes action on G-4 Journal #68280.

R.O.I. G.D. J.P.B. M.E.S. 

Informal Concurrence:

Major Johnson (G-4 Supply)
Lt. Col. Phillips (G-4 Opns)
Col. Barr - (G-4 G&RE)

G-4 FILE

1872

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

9/28/48

(Date)

R.P.

As proposed budget
allocation for airwaves
is new to me please
tell me about it.

M.V.

M. V. PATTON
Colonel, GSC
Deputy Assistant Chief of Staff, G-4

PLANS AND POLICY DIVISION

29 September 1948

MEMORANDUM FOR: Colonel Patton

According to the Budget Division, each major command and technical service will be required to forecast their requirements for service contracts. The service contracts will be reviewed and evaluated by 8th Army. The budget requirement for such service contracts will then be established for each command and technical service. Requirements as stated in the forecast will not be exceeded nor additional contracts approved unless specific line items in the service contracts submitted in the approved forecast can be decreased in proportion to the new requirement or deleted in lieu thereof. 8th Army will have a further check on the receipts issued for the services performed under each contract. Any tendency to exceed the established requirement can then be pointed out and remedial action requested.

*P+P**MES*

M. E. S.

But is it proposed to allocate service contract funds to the commands — That is the new feature and what you mention in par 2 of Ch 3.

MES

Gen Patton:

No funds will be allocated to commands for services contracts. Estimated cost at current year value will be established by 5th Army and no additional procurement will be authorized without a corresponding reduction in the contract by specific line item.

Par 2 of C/M has been amended accordingly.

RSD

PLANS AND POLICY DIVISION

1 October 1948

MEMORANDUM FOR: Colonel Patton

No funds will be allocated to commands for service contracts. Estimated cost at current yen value will be established by 8th Army and no additional procurement will be authorized without a corresponding reduction in the contract by specific line item. Paragraph 2 of C/N has been amended accordingly.

MES

M. E. S.

775009

387.7

MEMORANDUM FOR RECORD:

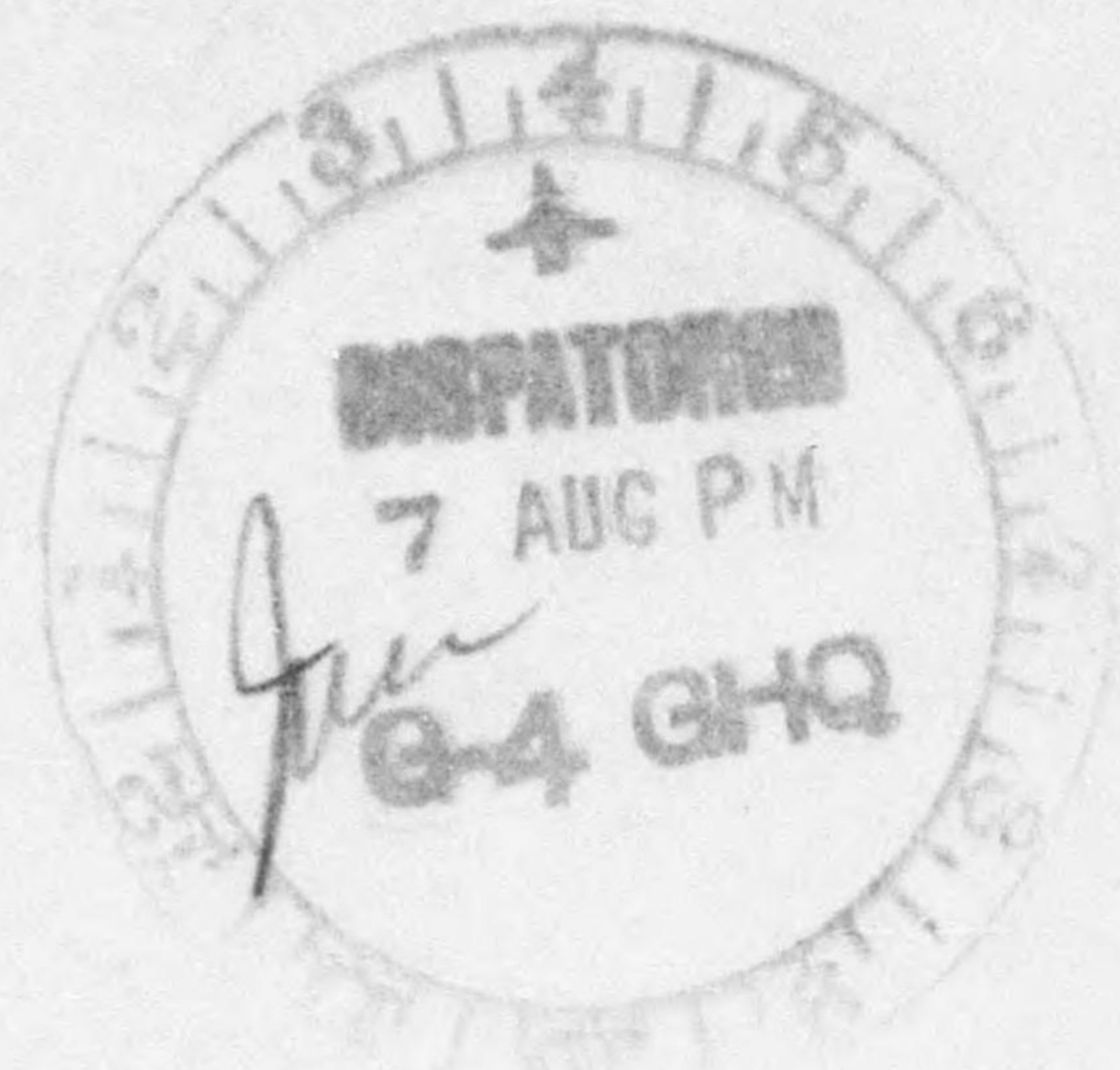
GD P&P WPG/bs
7 August 1948

SUBJECT: Revision of SCAPIN 1872

1. C/N from Engr to G-4 dtd 16 July 48, subject: "Revision of SCAPIN 1872, enclosed draft of proposed SCAPIN revising SCAPIN 1872 which governs the expenditure of funds appropriated for occupation force requirements.
2. G-4 by C/N #2 to Engr dtd 30 July 48 (G-4 Journal #64719) recommended redraft of para 5 b (1) of original SCAPIN (para 1 b of revised SCAPIN).
3. C/N #3 from Engr to G-4 dtd 5 Aug 48 encloses redraft (stencil) of proposed SCAPIN with changes as recommended by G-4 in C/N #2 referred to above. Forwarding to AG by initialed concurrence is recommended.
4. USAFIK not affected.
5. Within established policy.
6. Completes G-4 action on Journal #65880.

W.P.G. [Signature]
 G.D. [Signature]
 J.P.B. [Signature]

G-4 ROUTING	
A C/S G-4	_____
D AC/S G-4	_____
EXECUTIVE	_____
PLANS & POLICY	_____
OPERATIONS	_____
CONST & FAC	_____
TRANSPORTATION	_____
SUPPLY	_____
PETROLEUM	_____
BUDGET	_____
PERSONNEL	_____
ADMINISTRATION	_____



1872

G-4 FILE

775009

G-4 ROUTING	
A. C/S G-4	
D. AC/S G-4	
EXECUTIVE	
PLANS & POLICY	ZBO
OPERATIONS	
CONST & FAC	
TRANSPORTATION	
SUPPLY	
PETROLEUM	
BUDGET	
G-4	
PERSONNEL ADMINISTRATION	

FILE GBG

GD P&P JPB/ROI/bs

Interpretation of Paragraph 2 of SCAPIN 1872.

AG

Concur.

ADMINISTRATION

JUN 1948

387.7
Scapin
(1872)

GD P&P ROI/bs

2 June 1948

MEMORANDUM FOR RECORD:

SUBJECT: Proposed SCAPIN (CE) Clarifying Paragraph 2 of SCAPIN 1872.

1. Engr C/N, 29 May 48, forwards proposed SCAPIN clarifying paragraph 2, SCAPIN 1872 as it affects the classification of funds for projects assigned to the Japanese Geographical Survey Bureau under the following directives:

a. SCAPIN 4592-A, file AG 812 (26 Sep 47)CE, subject: "Classification of Detail for Large Scale Mapping, Japanese Home Islands", dtd 26 September 1947.

b. Memorandum for Imperial Japanese Government, file AG 812.3 (10 Jan 46)CE, subject: "Recovering and Re-positioning of Japanese Geodetic Control on Aerial Photographs", dated 24 May 1946.

c. Memorandum for Geographical Survey Bureau, Dept of Home Affairs, Imperial Japanese Government, Tokyo, subject: "Identification of Geodetic Control on Aerial Photographs", dated 24 May 1946.

d. SCAPIN 1668, file AG 812 (12 May 47)CE, subject: "Recovery and Re-positioning of Japanese Geodetic Survey Monuments", dated 12 May 47.

e. SCAPIN 3962-A, file AG 061 (15 Jan 47)CE, subject: "Classification of Railroads and High Tension Power Lines, Japanese Home Islands", dated 15 June 47.

2. The projects covered in above reference directives are to accomplish post hostilities mapping in the Japanese home islands as directed by the War Department as an occupation mission. As these projects are also a direct benefit to the Japanese people, they must be considered under the provisions of paragraphs 2 and 8 of SCAPIN 1872. As the Japanese Ministry of Finance has been reluctant to classify these projects in the category not requiring PD's for funding, and allocation of funds to continue operations is being withheld pending clarification, the Engr requests G-4 concurrence in issuance of a SCAPIN specifically stating that these projects will be considered as coming within the provisions of paragraphs 2 and 8 of SCAPIN 1872; that no formal procurement instrument or receipt will be issued

G-4 FILE

1872

MR

Subject: Proposed SCAPIN (CE) Clarifying Paragraph 2 of SCAPIN 1872 (cont'd)

therefor, that funding of these projects will continue as a normal function of the Japanese Government, and that no payment for services or materials required in connection therewith may be made from funds appropriated for requirements for support of the occupation forces.

3. Proposed C/N to AG interposes no objection to issuance of the SCAPIN, which is forwarded herewith to the AG for dispatch.

4. Within established policy.
5. Korea not affected.
6. Completes action on G-4 Journal #61742.

R.O.I. RedJ.P.B. Efor

SCAPIN 1870

387.7

CROSS REFERENCES OTHER THAN RADIOS

Date: 3 May 48

FROM: G-4

TO: CPC

SUBJECT: C/N #2 - Amendment to SCAPIN 1870, 23 March 1948

(with C/N #1 and M/R)

File in

Document in . . 410.2 Gold

Jo.No. 59571

1870

387.7

G-4 ROUTING	
A C/S G-4	_____
D AC/S G-4	_____
EXECUTIVE	_____
PLANS & POLICY	_____
OPERATIONS	_____
CONST & FAC	_____
TRANSPORTATION	_____
SUPPLY	_____
PETROLEUM	_____
BUDGET	_____
PERSONNEL	_____
ADMINISTRATION	_____

[Handwritten initials]

GD P&P GD/hv
16 November 1948

MEMORANDUM FOR RECORD

SUBJECT: Implementation and Proposed Amendment to SCAPIN 1868, 1 Mar 48.

1. C/N 1, CPC/LGP to C/S on above subject forwarded to G-4 for comment or concurrence on implementing directive to Atty. Genl., Japanese Government, and Amendment to SCAPIN 1868.

2. Proposed implementing directive follows the provisions of SCAPIN 1868, which was concurred in by Col. Eastwood, (See G-4 Journal #55458.) with the following exceptions:

- a. Memorandum proposes award by the Japanese sales agency to the highest acceptable bidder in those instances when all bids on any one real property are less than ¥200,000. Par 7d, SCAPIN 1868, directs that all sealed bids be submitted to CPC for prior approval.
 - b. Memorandum proposes award by the Japanese sales agency to the qualified applicant in those instances when applications for purchase of moveable property are less than ¥50,000. Par 7d, SCAPIN 1868, directs that all applications be submitted to CPC for prior approval.
 - c. Memorandum proposes approval or disapproval by Japanese sales agency of all claims against dissolved organizations of less than ¥200,000. Par 8, SCAPIN 1868, directs submission of all claims to CPC for prior approval.
 - d. Memorandum proposes that all bids, applications, and claims in excess of the figures above stated be submitted to CPC for prior approval.
3. Proposed amendment to SCAPIN 1868 embodies the exceptions to that SCAPIN listed in preceding paragraph. There appears to be no reason for offering objection to proposed amendment to 1868. Although the amendment will delegate only approval authority on minor transactions to the Japanese, it will save much administrative work for CPC.

4. Recommend concurrence by initials on draft of proposed amendment to SCAPIN 1868.

5. Exception to policy.

6. Completes action on G-4 Journal #71976.



G.D. *[Signature]*

J.P.B. *[Signature]*

M.E.S. *[Signature]*

[Handwritten signature]

G-4 FILE

1868

775009

G-4 ROUTING	
A C/S G-4	_____
D AC/S G-4	_____
EXECUTIVE	_____
PLANS & POLICY	_____
OPERATIONS	_____
CONST & FAC	_____
TRANSPORTATION	_____
SUPPLY	_____
PETROLEUM	_____
BUDGET	_____

Scapin 1852
1852
230,033

GD

OP-JFS/JBR/HRM/vgd

6 AUG 1948

Submission of Monthly Labor Report
SCAPIN 1852)

Lt Col McGuire 26-6032

THRU: ESS
OGA

3

1. **G-4** concurs in proposed amendment to SCAPIN 1852 (Incl 1) except as indicated in para 2 below.

2. The contents of para 3, proposed amendment (Incl 1), are not appropriate for inclusion therein for the reasons stated in para 1c preceding C/N 2.

3. a. With reference to comments contained in para 1a preceding C/N 2, monthly labor reports on requisitioned labor (OGD-23) and (OGD-26) submitted by the major commands in Japan indicate the total gross pay including allowances. Copies of above mentioned reports are furnished monthly to ESS (Labor Division) for information and file. Comparison of total gross pay compilations may be made with OGA (Accounting Division).

b. With reference to comments contained in para 1b (1) preceding C/N 2, except for limited purposes indicated below GPA Form 1 is the only type of procurement demand that is authorized for the procurement of requirements for the support of the Occupation Forces. Communication order GPA Form 8 is a special form of procurement instrument which is used to procure labor. However this labor is not included in subject reports. In this regard SCAPIN 1872 defines the authorized procurement instruments.

c. With reference to comments contained in para 1b (2) preceding C/N 2, the total gross pay of labor employed under procurement demand is reported monthly by Eighth Army, Procurement and Accounting Division, Military Government to OGA and can be made available upon request of ESS.

1 Incl:
n/c

mmp

H. E. E.



G-4 FILE

1852

OPERATIONS DIVISION, G-4

MEMORANDUM FOR RECORD:

GD *OP* *HRM*
OP-JFS/JBR/HRM/vgd

SUBJECT: Submission of Monthly Labor Report

1. By C/N (2), ESS forwarded to G-4, their comments on amendments to SCAPIN 1852 as proposed by OGA. Subject SCAPIN was written by OGA and requires the Japanese Government to submit a monthly report on all labor furnished to the Occupation Forces by procurement instruments. OGA uses the above mentioned report as a check against the GHQ, SCAP labor reports submitted monthly by the various commands in Japan. From these two reports, OGA enter the "Cost of Occupation" figures on their books. Reporting forms for the Japanese Government have been standardized by GHQ, SCAP (OGA) and each prefecture now submits the same form of report on all labor furnished the Occupation Forces.
2. OGA proposes in para 2 of their memorandum to the Japanese Government to require the Japanese to submit total net earnings on labor instead of total gross earnings as originally written in SCAPIN 1852. It is their intention to use net figures (gross wages less incometax) in computing the "cost of occupation" account. ESS desire gross figures (yen expenditures) for their review and analysis of budget requirements which can be furnished from GHQ, SCAP Labor Reports (RCS QGD-23 and QGD-26), by OGA. OGA, Accounting Division, (Major Mitchell) has informally advised ESS, National Budget Division (Mr. McGlaulin), that the above information can be furnished by OGA. It is believed that the amendments as proposed by OGA in para 2 of the referenced memorandum should be approved.
3. Proposed amendment as outlined in para 3 of referenced memorandum is not considered applicable or proper in that a request is made of the Japanese Government to report on wages in kind, furnished to Japanese laborers by Occupation Units, supplying of which is contrary to GHQ, SCAP instructions, para 3a, letter GHQ, SCAP, file AG 230 (17 Nov 45) ESS, subject: "Civilian Labor Employed by Occupation Forces". G-4 concurs with statement made by ESS in para c of C/N (2) and recommends that para 3 of proposed memorandum to the Japanese Government be deleted.
4. This action forwards G-4's comments on proposed memorandum to the Japanese Government to OGA, recommending inclusion of para 2 as written but deletion of para 3 of subject memorandum.
5. Interests of Korea are not affected.
6. This action is within the established policy.
7. Action completed on G-4 Journal No. 65302.

Concurrence:

1852
G-4 P&P (Lt Col Irwin)
OGA (Acctg Div) (Maj Mitchell)
ESS, Budget (Mr. McGlaulin)
See added M/R

H.R.M. *HRM* 26-6032J.B.R. *JBR* 26-6032**G-4 FILE**J.F.S. *JFS* 26-6444

GD

OP JFS/SBR/HRM

Added M/R to Journal No. 65302.

One copy of all labor reports, as submitted by the various commands, is furnished monthly to ESS (Labor Division) and to OGA (Accounting Division). OGA compiles total figure on yen cost of wages from these reports. Past observation indicate that ESS (Labor Division) makes little use of these reports except for casual acceptance of same. Apparently the Labor Division has not advised the Finance Division of ESS that subject monthly reports are available in their Section. Compilation of total wages, as shown on these reports, entails considerable work and it is believed that ESS, Labor Division, feels that should the occasion arise the total figure on wages could be secured from OGA without Labor Division checking and totaling each individual report.

H.R.M.

G-4 FILE
J.N. 65302

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

AG 430 (9 Jan 48)PH

MEMORANDUM:

*Resubmitted
See Scapin 1987
dated 22 Mar 49*

SUBJECT: Information of General Application Pertaining to Memorandum, Number (SCAPIN 1841)PH, 9 Jan 1948,
Subject: Ration for United Nations' Nationals, Neutral and Enemy Nationals and Stateless Persons

INFO 500

9 January 1948

1. With reference to Memorandum for the Japanese Government, AG 430 (9 Jan 48)PH, (SCAPIN 1841), 9 Jan 1948, the following is published for the information of all concerned.
2. The purpose of this directive is to call to the attention of the Japanese Government the need for treating all foreigners residing in Japan in a like manner, as far as it relates to food, and to release the Japanese Government from providing the complicated ration systems now in operation.
3. The Japanese Government under this directive will stockpile only two rations, a rice dietary and a non-rice dietary. By providing these two rations it will eliminate the necessity for the Japanese Government to stockpile separate rations for enemy nationals. Such saving will result in less food being channeled to unauthorized sources and will materially lessen the number of personnel engaged in the multiple system of rationing.
4. Korean nationals who have elected to remain in Japan and who have refused repatriation will be accorded the same treatment and care, as it relates to rations, as a Japanese citizen.
5. Persons of Japanese descent who claim nationality of an allied or neutral country and who have not received their Certificate of Registry from their respective diplomatic or consular representative will receive the same ration as Japanese Nationals.
6. Command instructions pertaining to the execution of surveillance required in connection with memorandum mentioned in paragraph 1, above, have been dispatched through command channels. The following is a general statement regarding the responsibility of the Commanding General, Eighth Army, for surveillance:

a. The Commanding General, Eighth Army, will:

- (1) Cause an inspection of foreign nationals' ration points, as soon as practicable to ascertain if the full Japanese ration and the supplementary ration "A" or "B" have been made available to all foreign nationals residing in Japan

AG 430 (9 Jan 48)PH

*Resubmitted
See SCAPIN 1987*

except those persons listed in paragraphs 3, 4 and 5, and according to the foreign nationals' individual choice.

- (2) By periodic inspection and spot checking, ascertain if the food being issued to foreign nationals is of suitable quality and that the quantity issued does not exceed those quantities listed in letter to the Commanding General, Eighth Army, file AG 430, dated 9 January 1948, subject as above.
- (3) Be assured that prefectural officials are making the best use of the food supplies on hand, so as to issue foreign nationals the same type and quality of food without discrimination between the various nationalities concerned.
- (4) Make recommendations from time to time relating to improvements of the food ration distribution channels when such recommendations would materially improve local conditions.
- (5) In case of indigent foreign nationals, so declared indigent by best social procedure, be assured that these indigents are receiving both the Japanese and supplementary ration as relief in kind.

Distribution:
Same as SCAPIN 1841
less Japanese Govt

A. J. Rehe

A. J. REHE
Major, AGD
Asst Adj Gen

GD P&P HWE/hv
26 December 1947

MEMORANDUM FOR RECORD

SUBJECT: Transfer of Responsibility for Receipt and Accounting for Surrendered Supplies and Equipment Returned to the Japanese Government.

1. The Home Ministry is to be dissolved effective 1 January 1948. Most of its functions will be transferred to the Domestic Affairs Bureau. The responsibility for surrendered supplies and equipment returned to the J.G., however, will be wholly transferred to the Construction Board.
2. Instant SCAPIN in reply to CLO 9670 (PH), 18 December 1947, subject: "Transfer of Work Concerning Disposal of Commodities Returned by GHQ, SCAP to Japanese Government from Home Ministry to Construction Board in Connection with Dissolution of Home Ministry", takes cognizance of impending dissolution of Home Ministry and designates Construction Board as responsible successor agency.
3. By separate action, 8th Army and COMNAVFE are also informed of foregoing.
4. Government Section concurs.
5. Within established policy.
6. The interests of USAFIK have been considered and this action does not affect the Korean area.
7. Completes action on G-4 journal #52777.

G.J.C. _____

H.W.E. _____

C.R.H. _____



G-4 FILE

1835

775009

TO : GENERAL HEADQUARTERS OF THE SUPREME COMMANDER
FOR THE ALLIED POWERS.
(Attn: G-4)

FROM : Central Liaison Office, Tokyo.

SUBJECT: Transfer of Work Concerning Disposal of Commodities
Returned by GHQ, SCAP to Japanese Government from
Home Ministry to Construction Board in Connection
with Dissolution of Home Ministry.

C.L.O. No. 9670(PH)

18 December 1947 ✓

Transmitted herewith is a report of the Home Ministry
on the subject matter.

FOR THE PRESIDENT:

(Y. Katsuno)
Chief of Liaison Section,
Central Liaison Office.

Enclosure: report in duplicate ✓



1835

Subject: Transfer of the work, concerning disposal of commodities returned by General Headquarters for Allied Powers to Japanese Government, from Home Ministry to Construction Board in connection with the dissolution of Home Ministry.

Home Ministry of Japanese Government has been in charge of the above-captioned work up to the present time, being designated as the official agency to receive and to dispose of materials, supplies, and equipment returned to Japanese Government by SCAP Memorandum, AG 402.5 (24 Sep. 1945) GD.

Subject: Materials, supplies, and equipment received and to be received from the Japanese Armed Forces. In connection with the dissolution of Home Ministry, a law, given below, has been passed by the first meeting of Diet whereby it has been decided to transfer the above work, starting from Jan. 1, 1948, to Construction Board (Kensetsu-in).

The actual work, however, of receiving and custody of the said commodities is entrusted as before to the Governor of each Prefecture.

It is requested that General Headquarters for Allied Powers take recognition of the above change. Excerpt from "Law concerning adjustment of laws and ordinances relative to the abolition of the Imperial Ordinance governing the organization of the Ministry for Home Affairs."

1835. Article 3. Matters concerning the disposition of articles, etc. returned to the government from

the Supreme Commander shall be handled for the time being by the General Affairs Bureau of the Construction Board under the jurisdiction of the Prime Minister.



775009

G-4 ROUTING	
A. C. S. G-4	_____
D. AGO G-4	_____
EXECUTIVE	_____
① PLANS & POLICY	<i>JBB</i>
OPERATIONS	_____
CONST	<i>AG 402.5 (29 Dec 47)GD</i>
TRANSPORTATION	_____
SUPPLY	_____
PETROLEUM	_____
BUDGET	_____
PERSONNEL	_____
② ADMINISTRATION	<i>JBB</i>

*G HQ
SCAP*

*387.7
~~1286.3~~*

AGO 500
29 December 1947

SUBJECT: Transfer of Responsibility for Receipt and Accounting for Surrendered Supplies and Equipment Returned to the Japanese Government.

JBB Commanding General, Eighth Army, APO 343.
Commander, United States Naval Forces, Far East, FPO Navy 1165.

1. Reference is made to SCAPIN 1835, wherein, in view of the impending dissolution of the Home Ministry, the Japanese Government is directed to transfer to the newly constituted Construction Board (KENSETSU-IN) all responsibility for the receipt and accounting for all supplies, materials and equipment of the former Japanese armed forces that have been and will be returned to the control of the Japanese Government.
2. All directives and correspondence pertaining to the return of surrendered supplies and equipment to the Japanese Government, wherein the Home Ministry is mentioned as the responsible agency thereof, will from henceforth apply with equal effect to the Construction Board.
3. Occupation Instructions Number 4, 20 September 1946, is now being revised and the change noted in the foregoing will be incorporated therein. It is anticipated that the revised Occupation Instructions will be issued about 1 January 1948.
4. It will be noted that the designation of the Construction Board to replace the Home Ministry as the responsible agency of the Japanese Government in connection with the return of surrendered supplies and equipment is a change which affects only the Central Government. The responsibilities which have been assigned to the Prefectural Governments will continue to obtain and no change is anticipated in the procedures now in effect.
5. It is requested that the information covered herein be disseminated to all commands concerned.

BY COMMAND OF GENERAL MacARTHUR:

A. J. REHE
Major, AGD
Asst Adj Sst



A

52777

1 Incl: SCAPIN, as noted in para 1 above

G-4 FILE

1835

G-4 FILE

GD P&P HWE/hv
26 December 1947

MEMORANDUM FOR RECORD

SUBJECT: Transfer of Responsibility for Receipt and Accounting for
Surrendered Supplies and Equipment Returned to the
Japanese Government.

1. The Home Ministry is to be dissolved effective 1 January 1948. Most of its functions will be transferred to the Domestic Affairs Bureau. The responsibility for surrendered supplies and equipment returned to the J.G., however, will be wholly transferred to the Construction Board.
2. Instant letters to 8th Army and COMNAVFE inform of designation of new responsible agency and requests commands concerned be informed.
3. By separate action, J.G. is directed to transfer responsibility from Home Ministry to Construction Board.
4. Within established policy.
5. The interests of USAFIK have been considered and this action does not affect the Korean area.
6. Initiated action. Related to G-4 journal #52777.

G.J.C. _____

H.W.E. E

C.R.H. A

G-4 FILE

OPERATIONS DIVISION, G-4

23 December 1948

MEMORANDUM FOR: Colonel Eastwood

SUBJECT: Monthly Report on Payments to Contractors

1. References:

- a. Operations Division Memo, above subject, dated 25 Oct 48, with your reply thereto. (Tab A)
- b. SCAPIN 1832/3 (Tab B)
- c. SCAPIN 4296-A (Tab C)
- d. Letter GHQ, FEC, file AG 150 (14 Sept 48) CE, subject, "Payment to Japanese Maintenance Contractors," dated 14 Sept 48. (Tab D)
- e. 1st Ind, Hq Eighth Army to GHQ letter (reference d above) dated 14 Oct 48. (Tab E)
- f. Eighth Army Report (Tab F)
- g. SCAPIN 5911-A (Tab G)

2. Upon receipt of your memorandum dated 25 Oct 48 (Tab A) Operations Division commenced a restudy of the matter of the reports required by SCAPIN 1832/3 (Tab B) with the intent of taking vigorous corrective action. It developed that the information required by SCAPIN 1832/3 is to a great extent being duplicated in an Engineer report required by SCAPIN 4296-A (Tab C), which includes details of the total construction completed, total payments made and total construction obligations. This fact coupled with additional information outlined below raises some doubt as to the advisability of continuing the report required by SCAPIN 1832/3.

3. Engr, by letter to Eighth Army (Tab D), outlined the situation regarding payments of R & U contracts in the Tokyo Area and requested that General Headquarters be kept informed of Eighth Army's actions to alleviate the conditions described therein.

4. Eighth Army Procurement Section replied to Engr letter (Tab D) by 1st Ind, (Tab E), outlining the steps now being taken by the Procurement Section to affect more nearly current payments to contractors.

1832/4

5. A conference was held with Mr. Girardi and Mr. Gleason of the Procurement Section, Eighth Army, at which the following facts were brought out:

a. The report required by SCAPIN 1832/3 reveals at best only the general trend in payments of vouchers, since the processing of vouchers takes from 60 to 120 days.

b. The unbelievable complexity of the Japanese administrative system and the multiplicity of certificates and reports required tend to make the report required by SCAPIN 1832/3 inaccurate.

c. The slowness in payments to contractors is directly traceable to two factors as follows:

(1) The length of time required for a contractor to prepare his myriad vouchers, bills, certificates, etc, for presentation to the SPB for payment. In some cases this requires two to three months.

(2) The requirement (of PL 171) that each voucher with its supporting papers be forwarded thru Japanese channels to the Ministry of Finance, with audit at each echelon. (The Ministry of Finance then approves the voucher for payment and it must be returned thru the same channels to the disbursing office for payment. In many cases this complicated and unwieldy process consumes six months).

*1 question
this high (90%)
percentage*

d. As stated in Tab E the Eighth Army Procurement Section proposes to have instituted a system of bulk allocations of funds to the Special Procurement Board in order that partial payments may be made to contractors immediately upon completion of a job. The Ministry of Finance has agreed to the allocation plan and will advance up to 90% of the value of the contracts. Further, in the near future a large number of SPB offices are to be established throughout Japan to facilitate control and payment. The Procurement Section anticipates that the above procedure will help materially towards bringing payments more nearly current.

e. Much of the complexity of the present Japanese administrative procedure is a direct result of Japanese PL 171. As stated in par 2b of Tab E, study has been made by Eighth Army of PL 171 with a view to recommending amendments which will simplify the procedures. G-4 P&P now has action on these recommendations.

f. Eighth Army Procurement Section has prepared a report form

(Tab F) which reveals generally the financial status of SPB regarding payments and obligations. It is pointed out that this report covers all procurement, and is not limited to construction. Procurement Section (Mr. Gleason) expects to receive the first of these reports about 1 January 49 and monthly thereafter. It is believed that there is considerable duplication of effort in preparation of our SCAPIN report and this Eighth Army Report.

6. After completion of the study and discussion outlined in pars 1-5 above, this matter was presented to Lt Col Fregosi of the Eighth Army Procurement Section. Col Fregosi recommended the following three steps in addition to the present efforts of Eighth Army (Tab E), the combination of which he believes, will effectively reduce the outstanding balances.

a. Thru SCAP action bring about the repeal of PL 171. He stated that this complicated law is the root of all the contractors' troubles. The complexity of filing bills and claims is now so great that Japanese companies have been formed which, for a 10% fee, will process contractors' bills. Obviously, the 10% is added to the cost of the contract.

b. Arrange for more working space for the Tokyo office of the SPB. Col Fregosi stated that even though SCAPIN 5911-A (Tab G) was issued, directing such action on the part of the Japanese Government the needed space has not materialized. He strongly recommends that another building be taken over for the SPB by Procurement Demand, charging it to Termination of War Expenses but not as a direct Occupation Cost. (Col Breden non concurs with taking the building by P. D., stating that the SCAPIN should be sufficient).

c. Eliminate the report required by SCAPIN 1832/3. Each additional report merely adds to the requirements placed on the SPB, whose staff is already quite limited. Col Fregosi believes that the efforts of the Eighth Army Procurement Section will produce more concrete results than a report.

7. Your memo (Tab A) states "Our objective is to drive down their outstanding balances and get them current." In view of the complexity of the entire situation, as outlined in the foregoing paragraphs, it is believed doubtful that we, by force of directive, could materially help. It is felt that the efforts of the Procurement Board as outlined in par 5 above and Tab E would be of more direct benefit, and would more nearly accomplish our objective. Further, a requirement for an additional report for SCAP during the crucial period of the reorganization might cause an unwarranted burden which would make even more difficult the efforts to reorganize.

8. It is recommended that the requirement for our SCAPIN report

*Bring
changed*

*Action by
JG being
forced*

OK

be discontinued, and that the situation relative to payments to contractors be reviewed again on or about 1 March 49 after the reorganization of the SPB and the bulk allocation plan outlined in par 5 above have been put into effect. Further, that follow-up action on SCAPIN 5911 A (Tab G) be taken thru personal contact with Japanese Government officials in order to get more space for the SPB.

Dave

J.F.S.
J. F. S.

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

Opus

25 Oct
 (Date)

Our action on these reports has been desultory.

We had a definite objective in calling for them and after receipt have taken no action to correct or obtain correction of obvious deficiencies.

Our objective is to drive down their outstanding balances and get them current.

Proposed receipt does not cover this fact and by inference accepts their present status as satisfactory.

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

E

OPERATIONS DIVISION, G-4

MEMORANDUM FOR: Colonel Eastwood

25 OCT 1948

SUBJECT: Monthly Report on Payments to Contractors.

1. In accordance with your memo of 9 October (Tab A), the following information is submitted.
2. Operations Division by C/N (1), subject as above, dated 2 Aug 48, forwarded the reports for April, May and June to the Engr for comments and recommendations. In C/N (2) Engr stated that the reports should be continued throughout the balance of JFY 48, but made no other recommendation. It was contemplated prior to receipt of your memo to forward subsequent reports to Engr for study in connection with construction reports.
3. A tabulation of the reports received to date is attached as Tab B. Examination of Tab B reveals one major discrepancy in that the vouchers remaining at the end of each month (Column 4) are not in any case the same as the number of vouchers on hand on the first day of the following month (Column I). In addition many numerical errors were noted in the reports. However, the tabulation does indicate that the payments to contractors remain generally constant, and there is no increasing backlog.
4. The majority of the reports submitted were incomplete and were followed at a later date by complete reports.
5. The August report which was submitted to you was the only one containing three copies. In view of this, recommend that a copy of the tabulation in lieu of past reports, be forwarded to Engr and OGA for information. Upon approval of SCAPIN referred to in paragraph 6 below, a copy of each future report will be forwarded as directed in your note. A proposed check note (Tab C) forwarding the tabulation is inclosed for approval.
6. A proposed SCAPIN (Tab D) is inclosed which it is believed will correct the deficiencies noted above. Recommend approval. ✓

3 Incls

As stated above

(1 Incl Withdrawn - Memo dtd 9 Oct)

JFS
J. F. S.

1832/4

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 004.06 (5 May 48)GD
SCAPIN 1832/3

5 May 1948

MEMORANDUM FOR: JAPANESE GOVERNMENT

SUBJECT: Shortage of Japanese Laborers

1. References:

✓ a. Memorandum for Japanese Government, subject, "Shortage of Japanese Laborers," dated 19 December 1947, SCAPIN 1832.

✓ b. Memorandum for Japanese Government, subject, "Shortage of Japanese Laborers," dated 16 January 1948, SCAPIN 1832/1.

2. Payments to contractors (reference par 2a, SCAPIN 1832) have not been and are not being kept current in amounts sufficient to pay employees promptly. Vigorous action within the purview of SCAPIN 1775 and SCAPIN 1832 is necessary to correct this undesirable condition and to insure prompt payment of laborers. A monthly report will be forwarded to General Headquarters, Supreme Commander for the Allied Powers, outlining the action taken by the Japanese Government to expedite payment to contractors. This report will include, but need not be limited to the following:

a. Total contractors' vouchers on hand as of first day of previous month, by number and value.

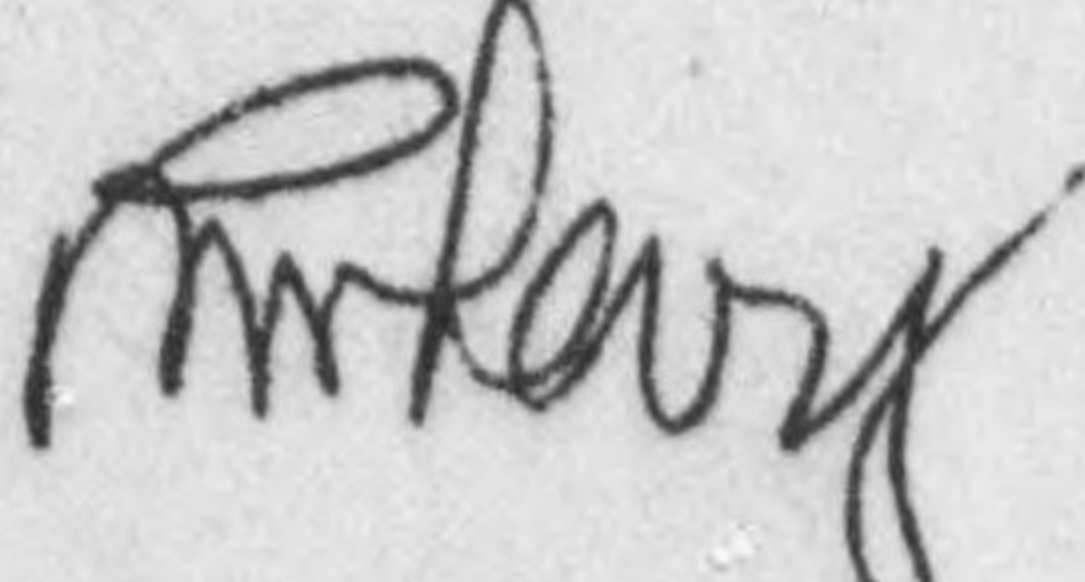
b. Total contractors' vouchers received for payment during previous month, by number and value.

c. Total payment to contractors during previous month, by number and value.

d. Balance of total vouchers remaining unpaid as of last day of previous month, by number and value.

3. Report referred to in par 2 above for the month of April will be forwarded so as to reach General Headquarters not later than 31 May, and the 15th of each month thereafter until further notice from General Headquarters.

FOR THE SUPREME COMMANDER:


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

Incl
1832/3

Not comp

See
change #4

1. System of reporting

- Time for cont. to prepare bills

Time of processing in J. 6 -

due to - 1. P.L. 171

2. Individual vouchers -

Being corrected by - Bulk allocations -
Regional offices -

should cut time to

SPB (SMA) analyzing system coming up
w/ recommendations -

TABULATION OF MONTHLY REPORTS

Agency	I		II		
	Vouchers on hand, 1st day of Month		Vouchers received for payment during month		
	Number	Yen Value	Number	Yen Value	
APRIL	SPB*	362	212,055,141	617	4,738,586,590
	CB #	876	411,333,098	959	303,832,013
	Total	1238	623,388,239	1576	5,042,418,603
MAY	SPB	315	204,790,715	602	429,340,418
	CB	510	251,416,547	280	189,654,836
	Total	825	456,207,262	882	618,995,254
JUNE	SPB	505	258,277,571	608	370,133,437
	CB	656	214,999,017	711	247,972,588
	Total	1161	473,276,588	1319	618,106,025
JULY	SPB	329	230,952,132	1698	2,432,067,094
	CB	633	215,054,965	787	368,763,028
	Total	962	446,007,097	2485	2,800,830,122
AUGUST (Incomplete report)	SPB	447	263,864,085	733	536,360,112
	CB	460	209,405,595	736	411,132,565
	Total	907	473,269,680	1469	947,492,677

* Special Procurement Board

Construction Board

TABULATION OF MONTHLY REPORTS ON PAYMENTS TO CONTRACTORS

1st day of Month	II Vouchers received for payment during month		III Vouchers paid during month		IV (I + II - III) Balance of vouchers unpaid as of last day	
	Yen Value	Number	Yen Value	Number	Yen Value	Number
2,055,141	617	4,738,586,590	561	4,762,410,082	318	198,
1,333,098	959	303,832,013	1241	407,231,265	594	307,
3,388,239	1576	5,042,418,603	1802	5,169,641,347	912	506,
4,790,715	602	429,340,418	466	367,726,854	451	266,
1,416,547	280	189,654,836	203	192,677,306	587	248,
6,207,262	882	618,995,254	669	560,404,160	1038	514,
8,277,571	608	370,133,437	730	395,506,696	383	232,
4,999,017	711	247,972,588	896	276,355,322	471	186,
3,276,588	1319	618,106,025	1626	671,862,018	854	419,
0,952,132	1698	2,432,067,094	1166	1,354,362,023	861	1,308,
5,054,965	787	368,763,028	833	372,581,654	537	211,
6,007,097	2485	2,800,830,122	2049	1,726,943,677	1398	1,519,
3,864,085	733	536,360,112	857	553,512,490	323	246,
9,405,595	736	411,132,565	922	396,463,198	274	224,
3,269,680	1469	947,492,677	1779	949,975,688	597	470,

PAYMENTS TO CONTRACTORS

III		IV (I + II - III)		V (I - IV)	
Vouchers paid during month		Balance of vouchers remaining unpaid as of last day of month		Net gain or loss in payment of vouchers	
Number	Yen Value	Number	Yen Value	Number	Yen Value
561	4,762,410,082	318	198,232,009	(+) 44	13,823,132
241	407,231,265	594	307,933,846	(+) 282	103,399,252
802	5,169,641,347	912	506,165,855	(+) 326	117,222,384
466	367,726,854	451	266,404,279	(-) 136	61,613,564
203	192,677,306	587	248,394,077	(-) 77 (+)	3,022,470
669	560,404,160	1038	514,798,356	(-) 213	58,591,094
730	395,506,696	383	232,904,312	(+) 222	25,373,259
896	276,355,322	471	186,616,283	(+) 185	28,382,734
626	671,862,018	854	419,520,595	(+) 307	53,755,993
1166	1,354,362,023	861	1,308,657,203	(-) 532	1,077,705,071
833	372,581,654	537	211,236,339	(+) 96	3,818,626
2049	1,726,943,677	1398	1,519,893,542	(-) 436	1,073,886,445
857	553,512,490	323	246,711,707	(+) 124	17,152,378
922	396,463,198	274	224,074,962	(+) 186 (-)	14,669,367
779	949,975,688	597	470,786,669	(+) 310	2,483,011

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AG 150 (14 Sep 1948) CE

14 September 1948

SUBJECT: Payment to Japanese Maintenance Contractors

TO : Commanding General
Eighth Army
APO 343

ATTENTION: Procurement Section, SPB Division
(Mr. H. H. Gleason)

1. Pursuant to informal discussions with the Procurement Section, SPB Division, relative to status of payments due maintenance contractors in the Tokyo area there is inclosed for your information the following:

a. Letter, dated 14 August 1948, from "All Maintenance Contractors" addressed to the Repairs and Utilities Officer, Headquarters and Service Group, General Headquarters, Far East Command.

b. List of sixty contractors, dated 14 August 1948, showing unpaid amounts approximating ¥ 186,000,000 for work accomplished for the period April through June 1948.

2. Review of the above referenced letter discloses (1) appreciation by the contractors for assistance in March of this year in effecting reimbursement to their then long past due accounts for which the cooperation and efforts of Procurement Section, SPB Division, are fully recognized; and (2) certain problems, as alleged by the contractors, which confront them in connection with financial settlements for services performed by contracts awarded under current directives. These alleged problems, as interpreted from the reference 1a, are listed below:

a. Possible bankruptcy of contractors due to financial inability to continue work.

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AG 150 (14 Sep 1948) CE 14 Sep 1948
Subj: Payment to Japanese Maintenance Contractors

b. Lack of sufficient operating capital interferes with performance of contractual obligations in a satisfactory or efficient manner.

c. Reimbursement claims for work accomplished in April, May and June 1948 remain unpaid.

d. Restrictions established by SCAPIN 1872 are contributing to delay in receipt of payment.

e. Unwillingness of contractors to accept awards subsequent to 1 July due to current provisions of SCAPIN 1872 requiring accomplishment of GPA-2 before payment.

3. It will be noted that the referenced contractors' letter emphasizes the necessity for payment of over-due obligations and recommends that a partial payment of accomplished work (GPA-2) be made up to 50% of the total claim.

4. If the allegations made by the contractors listed in paragraph 2 above are factual, it appears that there is an urgent need for corrective action. Investigation in the Tokyo area discloses that approximately six months are required to process Form GPA-2 from date work is completed to date of payment to contractor by Japanese Government, under present operating procedures. Administrative procedures now in use by agencies of both the Occupation Forces and the Japanese Government appear to require revision in order to accomplish improvement in expediting contractor payments.

5. It is understood that the Procurement Section, SPB Division, Eighth Army, is presently negotiating with the SPB and Ministry of Finance on a plan requesting bulk allocation of funds whereby monthly advance partial payments to the contractors will be available for current monthly obligations. Any action taken by your command to expedite such action will be helpful in contributing to the financial stability of these contractors and thereby assure the availability of such contractors to aid in the accomplishment of the repairs and utilities responsibilities in the Tokyo area. It is requested that

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AG 150 (14 Sep 1948) CE 14 Sep 1948
Subj: Payment to Japanese Maintenance Contractors

General Headquarters, Far East Command, be kept informed of the progress made in your negotiations with the agencies of the Japanese Government to initiate the proposed plan of contract settlement.

BY COMMAND OF GENERAL MacARTHUR:

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14 August 1948

TO: Repairs and Utilities Officer,
Hq & Sv Gp, GHQ, FEC, APO 500

We beg to inform you that our funds for the execution of the maintenance works are now put into very bad circulation due to the delay of the payment, and, we, all maintenance contractors, are standing in very serious situation of unable to do the satisfactory work. Furthermore, if the present situation is not recovered we will find ourself bankrupt in the near future, and be unable to continue the maintenance works. Therefor, in order to break through, we make you the petition.

However, according to your kind favor, we have got the partial payment in the month of March and tide over all financial troubles. But, after the month of April, the partial payment system is no more allowed according to the SCAPIN Memorandum 1872 stating that there is no payment without regular Procurement Receipt. Therefor, we can't get any cent of our forwarding charges since April. We have tried our best to tide over this situation, but unfortunately, our efforts came to nothing. And since the beginning of July, the execution of maintenance works is mostly suspended.

In other hand, we beg to add that, after the regulations No. 171 carried into effect, the payment from the regular route takes more than 130 days.

Therefor, we shall be much obliged if you will kindly consider our serious situation and help us to break through.

In instance we should like to ask you to take the following emergent action.

1. Considering the speciality of the maintenance and minor construction work, the action for the conventional partial payment every month or every second month for completed works shall be appreciated. In this case, the limit of the partial payment should be 80%, and in emergency case this payment shall be allowed without Procurement Receipt.

2. In case that the above action is difficult to be put into effect, we should like to have the convential advance payment every month or every second month for the completed maintenance and minor construction works, same as the other construction works according to the SCAPIN Memorandum, shall be appreciated.

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In this case, the limit of the advance payment should be raised from 30% to 80%.

3. We like to ask you to divide Procurement Receipt to each Area or each type of works or other way and issue to the Japanese Government between a month.

From All Maintenance Contractors

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BASIC: Ltr, Hq. Far East Command, File AG 150, Subj: Payment to Japanese Maintenance Contractors, dtd 14 Sep 1948.

AGPDE 248

1st Ind

Headquarters Eighth Army, APO 343

14 Oct. '48

TO: Commanding General Far East Command, APO 500

1. This headquarters is well acquainted with the deficiency described in the basic communication. The complaint is common to practically all categories of suppliers and contractors performing for Occupation Forces. This headquarters is exploring all payment channels within the Japanese Government and is modifying Eighth Army procurement procedure with the intent of simplifying the payment system and making possible immediate payment for completed work.

2. Specifically the following measures are being taken:

a. In collaboration with Economic and Scientific Section Public Finance Section of SCAP, this headquarters is now engaged in a series of discussions with the Ministry of Finance on the problem of allocations of funds to Special Procurement Board. To assure compliance with an agreement that the Ministry of Finance will no longer allocate to a specific contract but will make periodic bulk allocations of funds, it is necessary to review in detail all of the forms proposed and make essential deletions and revisions. The resultant system will permit disbursing offices to process bills as they are received instead of waiting 60 to 120 days for funds to pay against a particular invoice.

b. A study is being made of the operation of Japanese Public Law 171. Specific proposals for amendments to this law which will materially reduce the tremendous administrative effort and costs of contractors will be recommended to your headquarters in the near future.

c. Information on proper and necessary documents required for payment is to be disseminated to Japanese disbursing officers by Special Procurement Board in order to standardize procedures throughout Japan and to obtain the best possible results under the existing cumbersome payment system.

3. Partial payments to most Tokyo Maintenance contractors have been made for the months of April and May. However, Procurement Receipts, GPA Form 2 for the month of June have not yet been received by the Japanese Government. It has been standard procurement policy to require a separate monthly GPA Form 2 for each contractor performing under a maintenance demand. However, due to some misunderstanding, only one receipt per month for the entire Tokyo area has been issued by Headquarters and Service Group with the consequent result that all contractors are delayed by the slowest of their group. Henceforth, the Repair and Utility Section of Headquarters

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BASIC: Ltr, Hq. Far East Command, File AG 150, Subj: Payment to Japanese Maintenance Contractors, dtd 14 Sep 1948.

and Service Group will process a separate monthly procurement receipt for each contractor and the payment problem of Special Procurement Board will be greatly minimized.

4. It is believed that payments to contractors can be made promptly and efficiently if contractors and receiving officers will cooperate in the preparation and verification of receipts and at such time as certain modifications now under discussion can be effected within the Japanese Government in regards to payment procedure.

FOR THE COMMANDING GENERAL:

FRANK E. SMITH
Capt. AGD
Ass't. Adj. Gen

Incl:

Ltr Hq. FEC, subj:
Payment to Japanese Main-
tenance Contractors dtd 14 Sep 48
w/2 incls.

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MONTHLY SUMMARY REPORT ON STATUS OF ALLOCATIONS

Period Ended _____, 194__.

Appropriation Purpose	Unexpended Balance of Allocation from Prior Month (2)	Current Allocation (3)	Total Allocation (2+3) (4)	Obligation Incurred during Current Month (5)
(1)				

OPERATIONS DIVISION, G-4

GD

OP-SER/JBR/GWM/elh
12 January 1948.

MEMORANDUM FOR RECORD:

SUBJECT: Shortage of Japanese Laborers.

1. SCAPIN 1832, dated 19 Dec. 47, directed the Japanese Government to improve the labor situation on certain construction being performed for the Occupation Forces, particularly the Grant Heights project. This SCAPIN directed the Japanese Government to:

a. Keep payments due on contracts current in sufficient amounts to enable contractors to pay their employees promptly.

b. Exercise positive supervision and control to insure equitable and proper distribution of prescribed food and clothing rations to the laborers.

c. Make available to or provide adequate transportation for the laborers.

d. Paragraph 3 of the SCAPIN directed that a progress report of the execution of the above directive be made to this headquarters by 30 December 47.

2. CLO No. 9917 (AG), subject as above, dated 30 Dec. 47, forwarded an initial report of the Special Procurement Board. This report outlined the measures taken to implement the directives of paragraph 2 of SCAPIN 1832. The fiscal problem appears to have been well taken care of. A dormitory plan for the laborers has also been started. The transportation problem has been helped to some extent by the addition of one extra passenger car on the workers' trains.

3. Informal conversations held with Engr (Col. Sykes and Lt. Reese) reveal that, to date, the labor situation has not improved materially. They indicate that further vigorous action on the part of the Japanese is necessary to improve the labor situation.

4. This action directs the Japanese Government to take continuing steps to improve the labor situation, particularly with regard to the distribution of the prescribed food and

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clothing rations to the laborers. A further report of progress is required to be rendered by 10 February 1948 and at ten day intervals thereafter until further advice from GHQ. This action advises CG Eighth Army of steps taken and incloses copy of CLO No. 9917, with inclosures, and SCAPIN No. ~~1849~~ 1832/1

5. The interests of Korea have been considered and are not affected by this action.

6. This action is within established policy.

7. Action suspended on G-4 Journal No 53173 pending reply from Japanese Government. Suspense date: 15 February 1948.

GWM [Signature] 26 6413

JBR [Signature] 26 6032

SER [Signature] 26 6444

Concurrence:
ESS (Dr Fine)

Coordination:
Engr (Col Sykes)
ESS (Mr Johnston)

ADDED M/R:

Upon publication of proposed SCAPIN copies will be inclosed in letter to CG Eighth Army. [Signature]

1832/1

OPERATIONS DIVISION, G-4

MEMORANDUM FOR RECORD

GD OP-SER/JBR/HJN/mm
19 December 1947

SUBJECT: Shortage of Japanese Laborers

1. Letter from the Commanding General, Eighth Army, subject as above, dated 9 December 1947, states that difficulty is being experienced by contractors in obtaining Japanese laborers in sufficient numbers to carry out construction as scheduled and that the Grant Heights Dependent Housing project is suffering the most delay. The letter states that "Reasons as given by the contractors for not being able to furnish sufficient labor were inadequate food rations and delay in issue, insufficient clothing ration, lack of transportation, financial difficulties of contractors due to type of, and delay in payments by the Japanese Government." The letter also advises that follow-up conferences and pressure on the Japanese Government Agencies by Eighth Army has not brought about material improvement. The Commanding General, Eighth Army requests that the Japanese Government be directed to place such additional workers on the Grant Heights project as are deemed necessary by the project engineer.
2. Construction at Grant Heights is approximately three (3) months behind schedule. Japanese Budget and other Japanese fiscal matters have caused a delay in payments to contractors. However, according to ESS Finance Div (Mr McGlaufflin), this has been corrected and should no longer be an excuse for delay. The Engr (Col Sykes) confirms the difficulties listed by CG, Eighth Army.
3. This action directs the Japanese Government to take certain positive steps to improve the labor situation. Upon approval, a copy of the SCAPIN will be forwarded to the CG, Eighth Army by 1st Ind on reference letter, with a request that appropriate surveillance and control be exercised.
4. This action is within the established policy.
5. The interests of the USAFIK have been considered. This action does not affect the Korean area.
6. Initiated action completed.

Concurrences:

Engr (Gen Loper)
 ESS (Mr Halff)
 G-4 P&P (Col Breßden)
 G-4 Trans (Lt Col Hawthorne)

HJN *[Signature]* 26 6413JBR *[Signature]* 26 6032SER *[Signature]* 26 6444

*Approved by G/S (Gen Mueller)
 17 Dec 47. - P*

G-4 FILE

1832

The attached policy should be considered. The action does not affect the area.
1509 P. K. Lane
J. H. K.

~~DRAFT~~

OPERATIONS DIVISION, G-4

13 December 1947

MEMORANDUM FOR RECORD:

SUBJECT: Shortage of Japanese Laborers

1. Letter from the Commanding General, Eighth Army, subject as above, dated 9 December 1947, states that difficulty is being experienced by contractors in obtaining Japanese laborers in sufficient numbers to carry out construction as scheduled and that the Grant Heights Dependent Housing project is suffering the most delay. The letter states that "Reasons as given by the contractors for not being able to furnish sufficient labor were inadequate food rations and delay in issue, insufficient clothing ration, lack of transportation, financial difficulties of contractors due to type of, and delay in payments by the Japanese Government." The letter also advises that follow-up conferences and pressure on the Japanese Government Agencies by Eighth Army has not brought about material improvement. The Commanding General, Eighth Army requests that the Japanese Government be directed to place such additional workers on the Grant Heights project as are deemed necessary by the project engineer.

2. Construction at Grant Heights is approximately three (3) months be-

4. This action is within the established policy
5. The interests of the USA F, K have been considered
6. Detailed action completed.

by the contractors for not being able to furnish sufficient labor were inadequate food rations and delay in issue, insufficient clothing ration, lack of transportation, financial difficulties of contractors due to type of, and delay in payments by the Japanese Government." The letter also advises that follow-up conferences and pressure on the Japanese Government Agencies by Eighth Army has not brought about material improvement. The Commanding General, Eighth Army requests that the Japanese Government be directed to place such additional workers on the Grant Heights project as are deemed necessary by the project engineer.

2. Construction at Grant Heights is approximately three (3) months behind schedule. Japanese Budget and other Japanese fiscal matters have caused a delay in payments to contractors. However, according to ESS Finance Div (Mr McGlauflin), this has been corrected and should no longer be an excuse for delay. The Engr (Col Sykes) confirms the difficulties listed by CG, Eighth Army.

3. This action directs the Japanese Government to take certain positive steps to improve the labor situation. Upon approval, a copy of the SCAPIN will be forwarded to the CG, Eighth Army, ^{by 1st Ind on reference letter,} with a request that appropriate surveillance and control be exercised.

Coordination:

- ESS, Labor Div (Mr Amie and Mr Maze) - no objections.
- ESS, Finance Div (Mr Hutchinson) - no objections.
- ESS, Price Control and Rationing Div (Mr Johnston) - no objections.

Concurrences:

- ENGR (GEN. LOPER)
- ESS (MR. HALFE)
- G-4 P&P (Col Breden)
- G-4 Trans (Lt Col Hawthorne)

HJN
JRS
SER

~~DRAFT~~

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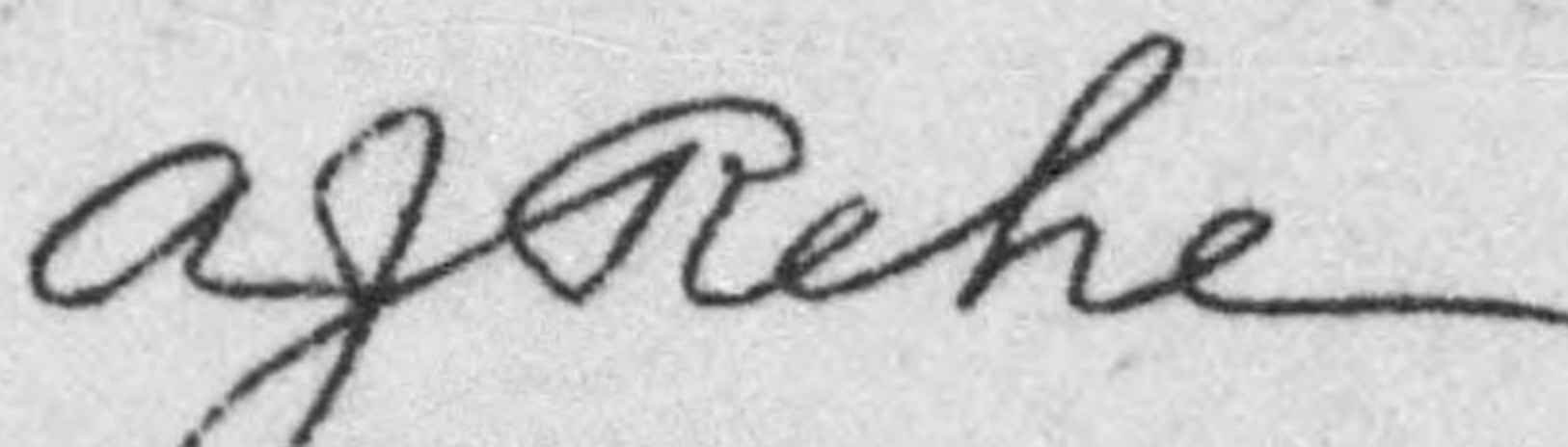
GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

15 January 1949

MEMORANDUM:

SUBJECT: Information of General Application pertaining to Directive Number SCAPIN 1830/11 file AG 311.3 (6 Dec 47)CCS, this Headquarters, dated 15 Jan 49 subject: Japanese Overseas Radiotelephone Service

1. With reference to the subject memorandum, the following is published for the information of all concerned.
2. Radiotelephone service between Japan and Germany may now be offered on the basis of information received from the American Telephone and Telegraph Company in New York. All such calls must be routed via the United States.
3. Acceptance of calls from Japan destined to occupied zones in Germany must be left to the discretion of the American carrier.
4. All calls between Japan and Germany will be prepaid in both directions and calls from Japan must be paid for with United States Military Payment Certificates or Foreign Trade Payment Certificates.
5. Settlement of accounts with any carrier beyond the United States will be accomplished by the American carrier who will in turn settle with the Japanese Ministry of Communications in the same manner as for all other similar services.



A. J. REHE
Major, AGD
Asst Adj Gen

DISTRIBUTION

Same as SCAPIN 1830/11
less Japanese Government

1830/11

