DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Materials involved.	Amount (unit:"Kan")	Price (unit:Yen)	Action taken
Fertilizer	48,889.082	X 4,888.20	Warning expected to be given.
ditto	4,988.623	X 4,001.00	ditto
ditto	6,304.400	X 6,678.48	ditto
ditto on	125.000	(5,461.50)	ditto
ditto	467.854	(12,396.39)	ditto
ditto	55.530	(4,423.20)	ditto

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

IV. COOPERATION GIVEN BY OTHER GOVERNMENTAL AGENCY

1. In connection with Foodstuffs Section:

Name of Gov't agency whose cooperation given to EIA	Date	For what purpose
Saitama NRP Hqrs and MPs of 6 Cities	1 to 4 March	for inspection of restaurant business in Kawaguchi (Mar.1), Gyoda, Urawa (Mar.2), Omiya, Kumagai (Mar.3), Kawagoe (Mar.4).
Prefectural Food Section and Public Health Section	1 to 4 March	ditto
Saitama NRP Hqrs. (18 policemen)	24 March	For simultaneous inspection of staple foodstuffs in order to eliminate Food Kodan sort of private concerns and habitual food brokers in Konosu Town.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

V. SCHEDULE OF ACTIVITY FOR APRIL, 1950

1. Foodstuffs Section

Period	Inspection Scheduled
From April 1 to April 30:	Inspection of Staple Foodstuffs.
From April 10 to April 20:	Inspection of Edible Oil.
From April 26 to April 30:	Inspection of Restaurant Business.

.....

2. 1st Materials Section

Period	Inspection Scheduled
From April 1 to April 30:	Special Inspection of Petroleum Products.

.....

3. 2nd Materials Section

Period	Inspection Scheduled
From March 26 to April 25:	Special Inspection of Fertilizers.

.....

4. General Affairs Section

Date	Meeting Scheduled
April 21, Friday:	18th Meeting of the Saitama Prefectural Economic Investigation Committee.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

20 March 1950

Dear Mr. J. W. Jones,

I am heartily appreciating all your kindness and good will shown to me in relation to my current suspicion case.

I have been so far as honest a Government official as any, as I think you know well, working in complete obedience to any and all directives or requirements of your Headquarters, and performing my duties so bravely as not to be afraid of the pressure of any influences. Now I admit, however, that I am to blame, as an honest official, for having got a bit of financial convenience from a non-official person, but it was only a private matter between me and my acquaintance, of course not an official one at all, and so I believe that I am not in any way to be subject to any provision of the Criminal Code. In this connection, I think I will make it clear in the coming public trial, that I am not to blame from any criminal point of view.

Now I am afraid lest it should happen again in future that an honest official, who is honest enough to have to go through with the sort of job nobody else wants to do but somebody should do after all, is pressed, attacked, apprehended, and prosecuted by his other parties, or police, or other enforcement Governmental agencies, merely for emotional reasons, just like in my case. It would be to run counter to the basic principles of the Japan's New Constitution, and furthermore it would be a crucial evidence to the undemocratization of police in this country.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

In this regard, I sincerely request that your Headquarters give them much more intensified guidance and supervision.

I am awfully grateful to you for your kindness shown to me with full understanding of how diligently and honestly I have been working so far for your Headquarters. And at the same time, I can say from the bottom of my heart which is full of gratitude to you, that I have been able to understand that you Americans always give your greatest help and assistance to anyone who has done and is doing right.

With best wishes for your health and happiness, and hoping and waiting for your further help to me,

I remain,

Yours faithfully.

T. Furuya

TATSUO FURUYA

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

HEADQUARTERS
TOKYO CIVIL AFFAIRS TEAM
APO 181

I-N-F-O-R-M-A-L

C-H-E-C-K S-H-E-E-T

FILE NO. _____

NOTE: Use this slip for notes in connection with this paper. All notes will be numbered consecutively, top to bottom, all records necessary for intelligent action should be attached. A line will be drawn the full width of the slip below each note. Both sides will be used before additional sheets are added.

SUBJECT:

NO.	DATE	FROM	TO	REMARKS
1	17 Mar	Legal	Economics Mr. Jones	Law provides that he may be suspended if he is under indictment. This looks like an abuse of discretion and failure to stand behind their investigator. Facts are still in conflict. I think Reginald E Hall should be told this. J.S.D.

(USE BOTH SIDES)

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

NO.	DATE	FROM	TO	REMARKS

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

SAITAMA PREFECTURAL ECONOMIC INVESTIGATION AGENCY

16 March 1950

SUBJECT: Report on Administrative Action Taken to TATSUO FURUYA.

TO : Kanto Civil Affairs Region.
ATTN: Dr. J. G. Featherstone, Legal & Gov't. Section.

FROM : Director of Saitama Pref. EIA.

It is hereby reported to your Headquarters that TATSUO FURUYA has been decided by the Central EIA to be suspended from office (namely, to be got out of the pay-roll), as can be seen in the attached notification of the Tokyo Regional EIA which was received on March 13.

Previously, however, I reported both the Director of the Tokyo Regional EIA and the Director-General of the Central EIA on the prosecution of 1st Materials Section Chief FURUYA of this EIA, and at the same time handed in the FURUYA's vindication to his prosecution (which was the same one as submitted to you by FURUYA himself on Monday, February 27, 1950) to the Director of the Tokyo Regional EIA and to the Secretariat Section Chief of the Central EIA. And on that occasion, I told them (the Director of the Tokyo Regional EIA and the Secretariat Section Chief of the Central EIA) that "it is just within the power of the Director-General of the Central EIA, not within that of mine, to decide whether to take any administrative action to Economic Investigator FURUYA. As you know, however, the Civil Affairs Region is very much interested in this case, so it is quite necessary for you to handle this problem with much care. And I think that it would be best to

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

talk it over with the Civil Affairs Region and respect their opinion on the question as to whether any administrative action should be taken to FURUYA or not."

Therefore, I guess it was, of course, after enough talks with your Headquarters that the action in question had been taken to FURUYA by the Central EIA. But, anyhow, hereby I report you only that I received the attached notifications of the Central EIA via the Tokyo Regional EIA, to the effect that FURUYA has got subjected to suspension from office according to the National Public Service Law.

K. Inoue

KENTARO INOUE

Director of Saitama Pref. EIA

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

TRANSLATION

TOKYO REGIONAL ECONOMIC INVESTIGATION AGENCY

9 March 1950

SUBJECT: Action of Suspension from Office Taken to EIA Personnel.

TO : Director of Saitama Pref. EIA.

FROM : Director of Tokyo Regional EIA.

It is hereby notified that a Central EIA's order of suspension from office was issued to the undermentioned EIA personnel as of March 1st, as stated in the Notification of Personnel Change and the Explanation for Action Taken as attached hereto as Inclosure I & II.

Economic Investigator TATSUO FURUYA

P. S.

The Notification of Personnel Change and the Explanation for Action Taken shall be handed to him at an earliest possible date, and the date shall be notified to this EIA in return.

TAMIZO OTSU

Director of Tokyo Regional EIA

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

INCLOSURE I: Explanation for Action Taken.

TRANSLATION from the original written in Japanese:

CENTRAL ECONOMIC INVESTIGATION AGENCY

EXPLANATION FOR ACTION TAKEN

1. By whom action taken;
   a) Official position: Director-General of Central EIA
   b) Name: TAKAYOSHI AOKI

2. To whom action taken:
   a) Name: TATSUO FUKUYA
   b) Attached to: 1st Materials Section, 2nd Dept, Saitama Prefectural EIA
   c) Official title: Economic Investigator
   d) Official position: 1st Materials Section Chief

3. When action taken: 1st March 1950

4. Law applicable: Item 2, Paragraph 1, Article 79, National Public Service Law.

5. Nature of Action taken: Suspension from office.

6. Reason or Fact:

The above person is regarded as being applicable to Item 2, Paragraph 1, Article 79 of the National Public Service Law, for the fact that he was indicted for taking bribes by the Urawa District Public Procurator's Office on 10 February 1950, while he was in service as 1st Materials Section Chief of the Saitama Prefectural Economic Investigation Agency, and consequently he has been subjected to suspension from office.

It is added that he can lodge a grievance against the action with the National Personnel Authority within the thirty (30) days following receipt of this Explanation for Action Taken, as provided for by Article 90 of the National Public Service Law and by the National Personnel Authority Regulation, 13 - 1.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

INCLOSURE II: Notification of Personnel Change.

TRANSLATION

CENTRAL ECONOMIC INVESTIGATION AGENCY

NOTIFICATION OF PERSONNEL CHANGE

The order of personnel change has been issued to the undermentioned person as follows:

1. Name; TATSUO FURUYA
2. Discrimination of Sex: male
3. Birth Date: 16 November 1905
4. Nature of Personnel Change: Suspension from office.
5. Date when order issued: 1 March 1950
6. Position and Name of person with power to appointment (or disciplinary punishment) or person entrusted with the power:
   Director-General of Central EIA, TAKAYOSHI AOKI
   (position) (name)
7. Regulation applicable: Item 2, Paragraph 1, Article 79, National Public Service Law.
8. Office to which abovementioned person attached:
   Saitama Prefectural Economic Investigation Agency.
9. Location of Office: Urawa City, Saitama Prefecture.
10. Official title and class of above-mentioned person:
    Economic Investigator 2nd class official
    (official title) (class)
11. Salary: 7 - 1 (in pay-roll of Economic Investigator)
12. Remarks:
    On the ground that the above-mentioned person was indicted for graft case.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

SAITAMA PREFECTURAL ECONOMIC INVESTIGATION AGENCY

16 March 1950

SUBJECT: Report on Administrative Action Taken to TATSUO FURUYA.

TO : Kanto Civil Affairs Region.
ATTN: Mr. J. W. Jones, Economic Section.

FROM : Director of Saitama Pref. EIA.

It is hereby reported to your Headquarters that TATSUO FURUYA has been decided by the Central EIA to be suspended from office (namely, to be got out of the pay-roll), as can be seen in the attached notification of the Tokyo Regional EIA which was received on March 13.

Previously, however, I reported both the Director of the Tokyo Regional EIA and the Director-General of the Central EIA on the prosecution of 1st Materials Section Chief FURUYA of this EIA, and at the same time handed in the FURUYA's vindication to his prosecution (which was the same one as submitted by FURUYA himself to Dr. J. G. Featherstone, Legal and Government Section, of your Headquarters, on Monday, February 27, 1950) to the Director of the Tokyo Regional EIA and to the Secretariat Section Chief of the Central EIA. And on that occasion, I told them (the Director of the Tokyo Regional EIA and the Secretariat Section Chief of the Central EIA) that "it is just within the power of the Director-General of the Central EIA, not within that of ~~me~~ mine, to decide whether to take any administrative action to Economic Investigator FURUYA. As you know, however, the Civil Affairs Region is very much interested in this case, so it is quite necessary for you to handle this problem with much care. And I think it would be best to

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

talk it over with the Civil Affairs Region and respect their opinion on the question as to whether any administrative action should be taken to FURUYA or not."

Therefore, I guess it was, of course, after enough talks with your Headquarters that the action in question had been taken to FURUYA by the Central EIA. But, anyhow, hereby I report you only that I received the attached notifications of the Central EIA via the Tokyo Regional EIA, to the effect that FURUYA has got subjected to suspension from office according to the National Public Service Law.

K. Inoue

KENTARO INOUE

Director of Saitama Pref. EIA

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

TRANSLATION

TOKYO REGIONAL ECONOMIC INVESTIGATION AGENCY

9 March 1950

SUBJECT: Action of Suspension from Office Taken to EIA Personnel.

TO : Director of Saitama Pref. EIA.

FROM : Director of Tokyo Regional EIA.

It is hereby notified that a Central EIA's order of suspension from office was issued to the undermentioned EIA personnel as of March 1st, as stated in the Notification of Personnel Change and the Explanation for Action Taken as attached hereto as Inclosure I & II.

Economic Investigator TATSUO FURUYA

P. S.

The Notification of Personnel Change and the Explanation for Action Taken shall be handed to him at an earliest possible date, and the date shall be notified to this EIA in return.

TAMIZO OTSU

Director of Tokyo Regional EIA

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

INCLOSURE I: Explanation for Action Taken.

TRANSLATION from the original written in Japanese:

CENTRAL ECONOMIC INVESTIGATION AGENCY

EXPLANATION FOR ACTION TAKEN

1. By whom action taken;

   a) Official position: Director-General of Central EIA
   b) Name: TAKAYOSHI AOKI

2. To whom action taken:

   a) Name: TATSUO FURUYA
   b) Attached to: 1st Materials Section, 4nd Dept, Saitama Prefectural EIA
   c) Official title: Economic Investigator
   d) Official position: 1st Materials Section Chief

3. When action taken: 1st March 1950

4. Law applicable: Item 2, Paragraph 1, Article 79, National Public Service Law.

5. Nature of Action taken: Suspension from office.

6. Reason or Fact:

The above person is regarded as being applicable to Item 2, Paragraph 1, Article 79 of the National Public Service Law, for the fact that he was indicted for taking bribes by the Urawa District Public Procurator's Office on 10 February 1950, while he was in service as 1st Materials Section Chief of the Saitama Prefectural Economic Investigation Agency, and consequently he has been subjected to suspension from office.

It is added that he can lodge a grievance against the action with the National Personnel Authority within the thirty (30) days following receipt of this Explanation for Action Taken, as provided for by Article 90 of the National Public Service Law and by the National Personnel Authority Regulation, 13 - 1.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

INCLOSURE II: Notification of Personnel Change.

TRANSLATION

CENTRAL ECONOMIC INVESTIGATION AGENCY

NOTIFICATION OF PERSONNEL CHANGE

The order of personnel change has been issued to the undermentioned person as follows:

1. Name; TATSUO FURUYA
2. Discrimination of Sex: male
3. Birth Date: 16 November 1905
4. Nature of Personnel Change: Suspension from office.
5. Date when order issued: 1 March 1950
6. Position and Name of person with power to appointment (or disciplinary punishment) or person entrusted with the power:
   Director-General of Central EIA, TAKAYOSHI AOKI
   (position) (name)
7. Regulation applicable: Item 2, Paragraph 1, Article 79, National Public Service Law.
8. Office to which abovementioned person attached:
   Saitama Prefectural Economic Investigation Agency.
9. Location of Office: Urawa City, Saitama Prefecture.
10. Official title and class of above-mentioned person:
    Economic Investigator (official title) 2nd class official (class)
11. Salary: 7 - 1 (in pay-roll of Economic Investigator)
12. Remarks:

    On the ground that the above-mentioned person was indicted for graft case.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Filed in Saitama EIA "Furuya" folder

TOKYO REGIONAL ECONOMIC INVESTIGATION AGENCY

6 March 1950

SUBJECT: Inaccuracy of Newspaper Article pertaining to Saitama Prefectural EIA.

TO : Kanto Civil Affairs Region.

ATTENTION: Mr. J. W. Jones, Economic Section.
&
Dr. J. G. Featherstone, Legal & Gov't. Section.

FROM : Director of Tokyo Regional EIA.

The attached letter which was reported to this Regional EIA on the subject matter by the Saitama Pref. EIA, is submitted hereby to your Headquarters for further knowledge of the alleged "FURUYA Case".

TAMIZO OTSU

Director of Tokyo Regional EIA

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

SAITAMA PREFECTURAL ECONOMIC INVESTIGATION AGENCY

6 March 1950

SUBJECT: Inaccuracy of Newspaper Article Pertaining to Saitama Prefectural EIA.

TO : Director of Tokyo Regional EIA.

FROM : Director of Saitama Pref. EIA.

Following the apprehension of FURUYA of this EIA, the "Yomiuri" Newspaper put in its January 21 issue a slanderous article pertaining to me (INOUE, Director of Saitama Pref. EIA) but completely contrary to the facts, (quoting Procurator TAKEI of the Urawa District Public Procurator's Office as having stated the contents of the article.) Immediately after the appearance of the article, however, Procurator TAKEI apologized that he had never said such things as reported by the press. Though I was contemplating actions to be taken to this matter, I refrained from taking them at once, for fear that such actions should excite the nerves of those in charge of the searches of the alleged "FURUYA Case" unnecessarily, only to affect this EIA all the more unfavourably. But lately the Procurator's Office decided the actions to be taken to the FURUYA Case, and so I lodged a strict protest against the Urawa Branch Bureau of the Yomiuri Newspaper, as a result of which, admitting the inaccuracy of the news, they put the following remarks of mine in the February 22 issue of the Yomiuri, it is reported hereby to your Headquarters.

The following is the translation of the article appearing on the February 22 issue of the Yomiuri.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

"Referring to the ISHIKAWA's scandal case of the Chiyodaya Co., acting agency for the Saitama Branch Office of the Industrial Rehabilitation Kodan, Director INOUE of the Saitama Pref. EIA stated on February 20 that he will exhort all his men to discipline themselves more strictly one another and to beware of any possible re-occurrence of that sort of cases in this prefecture.

"It is my great regret," stated Director INOUE, "that the alleged scandal case of Economic Investigator FURUYA of this EIA has created a sensation in the public, for I have been so far exhorting each of my men strictly to live up to the official disciplines among other things. On the other hand, however, this case is regarded as having testified clearly that other economic investigators of this EIA have behaved themselves with clean hands, complying with my wishes. In this respect, we will warn one another against reoccurring of such a case in future, and I hope we shall be able to justify the public confidence in us."

"By the way," added Mr. INOUE, "some newspaper quoted Procurator TAKEI as saying that I, too, had been involved in this case, but Procurator TAKEI himself denied his reported remarks, to say nothing of me. Anyhow, I'd like to make it clear here that no change has happened to my belief and behavior which have been so far clean and clear, and integral."

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

ak

HEADQUARTERS
KANTO CIVIL AFFAIRS REGION
APO 500

3 March 1950

TO WHOM IT MAY CONCERN:

1. My job from February through November of last year (1949) has been with the economics section of the Saitama Civil Affairs Team. Among other duties and responsibilities, this section was responsible for directing surveillance over the work of the EIA (Economic Investigation Agency).

2. My duties as assistant chief and later as chief of the Economics brought either myself or men of the section in frequent contact with EIA officials and particularly with Mr. Furuya who was responsible for exposing some of the biggest scandals in Saitama during my tour of duty there. Although I did not work directly with him on all of the following cases, he was the principal investigator responsible for exposing the following during the spring and summer of 1949:

a. Hoarded textiles in Gyoda, Hanyu and Kazo machis where tremendous amounts of hoarded textiles were seized in March.

b. Governor Nishimura hoarded goods case. As a result of Furuya's investigations, last spring a tremendous quantity of former Army-Navy stocks allocated for use in the welfare program in 1947 was found, part of which was being sold on the black market.

c. Black marketing of 2,500 imported blankets by a Mr. Yatabe of Urawa in collusion with certain prefectural officials.

It is interesting to note that in spite of the fact that the above cases were exposed and turned over to the procurator for action, little action has been taken to punish the guilty parties.

3. During the summer and fall last year I knew that Mr. Furuya's investigations were leading to the exposure of certain officials of the prefectural government and others involved in a swindle case which I brought to the attention of his office last summer. His investigations led to the exposure of other illegal dealings and in his search for evidence he incurred the enmity of many persons. This is especially true inasmuch as the name of the Occupation Workers' Welfare Association was used in the promotion of several illegal acts and quite a number of prefectural and police officials as well as others were members of this association.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

4. From my associations with Mr. Furuya I know him to be a man of courage and integrity, who through faithful devotion to duty and diligent efforts has performed his work in an outstanding manner without fear or favor. According to information I have received from his associates, other Saitama Civil Affairs Team members and Mr. Inouye, Chief of the Saitama EIA, his record is excellent. He is to be commended for his wholehearted cooperation with members of the Saitama Civil Affairs Team and with members of the prefectural and central governmental authorities in the proper execution of duty.

RAYMOND A. HASHITANI
Distribution & Enforcement Division
Kanto Civil Affairs Region

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

TOKYO REGIONAL ECONOMIC INVESTIGATION AGENCY

18 February 1950

TO : Mr. J. W. Jones, Economic Section, Kanto C.A.R.

FROM : Mr. T. Otsu, Director of Tokyo Regional E.I.A.

SUBJECT: Case of TATSUO FURUYA, of Saitama Prefectural E.I.A.

Chief Procurator IINUMA of the Urawa District Public Procurators' Office said to Director INOUE of the Saitama Prefectural E.I.A. on February 13 that FURUYA had been prosecuted, on February 10, for suspicion of having taken bribes of ¥142,000 of money and about one half bushel of rice, and of having been treated to entertainments amounting to ¥30,000.

According to what FURUYA has to say, they have deduced the grounds for his prosecution from the following facts ------- (1) that he has lent his friends ¥70,000 of money, (2) that he received ¥10,000 of money in token of sympathy for him then lying in his sick bed, (3) that he was suspected of having been given ¥50,000 by KISUKE IKEDA, and (4) that he dined together with Economic Investigator OHNO, of the Saitama Pref. E.I.A. and TOSHIICHI ISHIKAWA at the Hotel IMAI in Kumagaya City when he went there to take over the exposed goods.

On the other hand, however, FURUYA is insisting as follows:

(1) It is true that he has lent more than ¥20,000 in all to KANSHI SAITO in several instalments and that a total of more than ¥50,000, in instalments, too, to his friend living in Fuchu, Tokyo. And furthermore

#5 Saitama

Transcription
RCA to Legal Sect RCAP
on 18 Jul 1950 per RCA Ltr.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

it is true, as well, that he afterwards took the receipt of the ¥20,000 from SAITO and that of the ¥50,000 from the friend of his living in Fuchu, for evidence in future.

(2) It is true that he received ¥10,000 of money in token of sympathy for him in a bed of illness.

(3) But it is NOT true that he was given ¥50,000 of money by KISUKE IKEDA.

(4) As to whether or not he has rendered any services in official connections:

a. The procurators are insisting that that FURUYA returned the 17 rolls of T-cloth (or "Tenjuku-momen") to IKEDA, means special services rendered in his official connections. But the return of the said goods was carried out, as a matter of course, because the goods do not exceed in amount over the limit authorized to hold in possession and consequently should be returned to the owner. As regards this, there are kept the documents concerned in the Saitama Pref. E.I.A., and also Economic Investigator CHNO knows it well. There it is by no means concluded that FURUYA did render such special services for IKEDA.

b. IKEDA said that he had narrowed the width of the 45 rolls of carico from 3 feet to 2 with the consent of FURUYA, but FURUYA himself is denying that he has given such a consent to IKEDA. Therefore, probably, IKEDA said so, as he was told by the procurator that he would be guilty of larceny and his punishment would be much heavier, unless he did so with the very consent of FURUYA.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

It is added that the Urawa District Public Procurators' Office is at present following up the probe into the problem of RAISUKE IIJIMA, but they are doing so upon the basis of the very results of the investigations previously conducted by the Economic Investigation Agency.

TAMIZO OTSU
Director of Tokyo Regional
E.I.A.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

SAITAMA PREFECTURAL ECONOMIC INVESTIGATION AGENCY

1 March 1950

SUBJECT: Activity Report for February.

TO : Economic Section, Kanto Civil Affairs Region.
ATTENTION: Mr. J. W. Jones.

FROM : Director of Saitama Pref. EIA.

The activity report for February, 1950, of this EIA, is submitted hereby to your Headquarters as follows:

I. Personnel Affairs
(Actual Strength as compared to Authorized Number)

II. Coordinating Meeting.

III. Inspection carried out and Violation discovered.

IV. Cooperation given by or required to other Governmental Agencies.

V. Schedule of Activity for March.

K. Inoue

KENTARO INOUE
Director of Saitama Pref. EIA.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

I. PERSONNEL AFFAIRS

Actual Strength as compared to Authorized Number

Official Title	Class	Authorized Number	Present Number
	1st class official	-	1
Economic Investigator	2nd class official	23	19
	3rd class official	17	20
Prime Minister's Board Secretary	2nd class official	-	-
	3rd class official	2	1
Clerk		3	3
Employee		2	2
Total:		47	46

II. COORDINATING MEETING

No coordinating meeting was held this month.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

III. INSPECTION CARRIED OUT & VIOLATION DISCOVERED

1. Foodstuffs Section:

a. Inspection of Staple Food:

Number of Case Inspected 58

Number of Violation Case 9

Action taken:

Indictment expected 1

Strict warning given 8

b. Inspection of Controlled Marine Products:

Number of Case Inspected 25

Number of Violation Case 1

Action taken:

Strict warning given 1

c. Inspection of Restaurant Business:

Number of Case Inspected 46

Number of Violation Case ;.... 3

Action taken:

Administrative disposition expected 3

NOTICE: As to details of the violation cases above, reference is made to the attached list, titled "Disposition of Violation by Foodstuffs Section".

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

2. 1st Materials Section:

a. Special Inspection of Soap:

Number of Case Inspected 13

Number of Violation Case 13

Action taken:

Warning given 12

Still under investigation ...1

b. Inspection of Petroleum Products:

Number of Case Inspected 10

Number of Violation Case 3

Action taken:

Warning given 3

NOTICE: As to details of the violation cases above, reference is made to the attached list, titled "Disposition of Violation by 1st Materials Section.

---

3. 2nd Materials Section

a. Inspection of Charcoal:

Number of Case Inspected 14

Number of Violation Case 2

Action taken:

Indictment .....none

Warning given .....none

Still under investigation .. 2

NOTICE: As to details of the violation cases above, reference is made to the attached list, titled "Disposition of Violation by 2nd Materials Section".

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

b. Special Inspection of Fertilizer:

Number of Case Inspected 2

Number of Violation Case .....none

Action taken: .....none

Remarks: This inspection of fertilizers has been in the preparatory stage within this month, and the full-scale inspections will be started in March.

C. Investigation into Actual Rearing Situation of Mice for Medical Test:

The investigation results were reported already to your Headquarters through the Tokyo Regional EIA on 18 February 1950.

d. Special Investigation into Governmental Loan to Charcoal Wholesale Dealer:

As the results of the investigation;

i) 80% of the debts amounting to Yen 14,087,086.17 of the Saitama Forestry Co., Ltd., to the Government Special Account is expected to be redeemed by March this year.

ii) The debts amounting to Yen 8,844,994.84 of the Saitama Branch of the Kanshin Agriculture and Forestry Co., Ltd., to the Governmental Special Account is expected to be redeemed within February, this year.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Disposition of Violation by Foodstuffs Section

No	Name of Offender	Address of Offender	Regulation applicable.	Materials Involved
1	Yanoh, Juzo	No. 1681, Nishi-Ohwa, Sakurada-mura, Kita-Katsushika-gun.	Food Control Law Price Control Law	Unpolished Soya sauce
2	Watanabe, Sumiichi.	No. 711, Hachiho, same mura, same gun.	Food Control Law	Unpolished
3	Koizumi, Takeki.	No. 365, Nishi-Ohwa, same mura, same gun.	Food Control Law	Unpolished
4	Takahashi, Masao.	No. 1681, Nishi-Ohwa, same mura, same gun.	Temporary Materials Demand and Supply Adjustment Law.	Soya sauce
5	Kobayashi, Shinji.	No. 605, Higashi-Ohwa, same mura, same gun.	Temporary Materials Demand and Supply Adjustment Law.	Soya sauce
6	Ashida, chu; Hanno Branch of Kanto Electric Supply Co.	No. 4, Haramachi, Hanno-machi, Iruma-gun.	Ordinance for Emergent Measures on Foods.	Polished r
7	Yajima, Shigeru; Warabi Town Office.	No. 536, Dobashi, Warabi-machi, Kita-Adachi-gun.	Ordinance for Emergent Measures on Food.	Polished r
8	Ito, Shohei; Rural Watch-makers Institute Co. Ltd.	No. 516, Ohousuma, Minami-Sakurai-mura, Kita-Katsushika-gun.	Ordinance for Emergent Measures on Food.	Polished r
9	Horiguchi, Chojiro; Chichibu Marine Products Co. Ltd.	Kumagaya, Kumagaya City.	Price Control Law.	Tunny
10	Okumura, Kiku	No. 1070, Omiya, Chichibu-machi, Chichibu-gun.	Temporary Restaurant Business Control Law.	-

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

	Materials Involved.	Amount (Unit: Kgs)	Price (Unit: Yen)	Action taken
w aw	Unpolished rice Soya souse.	220	7,854	Expected to be indicted.
aw	Unpolished rice	60	2,462	Strict warning given.
aw	Unpolished rice	120	4,924	Strict warning given.
rials ply	Soya souse	45	1,050	Strict warning given.
rials ply	Soya souse	45	1,050	Strict warning given.
res	Polished rice	737	32,796	Strict warning given.
res	Polished rice	45	2,002	Strict warning given.
res	Polished rice	327	14,551	Strict warning given.
Law.	Tunny	6,235	13,949	Strict warning given.
taurant rol Law.	-	-	-	Administrative disposition expected.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

11	Kitagawa, Aijiro.	No. 1490, Omiya, Chichibu-machi, Chichibu-gun.	Temporary Restaurant Business Control Law.	-
12	Shibazaki, Bensaku.	No. 1377, Omiya, same machi, same gun.	Temporary Restaurant Business Control Law.	-
13	Negishi, Fumio	Hirakata-machi, Kita-Adachi-gun.	Food Control Law.	Refined

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

arant ol	-	-	-	Administrative disposition expected.
aurant ol	-	-	-	Administrative disposition expected.
aw.	Refined Barley	167	6,700	Strict warning given.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Disposition of Violation by 1st Materials Section

No	Name of Offender	Address of Offender	Regulation applicable	Materials involved
1	Tokyo Yuka Ind. Co.	No. 107, Wakita-cho, Kawagoe City.	Soap Distribution Regulation.	Soap for household use Clenser.
2	Toowa Chemical Technical Research Institute Co.	Komagata-cho, Gyoda City.	Soap Distribution Regulation.	Clenser
3	Oguchi Fertilizer Mfg. Co.	Raiden-cho, Koonosu-machi.	Oilstuffs Demand and Supply Adjustment Regulation.	Pupa oil
4	Tahara Oil and Fat Research Institute.	Aoki-cho, Kawaguchi City.	Soap Distribution Regulation.	Cleanser
5	Sotooka Chemical Reseach Institute	Minami-Sakurai-mura, Kita-Katsushika-gun.	ditto	Cleanser
6	Maruzen Yuka	Kita-Urawa-machi,	Regulation for Allocation of Designated Production Materials.	Soy been oil dregs.
7	Nakada Store	Hanyu-machi, Kita-Saitama-gun.	Soap Distribution Regulation.	Household s Cleanser
8	Yao, Rihei	No. 1303, Omiya, Chichibu-machi, Chichibu-gun.	ditto	Household s Cleanser
9	Iseya Store	Kasukabe-machi, Minami-Saitama-gun.	ditto	Household s Cleanser
10	Saitama Pref Agricultural Cooperative Association for Purchasing.	Takasago-cho, Urawa City.	ditto	Cleanser
11	Yoshioka, Haruji	No. 110, Kita-Urawa-machi, Urawa City.	ditto	Cleanser

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

	Materials involved.	Amount	Price (Unit: Ten)	Action taken.
ion	Soap for household use	1,951 pcs.	-	Warning given.
	Clenser.	3,560 "	60,520	
ion	Clenser	6,516 "	117,288	Warning given against sale under official price.
nd just- on.	Pupa oil	560 ltrs.	67,881	ditto
ion	Cleanser	2,000 pcs.	36,000	ditto
	Cleanser	900 pcs.	13,000	ditto
r o- ials.	Soy been oil dregs.	1,000 kgs.	58,548	Werning given.
tion	Household soap	20 pcs.	-	Warning given against violation to book-keeping form.
	Cleanser	20 pcs.	-	
	Household soap	117 pcs.	-	ditto
	Cleanser	423 "	-	
	Household soap	49,048 "	-	ditto
	Cleanser	3,767 "	67,826	
	Cleanser	40,000 "	-	ditto
	Cleanser	132 "	2,508	Warnining given against sale under official price.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

12	Saitama Wholesale dealing Co. of "Lion Soap"	Kawagoe City	ditto	Household goods
13	Saitama Wholesale dealing Co. of "Nissan Soap"	Ogawa-machi, Hiki-gun.	ditto	Household goods
14	Morita, Kinzo	No. 9178, Tokiwa-cho, Urawa City.	Petroleum Products Distribution Regulation.	Petroleum products
15	Kajima-ya Store.	No. 821, Saiwai-cho, Kawaguchi City.	ditto	ditto
16	Yazawa Store	No. 425, Renjaku-cho, Kawagoe City.	ditto	ditto

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

	Household soap	24,982 "	212,347	still under investigation.
	Household soap	193 "	-	Warning given against violation to book-keeping form.
...cts ...gu-	Petroleum products.	1,617 ltrs.	55,000	Warning given against sale prior to exchange for coupon.
	ditto	1,200 "	13,000	ditto
	ditto	23,300 "	662,780	ditto

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Disposition of Violation by 2nd Materials Section.

No.	Name of Offender	Address of Offender	Regulation applicable.	Materials involved.
1	Saitama Pref. Forestry Co. Representative: Haragawa, Toshio.	No. 68, 3-chome, Takasago-cho, Urawa City.	Charcoal Demand and Supply Adjustment Regulation.	Charcoal
2	Saitama Branch of Kanshin Agriculture and Forestry K. K. Rep.: Yumoto, Soichiro.	No. 37, 3-chome, Takasago-cho, Urawa City.	Charcoal Demand and Supply Adjustment Regulation.	Charcoal

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

ion cable.	Materials involved.	Amount (Unit: bale)	Price (Unit: Yen)	Action taken
l Demand pply ment Regu-	Charcoal	1,160	-	Still under investigation.
al Demand pply ment Regu-	Charcoal	2,946	1,010,590	Now referring to Fukushima Pref. EIA as to whether the said amount of charcoal were allocated legally or not.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

IV. COOPERATION GIVEN BY OR REQUIRED TO OTHER GOVERNMENTAL AGENCY

1. In Connection with Foodstuffs Section

Name of Gov't agency whose cooperation given to EIA	Date	For what purpose
Kumagaya City Police Kawagoe City Police Fukaya Town Police	January 27	For inspections of restaurant business in each city or town.
Chichibu Town Police	February 9	For inspections of restaurant business in Chichibu Town.

.....

Name of Gov't agency whose cooperation required to EIA	Date	For what purpose
Governor of Saitama Pref. Government.	February 15	For intensification of checks and controls of restaurant business; that is to say, for giving thoroughgoing educatings to restaurant business operators so as to display the license in front of the premises or any other place easily visible from outside the premises, and for eliminating unlicensed restaurant business operators.
Saitama Labor Standard Bureau.	February 20	For inspections of illegal receptions of supplementarily rationed rice for laborers.

.....

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

2. In Connection with 1st Materials Section

Not Applicable.

.....

3. In Connection with 2nd Materials Section

Name of Gov't agency whose cooperation required to EIA	Date	For what purpose
Saitama Charcoal Office of the Ministry of Agriculture and Forstry.	January 31	For special investigation into the debts of charcoal wholesale dealers and retailers, still unpaid to the Government.
Agricultural Affairs Section, Saitama Pref. Government.	February 13	For special inspections of fertilizers.
Sanitation Section, Saitama Pref. Government.	February 15	For investigations into the actual rearing situations of mice for medical tests.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

2. In Connection with 1st Materials Section

Not Applicable.

.....

3. In Connection with 2nd Materials Section

Name of Gov't agency whose cooperation required to EIA	Date	For what purpose
Saitama Charcoal Office of the Ministry of Agriculture and Forstry.	January 31	For special investigation into the deots of charcoal wholesale dealers and retailers, still unpaid to the Government.
Agricultural Affairs Section, Saitama Pref. Government.	February 13	For special inspections of fertilizers.
Sanitation Section, Saitama Pref. Government.	February 15	For investigations into the actual rearing situations of mice for medical tests.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

V. SCHEDULE OF ACTIVITY FOR MARCH, 1950

1. Foodstuffs Section

Period	Inspection Scheduled
From 1 March TO 31 March:	Inspection of Restaurant Business. Inspections of enforcement situations of the Restaurant Business Control Regulation in big cities and towns in this prefecture.
From 1 March TO 31 March:	Inspection of Staple Foodstuffs. Checks and controls of Food KODAN-like private concerns, habitual blackmarket food dealers and food hunters, for the purpose of preventing staple food from beeing diverted into blackmarket channel.
From 13 March TO 15 March:	Inspection of Processors of Refined Barley and Flour, etc.

.....

2. 1st Materials Section

Period	Inspection Scheduled
From 1 March TO 15 March:	Investigation on the goods being held in storage at the Foodstuffs Distribution KODAN.
From 1 March TO 31 March:	Special Inspection of Petroleum Products.

.....

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

3. 2nd Materials Section

Period	Inspection Scheduled
From 26 February	Disposition of suspected violations discovered by the recent inspections of charcoal.
From 26 February	Special Inspection of Fertilizers.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

From: Liason section.

7 February 1950

In Monday afternoon (6, Jan.), Inoue, Saitama E.I.A. Director reported to Otsu, Director of Tokyo Regional E.I.A. that according to Furuya's lawer, Saitama Procurator's office seems to have got some evidence to prosecute him, and Furuya's prosecution seems likely to be done on 7, Jan, as the term of his detention expires on that date.

This was informally requested by Otsu to be reported to C.A.R. through Liaison Section.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

THE SAITAMA PREFECTURAL
ECONOMIC INVESTIGATION AGENCY

1 February 1950

Subject: Monthly Report for January 1950

To the Chief,
Economics Section,
Kanto Civil Affairs Region.

Contents

1. Personnel Affairs.

2. Coordinating Committee

3. Concise report on investigations

4. Coordination given by other agencies.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

I. Personnel Affairs

		Authorized Strength	Actual Strength
Economic Investigator	1st Class	0	1
	2nd Class	23	19
	3rd Class	17	20
Secretary	1st Class	2	1
	2nd Class	2	1
	3rd Class		
Employee		5	5
Total		47	46

II. Coordinating Committee

1. Date: January 17
2. Percentage of attendance: 99.9%
3. Subject: Establishment of Surveillance Special Council.

III. Concise report on investigations.

a. Food Section

No. of Investigation - - - - - - - - 338
No. of Violation - - - - - - - - 134
Action taken - prosecuted 13
admonished 121

b. 1st Material Section

No. of Investigation - - - - - - - - 11
No. of Violation - - - - - - - - 0

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

c. Second Material Section

No. of Investigation	- - - - - - - - -	213
No. of Violation	- - - - - - - - -	9
Action taken -	prosecuted	1
	admonished	8

No.	Violator	Address	Applicable regulations	Disclosed goods	Quantity	Amount	Action taken
1	Kamiyama Yutaka	Kawagoe-shi	Materials D. & S. Adjustment Law	Fish	12 kan	3,160	Administration disposition (Suspention of business)
2	Suzuki Katsuyoshi	Kawagoe-shi	- do -	"	1 kan	780	Written explanation taken
3	Tajima Shotaro	Omiya-shi	Price Control Law	"	2 kan	60	"
4	Koguma Matsutaro	Kumagai-shi	- do -	"	5 kan	575	"
5	Koguma Matsutaro	Kumagai-shi	- do -	"	1 kan	622.50	"
6	Ichikawa Itaro	Urawa-shi	- do -	"	4 kan	1,360	"
7	Miki Kenkichi	"	Price Control Law	"	12 kan	1,920	"
8	Nakano Yujiro	"	Material D. & S. Adjustment Law.	"	5kan 100	2,022	"
9	Muto Yoshinosuke	Konosu-machi	Price Control Law.	"	16 kan	1,280	Administration Disposition
10	Shin Gontaro	Gyoda-shi	Materials D. & S. Adjustment Law	"	9 kan	5,575	"

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 45013

11	Kimura Takeo	Kawagoe-shi	Materials D. & S. Adjustment Law	Fish	2 kan	1,090	Written explanation taken
12	Takekiyo Saburo	Kawagoe-shi	"	"	4 kan	440	"
13	Baba Hoji	Kumagaya-shi	"	"	4 kan	1,710	"
14	Enoichi Kinzo	Hido-gun	Materials D. & S. Adjustment Law	"	3 kan	2,040	"
15	Horida Buichi	Matsuyama-shi	"	"	6,500 kan	3,475	"
16	Iwasaki Ohkichi	Ohsato-gun	"	"	6,500 kan	370	"
17	Komiyama Chojiro	Urawa-shi	Restaurant Control Law Art. 7				Administration Disposition
18	Kumaki Tsunekichi	Urawa-shi	"				Administrative Disposition is supposed to be given
19	Uchiki Tsuneji	Kawaguchi-shi	" Art. 6				"
20	Iwasaki Kazuichi	Kawaguchi-shi	" Art. 6				"
21	Mori Ichiro	Matsuyama-shi	" Art. 6				Warning
22	Shimada Saburo	Matsuyama-shi	" Art. 6				"
23	Yokoyama Unpei	Gyoda-shi	" Art. 6				"

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 47550/13

24	Kanda Mume	Yorii-machi	Restaurant Control Law Art. 5	Warning
25	Nakamura Toyokichi	Kawagoe-shi	" Art. 6	"
26	Tajima Kangoro	"	" Art. 7	Administrative Disposition is supposed to be given
27	Kato Jikan	"	" Art. 3	"
28	Kaneko Jinsuke	"	" Art. 6	"
29	Shibafuji Kazuo	"	" Art. 12	Schedule by indicted
30	Okamoto Hisayo	"	" Art. 5	Warning
31	Kaneko Masao	Urawa-shi	" Art. 12	Warning
32	Negishi Yoshinori	"	" Art. 7	Administrative Disposition is supposed to be given
33	Endo Isamu	"	" Art. 7	Warning
34	Kaneyama Katsumi	"	" Art. 6	Administrative Disposition is supposed to be given

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 77501/3

35	Wan nen-sho	Urawa-shi	Restaurant Control Law. Art. 6				Administrative Disposition is supposed to be given
36	Fujii Jin	"	" Art. 6				"
37	Zeida Bensuke	Kumagaya-shi	" Art. 6				"
38	Yoshino Matsu	"	Price Control Ord.	Cakes	0.620 kan	55.80	Warning
39	Nakamura Sentaro	"	"	"	0.130 kan	11.70	"
40	Okamura Mitsugi	"	"	"	0.155 kan	13.95	"
41	Nagano Kihachi	"	"	"	0.155 kan	13.95	"
42	Kazamado	"	"	"	0.080 kan	7.20	"
43	Shimizu Risaburo	"	"	"	0.290 kan	26.10	"
44	Yamamine Keizo	"	"	"	0.200 kan	18.00	"
45	Fuse Masuji	"	"	"	0.190 kan	17.10	"
46	Kobayashi Yoshisuke	"	"	"	0.240 kan	21.60	"

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

47	Akiyama Nobuko	Kumagaya-shi	Price Control Ord.	Cakes	0.250 kan	22.50	Warning
48	Kobayashi Teiji	"	"	"	0.480 kan	43.20	"
49	Yamazaki Shinichiro	"	"	"	0.115 kan	10.35	"
50	Nieda Haruyoshi	"	"	"	0.410 kan	36.90	"
51	Mato Mohei	"	"	"	0.705 kan	63.45	"
52	Kogawara Eikichi	"	"	"	0.500 kan	45.00	"
53	Hanno Kisaburo	"	"	"	0.170 kan	15.00	"
54	Takemoto Kiyo	"	"	"	0.130 kan	11.70	"
55	Shinno Mikozo	"	"	"	0.235 kan	21.15	"
56	Hashimoto Kuniyoshi	"	"	"	0.210 kan	18.90	"
57	Arai Sekizo	"	"	"	1.700 kan	153.00	Indicted
58	Umezawa Kiku	"	"	"	0.520 kan	46.80	Warning

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 75013

59	Watanabe Take	Kumagaya-shi	Price Control Ord.	Cakes	0.100 kan	9.00	Warning
60	Kato Yoshizo	"	"	"	2 kan	180.00	Indicted
61	Mizuno Eiri	"	"	"	0.458 kan	41.22	Warning
62	Uchida Kiyo	"	"	"	0.190	17.10	"
63	Kato Shohei	"	"	"	2.105 kan	189.45	Indicted
64	Kurihara Riichiro	"	"	"	0.605 kan	54.45	Warning
65	Hirigoe Rikizo	"	"	"	5.440 kan	489.60	Indicted
66	Uchida Jukichi	"	"	"	0.140 kan	12.60	Warning
67	Hirose Yaschachi	"	"	"	0.085 kan	7.65	"
68	Nakajima Isuke	"	"	"	0.470 kan	42.30	"
69	Katoh Gentaro	"	"	"	2.374 kan	213.66	Indicted
70	Yanagi Tatsuzo	"	"	"	0.705 kan	63.45	Warning

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 75013

71	Koromogawa Sanae	Kumagawa-shi	Price Control Ord.	Cakes	0.060 kan	5.40	Warning
72	Nishida Tokuzo	"	"	"	12.950 kan	1,165.50	Indicted
73	Kobayashi Tanezo	"	"	"	3.750 kan	337.50	"
74	Yamada Sukeji	"	"	"	0.500 kan	45.00	Warning
75	Nagashima Keio	"	"	"	0.290 kan	26.10	"
76	Saito Hifumi	"	"	"	2.190 kan	197.10	"
77	Arai Ishi	"	"	"	2.400 kan	216.00	Indicted
78	Takahashi Yoshio	"	"	"	0.180 kan	16.20	Warning
79	Ishibashi Masakata	"	"	"	0.285 kan	22.65	Indicted
80	Kobayashi Tatsu	"	"	"	0.270 kan	24.30	Warning
81	Kushida Fusajiro	"	"	"	0.380 kan	34.20	"
82	Sakada Sumiko	"	"	"	0.110 kan	9.90	"

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

83	Tsuruma Sho	Kumagaya-shi	Price Control Ord.	Cakes	2.300 kan	207.00	Indicted
84	Kozaikai	"	"	"	21.350 kan	1,921.50	"
85	Araki Inokichi	"	"	"	0.080 kan	7.20	Warning
86	Adachi Soji	"	"	"	1.720 kan	154.80	Indicted
87	Negishi Baiji	Urawa-shi	"	"	0.273 kan	24.57	Admonished
88	Tanazawa Sankichi	"	"	"	0.330 kan	29.70	"
89	Sekiguchi Risuke	"	"	"	0.102 kan	9.18	"
90	Katoh Yasuhiro	"	"	"	0.250 kan	22.50	"
91	Takahashi Teiko	"	"	"	0.210 kan	18.90	"
92	Habe Yotoku	"	"	"	0.651 kan	58.59	"
93	Koyama Zensaku	"	"	"	0.691 kan	62.82	"
94	Saitoh Tsutomu	"	"	"	0.080 kan	7.20	"

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 47502/3

95	Araki Kohichi	Urawa-shi	Price Control Ord.	Cakes	0.087 kan	7.83	Admonished
96	Takaki Yuko	"	"	"	0.160 kan	14.40	"
97	Suhara Shime	"	"	"	0.173 kan	15.57	"
98	Yoshizawa Chiharu	"	"	"	1.000 kan	90.00	"
99	Masuda Yoshijiro	"	"	"	0.295 kan	26.55	"
100	Takahashi Hosaku	"	"	"	0.515 kan	46.25	"
101	Ishizuka Tomi	"	"	"	0.060 kan	5.40	"
102	Yoshinari Kin	"	"	"	0.641 kan	57.50	"
103	Ishii Gijiro	"	"	"	0.825 kan	74.25	"
104	Iiyama Chukichi	"	"	"	1.020 kan	91.25	"
105	Ohtsuka Kuni	"	"	"	0.270 kan	24.30	"
106	Asakura Shoji	"	"	"	0.552 kan	49.68	"

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 77501/3

107	Suzuki Ise	Urawa-shi	Price Control Ord.	Cakes	1.237 kan	111.33	Admonished
108	Hayashi Matsu	"	"	"	1.175 kan	105.75	"
109	Morita Minoru	"	"	"	0.387 kan	34.82	"
110	Satoh Juji	"	"	"	0.280 kan	25.20	"
111	Node Misako	"	"	"	0.270 kan	24.30	"
112	Someya Kiyoji	"	"	"	0.250 kan	22.50	"
113	Chose Hideo	"	"	"	0.074 kan	6.66	"
114	Akutsu Minoru	"	"	"	0.890 kan	80.10	"
115	Kitazawa Shinjiro	"	"	"	0.267 kan	24.03	"
116	Haga Sato	"	"	"	0.206 kan	18.54	"
117	Kaneko Shosaburo	"	"	"	0.150 kan	13.50	"
118	Aoyama Taisuke	"	"	"	0.340 kan	30.60	"

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

119	Ishii Iso	Urawa-shi	Price Control Ord.	Cakes	0.160 kan	14.40	Admonished
120	Okabe Jiro	"	"	"	0.490 kan	44.10	"
121	Takahashi Kuninobu	"	"	"	1.607 kan	144.63	"
122	Saitoh Shosaku	"	"	"	0.820 kan	73.80	"
123	Yamakawa Tsumi	"	"	"	0.307 kan	27.63	"
124	Kawai Mutsuo	"	"	"	0.286 kan	25.74	"
125	Tomikawa Susumu	"	"	"	1.590 kan	143.10	"
126	Suzuki Keizo	"	"	"	0.200 kan	18.00	"
127	Tanaka Hiroshi	"	"	"	0.414 kan	37.26	"
128	Ototake Tadashi	"	"	"	0.312 kan	28.08	"
129	Kure	"	"	"	0.297 kan	26.73	"
130	Yoshikawa Nobu	"	"	"	0.111 kan	9.99	"

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 77501/3

131	Fujino Sohhei	Urawa-shi	Price Control Ord.	Cakes	0.169 kan	15.21	Admonished
132	Munaguchi Taniko	"	"	"	0.580 kan	52.20	"
133	Iimura Masaharu	"	"	"	0.210 kan	18.90	"
134	Ohkuma	"	"	"	2.913 kan	262.17	"
135	Ohsumi Yoshitusgu	Kawagoe-shi	Charcoal supply and demand adjustment regulation	Charcoal	1. ball	250.00	Confiscated report
136	Yagi Tokuji	Tokyo-to	"	"	2. ball	500.00	"
137	Kurosaki Hideo	Kawagoe-shi	"	"	2. ball	500.00	"
138	Takenoya Taroh	Irima-gun	"	"	1. ball	250.00	"
139	Fukushima Toyohei	Hiki-gun	"	"	2. ball	500.00	"
140	Saitoh Rihei	Chichibu-gun	"	"	23. ball	5,750.00	Goods Confiscated indicted
141	Kishi Kazuzo	Kumagaya-shi	"	"	5. ball	1,250.00	Confiscated report
142	Shiya Yoshiichi	Chichibu-gun	"	"	3. ball	750.00	"
143	Koizumi Munakichi	Chichibu-gun	"	"	2. ball	500.00	"

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 77501/3

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

IV. Cooperation given:

Agencies	Period	
NRP	Jan. 10 - 17	Staple food & Charcoal Control
Kanagai city Police	Dec. 26, '49	"
Kawaguchi-city Police	Dec. 27, '49	"
Ogawa District Police	Jan. 18	"
Yorii-machi Police	Jan. 19	"
Kawagoe-city Police	Jun. 18	"

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

SCHEDULE FOR FEBRUARY

1. General Affairs Section

6 - 12	Moving Exhibition
20	Coordinating Committee

2. Food Section

1 - 10	Investigationoon Restaurant Control
11 - 18	Investigation on Marine Products
1 - 28	Investigation on Staple Food

3. 1st Material Section

1 - 28	Special Investigation on Soap
1 - 15	Investigation on Petroleum Products
1 - 28	Investigation on Stock of Grocery Distribution
	Kodan

4. 2nd Material Section

1 - 15	Investigation on Charcoal
15 - 20	Preparation for Fertilizer Investigation
20 - 28	Investigation on land & House rent.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

31 Jan 1950.

Information received from Furuya:

1. In February 1949 when irregularities were discovered in Chiyodaya Co.'s books, this fact was reported to the chief of Saitama EIA and to Onuki, chief of 2nd Div.

This investigation uncovered Nishimura case (Nishimura was the Governor of Saitama at the time) which concerned a large quantity of hoarded goods. About 40 items of the hoarded goods uncovered were taken away by Omiya Police. Sekine of Saitama EIA did the actual investigation.

2. In September 1949, investigation of Ishikawa of Chiyodaya Co. was started. Ishikawa could not be located but Otani and Akiya of EIA discovered the records of the Company and found out that goods which had been delivered to the police had not been paid for. Chiyodaya Co. was ordered to make a copy of the record but the books and records were confiscated by Omiya police before the copy was made.

3. In Nov 1949 Saitama EIA was requested by Mr Jones of KCAR to investigate SFK's stock on hand. Since Chiyodaya Co.'s records had been confiscated by the police, so other sources were used by Furuya in the investigation. The result was reported to KCAR (Iijima Case). Furuya stated that he has evidences to prove that illegal and hoarded goods taken over by Sangyo Fukko Kodan have been illegally distributed to other government offices and to SFK officials.

4. Ishikawa was arrested on 9 Jan 1950
Ikeda " " 15 Jan 1950.

5. Statements signed by Furuya.
a. Jan 21 1950. When 45 tans of cotton cloth were discovered in Sekimoto's possession (Sekimoto is Ikeda's brother-in-law) EIA ordered them to be turned over to SFK. Since the width of these cloth was wider than the standard width which is 25", Ikeda cut off the extra from each bolt before they were turned over to SFK. I borrowed from Ikeda sum of Y120,000.

b. Jan 26, 1950. I allowed Ikeda to cut the bolts of cotton bloth and for that favor I received Y120,000.
(Furuya stated that he was told by the police and Hazama, procurator in charge that unless he signed he cannot be released. Furuya met his lawyer twice but was not allowed to discuss the case.)

c. January 30 1950. I have received entertainment from Kasai, chief of Saitama Branch of Sangyo Fukko Kodan.

6. Furuya knows that some of the hoarded goods uncovered were given to procurators office in March and in June 1949. Saitama MITI, SFK Hq in Tokyo, SFK Saitama Branch have also taken some of the materials. All these goods had been distributed by Chiyodaya Co. and Saitama Branch of SFK.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

7. Furuya claimed that he borrowed money from Ikeda on the following dates:

Feb	1949	Y 50,000
March	"	20,000
May	"	20,000
Sept	"	30,000

8. Nishimura Case.
Investigation of this case was made during March-June 1948. It concerned hoarded army goods in possession of Governor Nishimura.

Gyoda Case.
Investigation of this case was made during Dec 48 - Feb 49. In this case Ikeda acted as an informant for the NIA. It concerned illegal operations of textile goods.

Liaison Office Case.
This case is also called American Top Case and has been reported to Regional NIA and Military Government. Yatabe, the president of American Top Co. and also the chief of Occupation Forces Japanese Employees Welfare Assn. was found illegally disposing the rationed goods which should have been distributed to the Occupation Forces Employees.

9. Furuya stated that there is a boss and CIC in the background and they are closely connected with the case.

Boss ..... Miyakawa, former Governor of Saitama.
CIC ..... Hatanaka.

10. Amagi Sangyo K.K. has replaced Chiyodaya Co. as agent for SFK and Furuya states that this Company is out to make money while the making is good.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Information obtained from Saitama EIA:

1. Chiyodaya Co. Ltd of which Ishikawa is the president, is a legally designated agent for Saitama Branch of SFK. The company had been recommended by Saitama Branch of MITI, and Kasai of Saitama Branch of SFK.

2. In February 1949mFuruya instructed his assistant Sekine to investigate Chiyodaya Co. on the basis of rumors that a large amount of SFK materials are being sold illegally. This investigation disclosed a fact thatthe amount of SFK materials on hand was much smaller than the amount supposed to have been collected by Chiyodaya Co. from the owners of illegal and hoarded goods. These goods consisted mostly of army capes, overcoats, boots, etc. Hosaka, chief of economic section of the Omiya Municipal Police stated at the time that some of the goods had been brought to the Omiya Police Station. The amount of goods taken by the police was reported to Furuya by the employee of Chiyodaya Co. (This report was confiscated by Hosaka when Furuya was arrested.)

3. On August 23 and 25, 1949 Chiyodaya Co. held a bazaar to sell textile goods to the public with the approval of Saitama SFK. Goods still under control were sold to holders of ration coupons. The amount of goods displayed was so small as compared to the amount which had been confiscated and collected by Chiyodaya Co. that rumors came out that much of the goods had been sold on the blackmarket. As a result, the local EIA started to investigate on 9 and 12 September. Furuya sent Otani and 2 other investigators to Chiyodaya Co. All illegal and hoarded goods uncovered by the police were supposed to hve been turned over to Chiyodaya Co. the agent for SFK. However, it was found that Hosaka, Chief of Economic Section of Omiya Police had withheld about 400 items and had taken them to the police station in March 1949. Furuya at the time warned the police that this was an illegal act. However, he did not take any action against the police due to the fact that his office and police are both government agencies. During March to May Hosaka ordered Chiyodaya Co. to deliver more goods to the police station to be given to the chief of Criminal Investigation Section. Books and records of purchases, sales, number of coupons received were checked and many irregularities were disclosed. The Company was ordered to submit to EIA a complete report. While this report was being made, Omiya police confiscated all the books and records of the Company. Consequently local EIA was unable to continue further investigations. This action of the police was reported verbally to the Regional EIA. Kanto Civil Affairs Region was not notified because EIA felt that government offices should work in harmony and did not want ECAR to learn that they are antagonistic against each other.

4. To continue the investigation, EIA requested the Omiya Police for information on the case but was denied by Hosaka. On December 6, official request was made from the chief of Saitama EIA to the chief of Omiya Police stating the fact that the investigation is being made by request from Kanto Civil Affairs Region. Answer was received over the phone that EIA [illegible] no authority over the police. On December 7, Furuya phoned the chief of Omiya Police and inquired whether this answer was from the chief of police or not. He received no definite answer but received on Dec 12, a brief resume of the case thru Urawa MRP. This

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

report showed no data which was necessary. On Dec 20 Saitama MIA sent Onuki, chief of 2nd Div. and Kubo, chief of Administration Section to Urawa MRP and Omiya Police to ask them to cooperate in the investigation and mentioned that this was requested by KCAR.

5. On 25 Nov. Saitama MIA obtained from SFK's books and records the data showing the amount of goods illegally disposed by Chiyodaya Co.

6. Since the brief resume received from the police was of no use in the investigation, Furuya began investigation from other direction and sources which resulted in the uncovering of Iisima case. Meantime Omiya police was secretly making investigations on MIA personnels determined to discover any illegal operations by them. On 24 Jan 1950 Omiya Police stated in the newspaper that MIA is using Kanto Civil Affairs Region as a shield and that everything said by MIA is not true i.e., statements like investigation is being made by order of KCAR, etc.

7. Furuya was arrested by Omiya Police on suspicion of receiving bribe on 20 Jan 1950. Hosaka with 3 policemen also impounded Furuya's documents and data on the case. Warrant was issued by Urawa District Court.

8. As of 31 January, Saitama MIA have not been given any chance to see Chiyoda's books from the police.

9. Saitama MIA do not know on what basis Furuya is being detained. However on 17 Dec 1949 Furuya informed the chief of MIA that he has borrowed Y70,000 from Ikeda and that there is nothing illegal in his action. Receipt (promisory notes) were given to Ikeda.

10. Ikeda of Gyoda-shi is a clothing manufacturer and sells buttons also. He has purchased Y2,800,000 worth of materials from Chiyodaya Co. during 20 Dec 1948 to Aug 1949.

11. Furuya borrowed money in March and June 1949.

12. Takeii, procurator of Urawa District Procurators Office is conducting the investigation of Furuya with the aid of Hosaka.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Information received from Hazama, the procurator in charge.

1. Reason for Detention :

On 22 November 1948, as EIA personnel(chief of Material Section) Furuya impounded illegal goods in several locations in Gyoda-shi. Among the goods impounded there were 45 tans of cotton cloth and 17 tans of velvet. These goods were found in the possession of Sekimoto who had purchased them with the money given to him by Ikeda. It is the duty of Sangyo Fukko Kodan to purchase these hoarded goods at official prices and sell them at official prices thru official channels. To have these goods in possession is illegal and EIA is supposed to file charges against the hoarders.

Ikeda, to save himself from financial loss attempted to regain 17 tans of velvet by bribing Furuya. From Feb. to Sept. 1949 Furuya received ¥ 140,000 in bribes, food and entertainment valued at ¥ 70,000 from Ikeda. In return Furuya gave assistance to Ikeda to regain the velvet. Assistance or favor done to Ikeda is as follows:

a. For 45 tans of cotton cloth. Standard size of cotton cloth is 30" X 30 yds. Since the impounded cloth was 42"X 48 yds., Ikeda asked Furuya if he could cut-off the extra width and length and turn over to SFK 45 tans in standard size. Furuya acquiesced to this plan and this meant an actual loss of money to the government.

b. For the velvet cloth,----- Although 17 tans of this cloth had been agreed to be returned to Ikeda (by the Kodan), Furuya

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

went to Sangyō Fukko Kodan and requested the goods to be handed over to Ikeda as soon as possible. Investigation is being carried on at present to find out if it was legal or not to return the 17 bolts of velvet.

2. Hiroji Sekimoto purchased the 45 tan of cotton cloth with Ikeda's money and the material was kept at Motoyama factory. Motoyama and Ikeda are neighbors and Ikeda is the future brother-in-law of Sekimoto. There is no connection between Motoyama and Sekimoto.

3. Confession made by Ikeda:

In the latter part of February, Ikeda went to Furuya and told him that within 2 or 3 days the materials will be turned over to SFK and asked whether it will be alright to cut-off the extra width and length from the 45 bolts of cotton cloth and hand over to the Kodan only the standard amount.

On March 2, 1949, the materials were turned over to SFK.

The amount of money given as present to Furuya was as follows:

5 Feb.	1949	¥ 50,000
20 March	"	¥ 20,000
20 May	"	¥ 20,000
20 Sept.	"	¥ 30,000

As for entertainments, there was one in the end of Feb., One in middle of March, one in April and 3 or 4 other parties.

4. Furuya confessed that the money was received as present but he fixed it up so that it would look like a loan. This was done in Jan. 1950 when Furuya went to his friends Uchibori and Saito and arranged with them that they borrowed money from him in March, May, and Sept. and took fake promisory notes. This was done to show that Furuya borrowed

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

money from Ikeda in order to lend it to his friends.

5. Although the procurator is working 12 hours a day on Furuya case(0800-2000), Furuya is questioned only about one hour to 1½ hours .

6. Five statements were taken from Furuya and 17 from other persons connected with the case. They are Ikeda, Ono, Kaneko, Haji, Mogi, Ishikawa, Kasai, Suzuki, Furuya's wife, Furuya's sister. Persons investigated by the police are Ikeda, Kaneko, Motoyama, Takano and Mitsushi.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

THE SAITAMA PREFECTURAL ECONOMIC INVESTIGATION AGENCY

27 January 1950

INFORMATION NO.3

SUBJECT: Information on Pressure upon EIA Brought by other Law Enforcement Agencies.

TO : Kanto Civil Affairs Region.
ATTENTION: Mr. J. W. Jones.

According to an information obtained from a certain newsman of the "Mainichi" on 26th inst., the Crime Prevention Section, Headquarters, Saitama NRP, has launched out to spy upon the movements of the economic investigators of this EIA, with an intention of bringing hard pressures upon us, separately from the similar searches by the Joint Search Headquarters of the "Chiyodaya Case".

K. Inoue

KENTARO INOUE

Director of Saitama Pref. EIA

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

SAITAMA PREFECTURAL ECONOMIC INVESTIGATION AGENCY

26 January 1950

INFORMATION NO.2

SUBJECT: Information on Pressure upon EIA Brought by other Law Enforcement Agencies.

TO : Kanto Civil Affairs Region.
ATTENTION: Mr. J. W. Jones.

FROM : Director of Saitama Pref. EIA.

The "Chiyodaya Case" is being taken advantage of by other law enforcement agencies here to bring hard pressure upon this EIA, as reported by me verbally to Mr. Murashige through Mr. Sugiyama of your Office on the 24th of this month, as Information No.1, and further informations of this kind will continue to be sent in to you in a consecutive number. So it is sincerely requested that you keep watch on such activities of those governmental agencies which are supposed to be intending to press this EIA and see the present case in its true colours.

1. According to a certain newsman of the "Asashi", it is informed that, at the recent meeting of chief economic police officials of the Saitama NRP and each municipal police in this prefecture, the Saitama NRP gave a secret directive ordering them to expose any possible scandal of the personnels of this EIA.

2. As for the scandal of Economic Investigator TATSUO FURUYA of this EIA, it seems that they have gotten as yet too slender evidences for his alleged crimes to prosecute, and for this reason, maybe, the Joint Search Headquarters (a joint search headquarters of the Saitama NRP,

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

the Omiya Municipal Police and the Urawa District Public Procurator's Office for search into the "Chiyodaya Case", situated within the Omiya Municipal Police) seems to have extended the scope of their searches toward the Kumagaya districts with a frantic efforts. And besides they seem to be carrying on absolutely secret investigations into the movement of each of the economic investigators of this EIA, it is considered undoubtedly to be an interference with the excution of our functions.

3. The "Yomiuri" dated 21 January 1950, quoted Procurator Takei (procurator who is at present in charge of this case in the above Joint Search Headquarters at Omiya) as saying that " there is something suspicious about the Director of the Saitama EIA, judging from his having a lot of pictures and curios in possession or having bought a house.", but on the 24th of this month, Procurator Takei gave me a message stating, "I've never said such things as reported in the article, it is quite groundless. So I would like you not to take it amiss."

K. Inoue

KENTARO INOUE

Director of Saitama Pref. EIA

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

SAITAMA EIA STATEMENT 24 Jan.1950

by MR. INOUE DIRECTOR OF SEIA
MR. YASUDA SECRETARY OF DIRECTOR SEIA

SUBJECT : SCANDAL CASE OF PRIVATE AGENCY FOR SANGYO FUKKO KODAN CONCERNING HOARDED GOODS AND ADDITIONAL CASE OF SAITAMA EIA OFFICIALS CONCERNED.

1. SAITAMA EIA was instructed to investigate scandal and illegal disposition of hoarded goods for ISHIKAWA,private agency of Sangyo Fukko Kodan, at the end of Nov. 1949.

2. SEIA took an immediate action by sending two officials,Mr.Onuki and Mr.Kubo,to OMIYA NRP & MP requesting cooperation and understanding that the case would be investigated by SEIA under instruction by KCAR.

3. All records and documents concerning the scandal case,have been taken away by the OMIYA MP from Ishikawa agency during Nov.'49 for investigations. So.SEIA requested verbally to show above records but MP did not agree and finally a written request dated 8 Dec.'49 with signature of DIRECTOR SEIA was made to MP but no answer was recieved. Reason for no answer,stated by Mr.Hosokawa,Economic Chief of MP,is that EIA has no authority to check over the records. Further investigation of the case by EIA was made difficult by this matter.

4. Here is another case of illegal disposition of hoarded goods which involve some officials of OMIYA MP & URAWA DISTRICT PROCURATORS OFFICE. In another words,some goods were illegaly taken by above officials for their own use. This case was disclosed during last September by Mr.Furuya,1st Material Section Chief SEIA,while he was investigating different case,and this fact was brought an attention to the MP & Procurators concerned.

5. It is suggested by Direcctr of SEIA that the fact mentioned item4 is the maim reason why the MP has kept the records in order to conceal the fact on their part which involve some police officials.

6. Great efforts have been concentrated for further investigation of Ishikawa case without cooperation by the MP and result has been obtained as on the attached reports. Director SEIA beleived that summary reports had been informed to KCAR thru Tokyo Regional EIA.

7. It happened that MR.FURUYA,Chief of 1st Material Section SEIA, was arrested and SEIA Office was searched by OMIYA MP on 20 Jan.'50. He was charged with taking a bribe and entertainments. Mr.Takei,Economic Procurator of URAWA DISTRICT,is in charge of investigation and procurator detention for 20 days has been applied to MR.FURUYA since 22 Jan.'50.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

8. It is sure that MR.FURUYA had been suspected and investigated in secret by OMIYA MP since last September right after the warning to the MP was given by him against item4 case.
It is said that strict investigations with ill feeling against Mr.Furuya is being conducted by the MP & PROCURATOR.
Besides,it seems that the scandal case of Ishikawa is put aside and neglected by the MP regardless of the fact that he was arrested on 16 Jan. 1950.

9. Furthermore,it is said that all officials of SEIA including DIRECTOR, 1st Division Chief and Food Section Chief are under suspicion by theMP. SEIA activities for routine buisiness have been suspended in great deal by above rumor.
It is requested by the Director that some pertinent action be taken by Hq KCAR immediately.
He sweared that neither scandal nor bribe case is involved so far as SEIA officials are concerned.
Another rumor is that some political bosses are taking a role on this case.

10. Saitama vernacular papers,the Mainichi,Yomiuri and Saitama Shinbun, reported the FURUYA case mentioned in item 7. The first scoop was made by the Mainichi on 17 Jan.'50. All pictures of SEIA staffs were prepared by the Press Mainichi before this case was anounced to public by authoritative source. Also,the Yomiuri of 22 Jan. allegedly reported that no instruction for investigation of Ishikawa case was given by KCAR to SAITAMA EIA.

Statement for criticisms on the papers regarding SEIA staffs are reported on the attached papers.

11. Conclusions.
a. The Furuya case is counter action taken by the OMIYA MP against their faulties disclosed by him.
b. Joint investigations of Ishikawa case have been conducted by the MP,NRP and Procurator since last year so that any evidences regarding their faulties to be concealed. These evidences were kept by Mr.Furuya only.
c. Mr.Furuya showed satisfactory investigation concerning his duty assigned in the past and particularly he made a prominent work for investigations of hoarded goods.

By Sg.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

THE SAITAMA PREFECTURAL ECONOMIC INVESTIGATION AGENCY

(1st Materials Section)

21 January 1950

SUBJECT: APROPOS OF NEWSPAPER ARTICLE ON ALLEGED WRONGS DONE BY PERSSONNEL OF THIS EIA.

TO : KANTO CIVIL AFFAIRS TEAM.
ATTENTION: MR. J. W. JONES.
ECONOMIC SECTION.

In connection with the illegal disposition case of official goods by TOSHIICHI ISHIKAWA of the Chiyoda-ya Co., Agency for the Industrial Rehabilitation Kodan, it has been allegedly reported by the newspapers, that the Government officials concerned were treated to several entertainments by him, so that the case might be hushed up. But the results of the inquiry about the personnels of this EIA, as to whether what the newspapers say are true or not, are as previously reported verbally, and no further findings have been found out as yet. But the actual facts are reported hereby, repeatedly but more in detail, to your Headquarters as follows:

.....

1. As to TEIJIRO ONUKI, Second Division Chief of this EIA:

ONUKI has never been invited to any kind of entertainment by ISHIKAWA of the Chiyoda-ya, Agency for the Industrial Rehabilitation Kodan, or by any personnel of the Saitama Branch Office of the Industrial Rehabilitation Kodan,

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

and consequently, of course, he has never attended at any kind of dinner-party held by them. And in addition he has never been given any sort of goods or money, too. Hence it is concluded that what the newspaper says about ONUKI is quite groundless.

II. As to TATSUO FURUYA,
Second Materials Section Chief
of this EIA:

On the 5th or thereabouts of August, last year, HIROSHI KASAI, Chief of the Saitama Branch Office of the Industrial Rehabilitation Kodan, telephoned FURUYA, saying that he wanted to hold a coordinating meeting with the Kodan Head Office and the Saitama Branch Office of the Tokyo Commerce and Industry Bureau and this EIA, and that he thought it would be best for such a meeting to take the opportunity of the exhibition of fireworks to be held in Omiya City on August 6. And he asked FURUYA to attend at the meeting to be held on that night. At that time, however, FURUYA was just recovered from an illness, and so he declined the invitation. But, on that night, KASAI came along to FURUYA's home to fetch him to the dinner-party.

Those persons who were present at the dinner-party are thirteen(13) in all, as named below:

Commerce and Industry Bureau:

YABE, Chief of Saitama Office,
Tokyo Commerce and Industry Bureau.

MITSUISHI, Adjustment Section Chief of
above office.

MATSUMOTO, sub-section chief.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Industrial Rehabilitation Kodan:

AOYAGI, a man of the Kodan Head Office.

KASAI, Chief of Saitama Branch Office.

ICHIKAWA, man of above office.

NAGURA, " " "

CHIKURA, " " "

Saitama EIA:

FURUYA, 1st Materials Section Chief.

OHNO, economic investigator of above section.

Agency for the Kodan:

ISHIKAWA

TAKANO

MITSUISHI

FURUYA, who was just recovered from an illness as stated above, left his seat in a hour or so, and on the following day he reported to the then Section Chief IWAI what had happened on the previous night.

Though the newspaper says that he went to the Hotel Shibagawa along with men of the Kodan or of its agency, Chiyoda-ya Co., it is quite grounaless.

III. As to MASAO ONO, Economic Investigator of this EIA:

1. It is true that OHNO was invited by Saitama Branch Office Chief KASAI of the Industrial Rehabilitation Kodan, to the dinner-party held in Omiya City on August 6, when there was the exhibition of fireworks there,

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

it is just as stated in case of FURUYA, but on that night he went back to his house at Shiki Town by way of Ikebukuro, Tokyo, and therefore it is utterly groundless that he stayed at the hotel for the night, though the newspaper says so.

2. On 10, 11 and 12 June, last year, OHNO went to Gyoda City along with FURUYA, with an object to be witnesses to the check-up and taking-over of the "Voluntarily Delivered Goods" there by the Industrial Rehabilitation Kodan, and worked there until late on each of these three days, checking up on various kinds of documents and clearing up the goods in the warehouses. So he put up at the Hotel Imai in Kumagaya City for the two nights of June 10 and 11, because his house is situated at Shiki Town, too far from there, and otherwise he might not have gotten home before midnight and also might have had to set out early in the morning. At the hotel, OHNO stayed together with KASAI, NAGURA and CHIKURA of the Kodan, and the men of the Chiyoda-ya Co. stayed at another one. As to the payment of the hotel-bill, Kodan Branch Office Chief KASAI paid it collectively for all of them, as they were making haste with their work then. But two or three days after OHNO paid back ¥2,000 to KASAI for payment of his hotel-bill of the two night's stay, and he has the receipt for the payment still on hand.

IV. In addition, last but not least, this EIA has gotten wind of the fact that the newspaper articles in question is based upon the informations given by Chief Economic Police

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Official HOSAKA of the Omiya Mununcipal Police, and it is supposed to have resulted from his or their ill feeling towards us, as we were ordered specially by your Headquarters and have been carrying on the investigation into the "Chiyoda-ya Case" by ourselves.

We requested HOSAKA politely to be cooperative with us and asked him to allow us to have a look at the relative documents, but he would not listen to us stubbornly, refusing our request flatly, with the result that it has been causing a lot of great obstructions to the progress of our investigations into the case.

Under these circumstances, it is sincerly requested that some proper actions be taken by your Headquarters to remedy such attitudes of the Omiya Municipal Police as soon as possible.

KENTARO INOUE
Director of Saitama Pref. EIA

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

THE SAITAMA PREFECTURAL ECONOMIC INVESTIGATION AGENCY

(1st Materials Section)

20 January 1950

SUBJECT: 2ND REPORT ON SCANDAL CASE OF AGENCY FOR INDUSTRIAL REHABILITATION KODAN

TO : KANTO CIVIL AFFAIRS TEAM.
ATTENTION: MR. J. W. JONES,
ECONOMIC SECTION

The results of the investigations into the scandal cases created by the Chiyoda-ya Co. Ltd., agency for the Industrial Rehabilitation Kodan and its circles (the Saitama Office of the Tokyo Commerce and Industry Bureau and the Saitama Branch Office of the Industrial Rehabilitation Kodan), are reported hereby to your Headquarters as follows, in addition to the previous report of this EIA in which remained unreported the irregularities committed between the Chiyoda-ya Co. and the Governmental agencies concerned.

.....

The Iijima Seishi Co., Ltd., located at No. 2802, Koga-Machi, Ibaragi Prefecture, possessed a total of 1,500 "kan" of silk-reeling wastes which had been produced in the course of silk reeling operations within its plants and which had been moved to the Fuji Boseki Co., Ltd., at Honjo-machi, Kodama-gun, Saitama Prefecture, for processing and were being held in the warehouse of the said company.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

On 31 March 1948 the Iijima Seishi Co. got subjected to the obligation to report on the said goods by the Cabinet Ordinance for Emergency Investigation into Inventory of Pritical Materials, and President RAISUKE IIJIMA of the company submitted the required report on the inventory of the goods to the authorities concerned through the Honjo Town Office on April 4th of the same year, as provided for by the aforementioned Cabinet Ordinance.

The Saitama Office of the Tokyo Commerce and Industry Bureau cheched up on the report submitted and interpreted the said silk-reeling wastes as being applicable to the "Surplus Materials" as designated by the Regulation for Utilization of Surplus Materials in Storage, and on 31 March 1949 ordered the company to turn over the goods to the Industrial Rehabilitation Kodan acting for the Governmental Special Account for Special Measures on Illegally Possessed Materials. But the Iijima Seishi Co. expressed an objection to the instruction ordering them to turn over the goods, on the grounds that such silk-reeling wastes are produced as by-products in silk-reeling courses, as the said company is engaging in silk reeling production, and that there is no legal limit to the holding of by-products, and the company requested the Commerce and Industry Bureau for release of the goods, but in vain.

Meanwhile, wanting to get the silk-reeling wastes which were needed for its productive operations, the Fuji Boseki Co., which was keeping the goods in custody, had approached the Iijima Seishi Co. more than once. On 27 June 1949, the Fuji

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Boseki Co. was called by the Saitama Office of the Tokyo Commerce and Industry Bureau, and General Affairs Section Chief SHIGEHARU KONDO of the company visited the Governmental office and had an interview with Official of Commerce and Industry Ministry MATSUMOTO who was going to ask what the Fuji Boseki Cp., on its part, was thinking of the silk-reeling wastes. And there and then, KONDO requested that the goods would be released after purchase by the Industrial Rehabilitation Kodan, and he was told, through MATSUMOTO, by Adjustment Section Chief SEIJIRO SATO of the governmental office, that he should have a talk with ISHIKAWA of the Chiyoda-ya Co. which was acting for the Industrial Rehabilitation Kodan, about this release problem of the silk-reeling wastes. KONDO called on ISHIKAWA at the Chiyoda-ya, who wanted the former to notify the Iijima Seishi Co. of his wish to have a personal interview with them. KONDO immediately sent a cable to the Iijima Seishi Co., calling for a visit of some staffs of the company. Then on 29th of the same month, CHUJURO KOBAYASHI, Chief of the Tokyo Branch of the Iijima Seishi Co., paid a visit to the Honjo Plant of the Fuji Boseki Co., and there he was made known of ISHIKAWA's intention. On way home, KOBAYASHI called on ISHIKAWA at his office, and the latter said he would see to it that everything goes well for the release of the subject goods, but at the same time he proposed a demand of ¥300,000 in reward for his trouble to be taken to make a success of this problem. Afterwards the top-ranking staffs of the company made several negotiations with ISHIKAWA;

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

ascertaing the reliability of his words, and after all determined to leave everything to him and asked him to use influence for the release of the silk-reeling wastes in question. Then, on August 12, SADAOKI ICHIKAWA of the Kodan and RYUTARO TAKANO of the agency for the Kodan came along to the Fuji Boseki Co. and received the 1,500 "kan" of silk-reeling wastes, which were moved by three trucks to the warehouse of the Nippon Express Co. at Ageo-mechi, Kita-Adachi-gun, Saitama.

And then the Iijima Seishi Co. sold 500 "kan" of the goods at ¥500,000 to KENICHI KOMATSU in Fukushima City, which was done under the understanding of the Chiyoda-ya Co. and yet in the presence of the witnesses of it, and President KENJI IIJIMA handed ¥3000,000 of money to ISHIKAWA at the latter's office.

And then the Iijima Seishi Co. concluded a contract with the Shinano Kenshi Bosheki Co., Ltd., at Maruko-machi, Nagano Prefecture, for sale of the remaining 1,000 "kan" of silk reeling wastes, and on September 28 the latter company remitted the money for the goods to the former by bank draft and the men of the Iijima Seishi Co. came along to the Chiyoda-ya Co. to receive the goods which were to be delivered to the Shinano Kenshi Boseki Co., but on that occasion they could not get the goods, because, then already, the scandal case of ISHIKAWA had been brought to light and he had run away. So on October 17, started a negotiation with the Saitama Office of the Tokyo Commerce and Industry Bureau for transfer of the goods in question to them, but the things did not go ahead so well as had been expected, as a result of which they were

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

compelled to the pay back the money to the Sinano Kenshi Boseki Co. and cancel the contract on November 5. But in the meantime, they continued the negotiation with the Saitama Office of the Tokyo Commerce and Industry Bureau as well as with the Industrial Rehabilitation Kodan, while the Fuji Boseki Co., on its part, was making its representative KATSUTARO YAGI approach Adjustment Section Chief SEIJIRO SATO for release and sale of the goods to them. And the Fuji Boseki Co. negotiated with the said amount of silk reeling wastes for two million yen (¥2,000.000). The Iijima Seishi Co. insisted on three million yen (¥3,000,000), while KATSUTARO YAGI of the Fuji Boseki Co. insisting, all the same, that he could not pay more than Yen 2,000,000 for the goods on the grounds that he would have to give some 400,000 yen of money to Adjustment Section Chief SATO of the Saitama Office of the Tokyo Commerce and Industry Bureau in reward for his trouble to be taken with this matter and besides some more reward money to the Industrial Rehabilitation Kodan and others, as well. Such being the case, the negotiation failed to come to a conclusion.

Meanwhile, the Iijima Seishi Co. submitted an application for removal of the instruction for delivery and the instraction for custody, of the goods in question, to the Saitama Office of the Tokyo Commerce and Industry Bureau on October 31, and as of the same date the goods were exempted formally from the instruction for delivery and the instruction for custody. And on November 24 the goods were taken over by the Iijima Seishi

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Co. and were moved to the warehouse of the company from the warehouse of the Nippon Express Co., at Ageo-machi, Kita-Adachi-gun, Saitama, where the goods had been placed.

On 19 December 1949, after the removal of the instruction for delivery and the instruction for custody, as mentioned above, TAZABURO KAKUYA of the Saitama Office of the Tokyo Commerce and Industry Bureau was ordered by his section chief SATO (Adjustment Section Chief) to inspect whether or not the said goods had been delivered to the Fuji Boseki Co. by the Iijima Seishi Co., and he went to the Iijima Seishi Co. together with DAISUKE CHIKURA of the Saitama Branch Office of the Industrial Rehabilitation Kodan.

Thus visited by these two officials, the company took them to the Restaurant "Hyakushaku-Ro", at Koga-machi, and treated them to entertainments amounting to ¥10,337 in reward for their services rendered to the company for the removal of the instructions for delivery and for custody, of the above-mentioned goods. And besides, on December 26, CHUJURO KOBAYASHI of the Iijima Seishi Co. gave ¥20,000 of money, under the name of loan, to DAIZO CHIKURA at his room of the Saitama Branch Office of the Industrial Rehabilitation Kodan, and CHIKURA gave ¥10,000 of the money to TAZABURO KAKUYA.

.....

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Individual contents of these scandal case are as follows:

1. Concerning CHUJURO KOBAYASHI:

KOBAYASHI is a staff of the Iijima Seishi Co., Ltd. (President: KENJI IIJIMA), located at No 2802, Koga-machi, Ibaragi Prefecture, and is in the position of chief of the Tokyo Office of the company.

When the Iijima Seishi Co. was instructed by the Saitama Office of the Tokyo Commerce and Industry Bureau to deliver the 1,500 "kan" of silk- reeling wastes, as "Surplus Goods" as designated by the Regulation for Utilization of Surplus Goods in Storage, to the Industrial Rehabilitation Kodan, KOBAYASHI took charge of manoeuverings for release of the above goods. And in conspiracy with President KENJI IIJIMA, he asked ISHIKAWA of the Chiyoda-ya Co., agency for the Industrial Rehabilitation Kodan, to work for the manoeuverings, and offered ¥300,000 to ISHIKAWA on August 13 or 14.

And besides, on December 19, he invited TAZABURO KAKUYA of the Saitama Office of the Tokyo Commerce and Industry Bureau, who had visited the Fuji Boseki Co. for an inspection by the order of Adjustment Section Chief SATO, and DAISUKE CHIKURA of the Saitama Branch Office of the Industrial Rehabilitation Kodan, who had accompanied KAKUYA there, to the Restaurant "Hyakushaku-Ro" at No. 5629, Koga-machi, Ibaragi Prefecture, and treated these two officials to entertainments amounting to ¥10,577 in reward for their services

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

rendered to his company. In addition to these facts, he offered ¥20,000 of money to CHIKURA at the Saitama Branch Office of the Kodan on December 26.

It is quite evident that these things stated above are real facts, as we have enough evidences for them and also as he himself has admitted them in his affidavit. And KOBAYASHI is considered to be guilty of a crime of bribery as provided for by Article 197 of the Criminal Code.

II. Concerning TAZABURO KAKUYA:

KAKUYA is a ord class official of the Saitama Office of the Tokyo Commerce and Industry Bureau.

He drew up a draft instruction for removal of the instructions of delivery and of custody which had been issued by the Saitama Office of the Tokyo Commerce and Industry Bureau to the Iijima Seishi Co., in October 1949, to deliver the said 1,500 "kan" of silk-reeling wastes to the Industrial Rehabilitation Kodan and to keep the goods in custody until the completion of delivery of them to the Kodan. And he removed the instruction for delivery and the instruction for custody, of the said goods, by the order of his section chief SEIJIRO SATO (Adjustment Section Chief).

On 19 December 1949, he was treated by CHUJURO KOBAYASHI of the Iijima Seishi Co. to entertainments amounting to ¥10337, and besides, on December 26, he received the ¥10,000 of money given by CHUJURO KOBAYASHI through the hand of DAISUKE CHIKURA

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

of the Saitama Branch Office of the Industrial Rehabilitation Kodan.

It is quite evident that these things stated above are real facts, as we have enough evidences for them and also as he himself has sumitted them in his affidavit.

and KAKUYA is considered to be guilty of a crime of graft as provided for by Article 197 of the Criminal Code.

III. Concerning DAISUKE CHIKURA:

CHIKURA is a personnel of the Saitama Branch Office of the Industrial Rehabilitation Kodan.

After his predecessor SADAOKI ICHIKAWA was transferred to the Kodan Head Office, CHIKURA, as his successor, took over charge of the affairs concerning custody of the said silk-reeling wastes of the Iijima Seishi Co. being housed within the warehouse of the Nippon Express Co. at Ageo-machi, Kita-Adachi-gun, Saitama.

And on December 19, after the removal of the instructions for delivery and for custody, of the said goods, when he visited the Iijima Seishi Co. together with KAKUYA of the Saitama Office of the Tokyo Commerce and Industry Bureau, he was invited by CHUJURO KOBAYASHI of the company to a dinner-party held at the Restaurant "Hyakushaku-Ro" there and was treated to entertainments amounting to ¥10,337 in reward for his services rendered to the company for exemption of the said goods from

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

the instruction of delivery and or custody. And besides, on December 26, he received ¥20,000 of money from CHUJURO KOBAYASHI, of which ¥1,000 (10,000?) was handed to KAKUYA.

It is quite evident that these things stated above are real facts, as we have enough evidences for them and also as he himself has admitted them in his affidavit. And CHIKURA is considered to be guilty of a crime or graft as provided for by Article 197 of the Criminal Code.

IV. Concerning SEIJIRO SATO:

SATO is in the position of chief of the Adjustment Section, Tokyo Commerce and Industry Bureau.

On occasion of the removal of the instruction of delivery and of custody which had been ordering the 1,800 "kan" of silk-reeling wastes of the Iijima Seishi Co. to be delivered to the Industrial Rehabilitation Kodan and to be kept in custody until the completion of the delivery, he made his subordinate TAZABURO KAKUYA draw up the draft instruction for the removal, and then removed the goods from custody for the delivery to the Kodan, in defiance of the regulation that removal of the instruction of delivery should be made in compliance with the directive or approval of the Economic Stabilization Board.

This measure taken by him is considered to be illegal, and he should be held responsible for the handling of the affairs. And moreover, according to the statements of KATSTARO YAGI, KENJI IIJIMA AND CHUJURO KOBAYASHI, it is recognized that SATO had been demanding the Fuji Boseki Co. to pay a reward of ¥400,000 when the Fuji Boseki Co. could succeed in purchase of the goods after the removal from the custody for

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

delivery to the Kodan, but the evidence is insufficient.

KENTARO INOUE

Director of Saitama Pref. EIA

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

THE SAITAMA PREFECTURAL ECONOMIC INVESTIGATION AGENCY

(1st Materials Section)

7 January 1950

SUBJECT: SCANDAL CASE OF AGENCY FOR INDUSTRIAL REHABILITATION KODAN.

TO : KANTO CIVIL AFFAIRS TEAM.
ATTENTION: MR. J. W. JONES.

The results of the investigation into the subject case, ordered specially by your Headquarters on 13 December 1949, through the Chief of Administrative Inspection Department, Tokyo Regional EIA, are reported hereby interimly to your Headquarters.

I. AS TO LEGALITY AND FOUNDATION OF INDUSTRIAL REHABILITATION KODAN MAKING USE OF AGENCY AND HAVING IT ACT FOR KODAN IN ACTUAL BUSINESS:

As to the Founuation of the Industrial Rehabilitation Kodan making use of an agency, it is provided for in Article 18 of the Regulation for Business operation of Industrial Rehabilitation Kodan (issued by the Economic Stabilization Board on 10 June 1947) as follows:

"If necessary, the Kodan may have its designated agencies act for it in part of its affairs concerning purchase or sale of goods."

Thus it is approved for the Kodan to have agencies act for it in its actual business, or for the agencies to sell the goods as purchased up as Police-controlled goods, amounting to less than 1,000 pcs. or 100 rolls of clothes,

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

under the understanding of the Kodan.

But as to the selection of agencies, it is regulated that the Kodan may select them only in compliance with the Rule for Selection of Agency for Industrial Rehabilitation Kodan (issued 8 August 1947). And according to Article 3 of the said Rule, it is provided for that detailed data for investigation must be collected from various quarters and, if necessary, opinions must be required from branch offices of the Kodan, Governmental agencies concerned, dealers organizations concerned, financing agencies, commercial credit bureaux, etc., and then a decision must be made after deliberations by the top-ranking officials of the Kodan. And, in addition to these, it is provided for by Article 5 of the said Rule, that the agencies must be reliable in their credit and assets, and also must be those which are influential in their districts and their business circles, and which are well experienced in their business.

Therefore, as procedures for selection of agencies, the Kodan makes it a rule to require candidates for such agencies to submit the following documents.

1. Letter of investigation into business situation and credit.
2. Letter of business career.
3. Recommendation of Governmental agencies concerned.
4. Letter of credit given by the banks with which the candidate is in account.
5. Other necessary documents.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Further, upon basis of these documents, the Kodan itself examines the candidates, and then, after deliberation, concludes a contract for agency with them.

Whereas, according to the investigation into the Industrial Rehabilitation Kodan Head Office, the circumstances up to the contract for agency concluded between the Kodan and the Chiyoda-ya Co., is as follows:

On 1 July 1948, TOSHIICHI ISHIKAWA, candidate for agent, sent in the documents as listed below to HIROSHI KASAI, then Chief of the Saitama Branch Office of the Industrial Rehabilitation Kodan.

a. Recommendation given by HEIMA YABE, Chief of Saitama Branch Office, Tokyo Commerce and Industry Bureau (or rather by TOSHIO MITSUISHI, Chief of Adjustment Section, said office)

b. Recommendation given by HIROSHI KASAI, Chief of Saitama Office, Industrial Rehabilitation Kodan.

C. Letter of investigation into business situation and credit.

d. Business career of the Chiyoda-ya Co., Ltd.

e. Letter of credit given by Manager of the Torikoshi Branch of the Fuji Bank.

f. Letter of attorney given by President of the Chiyoda-ya Co., Ltd.

According to Kasai, the letter of recommendation given to Ishikawa under the name of HEIMA YABE, Chief of Saitama Branch Office of the Tokyo Commerce and Industry Bureau, was signed and sealed simply for form's sake by YABE without knowing anything of

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

the contents, but in fact it was made up by TOSHIO MITSUISHI, Chief of Adjustment Section, said office. So KASAI asked MITSUISH for re-assurance whether he could take the responsibility for the recommendation, and MITSUISHI replied that he was absolutely sure of the reliability of the Chiyoda-ya Co. and he could make himself responsible for recommending ISHIKAWA for the agent. Hence KASAI himself recommended the Chiyoda-ya Co. to the top-ranking officials of the Industrial Rehabilitation Kodan Head Office through the Textile Section of the said Head Office.

Meanwhile, MITSUISHI visited the Kodan Head Office together with KASAI and ISHIKAWA, and at the interview with Idle Materials Section Chief UENO, General Affairs Section Chief TOBE and Textile Section Chief KUROSAWA in the room of the President of the said head Office, MITSUISHI emphasized the urgent necessity of establishing an agency for taking over those Surplus Materials as designated by the Ministry of Commerce and Industry and also the suitability of the Chiyoda-ya Co. for such an agency, with the result of which they drew up the draft decision to select the Chiyoda-ya Co. for the agency, placing complete confidence in the recommendation of the Saitama Branch Office of the Tokyo Commerce and Industry Bureau. And then President EIZO NAGASAKI granted approval to this draft decision without investigating the company in question into details as provided for by Article 3 of the Rule for Selection of Agency for Industrial Rehabilitation Kodan, mentioned above,

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

the contents, but in fact it was made up by TOSHIO MITSUISHI, Chief of Adjustment Section, said office. So KASAI asked MITSUISH for re-assurance whether he could take the responsibility for the recommendation, and MITSUISHI replied that he was absolutely sure of the reliability of the Chiyoda-ya Co. and he could make himself responsible for recommending ISHIKAWA for the agent. Hence KASAI himself recommended the Chiyoda-ya Co. to the top-ranking officials of the Industrial Rehabilitation Kodan Head Office through the Textile Section of the said Head Office.

Meanwhile, MITSUISHI visited the Kodan Head Office together with KASAI and ISHIKAWA, and at the interview with Idle Materials Section Chief UENO, General Affairs Section Chief TOBE and Textile Section Chief KUROSAWA in the room of the President of the said Head Office, MITSUISHI emphasized the urgent necessity of establishing an agency for taking over those Surplus Materials as designated by the Ministry of Commerce and Industry and also the suitability of the Chiyoda-ya Co. for such an agency, with the result of which they drew up the draft decision to select the Chiyoda-ya Co. for the agency, placing complete confluence in the recommendation of the Saitama Branch Office of the Tokyo Commerce and Industry Bureau. And then President EIZO NAGASAKI granted approval to this draft decision without investigating the company in question into details as provided for by Article 3 of the Rule for Selection of Agency for Industrial Rehabilitation Kodan, mentioned above,

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

and towards the end of December 1948, concluded a contract for agency with the Omiya Office of the Chiyoda-ya Co. which was under the name of TOSHIICHI ISHIKAWA.

According to the investigations conducted by the Tokyo Regional EIA, the Kodan on its part has admitted its negligence and carelessness in investigating the company in question.

II. AS TO WHO IS HELD RESPONSIBLE FOR SUPERVISION OVER AGENCY:

A contract for agency is to be concluded in principle by the Kodan Head Office in compliance with those regulations concerned as mentioned above, and a branch office of the Kodan is nothing more than a door to usher in candidates for agency to the Kodan Head Office. Hence it is understood that the ultimate responsibility for supervision over the agencies should be taken by the Kodan Head Office, and also it is not stipulated by any regulations that the branch offices of the Kodan should make direction and supervision of its agencies.

As to the custody of goods, the agencies for the Kodan here were using the Warehouse of the Nippon Express Co. in Ageo-machi and the Warehouse of the Fuji Bank in Omiya City, of which the use had been approved for HIROSHI KASAI, then Chief of Saitama Office of the Kodan by the Vice-chief IDESAWA of Idle Materials Section, Kodan Head Office, owing to the lack of warehouses designated by the Kodan Head Office within this prefecture. And the use of the Warehouse of the Saitama Bank

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

in Ageo-machi, too, had been approved by the 2nd Idle Materials Section, Kodan Head Office. Therefore it is not considered to be against laws that the three warehouses mentioned above were being made available for custody of the goods purchased up by the Kodan.

HIROSHI KASAI, Chief of the Saitama Branch Office of the Kodan, states that he has often made his rounds of inspection within the warehouses but has found out nothing unusual in the custody condition of the goods. It is believed, however, that he should assume the responsibility directly for the goods housed in the warehouses having been dealt with through illegal channels, though it is not provided for by any regulation for the branch offices of the Kodan to direct and supervise its agencies, because he is considered to be in the position of a mandatary as provided for by Article 105 of the Civil Code, when viewed from the common sense of the general public.

III. AS TO WHETHER KODAN ITSELF SHOULD DEMAND PURCHASERS TO PAY FOR THOSE GOODS DEALT WITH BY AGENCY, OR WHETHER KODAN HAS DONE SO:

The agency is considered, in its relationship with the Kodan, to come under the stipulations concerning a "mandatary of the Civil Code and a "agent" of the Commercial Law, and so it is a matter of course that the Kodan should be interpreted to have the proprietary rights to the goods in question.

Therefore, as to the money for the goods dealt with illegally by ISHIKAWA of the Chiyoda-ya Co., agency for the Kodan, the Kodan may and should demand the purchasers directly to pay for the goods for which they have not yet paid to Agent ISHIKAWA,

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

though it is quite impossible for the Kodan to repeat a demand for payment for the goods for which the purchasers have already paid to ISHIKAWA, as stipulated by Articles 109 and 110 of the Civil Code.

It is a matter of course that ISHIKAWA, who made unauthorized sales of the goods merely upon his own authority, should be charged with a breach of duty or misappropriation, in relation with the Kodan, but it is a matter to be discussed separately. And it is a matter of course, too, that the Kodan should have the right to demand from ISHIKAWA the money for those goods which were dealt with illegally by him. In addition, though having the rights, as well, to demand the money directly from those who bought such goods from ISHIKASA and have not yet paid for the goods to him, the Kodan has not yet done it.

IV. AS TO HOW GOODS HAD BEEN DISPOSED OF:

The procedures to be taken by the Kodan for disposition of goods concerned, are as follows: the Kodan checks on and takes over the goods concerned, together with the agency selected by the Kodan, in compliance with the note of purchase ordering the Kodan to purchase up or take over the goods, and houses the goods in designated warehouses, and concludes a sale contract with the deliverers of the goods, and makes payment for the goods at the fixed prices, respectively by national loan bonds in case of "Illegally Held Goods" and by cash in case of "Voluntarily Delivered Goods", and then disposes of the goods strictly in compliance with the instructions and regulations for disposition

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

and distribution of the concealed and hoarded goods purchased up by the Kodan.

According to the investigations conducted by the Omiya Municipal Police, the goods disposed of illegally by the Chiyoda-ya Co. are as follows:

(a) Goods amounting to ¥2,882,690 to KISUKE IKEDA, clothing processor, at No. 275, Gyoda, Gyoda City.

(b) Goods amounting to ¥203,087.38 to TOKUZO IINO, draper, at No. 38, 5-chome, Miya-machi, Omiya City.

(c) Goods amounting to ¥178,325.66 to ICHIRO HIGUCHI, draper, at No. 266, Ageo-juku, Ageo-machi.

(d) Goods amounting to ¥123,649.25 to KINJI TAGUCHI, draper, at No. 3062, 6-chome, Onari-machi, Omiya City.

(e) Goods amounting to ¥425,000 to KOHEI KANAYA, hemp goods dealer, at No. 1051, 2-chome, Shirota Setagaya-ku, Tokyo.

(f) Goods amount to ¥574,275 to MATSUTARO OMI, hanao dealer, at No. 91, 5-chome, Minami-Senju-machi, Arakawa-ku, Tokyo.

(g) Goods amounting to ¥4,202,791.62 to 25 other persons and to general consumers at a bazaar for sale on the spot.

All of the goods, except those sold at a bazaar as mentioned in paragraph (g) above, can be judged to have been disposed of illegally by ISHIKAWA solely upon his own arbitrary authority, and what is worse he did it so arbitrarily without reporting to the Branch Office of the Kodan. Therefore HIROSHI KASAI, Chief of Saitama Branch Office of the Kodan, is not considered to be a partner in the crime, but he is to blame for his failure to discover so much amount of goods having been