

GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS

AG 387.6(2 Dec 46)ESS/IN  
(SCAPIN 1375)

AGO 500  
2 December 1946

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT

THROUGH: Central Liaison Office, Tokyo

SUBJECT: Reorganization of the Precision Bearing Industry  
of Japan

1. References are the following Memoranda for the Imperial Japanese Government from General Headquarters, Supreme Commander for the Allied Powers:

a. File AG 387.6(14 Aug 46)ESS/IN, (SCAPIN 1136), dated 14 August 1946, subject: Reparations Selections Within the Precision Bearing Industry.

b. File AG 387.6(6 Sep 46)ESS/IN, (SCAPIN 1184), dated 6 September 1946, subject: Revision of SCAPIN 1136.

2. Reference is letter for General Headquarters, Supreme Commander for the Allied Powers from Central Liaison Office No. 5496 (ECI-F) dated 18 October 1946, subject: Request Concerning Reparations Selections Within the Bearing Industry.

3. Concentrating control of the precision bearing industry in the hands of one company is undesirable. To avoid a bearing monopoly that would hinder the healthy development of a peacetime industry the Nippon Seiko Company, Ltd has been placed under surveillance by memorandum for the Imperial Japanese Government from General Headquarters, Supreme Commander for the Allied Powers file AG 095(2 Dec 46)ESS/AG, 2 December 1946 (SCAPIN 1374) subject: Limitation of Activities of and Requiring of Reports from Nippon Seiko Company, Ltd. This will necessitate financial as well as industrial reorganization of the industry.

4. Request stated in paragraph 5 of GIO 5496 (ECI-F) paragraph 2 cited above is being studied. The Imperial Japanese Government will later be directed which plant of Matsuji Steel Ball Manufacturing Company may be permitted to continue production of non-precision steel balls.

FOR THE SUPREME COMMANDER:

*for* *R. Y. Hershey*  
JOHN B. COOLEY,  
Colonel, AGD,  
Adjutant General.