

4. Disposition of Scrap Cans:

As to the decision of imported cans to be scrapped, cans were to be selected as those to be scrapped or as those to be re-processed, in the very presence of Governmental official concerned as witness. But it cannot always be recognized that the actual scrapping of those imported cans as decided to be scrapped was carried out so properly. It can be said from the fact that the "Eitoku-ya" Re-processing Plant, for instance, held in storage much more amount of imported cans than their designated amount for re-processing. That is why they picked up and held, upon their own arbitrary, cans of better quality among those already decided to be scrapped, when those cans were going to be scrapped actually.

5. Disposition of Designated Amount of Imported Cans for Re-processing at Re-processing Plant:

(a) Disposing Condition at "Eitoku-ya" Re-processing Plant at Fukaya Town:

1) In compliance with the Saitama Food Office's Instruction - No.1,498, dated 30 July 1948, 93,188 lbs. 75 out of the 160,303 lbs. of imported cans housed in the Kawagoe Rationing Area Warehouses, was designated for re-processing and moved into the "Eitoku-ya" Food Plant on 25 October 1948, which submitted an itemizing report as listed below to the Chief of the Saitama Food Office of the Ministry of Agriculture and Forestry.

Item	Amount Received (unit: lbs.)	Amount Designated for Re-processing	Amount Scrapped
Cherry	70,648.50	12,298	58,350.50
sweet relish	2,309.125	514.50	1,779.625
pine-apple	1,449.125	-	1,449.125
beet-root	413.250	156.750	256.500
sauerkraut	18,368.750	7,087.500	11,281.250
Total	93,188.750	20,056.750	73,132.000

But the "Eitoku-ya" Re-processing Plant had spent six long months before they started re-processing those canned food since the arrival of the cans, owing to delay of the allocation of supplementary raw materials requested to the Prefectural Food Section and also owing to expansion of their plant facilities and purchase of new machinery necessary for such re-processing. And furthermore, to make the matters worse, those cans had been housed in imperfect warehouses

during the period of time. So further more cans had become inedible and impossible to be re-processed.

As a result of it, on 16 December 1948 the cans held at the "Eitoku-ya" were again classified ultimately into those to be re-processed and those to be scrapped. Then upon the certification of the Chief of the Saitama Food Office of the Ministry of Agriculture and Forestry, 79,534 lbs. 75 out of a total of 93,188 lbs.750 of imported cans received by the Eitoku-ya, were scrapped and the remaining amount of 13,654 lbs. were re-processed, and then were rationed by the direction of the Food Section of the Prefectural Government, as stated in the Report on Completion of Rationing of Re-processed Imported Cans, below, which was submitted to the Chief of the Prefectural Department of Agriculture and Forestry on 2 September 1949.

Report on Completion of Rationing
of Re-processed Imported Cans
(Eitoku-ya Food Plant)

Item	Amount received (unit: lbs.)	Amount re-processed (unit: Lbs.)	Amount rationed	Rationed to
Cherry	8,606.000	3,666.000	3,666.000	7 villages in
beet-root	85.500	3,666.000	3,666.000	Fukaya Town.
sauerkraut	4,962.500	3,725.000	3,725.000	
Total	13,654.000	7,391.000	7,391.000	- - -

As shown above, it is alleged that the re-processed products had been rationed already, and yet the investigation of this Board's investigators has revealed the fact that the said report was a false one which had been made up by the demand of Mr. Baba, official in charge, of the Prefectural Food Section, and that the 4,962 lbs.500 of sauerkraut, as alleged in the above report as having been rationed already, are actually kept still un-processed in the warehouses of the Eitoku-ya Plant.

ii) Then, as to the 40,382 lbs. of imported cans allocated to the Matsuyama Rationing Area for general purpose in compliance with the Saitama Food Office's Instruction — No.1,498, dated 30 July 1,948, these cans were disposed of as being of bad quality by the Health Center there, and the remaining 16,839 lbs.6875 were directed by the Prefectural Physical Education Section to be re-processed for meals to be provided for school children. But this amount of cans, too, are kept at the said food plant still unprocessed.

iii) Amount of Imported Cans Held
Illegally at Eitoku-ya:

By an investigation into the stocks being held within the warehouses of the Eitoku-ya Food Plant, the following amount of cans was discovered to be held illegally, which was quoted by Plant Chief Eizaburo Takahashi as having been picked up among these cans as decided to be scrapped, and held there under the pretexts of being used for cooking research on for utilization of emptied cans.

Specification of Amount Held Illegally by Kind of Can

Item	Directed Amt. of Stocks. (unit: lbs.)	Amt. of Stocks.	Illegal Amt. of Stocks.	Cans of Good Quality
Cherry	15,431.000	16,744.000	1,263.000	1,248.000
pine-apple	186.000	186.000	-	-
peach	130.500	130.500	-	-
soup mix	25.000	25.000	-	-
apple butter	195.000	195.000	-	-
pumpkin	826.000	1,160.000	333.500	45.3125
semolina	36.000	36.000	-	-
sauerkraut	-	5,775.000	-	-
sweet potato	9.7875	-	-	-
Total	16,839.6875	24,251.500	7,371.500	1,293.3125

b.) Case of "Tokushu Nosan" Re-processing Plant
at Yodo-mura, Osato-gun, Saitama:

22,657.5 lbs. out of the 40,382 lbs. which had been allocated to the Matsuyama Area for general purpose in compliance with the Saitama Food Office's Instruction - No. 1,498 and then disposed of as being of bad quality by the Health Center there, as stated above, were directed by the Cans Bureau of the Food Distribution KODAN to be reprocessed at this plant. But the plant has disposed of the cans upon their own arbitrary authority without reporting to any Governmental agencies concerned nor getting any permission.

Item	Amt. Received (unit: lbs.)	What to be Disposed of for	Amt. Disposed of	Remaining Amt. in Storage.
beet-root	22,657.5	for large for re-processing	9,378.300 1,549.66875	- -
Total	22,675.5	-	10,972.96875	11,729.53125

6. Amount of Cans Regarded As Being Held Illegally:

The following amount of imported cans regarded as being held illegally, were discovered by the recent investigation of this Board.

Purpose of Use	Remaining Amount (unit: lbs.)	Cans of Good Quality. (possible to be rationed intact)	Cans of Bad Quality (to be scrapped)
For Yorii Area (for general purpose)	20.6250	20.025	-
For Honjo Area (")	28.000	-	28.000
For Kawaguchi Area (")	1,114.0625	36.8125	1,077.250
For Warabi Area (")	95.1875	32.000	63.1875
For Sugito Area (")	245.000	245.000	-
For re-processing plant	7,371.500	1,293.3125	6,078.1875
For cooking research	1,328.958	1,328.9580	-
For foreigner	50.000	50.000	-
Total	10,253.333	3,006.708	7,246.6250

The 3,006 lbs.708 of good quality cans mentioned in the above list, were rationed gratis to the public work institutes as named in the table attached hereto as Inclosure II, upon the basis of the approval of the Saitama Civil Affairs Team.

7. As Regards "Remaining Amount"
in Above List:

These amounts of imported cans for general purpose, which had been alleged to have been rationed already, were discovered as the results of the investigations of this Board's investigators made of importated cans rationing agents in the 33 rationing areas of this prefecture, and were regarded as being held illegally. Therefore these cans were moved into the warehouses of the Saitama Marine Products Dealers Association in Omiya, and then were rationed to the public work institutes through the Social Affairs Section of the Prefectural Government, as stated in the preceding paragraph.

8. As Regards "Cans For Cooking
Research" in Above List:

As to the 1,328 lbs. 985 of imported cans for cooking research, there is a fact that Mr. Ryuju Abe, business agent for the Cans Bureau of the Food Distribution KODAN, did submit a written acknowledgement of custody of the subject amount of cans to Technical Official Niida of the Saitama Food Office, so it is believed that the former, having been given no proper instruction about these cans, had been asked by the Food Office merely to take custody of them. And judging from the point that a written acknowledgement of custody was submitted to the Food Office only in this case, there is a little room for doubt that the officials in charge of the Food Office had intention to make the subject amount of cans available for wrong purpose.

VI. Conclusion:

Putting together all the findings of our investigations, it is admitted that the imported cans have been handled by the agencies concerned with enough care, but so far as the amount of cans illegally held by rationing agents in each rationing area is concerned, they are considered to be to blame entirely, because they, except those in the Kawaguchi Rationing Area, sent in their rationing reports only to the Prefectural Government and never to the Cans Bureau of the Food Distribution KODAN, despite their having been required by the Cans Bureau more than once by letter, to send in such reports to the Bureau, too; as a result of which the Cans Bureau came to believe, at last, that there was no amount of imported cans left un-rationed.

Next, in reference to the illegal amount of stocks at the Kitoku-ya Re-processing Plant, they are admitted to be to blame almost entirely. Because, they had no equipment for re-processing of imported cans, and yet made extemporaneous preparations for such re-processing work, with the intentions

of making much profits by it, after the very occurrence of this problem of reprocessing, and that they received the imported cans despite the defectiveness of their equipment, and spent a long time idly before the start of the reprocessing work, at last spoiling a great amount of cans which otherwise had been eatable, if reprocessed a little, they are to blame entirely for this spoiling of the imported cans, even if the Food Section of the Prefectural Government should be to blame for their delay in allocating to this plant supplementary raw materials necessary for this reprocessing.


Next, in reference to the case of the "Tokushu Nosan" Reprocessing Plant having disposed of imported cans upon their own arbitrary authority, Plant Chief Sadao Tori is held responsible for this reckless misconduct of disposing of the imported food as forage in defiance of the character of the cans.

And in connection with this case, the Food Section of the Prefectural Government is held responsible, too, for having failed to catch the actual state of rationing affairs on account of great business pressure and at last having committed such a blunder as to submit a false report to the Saitama Civil Affairs Team, because the said section is the competent authorities for direct supervision of such rationing affairs.

As to the surplus amounts of cans discovered as a result of the recent investigations into the amount in stock, these cans are those picked up among such cans as decided to be scrapped, and kept there without any approval of the authorities concerned. From this, however, it can be known that the scrapping of the cans of bad quality has not been always carried out so properly and strictly in reality.

In this connection, it is admitted that the officials in charge, of the Saitama Food Office issuing the certificates for such scrapping, were careless in confirming whether the cans had been actually scrapped or not.

In short, it is a great regret, in view of the present food condition of this country, that even some of the imported cans released through courtesy of the Occupation forces have been handled in such an undesirable fashion as stated above.


KENTARO INOUE
Director of Saitama Pref. EIB

INCLOSURE I.CONDITION OF RATIONING BY PURPOSE OF USE

<u>Purpose of Use</u>	<u>Amount Allocated (unit: lbs.)</u>	<u>Amount</u>
<u>For counter-measure to shortage of vegetable</u>		
<u>For expectant mother</u>		
<u>For Agricultural Association</u>		
<u>For water supply enterprise</u>	724,846.875	5,373
<u>For higher agricultural school</u>		
<u>For civil engineering and construction enterprise</u>		
<u>For key industry</u>		
<u>For hospital</u>		
<u>For baby</u>		
<u>For counter-measure to flood damage</u>	130,755.725	
<u>For encouragement of rice production</u>		
<u>For encouragement of rice production</u>	884,942.375	
<u>For encouragement of early rice delivery</u>		
<u>For encouragement of above-quota rice delivery</u>		
<u>For encouragement of rice production</u>	3,562.875	
<u>For hospital</u>	5,111.9144	
<u>For foreigner</u>	44,286.000	138
<u>For flour milling and barley refining enterprise</u>	519.000	
<u>For dairy products association</u>	1,724.000	
<u>For general-purpose rationing</u>	1,119,197.1875	117,898
<u>For meals to be provided for school children</u>	1,486,939.97225	4,286
<u>For cooking research</u>	1,328.958	
<u>Amount of scrapped-can purchased up</u>	21,533.500	21,533
<u>Dificit amount</u>	422.000	422
<u>Total</u>	4,425,160.38215	149,651

id	Amount Scrapped	Amount Reprocessed	Remaining Amount	Grand Total of Amount Rationed
		-	-	433,338.875
		666	-	24,671.250
		-	-	105,746.250
75	5,373.000	-	-	95.500
		-	-	1,895.625
		-	-	6,262.500
		-	-	5,096.250
		-	-	4,565.62
		-	-	9,780.000
25	-	-	-	130,755.725
		-	-	436,401.500
75	-	-	-	122,765.500
		-	-	110,051.875
		-	-	215,713.500
75	-	-	-	3,562.875
144	-	-	-	5,111.9144
00	138.000	-	50.000	44,098.000
00	-	-	-	519.000
00	-	-	-	1,724.000
1875	117,898.3125	53,141.500	1,502.875	946.654.50
97225	4,286.635	-	-	1,482,653.33725
958	-	-	1,328.958	-
00	21,533.500	-	-	-
00	422.000	-	-	-
38215	149,651.4475	53,141.500	2,881.833	4,219,485.60165

INCLOSURE II.PUBLIC WORK INSTITUTE WHERE TO IMPORTED CAN RATIONED

Institute Name	Number of Person Accommodated	Total Amount of Cans Rationed (unit: lbs.)	Cherry 6.5lb-can	pumpkin 1.8125 lb-can.
Showa-En Asylum (asylum for the aged)	69 persons	708.583	62 cans	-
Saisei Hospital (in Kawaguchi)	42 persons	152.000	-	-
Branch Home of Kyoei-kan (mother and children home in Omiya)	10 persons	40.000	-	-
Saitama Gakuen (orphan asylum)	70 persons	517.750	70 cans	25 cans
Kumagaya Mother and Children Home	10 households	110.000	-	-
Asahi-cho Mother and Children Home (in Kawaguchi)	23 households	255.875	-	-
Warabi Mother and Children Home	21 households	231.000	-	-
Kyoei-kan Mother and Children Home (in Omiya)	46 households	529.000	46 cans	-
Engo-kan Mother and Children Home (in Kawaguchi)	14 households	154.000	-	-
Urawa Mother and Children Home	12 households	133.500	-	-
Suiko-kai Society ("Women's Town")	14 households	175.000	14 cans	-
Total		3,006.708	192 cans	25 cans

775013

Cherry 6.5lb- can	pumpkin 1.8125 lb-c can.	peach 1.8125lb- can.	sweet potato 1.9375 lb- can.	pine-apple juice 1lb-can.	peach 6.75lb- can.	sweet relish 6.125lb-can
						5 cans.
62 cans	-	-	-	-	-	-
-	-	-	-	5 cans	4 cans	-
-	-	11cans	10 cans	-	-	-
70 cans	25 cans	-	9 cans	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	23 cans
-	-	-	-	-	-	-
46 cans	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	12 cans
-	-	-	-	-	-	-
14 cans	-	-	-	-	-	-
192 cans	25 cans	11cans	19 cans	5 cans	4 cans	40 cans

potato 75 lb- n.	pine-apple juice 1lb-can.	peach 6.75lb- can.	sweet relish 6.125lb-can	Chocolate ration 2 lb-can	corned beef 6 lb-can	butter fat 5 lb-can
-	-	-	5 cans.	-	-	-
-	5 cans	4 cans	-	-	13 cans	-
cans	-	-	-	-	-	-
cans	-	-	-	-	-	-
-	-	-	-	-	10 cans	10 cans
-	-	-	23 cans	-	-	23 cans
-	-	-	-	-	21 cans	21 cans
-	-	-	-	46 cans	-	-
-	-	-	-	-	14 cans	14 cans
-	-	-	12 cans	-	-	12 cans
-	-	-	-	-	14 cans	-
9 cans	5 cans	4 cans	40 cans	46 cans	72 cans	80 cans

corned beef 6 lb-can	butter fat 5 lb-can	pea-nut 1 lb-can	sugar 224.958 lb-bale	bacon 50 lb-bale
-	-	-	1 bale	1 bale
13 cans	-	42 cans	-	-
-	-	-	-	-
-	-	-	-	-
10 cans	10 cans	-	-	-
-	23 cans	-	-	-
21 cans	21 cans	-	-	-
-	-	138 cans	-	-
14 cans	14 cans	-	-	-
-	12 cans	-	-	-
14 cans	-	-	-	-
72 cans	80 cans	180 cans	1 bale (224.958lbs.)	1bale (50 lbs.)

THE SAITAMA PREFECTURAL ECONOMIC INVESTIGATION BOARD
(Food Section)

10 September 1949

SUBJECT: Report on Completion of Disposal of
Violating Articles.

TO : Saitama Civil Affairs Team.
ATTENTION: Economic Section.

In reference to the illegal dealing case of
smashed wheat already reported to your Office by a
letter dated 27 June 1949, it is reported hereby that
1,297 bales of smashed wheat and smashed milo, which
were seized by this Board as articles violating laws,
have been sold and taken delivery of, as raw materials
of soy sauce, through the Soy Sauce Department of the
Saitama Food Distribution KODAN, as stated below.

Sold by 15 Aug.

Co. Name	Location	Amount Delivered	
		(smashed wheat)	(smashed milo)
Ishikawa Soy Sauce Co.	Hirakata-machi, Kita-Adachi-gun	83 bales (83 bales)	-
Sakurai Soy Sauce Co.	Oya-mura, Kita- Adachi-gun	83 bales (83 bales)	-
Mr. Toyonosuke Koyama	Sashiogi-mura, Kita-Adachi-gun	83 bales (83 bales)	-
Izumiya Co.	Shiki-machi, Kita-Adachi-gun	83 bales (83 bales)	-
Mr. Kenkichi Oka	Kitamotojiku-mura, Kita-Adachi-gun	80 bales (-)	80 bales)
Mr. Izaemon Oka	Onari, Omiya	80 bales (74 bales)	6 bales)
Shigeta Soy Sauce Co.	Toyooka-machi, Iruma-gun	162 bales (138 bales)	24 bales)
Ibuka Co.	Tekorozawa-machi, Iruma-gun	162 bales (13 bales)	149 bales)

Kasama Soy Sauce Brewing Co., Ltd.	Ogawa-machi, Hiki-gun	80 bls. (37 bls. 43 bls.)
Mr. Sobei Fujisaki	Honcho, Kumagaya	80 bls. (47 bls. 33 bls.)
Isso Soy Sauce Co., Ltd.	Tsukuba-machi, Kumagaya	80 bls. (- 80 bls.)
Miyashita Co.	Honjo-machi, Kodama-gun	80 bls. (35 bls. 45 bls.)
Mr. Masao Kishi	Hanyu-machi, Kita-Saitama- gun	161 bls. (- 161 bls.)
<u>Total</u>	13 Companies	1,297 bls.* (smashed wheat 676 bls.) (smashed milo 621 bls.)

*

Kentaro Inoue
KENTARO INOUE
Director of Saitama Pref. EIB.

HEADQUARTERS
SAITAMA MILITARY GOVERNMENT TEAM
APO 201

rice
new
a RAH/ms

4 June 1949

SUBJECT: Mal-distribution of Imported Wheat

TO : Commanding Officer
Kanto Military Government Region
APO 201

1. In late March 1949, a local EIB official noted a large supply of wheat being used for feed at the Iwatsuki Stock Raising Cooperative in Saitama. Further investigation has revealed that this was part of 230 metric ton of imported ground wheat which was released for distribution on the school lunch program.

2. According to reports received from EIB investigators, false documents were made by Mr. Hasegawa Yoshimitsu, Health Section of Ministry of Education and given to Mr. Fukuhara imported Food Section, Food Control Bureau of Ministry of Agriculture and Forestry. In this manner wheat located in Hyogo, Kanagawa, Saitama and Gumma Prefectures were secured presumably for processing into biscuits by the Fuji Exchange Co. of Tokyo for distribution to school children.

3. Instead of carrying out these plans the 145 metric ton of wheat received from the above named prefectures was sold to the Iwatsuki Stock Raising Corporation and Kawai-mura Agricultural Cooperative of Saitama, through the Wada Brokerage Co. of Tokyo. Part of this wheat has already been sold by the cooperatives to the farmers.

4. Mr. Ohta, Managing Director of the Tokyo Trading Company who was apparently the 3rd party in this case recently committed suicide. Accordingly investigation has been difficult. However it is believed that enough evidence has been found to justify the arrest of the above named Ministry officials.

FOR THE COMMANDING OFFICER:

CRAENCE W. CARLSON
Capt. Cav.
Adjutant

430 ECO
(4 Jun 49-Saitama)
SUBJECT: Mal-distribution of Imported Wheat

1st Ind

BJS/so

HEADQUARTERS KANTO CIVIL AFFAIRS REGION, APO 201, 29 July 1949

TO: Chief, Saitama Civil Affairs Team, APO 201

Request information on progress of investigation by E.I.B. and any progress by procurators office.

BY ORDER OF COLONEL DAYTON:

HARRY M. DEY
Captain FA
Adjutant

430 ECO

2nd Ind

RAH/at

SUBJECT: Mal-distribution of Imported Wheat

HEADQUARTERS SAITAMA CIVIL AFFAIRS TEAM, APO 201, 13 September 1949

TO: Chief, Kanto Civil Affairs Region, APO 201

1. This case was turned over to Mr. Takeuchi, Urawa District Local Procurator on 18 June by the local office of the Economic Investigation Board. Mr. Takeuchi contacted the Tokyo High Procurator for their cooperation in the handling of this case but was instructed to handle it at the local level. Accordingly, he has made further investigation but has been unable to uncover sufficient evidence to indict two of the three principal suspects, Messrs. H. Fukuhara of the Ministry of Agriculture and Forestry and Y. Hanzawa of the Ministry of Education.

2. It has been found that a supposedly forged letter from the Chief of the Athletic Board of the Ministry of Education to the Chief, Foodstuffs Supervision Board dated 4 February 1949, subject: "Application for the Special Release of Crushed Barley" which illegally authorized shipment of the grain in to blackmarket channels was destroyed by Mr. K. Ota before he committed suicide, by taking poison, on 6 May 1949. Inasmuch as no trace can be found of this letter and since Mr. Ota is dead, the local procurator as well as the EIB investigators feel there is no way to prove the suspects guilty. For this reason, the above named suspects have not been indicted.

3. It is interesting to note that during the investigation in August this year the Chief of the Imported Food Section of the Ministry of Agriculture and Forestry informed investigators that this food should not be classed as imported food inasmuch as food is not considered imported food after it has been processed. In this case the imported grain had been rolled.

4. During the investigation at the local level, several economic violations were uncovered and the following were indicted on 29 August:

- a. Fujii Koeki K.K., for Price Control and Feedstuff Control Regulation violation.
- b. Mr. Toyoko Wada, for Price Control and Feedstuff Control Regulation violation.
- c. Mr. Yonezo Kobayashi, Councillor of the Minami Saitama District Stock Raising Agr. Coop. for violation of the Feedstuff Control Law.
- d. Mr. Matsutaro Kuribara, Director and President of the above cooperative for the above violation.

FOR CHIEF, CIVIL AFFAIRS:

MELVIN MACCOUL
Captain AGD
Adjutant

THE SAITAMA PREFECTURAL ECONOMIC INVESTIGATION BOARD

27 May 1949

SUBJECT: Answer to Inquiry

TO : Kanto Military Government Region
ATTENTION: Mr. B. J. Sullivan,
Chief of Economic Section.FROM : Kentaro Inoue, Director of Saitama
Pref. EIB.

The result of the investigation about Economic Investigator Furuya, required by you at Headquarters, Kanto Military Government Region, on 21 May of this year, is reported hereby to you. As to inquiry about Mr. Kan~~da~~ Saito, he is now away from home and so has been ordered to come to this Board upon his return home: and then, as to Economic Investigator Ono, he is gone far up in the mountains of Chichibu for a long-period official trip, and so upon his return he will be investigated and the result will be reported to you without delay.

In addition, as to the recompense money to be paid to Mr. Okada (here it is requested to be understood that this recompense money is not a legal reward to a qualified informer, but an informal one of such a nature as to recompense his effort and labor), after consultations with the Tokyo Regional EIB, it has been decided to be paid to Mr. Okada on the grounds that it has been required specially by the Military Government. And as to how much money to be paid, an application letter for payment of such money will be submitted to the Tokyo Regional EIB at an earliest possible date, after consulting Mr. Raymond Hashitani, Chief of Economic Section, Military Government here, too.

Answer to your Inquiry

Your Question: Why didn't you investigate

Mr. Hachiro Arai, Member of the Upper House?

Furuya's Answer: "Mr. Hachiro Arai was investigated by us during 21 to 22 December of last year, when other persons as named in the information were investigated, and this Board already had the KOHDAN purchase up the 4,800 lbs. of paper disclosed there on that occasion. Therefore it is groundless that we didn't make any investigation of him. And

In addition, this case was reported to Sgt. Dickerson of the Military Government here on 7 January of this year."

Your Question: Is the fact true or not, that Economic Investigator Furuya said to Mr. Okada, "We'll grant you money, so divide it among your followers," on 15 January of this year when Mr. Okada informed Furuya of the kind of the goods in question?

Furuya's Answer: "I (Furuya) have neither heard Mr. Okada say such a thing, nor said myself such a thing to him."

Your Question: Is the fact true or not, that Furuya said to Lawyer Kokubu, on 19 or 20 February of this year, "Never mind — I'm drawing up the documents for payment of the rewards. But if you have any other information, let me know it."

Kokubu

Furuya's Answer: Lawyer came and asked me, "Can we get the cash rewards?" on 3 or 4 March, if my memory is correct. Just at that time, I was drawing up the documents for payment of rewards upon the following suggestion of Section Chief Saito — "See to it that the cash reward will be paid to Okada. But Okada's information is too unsatisfactory to be granted a legal cash reward, and so, for this purpose, let him know all of the details on kind, item, amount, character, location, etc. of the illegal goods disclosed by the very investigation of this Board, and then make him draw up anew an application letter for exposure of concealed and hoarded goods upon the basis of these details and submit it to this Board."

Hence, I said to him, "Never mind. The cash reward is likely to be paid. And if you have any other good information, bring it to me."

(Board Director's Remark)

At first I (Director of Board) had no knowledge of the fact that Section Chief Saito had ordered Furuya to draw up such a false document, and afterwards, when Furuya furnished the false documents and showed it to me, I was surprised to know such a darned idea, saying to Furuya, "I could not submit such a false document to the Regional EIB, for fear that

they (Regional EIB) should suspect me of having intention to share in the cash rewards by mutual consent with Mr. Okada. My personality will be hurt very much even by a single shadow of such suspicion.

About one week before this event, Saito had already sent in his resignation to me (Director of Board) because of his scandal and I had sent it in to the Regional EIB.

Therefore, the fact that Saito had had Mr. Okada draw up a false application letter made me doubt if he (Saito) had done so under agreement that he would accept money from Okada after payment of the cash rewards.

And so I (Director of Board) ordered Furuya not to submit the document in question to the Regional EIB, saying to him, "Keep this document until I myself go to the Military Government and ask how the matters stand, if it is a proposal of the Military Government to make out a false document as a means of paying a cash reward to Okada."

That day and the next day, however, unavoidable circumstances prevented me from coming to the Military Government, and the nextday but one I was attacked by acute pneumonia, which compelled me to be absent from office for as long as half a month. Upon my restoration to health, I called on Capt. Gordon at the Military Government and talked over the matter with him, as Mr. Hashitani was out on that day. And Capt. Gordon, who had full knowledge of this problem, said to me, "I understand what you have to say. I leave it to the judgement of your Board, the question as to whether a legal cash reward should be paid or not." And I (Director of Board) added, "I should like you to understand that I just abide by the regulations and have no malice whatever toward Mr. Okada, much less toward your Headquarters. But if we are directed by your Headquarters to pay a cash reward to Mr. Okada, we will dare to draw up a false document like that and submit it to the Regional EIB. If so, money will be paid." But Capt. Gordon replied to me, "There's no need of it."

Your Question: Is it true or not, that when Mr. Okada came to see Saito on 2 March of this year, Saito denied payment of the cash rewards to him, while Furuya told him to visit the Military Government and ask the Chief of Economic Section for payment of the cash reward?

Furuya's Answer: "It is altogether groundless that I (Furuya) said such a thing to him."

Your Question: Is it true or not, that in the presence of Sgt. Dickerson, Furuya confirmed the fact that Okada had sent his information to the EIB earlier than to the Saitama Military Government Team?

Furuya's Answer: "I (Furuya) said to Sgt. Dickerson, 'I'll start investigation at once, as it is called on by your Headquarters! But it is groundless that I did confirmed in the presence of Sgt. Dickerson that Mr. Okada had sent his information to the EIB earlier than to S.M.G.T. I've never seen Mr. Okada before his information was referred to us by the Military Government here in December of last year. And, on the other hand, Mr. Okada said to me at the Military Government, 'This is the first time that I have ever known of the EIB to be competent for investigation of concealed and hoarded goods.'"

(Board Director's Remark)

I have so far made it a rule to take action to the informations submitted through the Military Government with first priority to any other informations.

Your Question: Did Sgt. Dickerson call on Furuya to see to it that the cash reward is paid to Mr. Okada?

Furuya's Answer: "I (Furuya) have never heard Sgt. Dickerson say such a thing.

I (Director of Board) was ordered by you (Mr. Sullivan) to investigate Saito about the reasons why he had selected only twenty of the fifty plants for investigation. And his statement is follows:

"Judging from how many police officials to be called for cooperation and how many Board personnels to be mobilized for investigation, I (Saito) estimated at about 20 the number of the plants to be investigated within a day. And I had Economic Investigator Takahashi call on Mr. Ibuka, Chief of Urawa Police Office, asking him for the selection of such twenty plants as believed to have a lot of concealed and hoarded goods, for I believed that Mr. Ibuka had full knowledge of the circumstances of the Town of Gyoda, as hee had been the chief of the police office there formerly. Such being the case, it is evident that I have never committed any illegalities in connection with this case.

In addition, as to the project of the investigation in question, I remember that I myself informed Sgt. Dickerson of it and obtained his understanding prior to the start of the investigation."


Last but not least, your understanding is requested to be made of my principles for guidance of Board personnels as stated below.

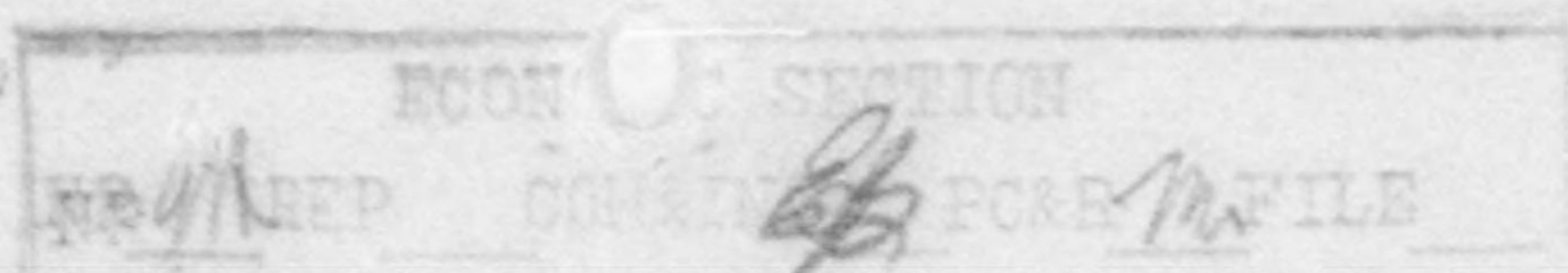
General Meetings of all Board personnels are held three times every month, at which I make it a rule to give the following warnings to them.

1. Instructions and directives of the Military Government must be abided by without fail. Even if we should be called by them for such a matter as not placed under our jurisdiction, we must take up it for investigation.

2. Every possible effort on our part must be made for communication with the Military Government. It is not enough for us to visit the Military Government only when we happen to be called by them.

Care must be taken not to do anything wrong, no matter how tiny it may be. Economic investigators of this Board must not have anything more than hot water or tea, of course not even fruits nor candies, much less lunches, when they happen to be served by those investigated. I (Director of Board) will be sure to punish any violator to my warnings. (Saito was fired on the grounds that he violated my warnings by creating scandals.


KENTARO INOUE
Director of Saitama Pref. EIB.



THE SAITAMA PREFECTURAL ECONOMIC INVESTIGATION BOARD
(General Affairs Section)

4 May 1949

SUBJECT: Activities of Economic Investigation Board

TO : Saitama Military Government Team
(Attention: Economic Section)

The activities of this Board made for the month of April 1949 are reported hereby to your Headquarters as follows:

1. Concerning New Board Building Now Under Construction:

The Board building now under construction at No. 28, Kishi-machi 7-chome, Urawa City, is expected to be completed at the end of the first decade of this month, and we are preparing to move to it upon the completion of the construction.

1. 1st Division of this Board.

1. Concerning General Affairs Section:

a. Plenary meetings of all Board personnel and educating lectures were held on 11 and 22 April 1949.

b. The 7th meeting of the Economic Investigation Committee was held on April 12.

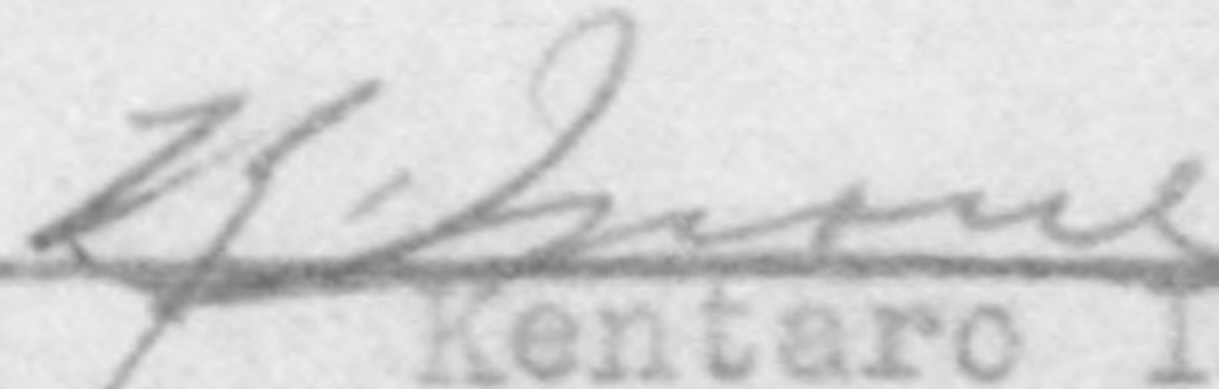
c. Guidance was given to townspeople to establish a Consumers' Meeting in their respective towns for the period of March 26 to April 25, successively from the previous month. And on the other hand, publicity was carried out through the radio network to make the people at large recognize proper rationing methods for both consumers and dealers, in connection with rationing of clothing.

2. Concerning Foodstuffs Section:

a. A month-long investigation was conducted upon 41 of towns and villages for the purpose of preventing rice from being diverted into illegal channels.

b. The 4th inspection of controlled marine products was conducted upon the dealers' unions and retailers located in Omiya City, Urawa City, Yono Town, Kodama, Shiki, Asaka, Owada, Kasukabe, Hasuda, and Satte, for the three days following April 4.

Investigation was conducted upon the Marunaka Textile Mfg. Co., Ltd., at Hanno Town, on April 14, according to an instruction of your Headquarters.



Kentaro Inoue
Director of Saitama Pref. EIB.

SAITAMA PREFECTURAL ECONOMIC INVESTIGATION COMMITTEE

<u>Name</u>	<u>Present Position</u>
INOUE, Kentaro	Chairman, Director of Saitama Pref. EIA
ADACHI, Masaaki	Chief of 1st Div. of Saitama EIA
ONUKE, Teijiro	Chief of 2nd Div. of Saitama EIA
IINUMA, Eisuke	Procurator, Urawa District Public Procurator's Office
INOUE, Yasuo	Chief of NRP Saitama Pref. Police
HOSHINO, Tsutomu	Urawa-branch Chief of Tokyo Financial Affairs Bureau
MORI, Saburo	Chief of Urawa Taxation Office
TOKU, Kozaburo	Urawa branch Chief of Tokyo Land Transportation Bureau
YABE, Heima	Saitama Branch Chief of Tokyo International Trade & Industry Board
YAMADA, Rokuro	Chief of Saitama Food Office
SHIMIZU, Mosuke	Chief of Saitama Materials Adjustment Office
SUGANUMA, Shinryo	Chief of Urawa Charcoal Office
AKIYAMA, Shozo	Chief of Chichibu Forestry Office
OSAWA, Yuichi	Saitama Pref. Governor
MATSUI, Keiro	Mayor of Urawa
IBUKA, Yuzo	Chief of Urawa-city Police
ARAI, Masaji	Chief of Saitama Municipals Association

SAITAMA PREFECTURAL ECONOMIC INVESTIGATION AGENCY

Name : Inoue Kentaro
 Present Position, Post and Grade: Director, Secretary 12

Personal History

- 1. Education : 1931, Graduated from Kyoto University
- Majored in : Law
- 2. Occupation : 1947 - 1948 Welfare Ministry Official
- 1931 - 1947 Local Gov't Official

Name : Adachi Masaaki
 Present Position, Post and Grade: Chief of 1st Div., Investigator

Personal History

- 1. Education : 1936, Graduated from Tokyo University
- Majored in : Law
- 2. Occupation : 1947 - 1948 Chief of Education Div,
 Hiroshima Pref. Gov't
- 1942 - 1947 Local Gov't Official
- 1936 - 1942 Oversea Affairs Ministry
 Official

Name : Onuki Teijiro
 Present Position, Post and Grade: Chief of 2nd Div. Investigator 8

Personal History

- 1. Education :
- 2. Occupation : 1921 - 1948 Police Officer

Name : Kubo Toshiyuki
 Present Position, Post and Grade: Chief of General Affairs Section, Investigator
 8

Personal History

- 1. Education : 1924, Graduated from Taisei Middle School
- 2. Occupation : 1947 - 1948 E.S.B. Official
 1945 - 1947 Home Ministry Official
 1941 - 1945 Information Bureau Official
 1925 - 1941 Police Officer

 Name : Soga Tsuneichi
 Present Position, Post and Grade: Chief of Food Section, Investigator 7

Personal History

- 1. Education : 1941, Graduated from Nippon University
- 2. Occupation : 1946 - 1948 Welfare Ministry Official
 1937 - 1946 Local Gov't Official

 Name : Furuya Jiro
 Present Position, Post and Grade: Chief of 1st Material Section, Investigator 7

Personal History

- 1. Education : 1925, Graduated from Meiji College
 Majored in : Law
- 2. Occupation : 1947 - 1948 Welfare Ministry Official
 1940 - 1942 Non-official Staff of Navy
 Ministry
 1930 - 1940 Journalist, Kokumin Press
 1927 - 1930 Education Ministry Official

Name : Yamagi Shohei
 Present Position, Post and Grade: Chief of 2nd Material Section, Investigator 7
 Personal History
 1. Education : 1931, Graduated from Tokyo Commercial College
 2. Occupation : 1947 - 1948 Director of Chichibu Chamber
 of Commerce & Industry
 1933 - 1945 Teacher

 Name : Ikemura Kyuichi
 Present Position, Post and Grade: Asst. Chief of General Affairs Section,
 Investigator 7
 Personal History
 1. Education : 1923, Graduated from Primary School
 2. Occupation : 1925 - 1948 Agriculture & Forestry
 Ministry Official

 Name : Yokomizo Yoshiyuki
 Present Position, Post and Grade: Asst. Chief of Food Section, Investigator 7
 Personal History
 1. Education :
 2. Occupation : 1928 - 1948 Police Officer

 Name : Kurosawa Shoji
 Present Position, Post and Grade: Asst. Chief of 1st Material Section,
 Investigator 7
 Personal History
 1. Education : 1934, Graduated from Nippon College
 Majored in : Law
 2. Occupation : 1947 - 1948 Agriculture & Forestry Ministry
 Official
 1935 - 1947 Police Officer

Name : Takahashi Shigeru

Present Position, Post and Grade: Asst. Chief of 2nd Material Section,
Investigator 7

Personal History

1. Education :
2. Occupation : 1929 - 1948 Police Officer