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**Description of contents**

(1) Box no. 2804

(2) Folder title/number: (14)  
No Title

(3) Date: July 1947 - Nov. 1948

(4) Subject:

Classification	Type of record
036	d

(5) Item description and comment:

(6) Reproduction:  Yes  No

(7) Film no. Sheet no.

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OFFICE OF THE PROVOST MARSHAL  
Metropolitan Tokyo Area  
APO 500

3 November 1948

SUBJECT: Transmittal of Criminal Investigation Report #48-EP-3

TO : Commanding Officer, Tokyo Military Government Team, APO 181

The inclosed C.I.R. regarding BRIBERY

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is forwarded for your information.

*Polk J. Atkinson*  
POLK J. ATKINSON  
Colonel, FA  
Provost Marshal

Incl:

1 cc CIR 48-EP-3

JP 552  
NOV 17 1948



# CID

## CRIMINAL INVESTIGATION REPORT

HEADQUARTERS

Office of the Provost Marshal  
Metropolitan Tokyo Area

APO 500

THIS CASE ORIGINATED AT: Tokyo, Honshu

<p><b>TITLE:</b></p> <p style="text-align: center;">See attached list</p>	<p><b>STATUS</b></p> <p style="text-align: center;">CLOSED</p>	<p><b>FILE NO.</b></p> <p style="text-align: center;">48-BR-3</p>
	<p><b>PERIOD COVERED</b></p> <p style="text-align: center;">27 April - 10 May 48 1 Oct - 7 Oct 48</p>	<p><b>DATE</b></p> <p style="text-align: center;">1 November 1948</p>
<p><b>OFFENSE</b></p> <p style="text-align: center;">BRIBERY</p>	<p><b>REPORT MADE AT (Unit designation or station)</b></p> <p style="text-align: center;">Investigations Div, OPM MTA, APO 500</p>	
<p><b>SYNOPSIS</b></p> <p>On or about 27 April 1948 Mr. V. R. STOLLE, Chief of C.P.O., was approached by Teiya SODA with an offer of two hundred thousand yen (¥200,000) if STOLLE would sign a fictitious Purchase and Transportation Certificate to be used to transport two hundred (200) tons of scrap canvas from Kobe to Tokyo. STOLLE declined the offer, admonished SODA, and requested that he leave his office. STOLLE then informed TMGT about the proposition. On 5 May 1948, Masake TAKAGI, Interpreter for TMGT, visited SODA posing as a secretary for STOLLE. Offer to secure the certificate was made at that time to SODA. On 8 May 1948, an offer of two hundred thousand yen (¥200,000) to STOLLE and fifty thousand yen (¥50,000) to TAKAGI was made by SODA for services rendered in the securing of said certificate. The transaction of the certificate and two checks for one hundred thousand yen (¥100,000) and two hundred thousand yen (¥200,000) took place at the offices of the TMGT on 10 May 1948 between TAKAGI and TERAMURA, with NAKAGOME and SHIMURA as witnesses. Other persons involved in the transaction were HIRAWATARI, NAKAJIMA and SUZUKI. NAKAGOME, SHIMURA and TERAMURA were confined at Marunouchi Police Station by TMGT and were paroled pending trial.</p> <p style="text-align: right;">DETAILS: See page 2</p>		
<p><b>DISPOSITION OF PROPERTY (including monies) OR EVIDENCE AS OF DATE OF THIS REPORT</b></p> <p style="text-align: center;">Evidence held in Property Room, CID Section, OPM MTA.</p>		
<p><b>DISTRIBUTION</b></p> <p>P&amp;L Sect, OPM MTA CO, TMGT Chief, CPO, OHQ File PC, 2nd Cav Brig</p>	<p><b>COPIES</b></p> <p style="text-align: center;">1 1 1 1 1</p>	<p><b>REPORT MADE BY</b></p> <p style="text-align: center;">MARVIN J. KRANTZ Agent, CID</p> <hr/> <p><b>APPROVED</b></p> <p style="text-align: center;"><i>John M. Hart</i> JOHN M. HART Director of Investigations</p>
<p><small>1 Victims and subjects—if unknown, so state.</small></p>		



TITLE:

CIR 48-BR-3

**SUBJECTS:** Yomoichi SHIMURA (j)  
#45, 1 chome, Shiba, Shirogano, Dai-machi, Minato-ku, Tokyo  
Kyohei TERAMURA (j)  
#7, Ginza, Nishi-8-chome, Chuo-ku, Tokyo  
Tadao NAKAGOME (alias Ryoji SASAKI) (j)  
#1147, Zushi-machi, Yokosuka City, Kanagawa Prefecture  
Teiyu SODA (j)  
Washington Heights, Yoyogihara, Shibuya-ku, Tokyo  
Shin HIRAWATARI (j)  
#7, Ginza, Nishi-8-chome, Chuo-ku, Tokyo  
Rajiro SUZUKI (j)  
#671, Seijo-cho, Setagaya-ku, Tokyo  
Sumito NAKAJIMA (alias Masanosuke ISHIBASHI) (j)  
#22, Yanagi-cho, Bunkyo-ku, Tokyo

**VICTIMS:** V. R. STOLLE (DAC)  
Central Purchasing Office, CHQ, APO 500  
Masuke TAKAGI (j)  
#34, Toyowake-cho, Shibuya-ku, Tokyo



DETAILS:

CIR 48-BR-3

1. This investigation was initiated 1 October 1948 upon receipt of a number of affidavits from Carl W. YOUNG, Major, C.E., 0265457, Legal and Government Section, Tokyo Military Government Team, APO 181, pertaining to the attempted bribery of Mr. V. R. STOLLE, Chief of CPO.
2. Investigation revealed that on 27 April 1948 Mr. Masuke TAKAGI, Interpreter for Legal and Government Section, TMGT, accompanied by Mr. Minoru SAKAMOTO, Ass't. Police Inspector, MID, contacted Mr. STOLLE and were shown a letter written by a Teiji SODA, #90, Yoyogihara, Shibuya-ku, which offered two hundred thousand yen (¥200,000) to STOLLE for signing his name to a fictitious purchase and transportation order, and a purchase order of two hundred (200) tons of scrap canvas owned by Hisao KOBAYASHI, 15 Banchi, 2 chome, Tomitacho, Tokushima. The two documents are held on file in this office as Exhibit A.
3. On 5 May 1948 TAKAGI made the initial contact with SODA. TAKAGI posed as a secretary for Mr. STOLLE, and SAKAMOTO posed as a broker. Offer to secure necessary transportation certificate for transporting scrap canvas was made to SODA at that time. However, since others were apparently involved in the transaction, further negotiations were delayed until 13 May 1948, at which time necessary details could be worked out.
4. On 7 May 1948 TAKAGI received a request by telephone to meet SODA the next day, 8 May 1948, at Washington Heights Officers' Club, to discuss the possibility of securing the transportation request as soon as possible. On 8 May 1948 an offer of two hundred thousand yen (¥200,000) to STOLLE and fifty thousand yen (¥50,000) to TAKAGI was made by SODA for services rendered for securing the certificate, while SODA was to benefit fifty thousand yen (¥50,000) according to reported agreement with others. The actual exchange of certificate and money was to be accomplished on 10 May 1948. Names of other persons involved secured by TAKAGI at the time were Shin HIRAWATARI, #7, Ginza, Nishi-8-chome, Chuo-ku, and Tadao NAKAGOME (alias Ryo SASAKI) #1147 Zushi-machi, Yokosuka City, Kanagawa, acting as go-between for SODA and HIRAWATARI.
5. At about 1030 hours 10 May 1948 TAKAGI again made contact with SODA at Washington Heights Officers' Club to determine the location of HIRAWATARI's home, as well as to insure the appearance of HIRAWATARI (at the time of actual negotiations) and for settling the time and location of final negotiations. SODA stated that HIRAWATARI's home was located in the vicinity of Ginza Street and that TAKAGI would be informed by telephone of time and place of final negotiations. The telephone call was received by TAKAGI at approximately 1230 hours and the teashop "Colombon" was designated as the meeting place at 1330 hours 10 May 1948 by SODA and NAKAGOME.
6. At 1330 hours TAKAGI, accompanied by SAKAMOTO, met SODA, NAKAGOME, and Hajime SUZUKI, #671, Seiyo-cho, Setagaya-ku, at the teashop where the



DETAILS (Continued):

CIR 48-ER-3

fictitious transportation request prepared by the EMGT and utilizing the name of STOLLE with his prior consent, was shown to the interested parties. NAKAGOME then took TAKAGI to HIRAWATARI's home. The meeting at the home of HIRAWATARI included HIRAWATARI, Kyohai TERAMURA, same address, Yomoichi SHIMURA, #45, 1 chome, Shiba, Shirogane Dai-machi, Minato-ku, friend of TERAMURA's who was acting as a middle man. NAKAGOME, who was hired by SHIMURA to secure said transportation certificate, TAKAGI, SODA, SUZUKI, and SAKAMOTO waited outside the home. At this meeting HIRAWATARI demanded authentication of the false certificate by the Special Procurement Board. This was accomplished by TAKAGI and others going to the Special Procurement Office where HIRAWATARI met and conversed with Howard SHIROMA, Chief of Exporting Section, who had previously been informed of the case. SHIMURA and NAKAGOME remained at the office of Legal Section, EMGT. TERAMURA, TAKAGI, and SAKAMOTO returned to the home of HIRAWATARI to procure the money in payment of said certificate. Exchange of said certificate for two checks for one hundred thousand yen (¥100,000) and two hundred thousand yen (¥200,000) took place at the office of Legal and Government Section between TERAMURA and TAKAGI, with NAKAGOME and SHIMURA as witnesses. The checks were made by Sumito NAKAJIMA, alias Masanosuke ISHIBASHI, #22 Yanagi-cho, Bunkyo-ku. The checks for one hundred thousand yen (¥100,000) and two hundred thousand yen (¥200,000) are held on file in this office as Exhibits B and C respectively. The statement of NAKAJIMA is submitted as Exhibit D. On 10 May 1948 NAKAJIMA had one hundred six thousand yen (¥106,000) on deposit in the Yasuda Branch Bank at Kagurage-cho. The statement of the Branch Bank Manager is submitted as Exhibit E. The statements of TAKAGI and SAKAMOTO are submitted as Exhibits F and G respectively.

7. Interrogation of Japanese nationals involved in the case revealed that on or about 10 April 1948 SODA had been approached by NAKAGOME, alias SASAKI, who was previously known to him, to aid in securing a fictitious purchase and transportation certificate from STOLLE. STOLLE was to be paid two hundred thousand yen (¥200,000) and SODA was promised fifty thousand yen (¥50,000) as a token of thanks and good will. SODA, by his own admission, wrote in English a personal letter to STOLLE and a self-styled form of purchase order, which he presented to STOLLE personally on or about 16 April 1948. On this occasion STOLLE admonished SODA and refused to return the papers. The statement of SODA is submitted as Exhibit H.

8. SUZUKI, alias MURAI, was first approached by NAKAGOME on or about 20 March 1948 with request to secure a certificate from STOLLE. SUZUKI referred NAKAGOME to ICHIHARA (PNU), who allegedly swindled one hundred thousand yen (¥100,000) belonging to TERAMURA as of 31 March 1948. On this occasion TERAMURA is claimed to have given one hundred thousand yen (¥100,000) to NAKAGOME, who paid this money to ICHIHARA for a certificate which ICHIHARA was supposed to have secured from STOLLE. The statement of SUZUKI is submitted as Exhibit I.



DETAILS (Continued):

CIR 48-BR-3

9. On or about 18 March 1948 NAKAGOME was requested by SHIMURA to secure an order for use as both purchase and transportation certificate. This order was to be from some officer working in the CPO for authorization to handle two hundred (200) tons of canvas located in Kobe. At this time SHIMURA mentioned that TERAMURA and HIRAWATARI were willing to spend one hundred thousand yen (¥100,000) to secure a certificate. On or about 17 March 1948 SHIMURA was asked by HIRAWATARI and TERAMURA to secure this certificate. This occurred at the home of HIRAWATARI. The statements of NAKAGOME and SHIMURA are submitted as Exhibits J and K respectively.

10. TERAMURA, whose foster father is HIRAWATARI, acted as a consultant and branch manager of the Maruni Industrial Company, Ltd. He was informed by KOBAYASHI, President of the Company, early in January 1948 of the existence of approximately one thousand (1,000) tons of scrap canvas located in the Hanazono and Takasago godown of the now defunct Nippon Used Textile and Commercial and Industrial Cooperative Union in Kobe. The manufacturers of Kobe-Osaka-Kyoto area were all making efforts to obtain this canvas for use in their factories. Accordingly, TERAMURA was asked by KOBAYASHI to find some means by which he could obtain permission from the Allied Forces to reprocess the scrap canvas in his Tokushima factory and to sell it to the Allied Forces on a procurement demand. The Japanese police and Military Government team in Kobe were unable to locate the canvas or to establish the authenticity of the canvas. The statements of TERAMURA and HIRAWATARI are submitted as Exhibits L and M respectively.

11. When interviewed at the offices of the TMGT on 7 October 1948, Carl W. YOUNG, Major, 0263457 (w), Legal & Government Section, TMGT, APO 181, made the following statement: "At some time prior to 10 May 1948, a transaction involving payment of 200,000 yen for a supposed Transportation Permit was arranged. I did, with full knowledge and consent of Commanding Officer, TMGT, and Mr. V. R. STOLLE of CPO, compose and give to one Mr. Kanzaki of this section, a paper purported to be such permit and which was entirely false and fictitious. This paper was supposed to be a permit for transportation of canvas in neighborhood of Kobe and was signed by Col. J. C. James, Transportation Expediter. The original document has been either displaced or lost." The statement of Major YOUNG is held on file in this office as Exhibit N.



12. CONCLUSIONS:

CIR 48-BR-3

From the foregoing investigation, it is concluded:

a. That Hajime SUZUKI, Yomoichi SHIMURA, Kyohei TERAMURA, Shin HIRAWATARI, Teiyu SODA, Sumito NAKAJIMA, and Tadao NAKAGOME did, at Tokyo, Honshu, on or about 10 May 1948, enter into a conspiracy to bribe Mosuke TAKAGI and V. R. STOLLE, DAC, with the sum of fifty thousand yen (¥50,000) and two hundred thousand yen (¥200,000) respectively, for the purpose of obtaining a fictitious purchase and transportation order from the said V. R. STOLLE.

13. EXHIBITS:

- A--SODA's letter to STOLLE and Purchase and Transportation Order.
- B--Check for one hundred thousand yen (¥100,000).
- C--Check for two hundred thousand yen (¥200,000).
- D--Statement of NAKAJIMA.
- E--Statement of Branch Bank Manager.
- F--Statement of TAKAGI.
- G--Statement of SAKAMOTO.
- H--Statement of SODA.
- I--Statement of SUZUKI.
- J--Statement of NAKAGOME.
- K--Statement of SHIMURA.
- L--Statement of TERAMURA.
- M--Statement of HIRAWATARI.
- N--Statement of Major Carl W. YOUNG.

14. WITNESSES:

1. Mosuke TAKAGI, Legal & Government Section, TMGT.
2. Minoru SAKAMOTO, Ass't. Police Inspector, MPD.
3. V. R. STOLLE, Chief, Central Purchasing Office.

15. UNDEVELOPED LEADS:

None.

16. RECOMMENDATIONS:

From the foregoing Report of Investigation, it is recommended:

- a. That distribution be made as indicated.
- b. That SUZUKI, SHIMURA, TERAMURA, HIRAWATARI, SODA, NAKAJIMA, and NAKAGOME be tried and punished as a U. S. Provost Court may direct.
- c. That the case be closed in the files of this office.

  
JOHN M. HART  
Director of Investigations



C O P Y

27 April 1948

Colonel Staul, Esq.

My dear and honourable Sir:

Please excuse me to explain by writing a few lines.

If we get your signature on this purchasing order sheet, we are ready to give you two hundred thousand yen (¥200,000) as a reward. We can give you the money of ¥200,000 when we receive the purchasing order sheet signed, because without your signature, these scrap canvas can not be transported to the manufacturing place of Tokushima City from the godown of Kobe City.

Of course I know that you don't want these scrap canvas, but we want these scrap canvas ought to be mended or manufactured to several wearing stuffs. These mended stuffs are very necessary for present poor Japanese wearing use.

I hope you will understand this reason, and you will kindly sign on this purchasing order sheet.

If you want these scrap canvas, we can give you some (ten tons or twenty tons as you want) of them mended, without money.

We have about thousand tons of the scrap canvas in the same godown of Kobe City, and this 200 tons is the first trial to transport to Tokushima City from Kobe City to manufacture into several wearing stuffs.

We are hoping to utilize these scrap canvas by mending them to wearing stuffs, so we earnestly ask you will help us by giving us your signature.

Trusting your kind help, I remain always yours truly,

/s/ T. Soda  
insted of H. Kobayashi  
(The owner)

C O P Y



C O P Y

PURCHASING ORDER

- (1) Name of Owner Kobayashi Hisao
- (2) Address of Owner 15 banchi, 2 chome, Tomitacho, Tokushima City,  
Tokushima Prefecture.
- (3) The name of the stuffs to be purchased. Scrap canvas.
- (4) Address of the stored place. Hanazono godown, Oishi, Nishi Nada,  
Nadaku, Kobe City.
- (5) Quantity of the scrap canvas. 200 tons.
- (6) Price of scrap canvas per one ton. 8,000 yens.
- (7) Manufacturing. These scrap canvas must be manufactured to some good  
shapes of several kinds.
- (8) Manufacturing place. 15 banchi, 2 chome, Tomitacho, Tokushima City  
(as above mentioned)
- (9) Shipping date. April 1948.
- (10) Shipping route. Kobe, Tokushima-Tokyo.
- (11) Method of transportation. By truck, steamer and railway.
- (12) Period of transportation. For 3 weeks.

Remarks

When the cargos are shipped, the report to C.P.O. must be done.  
The scrap canvas purchased by C.P.O. are out of the Tax.

Officer's Name  
(sign please)

C O P Y



C O P Y

Registered Domicile: #167 Uozaki, Uozaki-sho, Hyogo-gun, Hyogo Prefecture  
Present Domicile: ISHII YOKO, #22, Yanagi-cho, Bunkyo-ku, Tokyo-to  
Name: Masanosuke ISHIBASHI (alias) Sumito NAKAJIMA (Age: 58)

On the 10th of May, in the afternoon, I visited HIRAWATARI, 7-chome, Nishi Ginza. Just then three or four people came in with the certificate for scrap canvas, which was issued by CPO with Col. Stolle's signature. HIRAWATARI did not believe it and was worrying whether it was a true one or not. So I was asked to look at the paper to make sure. I told TERAMURA that it was a true one. Then TERAMURA said he was requested 500,000 yen by a certain SASAKI for compensation. He further asked me to lend him 300,000 yen for a few days. I gave him two checks, ¥100,000 and ¥200,000 saying, "Please be sure to draw tomorrow afternoon," for at that time I only had about ¥40,000 - ¥50,000 in bank. I received a bond of debt from TERAMURA.

After a few hours I revisited the same house, and knew that no one came back from the American Club and some trouble seemed to have occurred. Concerning the check I was asked not to receive money in bank. Therefore I left my bank-book as it was. However, I was expecting some compensation which I was to have when the transportation of the scrap canvas was settled, as TERAMURA promised.

I am very ashamed of myself for committing such fault caused by my greediness. I herewith hope you general disposition.

23 May 1948  
Masanosuke ISHIBASHI

Translated by H. Shirai

C O P Y



C O P Y

Present Address: #34, Toyowake-cho, Shibuya-ku, Tokyo-to  
Name: Kenneth M. TAKAGI  
Employment: Interpreter, Legal & Government Section, TMGT

1. On May 5th, 1948, Wednesday, by the order of Mr. S. Kanzaki, Legal Section, TMGT, with Assistant Police Inspector SAKAMOTO, I visited Mr. Teiyu SODA, who is a manager of #8, Japanese Employee's House at Washington Heights. For the sake of the investigation, Mr. SAKAMOTO posed as a common broker of the town and I myself posed as a secretary for Mr. STOLLE.

2. On or about 2:00 pm for about an hour, SODA, SAKAMOTO and I conversed as follows: SODA "If you get me the transportation certificate from CPO signed by Mr. STOLLE I will let Mr. KOBAYASHI, the consignee, pay ¥200,000 to Mr. STOLLE and ¥50,000 to you as compensation. I said, "I will at once, if you desire so." SODA, "At once is impossible because the consignee is in Kobe and besides that I have to negotiate the matter with Shin HIRAWATARI who was the former Superintendent Chief of M.P.D. and now the chief agent of Tokyo Branch of the Maruni Co. Ltd. There is also a broker named SASAKI between us, so could you wait until 13 May (Thursday)? I have to contact with all those people. But if in case something should occur, where can I find you? May I have your name card?" When I heard this I was annoyed, for if I let him know that I am an employee of Legal Section, our investigation might end in vain. But when SAKAMOTO gave him his name card without his title and address, I wrote down my former address of Komagome on SAKAMOTO's card. Where one godown remained unburnt by bomb and my mother and two sisters are living there at present.

On May 7th 1948, Friday, on or about 1500 I got a telephone from SODA at Legal Section TMGT. He said that the transportation certificate with Mr. STOLLE's signature was needed in a hurry and requested me to come down to Washington Heights tomorrow (8 May) which I promised to do so.

4. On May 8th, 1948 (Saturday). Accordingly as promised yesterday I visited SODA at Washington Heights accompanied by SAKAMOTO. SODA stated that everything was settled. Mr. STOLLE was to receive ¥200,000 while Tokyo and I are to receive ¥50,000 as compensation. There are more than 1,000 tons of scrap canvas, in Kobe, so if they should be successful in this initial shipment of 200 tons, we will try to transport more later. He stated also to SAKAMOTO that on the occasion of this transaction no money will be given to him. SAKAMOTO did not argue about this. SODA also asked me at this time to bring the transportation certificate signed by Mr. STOLLE on 10th of May (Monday). I requested SODA to contact Shin HIRAWATARI and let me know the time of next meeting on the morning of 10 May.

5. On May 10th 1948 (Monday), 1030, I met SODA alone at Washington Heights. I told SODA that STOLLE's signature will be prepared today, but that I would like to hand it directly to HIRAWATARI since I was instructed to find the location of HIRAWATARI's house. SODA said, that since SASAKI the broker is the only one who knows where HIRAWATARI's home is he would have to ask

C O P Y



C O P Y

SASAKI who was to meet him that day at 1100. At this time SODA said that after talking with SUZUKI he would let me know by phone the time and place of actual negotiations the next day at 12:30. 12:30 sharp, I got a telephone call from SODA which as promised I have been waiting. He said to me, "HIRAWATARI's house is located in Ginza. At 1:30 p.m. let us meet at a tea room, 'Colombon' near HIRAWATARI's house, before we visit him. SODA also said, "Mr. SASAKI is here too. Will you talk with him?" and I talked with SASAKI about the same subject. 1:30 p.m. at the same date, I went to Columbon with SAKAMOTO. SODA introduced us SASAKI and SUZUKI. Then, there I showed the transportation certificate to them which I brought, therefore SASAKI guided me to HIRAWATARI's house. Other people waited outside. At the HIRAWATARI's house: While I was greeting with HIRAWATARI and TERAMURA, SHIMURA came in and joined us. We were all in five - Shin HIRAWATARI, Kyohoi TERAMURA, Ryo SASAKI, Yomoichi SHIMURA and myself.

When I showed the document to HIRAWATARI, he said to me, "This certificate is perfect but this is only a transportation certificate. It will be of no use without purchase order." I replied, "No, I do not think so." HIRAWATARI said, "Let us go to the S.P.B. and have this examined to see if it is proper or not." So I took TERAMURA, SHIMURA, and SASAKI to the Legal Section, TMGT, and left SHIMURA and SASAKI in Room #208, Legal Section, TMGT, and went to SPB with TERAMURA only.

I met Mr. SHIROMA (a friend of mine) there, and requested his explanation for TERAMURA about the document. Mr. SHIROMA gave a full explanation to TERAMURA so that he could understand that the certificate is proper and quite usefull.

TERAMURA and I went to HIRAWATARI's house, before going back to TMGT, TERAMURA told HIRAWATARI that the certificate was a proper one. After a while they went upstairs and conversed something which I do not know for I stayed downstairs. TERAMURA and HIRAWATARI came downstairs and HIRAWATARI said to me, "The document is perfect, so I should like to give you the money, but it is already 4:00 pm now and the bank is closed, so I will give you a check. Will you please draw the money tomorrow afternoon (11 May)?" HIRAWATARI said I would like to give you this check in front of SHIMURA and SASAKI, so will you call them down here?" But I requested TERAMURA to come to TMGT, and so TERAMURA accompanied me to the office. Hereupon I received ¥200,000 check and ¥100,000 check from TERAMURA in the presence of SHIMURA and SASAKI in Room #208, Legal Section, TMGT.

The bill of drawer was Masanosuke ISHIBASHI, representation of ISHII Yoko.

May 21st, 1948  
Legal and Government Section, TMGT  
Major Young  
Chief Section, Legal & Government  
Section, TMGT

Translated by K. TAKAGI



C O P Y

HEADQUARTERS  
TOKYO MILITARY GOVERNMENT TEAM  
APO 181

REPORT OF INVESTIGATION

7 June 1948

SUBJECT: Report of Investigation concerning attempted bribery of Mr. V. R. Stolle, Chief of Central Purchasing Office, by Japanese Nationals

TO: Major C. W. Young, Chief of Legal and Government Section, TMGT

FROM: Minoru SAKAMOTO, Assistant Police Inspector

SODA, Sadayoshi offered to give 200,000 yen to Mr. Stolle and asked for his signature on the purchasing order-paper. As a matter of convenience for making secret investigation, I asked TAKAGI to pose as Mr. Stolle's interpreter and I myself pretended to be a common-broker. And thus we started our investigation.

1. On 5 May we met SODA at Washington Heights. There SODA said:
  - a. I told Mr. Stolle that I am a friend of KOBAYASHI, Hisao who is the president of the Maruni Industry Co., Ltd. but to tell you the truth I had never met him. Moreover there are some mediators like SASAKI (real name NAKAGOME), the former chief of MPB, named HIRAWATARI and a few other important persons.
  - b. I am not sure about the scrap canvas or about its owner.
  - c. In regard to the signature, I was requested from NAKAGOME.
  - d. At the time we reach our object, I will give ¥200,000 to Mr. Stolle and ¥50,000 to TAKAGI, and to SAKAMOTO some scrap canvas, not this time but next time.
  - e. I want to make the next meeting on Thursday, May 13th.
2. On 7 May, I received a report from TAKAGI that SODA phoned him and said, "I am in need of the paper with the signature right away, so I want to see you on 8 May."
3. On 8 May, about 10:30 am, TAKAGI and I went to see SODA at Washington Heights. There SODA said, "On May 10th (Monday) I will give ¥200,000 to Mr. Stolle and ¥50,000 to TAKAGI in exchange for the certificate."
4. The fact on May 10th is as follows:
  - a. At 10:30 am, TAKAGI and SODA talked together, and made a promise to hold a meeting at 'Colombon', a tea-room in Ginza at 2:00 pm. Members: SODA, TAKAGI, NAKAGOME, SASAKI and SUZUKI.

C O P Y



b. The facts at 'Colombon' 2:00 p.m., 10 May 1948.

The attendants were NAKAGOME, SODA, SUZUKI, TAKAGI and I. TAKAGI showed an English written paper and told them that it was the certificate from CPC. SODA took it and read it and said, "I recognize this to be certain." Then NAKAGOME said, "I hope Mr. Stolle has not any desire about taking scrap canvas as this paper says." SODA said to TAKAGI, "According to this point I believe Mr. Stolle clearly understands everything." TAKAGI said, "Yes, he has no intention to buy them."

At 2:00 pm we went to HIRAWATARI's house, but TAKAGI and NAKAGOME went into the house only and we were not allowed, therefore I do not know their negotiation after that.

Translated by K. MINEMA.



C O P Y

Registered Domicile: Gokokuin, #4, 1-chome, Maeki-cho, Kobe-shi.  
Present Address: Washington Heights, Yoyogihara, Shibuya-ku, Tokyo-to.  
Name: Teiyu SODA, Born Augst, Age: 70. Interpreter at Officers Club.

The above mentioned subject stated to me the following:

1. Place of Birth: Sonomura, Hikuwa-gun, Shimane-ken.
2. Previous offence: None.
3. Brief Personal History:

In 1903, after graduating from a special course of the department of philosophy at the University of California, I returned to Japan and soon afterwards engaged in missionary work at Honganji Temple. In Dec. 1938, I went to Shanghai as the chief of the Shanghai Branch of Nikka Shinzen Kyokai (Association for good will between Japan and China) and operated the Shanghai Orphanage, whose purpose was the relief of Chinese children who suffered from the war. At the end of the war I stopped this enterprise and repatriated to Japan on 21 March 1946. I was employed as an interpreter at the International Military Tribunal for the Far East from June 1946 until May 1947. In Dec. 1947 I was hired as an interpreter at the Washington Heights Officers' Club, where I am still employed.

4. Personal Wealth: Since I am a repatriate and also a war-sufferer I have neither movable nor immovable property. My wages are approximately ¥3,000 per month.

5. Family Relationships: My family consists of my wife, Hiroko, age 57.

6. I shall relate the events of this case as follows:

On or about 10 April 1948 NAKAGOME known commonly as SASAKI (FNU) came unexpectedly to my place and told me the following:

a. Hisao KOBAYASHI of Tomita-cho, Tokushima-shi, Tokushima-ken possesses about 1,000 tons of scrap canvas which is stored in the Hamazono godown in Kobe city. On the first trial we would like to transport 200 tons of the 1,000 tons from Kobe to Hisao KOBAYASHI's factory. For this purpose we would like to have a transportation certificate and purchase order from Col. Stolle of CPO.

b. If you can get the certificate I will give ¥200,000 to Col. Stolle and ¥50,000 to you. However, we have no desire to supply the scrap canvas to the CPO. If the CPO wants a few tons of the canvas we are willing to allot a few tons to them. If the transportation certificate from Kobe to Tokushima is issued. At that time NAKAGOME gave me a sheet of paper written in Japanese to the following effect:

C O P Y



CPO Purchasing Order

The manufacturer, Hisao KOBAYASHI, will transport 200 tons of scrap canvas from the Hanazono godown in Kobe to the Tokushima factory. And after manufacturing it at Tokushima will transport it to Tokyo.

b. As I was unable to earn a living and beside that owed some debts, I was in need of money. Moreover I thought if the canvas could be transported to Tokushima's factory and manufactured, the society will benefit greatly. So I accepted NAKAGOME's proposition and replied that I will talk to Col. Stolle so wait till April 20th.

c. I did not know anything about the CPO and Col. Stolle until after Mr. NAKAGOME had explained this to me.

d. In spite of being quite a stranger to Col. Stolle, I visited him alone at the CPO. I offered the purchasing order sheets to be signed, and the following letter written in English, for I feared I might make a mistake. Outline of the letter is as follows:

I will give you ¥200,000 if you will sign the purchase order-paper. It is impossible to transport the scrap canvas from the godown in Kobe to the works in Tokushima unless I get your signature. I want to remake the canvas into various articles of clothing. If you want some I will give you 10 or 20 tons. There are about 1,000 tons of scrap canvas in the godown in Kobe, but I want to send on first trial to Tokushima 200 tons. Herewith I hope your kindful signature and help.

e. Explaining the content of the said letter to Mr. Stolle, I asked him to sign it. I said I would give him ¥200,000 as the compensation for his signature on the order sheets for purchasing and the certificate for transportation. I thought it was common sense to give the compensation when requesting something from someone, and moreover I thought from his signature the Japanese people who are short of clothing would be helped, and also KOBAYASHI would make a large profit from scrap canvas when remade into clothing. I did not think otherwise.

f. Mr. Stolle refused my offer for the reason of illegality, after he read those two sheets and listened to my words. Then I asked him, "Please give my two documents back." However he refused my request, saying, "I will keep these for my information."

g. When NAKAGOME visited me around 20 April this year, I told him that my offer was refused, and so the certificate would not be issued.

h. On 5 May, Mr. TAKAGI and Mr. SAKAMOTO visited me, the former said to me, "I am the interpreter of Mr. Stolle in the CPO. I will get his signature for your certificate." So I replied, "I ask you to do so, for sure, and if you get me the certificate for us any time." I told him, "with Mr. Stolle's signature I will let Mr. KOBAYASHI pay ¥200,000 to Mr. Stolle and ¥50,000 to you." Although Mr. TAKAGI said he will get the certificate for us any



time, I told him further, "There are a few other persons concerned in this case, such as the former Superintendent-General of the Metropolitan Police, Mr. HIRAWATARI, and a broker SASAKI. As I must arrange a meeting with the above-mentioned persons, you will have to wait until Thursday, 13 May.

i. On 5 May, just after I met Mr. TAKAGI, I sent the following telegram to Mr. Hisao KOBAYASHI (Tomida-cho, Tokushima-shi): Can get permission concerning to the canvas. Teiyu SODA, Washington Heights.

On the next day (6 May) I also sent the following telegram to Hisao KOBAYASHI which was not answered: I am waiting for your visit. Teiyu SODA.

j. When NAKAGOME visited me on 6 May, I asked him to contact HIRAWATARI and the other persons as the papers will be issued by the CPO soon. Hearing this, NAKAGOME said that he would trade on Monday 10 May. I asked NAKAGOME to place money into two parcels; one ¥200,000 for Mr. Stolle and another ¥100,000 for Mr. TAKAGI and me. I said I would exchange the money for the documents and NAKAGOME agreed.

k. When I met NAKAGOME at a tea-room located under the girder-bridge of Shinbashi, on 7 May, he introduced me to Hajime SUZUKI who came in unexpectedly. Then asked me to confirm when certificate would be issued. SUZUKI and I looked for Mr. TAKAGI's house and knew that he works at the American Club, so we telephone him and told him we would meet him at Washington Heights on Saturday, 8 May.

l. I told Mr. TAKAGI and Mr. SAKAMOTO on 8 May that we wanted the certificate and would pay Mr. Stolle ¥200,000, TAKAGI ¥50,000 and I would get ¥50,000. There are more than 1,000 tons of scrap canvas in Kobe, if the first trial movement of 200 tons is successful, I will get you more compensation. At this time I shall not be able to present money to Mr. SAKAMOTO, but I will request some scrap canvas for him next time.

m. About 10:30 on 10 May, Mr. TAKAGI visited me at the Washington Heights, and said that the documents were issued, but it is so serious that he wants to hand them over to Mr. HIRAWATARI personally. Then I had thought to trust to NAKAGOME, because I had never met Mr. HIRAWATARI. Therefore parting from him I replied, "I will appoint the time and the place to meet Mr. HIRAWATARI by telephone at 12:30 today.

A little later SUZUKI and NAKAGOME came to my house, so I told them that Mr. TAKAGI showed me a letter written in English, saying, "This is the certificate for the transportation signed by Mr. Stolle." At that time I read it, and thought it was a true certificate. Mr. NAKAGOME said with concerned air, "I really believe that Mr. Stolle will purchase the canvas." So I said, "Maybe Mr. Stolle understands it. As this certificate will be used merely for the convenience of the transportation, it will not enable the CPO to purchase canvas." Mr. TAKAGI replied, "Mr. Stolle understands it, and also the CPO hasn't any mind to purchase it."



Then we walked to the front of the HIRAWATARI's house, and I was told by MAKICOME to wait outside. Accordingly we waited outside of the house, therefore I did not know what they talked about in the HIRAWATARI's house.

I am sorry to have troubled you, and now I hope your lenient dealing.

/s/ Teiyu SODA  
17 May 1948

Translated by H. SHIRAI



C O P Y

Registered Domicile: #2, Shimonofuse-cho, Wakematsu-shi, Fukushima-ken,  
Present Address: c/o Yamagata Kiku, #671, Seiyo-cho, Setagaya-ku, Tokyo.  
Occupation: None  
Name: Hajime SUZUKI

The above mentioned subject stated to me the following.

1. Place of Birth: Odawara-shi, Kanagawa Prefecture. Town and address unknown.
2. Previous offence: None.
3. Brief personal History.

Graduated from the Tokyo Physical College on March 1946. From early in July to the middle of Oct. 1946, worked in the armed forces at Yokohama as a laborer. After that I have no occupation.

4. Personal Wealth: I have no movable nor immovable property. I am under the care of my aunt-in-law, at my present place.

5. Family Relationships:

Father	Missao	54	Younger brother	Akira	23
Mother	Hatsu	52	"	"	Hitoshi 21
			"	"	Takashi 19

Above 5 persons are now interned in Saghalien.

6. I shall relate the events of this case as follows:

(a) On July 1947, NAKAGOME Tadao was introduced to me by SUZUKI Yoshio (living at Nakano) as follows:

After graduating the former Imperial University he went to America and there he graduated the California University. Then he came back to Japan. At present he is working at Yokohama Military Police.

As NAKAGOME did not make any denial to this statement I thought it was true. I introduced myself to him that I was working at the Civil Education Section, NYK. But as I said above my occupation was just a laborer.

(b) On August 1947, when I introduced NAKAGOME Tadao to SHIMURA Yomoichi, I used his alias 'SASAKI' because he told me that he was adopted into a family named 'SASAKI' and I repeated the same introduction to SHIMURA just like the one made by SUZUKI Yoshio to me.

(c) On March 20 1948 I was asked by NAKAGOME whether I had any acquaintance at CPO. As I had none I did not make any answer.

C O P Y



(d) On March 23, I met ICHIKAWA. He is a man whom I was introduced from a certain man about a year ago and whom I remembered his face. I asked whether he had some acquaintances at the CPO. He answered that he knew a sergeant at the Traffic Section of the CPO, so he would try to ask him. So I asked him a favour.

On the same day I gave the above information to NAKAGOME.

(e) Around March 25 ICHIHARA met NAKAGOME through my introduction and there, ICHIHARA told NAKAGOME that he had already got the consent from Col. Stolle, the chief of the CPO, so he was sure about getting the certificate. NAKAGOME said, "Be sure to get it," and gave me the Purchase Order Paper of the CPO and the certificate affirming the 1,000 tons of scrap canvas, and so I gave them to ICHIHARA. After explaining the main points NAKAGOME said that with the exchange of the certificate he will present ¥300,000. ICHIHARA replied that he would try. After making an engagement to meet at the front of the Tokyo Main P.X. on March 30 at 1300 we parted.

(f) We, NAKAGOME, ICHIHARA and I met at the front of the Tokyo Main P.X. on March 30, at about 13:00. ICHIHARA said, "The paper with the signature of Col. Stolle will be ready by 15:00 on May 31. But before that, about 13:00 it is better to hand ¥100,000 to a certain sergeant who is taking care of this. So I want you to get the money for sure." And I said as follows, too, "I believe that the paper will be ready at 15:00 on March 31. But if you do not prepare ¥100,000 by 13:00, 31 March he will be in a delicate position. As for the rest ¥200,000 you can exchange it with the paper. As NAKAGOME promised us to bring ¥100,000 on 31 March to the 'MEIGETSU', a tea-room located in the front of the Shinbashi Station, we parted.

(g) On March 31 we, three, NAKAGOME, ICHIHARA and I held a meeting at the 'MEIGETSU', a tea-room. There NAKAGOME gave ¥100,000 to ICHIHARA and asked whether he could go with them to the CPO or not. I said to NAKAGOME, "I will go with ICHIHARA to the CPO and bring the paper for sure, so you better wait here." We took the street car at the front of the Shinbashi Station. When we came as far as Kyobashi, he said that he has to step in at the typewriter shop and get the paper both in English and in Japanese to take to the CPO. So we got off at Kyobashi. ICHIHARA went to the typewriter shop and I was asked to wait at the nearby tearoom.

After about 20 minutes, ICHIHARA came back and said, "It takes rather a long long time for the papers to be typed. They might not be ready within the promised time, so please tell NAKAGOME about it." I thought about using a telephone, but as the place where NAKAGOME was waiting was not so far I took a street car. After I gave the information to NAKAGOME I went to the CPO and waited for ICHIHARA, at the front of the CPO Bldg., but as he did not appear I asked at the information desk whether a certain person called ICHIHARA had come. The answer was, "No." So I went to the typewriter shop but could not find him. At once I went back to the tea room where NAKAGOME was waiting and told everything. He was surprised too and we both looked for him everywhere we thought he might be.



On the same day at 10:00 p.m. NAKAGOME and I went to HIRAWATARI's house, and met HIRAWATARI and TERAMURA. There NAKAGOME introduced me. He told them that my name was MURAI and continued, "This MURAI asked for the paper to ICHIHARA, who is working at the CPO. But that ICHIHARA ran away with ¥100,000. (At this time he showed ICHIHARA's name card to them) I will try to get them from another place, so wait for the certificate for awhile. Beside that I will do my best to find ICHIHARA." TERAMURA made an answer as follows: "Be sure of the certificate and be sure to take back that certificate affirming the 1,000 tons scrap canvas for it might be abused.

(h) Since then I am trying hard to find ICHIHARA but I cannot find him still. On May 5th I was told by NAKAGOME that HIRAWATARI was asking for the ¥100,000, so I sold my suit at ¥14,000 and gave that money to NAKAGOME.

(i) On 7 May at a tea-room 'KOSHUEN' located at the underpass of the Shinjuku Station I met SODA through NAKAGOME's introduction. There I found that SODA was trying hard to get the certificate which I failed because of ICHIHARA. With NAKAGOME's order SODA and I tried to find TAKAGI's house and we knew that he was working at the TMGT. SODA called TAKAGI by a public telephone near the Ebisu Station, but I do not know what they talked about.

(j) On May 10, around noontime, I visited SODA at Washington Heights. NAKAGOME was there too and NAKAGOME told us that, at 13:00 on that day TAKAGI, who works at TMGT, would bring the certificate with Col. Stolle's signature, to the tea-room 'Columbon' in Ginza. Therefore, we three at once went to that tea-room 'Columbon' by subway. On the way I was asked by NAKAGOME to phone SHIMURA and tell him to wait at HIRAWATARI's house by 14:00. After phoning I went to the tea-room and there I noticed that the negotiation was almost settled. NAKAGOME introduced TAKAGI and SAKAMOTO to me. At that time TAKAGI said to me, "You are Mr. SUZUKI working at the CPO, aren't you?" So I told a lie saying, "No, I am working at PMO." As it came around 14:00 TAKAGI, NAKAGOME and SODA got into the jeep; SAKAMOTO and I went on foot to the front of HIRAWATARI's house. NAKAGOME and TAKAGI stepped inside to make consult and SODA, SAKAMOTO and I waited outside.

After awhile TERAMURA, SHIMURA, NAKAGOME and TAKAGI came out and rode away by jeep saying they are going to the Special Supply Bureau. So SODA and I waited at the tea-room 'Columbon' until 19:00. But we did not have any report. Therefore we two went to HIRAWATARI's house and there I found out that our members were arrested and locked up at the Marunouchi Police Station.

7. In conclusion, I would like to give my impression of this case:

As my parents and my family are still kept at Saghalien, and I under the care of my aunt-in-law, I was in need of money very badly. When I heard about the plan from NAKAGOME I thought this might be a good chance to get some money. Although I knew that I was doing something wrong, I was



drawn into the case step by step. I ought to have taken a regular way.  
I am very sorry to have troubled you. I pray for your lenient dealing.

/s/ Hajime Suzuki  
May 31, 1948

Translated by: H. Shirai



C O P Y

Registered Domicile: #2850, Iino-mura, Nakagoma-gun, Yamanashi Prefecture.  
c/o IKEDA Kingo, #1147, Zushi-machi, Yokosuka City,  
Kanagawa Prefecture.  
Name: Ryoji SASAKI (alias) Tadao HARAGOME (real name)  
(Age: 34 Born: Oct.)

The above mentioned subject stated to me the following:

1. Place of Birth: #2850, Iino-mura, Nakagoma-gun, Yamanashi Prefecture.
2. Previous offence: Fraud June 1947.

On June 1947 I was put on trial as a fraud at the Tokyo District Court and the next month I was sentenced for one year.

Concerning my case the wrong I worked is as follows:

With the object of selling the "concealed goods" which was under the control of the FUJI Manufacture Co. Ltd., I borrowed 500,000 yen from KATSUGORO YAMAZAKI, Kosuge-cho, Katsushika-ku, Tokyo-to, on Dec. 1946. Then I circulated the money to Haruya KATO, #2, Morimoto-cho, Azabu-ku, Tokyo-to, but he did not use the money for our estimates. He spent all the money by himself and escaped. That is why I ran into trouble when YAMAZAKI came and asked for the return. YAMAZAKI brought a charge against me for fraud. But now I am undertaking an appeal to a higher court.

3. Brief Personal History:

I graduated a Commercial Course at Nippon University on March 1938. Worked as an editor at 'Seibun-kan', publishing house, at Jimbo-cho, Kanda, then on Feb. 1941 I started a bookshop, myself at Iwamoto-cho, Kanda, named 'Bungaku-shobo'. Then I was drafted to the 'East #11 Corps' as a sanitary and was then sent to the south. I repatriated on Nov. 1946, and worked on farm for a while at my native place. After that I came up to Tokyo for my own business and at that time I raised the trouble as I explained above. On June 1947 I came to Tokyo again for my trial and lodged at Renzo YAMAGUCHI, loc located at #117 Shimochiba-cho, Katsushika-ku, Tokyo-to. Then on Sept. 1947 by the introduction of Tokutaro KAYAMA, a friend of mine I met Yomichi SHIMURA and since then I have been working at his office.

4. Personal Wealth:

I have no movable nor immovable property. I am not sure but at my country there is a little land and house which are under the name of my elder brother. My income is 6,000 yen a month.

5. Family Relationships:

- a. Father - Kotaro (age: 74)
  - b. Eldest brother - Yoshiteru (age: 44)
- Both are working on farm at my country.

C O P Y



- c. 2nd brother - Yoshio (40) Working as an outside wire clerk at Kentshaiden in Tokyo.
  - d. I married with SENOJI Toyono, Memurogawa-mura, Mogami-gun, Yamagata Pref. on Aug. 1947, but her name is not entered in a family register and moreover we are not living together as for no house.
6. I shall relate the events of this case as follows:

- a. Around 18 March 1948, I was told from SHIMURA as follows:

There is some scrap canvas in Kobe. I should like to transport it to Tokushima. We can not transport it without a purchase order signed by an officer of CPO. Can you get it?

I replied to him, "I will try." He also said that he was asked from a certain HIRAWATARI and that HIRAWATARI was willing to spend ¥400,000 as a compensation.

- b. When I met Hajime SUZUKI on or about 20 May 1948 I communicated SHIMURA's requirement to him and asked him, "Have you any acquaintance in CPO?" As he seemed to have no acquaintance he made no answer. Until then I had been thinking that he was the most suitable man for this work, because he said to me around last Sept. that he was working as an interpreter at Civil Education Division at the NYK in Yokohama and around this Jan. he said that he was employed by Provost Marshal at Yokohama.

- c. After a few days around 23 March Hajime SUZUKI informed me that he can get the certificate from CPO, therefore I, on the next day, reported so to Yomoichi SHIMURA.

- d. Around 25 March I took SHIMURA to HIRAWATARI's house and met HIRAWATARI and his son. Afterwards I knew that HIRAWATARI's son was not his real son. He is known as TERAMURA. I stated at that time, "I will undertake this case for sure. Would you kindly wait me for a few days?"

I was introduced to HIRAWATARI and TERAMURA by Yomoichi SHIMURA as follows:

Just after graduating the University in Japan, SASAKI went over to American and graduated the California University. He came back to Japan soon, and nowadays he has a close connection with the Occupied Forces. So I think if you request him about the certificate you may surely get it.

Then TERAMURA handed me a certificate of which contents has such an effect as follows:



CPO Purchase Order

Manufacturer: Hisao KOBAYASHI, Tomioka-cho, Tokushima-shi,  
Tokushima Prefecture.  
Kind of goods: Scrap canvas.  
Hoarded Place: Hazazono Godown, located at Nada-ku, Kobe-shi  
Quantity: 200 tons  
Course of Shipment: Kobe-Tokushima-Tokyo.

TERAMURA explained about the above sheet as follows:

If we can get Col. Stolle's signature we may be able to move this scrap canvas. We may supply all of these manufactured goods to the CPO, but if possible we would like to sell it to another place after supplying 20% or 30% to CPO.

TERAMURA gave me the said purchase order and another certificate which confirms for the scrap canvas 1,000 tons. And HIRAWAYARI explained about the expense which was needed for the movement as follows:

I am intending to use ¥400,000. You two may have ¥50,000 to ¥100,000. The rest I will give to the person who brings the certificate signed by Mr. Stolle.

We two, Shimura and I, consented to his offer and parted answering, "We will try."

a/ Around 26 March I was introduced ICHIHARA from SHIMURA with a word that he was employed by CPO. So I handed two sheets of the certificates (a purchase order and a confirmative certificate of 1,000 tons scrap canvas) which were given to me from TERAMURA yesterday to SUZUKI. Then SUZUKI handed them to ICHIHARA. I explained the contents of the certificates and also about the compensation, ¥500,000 if he was able to get Col. Stolle's signature. ICHIHARA replied, "I will try." We parted after promising to meet again at the front of the P.X. I was to have his exact answer at that time. Date and time: 30 March, 1900.

f. On the appointed place we three, SUZUKI, ICHIHARA and I met. At there SUZUKI said the following words to me as ICHIHARA's requestment.

The certificate with Col. Stolle's signature will be prepared by 1500 31, tomorrow. In order to be signed he wants to give ¥100,000 to Col. Stolle. Therefore he wants you to prepare ¥100,000 by 13:00 tomorrow. If not he would be in a dilemma. The left I request you to exchange for the certificate.

Thus I parted from them after promising them to take ¥100,000 with me to the tea-room 'MEIGETSU', located in front of the Shinbashi Station, on 31 March about 13:00. I soon phoned to HIRAWAYARI and communicated the above meeting and requested him to prepare ¥100,000 by 12:30 on 31 March, as I was intending to visit him at that time.



HIRAWATARI gave me his agreement.

g. About 10:00 on 31 March, I called SHIMURA at his office in Marumouchi and after explaining the meeting I had yesterday I asked him to come to HIRAWATARI's house by 12:30 and meet me there.

h. When I visited HIRAWATARI's house at 12:20 on 31 March, SHIMURA was not in. I met TERAMURA and asked for the money I requested by phone yesterday. It was prepared I think for he handed to me soon, wrapped by a sheet of paper. So with the money I went to the tea-room, located in front of Shinbashi Station and met SUZUKI and ICHIHARA. I handed the money to them and asked if I should go with them to the CPO. Handing the money to ICHIHARA, SUZUKI said, "I want you to wait for me here, I will go with ICHIHARA and I will take the responsibility." Therefore I waited. Around 17:30 SUZUKI came back alone and said he lost ICHIHARA. About 22:00 that night SUZUKI and I visited HIRAWATARI. We met both, HIRAWATARI and TERAMURA and reported as follows:

This MURAI (instead of introducing me as SUZUKI he used this name) asked ICHIHARA who works at CPO to get Col. Stolle's signature and that ICHIHARA ran away with ¥100,000. (Here I showed the name card of ICHIHARA to them.) I will try hard to get the certificate by another way so please wait for a while. Beside that I will find ICHIHARA.

TERAMURA said, "Be sure to get the certificate. And be sure to recover that certificate affirming the 1,000 tons scrap canvas for it might be abused by others.

i. On the next morning, April 1st, I met SHIMURA and told him that I was taken in by ICHIHARA.

j. After then I looked all over the places where ICHIHARA might be, but it was in vain. On about 10 April I visited SODA thinking I might ask for his help, at Washington Heights. At there I told him as follows:

There at Hansazono godown at Kobe City is 1,000 tons of scrap canvas, which is under the care of Hideo KOBAYASHI, Tomita-machi, Tokushima-city, 200 tons of 1,000 tons, they want to transport to Tokushima for the first trial. Can't you get the certificate for the purchasing order and the certificate with Col. Stolle's signature on? If you can we are willing to give you ¥200,000 as compensation. However, HIRAWATARI, the shipper has no idea of supplying to CPO. He only wants the certificate signed by an officer so that he may transport the scrap canvas from Kobe to Tokushima. But if CPO desires some he may send some.

There I gave him the copy of the certificate, the same one which I handed to ICHIHARA. SODA seemed to be quite ignorant about CPO, so, as HIRAWATARI explained to me when we first met, I explained what is CPO to SODA.

CPO is the place where materials for occupation forces are bought, and Col. Stolle is the commanding officer of CPO.



Then SODA said, "I will see Col. Stolle. Will you please wait till 20 April?"

k. On April 20 I went to Washington Heights to receive the answer from SODA. He said, "Col. Stolle said such a plan is against the law and I can not do anything to this." And so he refused the plan by saying it could not be done.

l. On the next day I reported SHIMURA that documents from GPO were impossible. There SHIMURA said to me, "I was asked for the ¥100,000 from HIRAWATARI." Therefore I handed him a promissory note of ¥100,000 which was available till May the 5th.

m. The date payment came but as I was unable to get ¥100,000 I talked over the matter with SUZUKI Hajime and SUZUKI ¥14,000 and I ¥8,000 yen total ¥20,000 I handed to SHIMURA asking him to give it to HIRAWATARI and the rest I told him that I would pay back gradually.

n. On 6 May I visited SODA. He said that the certificate which was in problem could soon be readied, so he wanted me to inform it to HIRAWATARI. Therefore, I proposed to negotiate on 10 May, Monday. Then SODA said to me as follows:

I have to give ¥200,000 to Col. Stolle. TAKAGI who worked for the paper required some too, then there is none for me.

So I replied I would ask ¥300,000 for it. Then SODA said, "Please ask him to prepare two packages, one for ¥200,000 and another for ¥100,000. I will exchange the money with the documents."

I gave him my agreement.

o. On the next day, 7 May, I reported SHIMURA about the meeting above mentioned.

p. On 10 May at 12:30 p.m. I visited SODA at Washington Heights. There he said, "A little while ago TAKAGI came and he went back saying that he would wait for an appointment. So if SASAKI returns please ask him the exact place and time for the meeting and phone it to TAKAGI." So I asked SODA to call TAKAGI by phone and I told TAKAGI to wait at a tea-room called 'Columbon' at Ginza at 13:30 and from there I intended to call HIRAWATARI's house.

q. On 10 May I told SHIMURA to visit HIRAWATARI by 14:00 and SODA, SUZUKI and I went to 'Columbon'. There I met TAKAGI and SAKAMOTO. TAKAGI handed a paper written in English saying that that was a certificate with Col. Stolle's signature. I gave it to SODA to inspect it. I asked SODA, "Col. does not really mean to buy the canvas, does he?" for I was anxious that GPO might buy all the canvas as the paper says. SODA replied, "I think



he understands. This is only for the convenience of the transportation." Then TAKAGI said, "Mr. Stolle understands that point, sure. CPO won't buy anything." I believed that the certificate was a true one and Col. Stolle signed his name for sure. So we went to HIRAWATARI's house.

r. At HIRAWATARI's house I introduced TAKAGI as a secretary of Col. Stolle. TAKAGI handed the document which he showed us at 'Columbon' to HIRAWATARI saying, "This is the certificate with Col. Stolle's signature." HIRAWATARI looked at the document, at that time SHIMURA and TERAMURA came and looked at it too. After a while HIRAWATARI said, "To be available we must have a document from the Special Supply Office. Will you please go to the SSO and investigate?"

We, TERAMURA, SHIMURA, TAKAGI and I by jeep were to be at the Special Procurement Bureau (SPB) but we were taken to TMGT, Legal Section. Then TAKAGI and TERAMURA went to the SPB and came back around 16:00. In the presence of SHIMURA and I, TERAMURA exchanged his two checks with TAKAGI's certificate at the room #208. The face-value of the checks were ¥100,000 and ¥200,000. At that time I was not sure of the payer's name which I learned to be Masanosuke ISHIBASHI, ISHII Yoko, later.

7. For the last I will relate my impression on this case:

I feel sorry that I utilized Mr. Stolle's position and presented him illegal money in order to get his signature. I am now well aware of my violation so I will never commit such an action as this case.

I hope your lenient dealing.

/s/ Tadao NAKAGOME

Translated by: H. Shirai



C O P Y

Permanent Address: #66, Uchitani, Okabe-cho, Sida-gun, Shizuoka Pref.

Present Address: #45, 1-chome, Shiba, Shirogane Dai-machi, Minato-ku, Tokyo-to

Name: SHIMURA Yombichi (Age: 59) Occupation: Office Worker

Birth Place: Number unknown, Take-machi, Munkyo-ku, Tokyo-to

Previous convictions: None

Personal History: Graduated the Meiji University's Commercial Section on July 1910 and worked at a bank, company and etc. On March 1928 I established a company named 'YASAKA-SHOKAI' which dealt in stocks and bond investments. June 1929 I re-formed the organization of my company and changed the name to 'CHUWA JITSUGYO CO. LTD.' At August 1940 the company was moved to Peking, China, where I worked as the director. After the war I came back to Japan and opened an office in Marunouchi Bldg., Room #343, and am still working at that office.

Property: I have neither movable nor immovable property. My income is ¥20,000 yen a month and I am leading a common life.

Family: Five in all, and all are in good health.

Wife: AI, age 53  
First Daughter: Ikuko, Age 23  
Eldest Son: Tatsuo, Age 19  
Second Son: Shigeshi, Age 18

Details of this case:

a. I met HIRAWATARI and TERAMURA on 17 March 1948 when introduced by FUKUDA Yutaka, a friend of mine. At that time TERAMURA said, "There are 'scrap canvas' in Kobe which I would like to have transported to Tokushima where it can be reprocessed. If we could have a purchase order issued by an officer in C.P.C., we might be able to transport them. Can you get the paper? As for the money for the movement, you can spend 400,000 yen." So I replied, "I know a Mr. SASAKI who has a close connection with C.P.C., if I ask him I might be able to get the paper." Then both said "We will leave the matter to your discretion." I did not know that SASAKI's real name was NAKAGOME up till now.

b. On the following day, 18 March 1948, I met NAKAGOME and talked it over about the purchasing order-paper and his answer was, "I will try."

C O P Y



c. On 24 March, I had an answer from NAKAGOME saying he can get the paper in the near future, so on the same day I reported about it to TERAMURA and HIRAWATARI.

d. On the next day, 25 March, I took NAKAGOME with me to HIRAWATARI's house. There I introduced NAKAGOME to HIRAWATARI and TERAMURA as follows: "This is Mr. SASAKI. Soon after he graduated the former Imperial University he visited U.S.A. and graduated the California University, then he came back to Japan. He has a close connection with every part of the occupation forces. With the Yokohama M.P. branch, too. Therefore, I think he can get the said paper and you better ask everything to him directly." About NAKAGOME's personal history, I was introduced as above from SUZUKI Hajime last August, and NAKAGOME himself did not refuse it, thus I believed to be so. This time too, when I introduced him to the both as above he did not make any rejection. NAKAGOME said, "I have many friends in C.P.O. so I can get the order-paper in a few days." Then TERAMURA gave him the following written paper.

#### THE C.P.O. ORDER-PAPER

The manufacturer:	KOBAYASHI Hisao, Tomita-cho, Tokushima-city, Tokushima prefecture.
The stuff buying:	Scrap canvas
The Stock place:	HANAZONO Warehouse in Nada-ku, Kobe City
The quantity:	200 tons
The transportation:	Kobe - Tokushima - Tokyo

TERAMURA gave an explanation as follows: "If you can get a signature from Col. Stolle we will be able to send the 'scrap canvas'. It does not matter whether we send all the goods to C.P.O., but if possible I want to send 20% to 30% only and sell the rest to the other fields." Beside the paper, TERAMURA gave NAKAGOME a certificate for the conviction of the materials amount to 1,000 tons. Then HIRAWATARI talked about the money for movement as follows: "I am expecting to use 400,000 yen for it. You may take 50,000 to 100,000 yen as your commission. I will give the rest to the person who brings the document signed by Col. Stolle." NAKAGOME said, "I will try," and we both left the place. I forgot to tell you, but at that time HIRAWATARI said, "The way of spending the money I will leave it in SASAKI's hand."

e. At the morn of March 31, 1948, NAKAGOME told me that the document would be ready by noon, so I mentioned it to HIRAWATARI and TERAMURA, and at about 2:00 p.m. I went to HIRAWATARI's home. There I found out that NAKAGOME arrived before me and took 100,000 yen saying that it was in an emergency need. I believed that we could surely get the documents today, and so I waited for him till 8 p.m. but as NAKAGOME did not come I returned home.

f. Next morning April 1st about 9 a.m. I visited HIRAWATARI's again and knew that after I left, about 9 p.m. last night, NAKAGOME came with his



friend MURAI and reported, "I gave 100,000 yen to a fellow named ICHIHARA, but he did not give me the promised document." HIRAWATARI and TERAMURA were in a great fury, of course.

g. At the same day I saw NAKAGOME and he told me the same story I heard from HIRAWATARI. In spite of NAKAGOME's effort it looked very hard to get the document, so HIRAWATARI and TERAMURA said to me, "Please give up this work, and pay us back the ¥100,000."

h. On 21 April I met NAKAGOME and heard the paper was impossible to get so I told him the fact that I was called by HIRAWATARIA and was asked to pay back the money which was taken in by ICHIHARA. Then NAKAGOME gave me a promissory note of 100,000 yen, which was available till May 5 and told me to give it to HIRAWATARI.

i. On the next day, April 22, I gave the promissory note to TERAMURA.

j. At the date May 5 NAKAGOME brought 20,000 yen and said, "Give this to HIRAWATARI and TERAMURA, and tell them I will pay the rest within 4 or 5 days."

k. On 7 May NAKAGOME said to me, "Tell HIRAWATARI that I might be able to get the document from C.P.O." So on the same day I told HIRAWATARI and TERAMURA about it. HIRAWATARI said, "The condition is quite different now so I better withdraw my former words. Let us consult it over after I receive the document. But do not worry about the money because I will not take you in."

l. As NAKAGOME told me that the paper will be done at 2 p.m. May 10, I went at that time to HIRAWATARI's house. There I found TAKAGI, NAKAGOME, HIRAWATARI and TERAMURA all talking together. HIRAWATARI was looking at the paper which TAKAGI gave him, and said, "This document will not be available unless you get the paper from the Special Procurement Office. I would like you to go to the C.P.O. and get it now." So TAKAGI, NAKAGOME, TERAMURA and I got into the jeep which TAKAGI rode in. We were to go to the C.P.O. I thought, but we came to T.M.G.T. From there TAKAGI and TERAMURA went out saying they will go to C.P.O. and they returned at 4 p.m. And at Legal Section, Room No. 208, TERAMURA and TAKAGI exchanged the 2 checks and the C.P.O. card. NAKAGOME and I were the witnesses. The checks were ¥100,000 and ¥200,000, but I did not notice the person's name who issued them. Just after that I found out that the name was ISHIBASHI, Seinosuke, working at the 'Ishii Yoko'.

7. The last thing I want to say is that I do not know how NAKAGOME got the document nor with whom he contacted. I quite ignorant about his real name too, and I believe that he graduated the University in U.S.A. and was a well-known man among the Allied Forces. These are the reasons why I relied upon him for everything.

Concerning this case I am very sorry that I joined with HIRAWATARI and TERAMURA's plan, trying to gain some money. I pray you to forgive me with your lenient dealing.

/s/ Yomoichi SHIMURA



C O P Y

Registered Domicile: #237, Shirogane-Sankocho, Minato-ku, Tokyo-to.  
Present Address: c/o Shin HIRAWATARI, #7, Ginza, Nishi 8-chome,  
Chuo-ku, Tokyo-to.

Employment: Office worker.

Name of the suspect: Kyohei TERAMURA (age:38 - born: August)

1. Place of Birth: #237, Shirogane-Sankocho, Minato-ku, Tokyo-to.

2. Previous offence: None.

3. Brief Personal History:

On May 1940 I graduated from a Commercial course at the Takushoku University, located at Koishikawa, Bunkyo-ku, Tokyo-to, and was listed as a cadet in the 104th Air Unit at Chiba-ken, on March 1941. After a while I was sent over to Manchuria and participated in many battles until the war ended. I was repatriated as a captain on September 1944.

4. Personal Wealth: I have a few movable and immovable properties, although I am not sure of their values. As I get estimateably ¥20,000 per month from a company and the estimation of enterprise, my living condition is not so bad.

5. Family Relationships: I have no family on the registered book, but I am living with HIRAWATARI's family and in the future I am to succeed the Shin HIRAWATARI.

6. I shall relate the outline of this case as follows:

a. The Maruni Industrial Co. Ltd., located at #15, 2-chome, Tomida-cho, Tokushima-shi, Tokushima prefecture, is not registered formally, but I am an advisor of that Company and the chief of its Tokyo Branch Office.

Mr. Hisao KOBAYASHI, who is the president of the said company, came up to Tokyo this January and said to me at my house the following:

"In the Hanazono godown and in the Takasago godown in Kobe, there are 500 tons of scrap canvas, which is in the possession of the Nippon Dosenni Syo-kogyo Kyodod Kumiai (The Cooperative Union of the Japanese Old Fiber Commercial & Industry). All the dealers in Kobe districts are very eager to buy them from the government. Our 'Maruni' Co. Ltd. also wants to buy some and after manufacturing them at our factory in Tokushima, we want to supply them somewhere, and that to the Occupation Forces I desire. Do not you know some good place?"

After hearing his words I replied, "I will try to look for one." But I left it as it was as I did not have the slightest idea of a place.

b. Around 17 March, I met Yomoichi SHIMURA at my house. My acquaintance, Yutaka FUKUDA, came with him and introduced him to me. After chatting with him for a while, I recalled in my mind about the scrap canvas, so I talked about it to him as follows:

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"I would like to transport the scrap canvas in Kobe to Tokushima, and manufacture it there. Its transportation is possible if we could have the purchase order with some CPO officer's signature. Can you get it? If you can I am willing to use ¥400,000 for its movement."

Then SHIMURA replied as follows: "I know a SASAKI who is known in the Occupation Forces, so I will consult him. I think he will be able to get it." HIRAWATARI and I left it to his discretion. Afterwards I learned that his real name was not SASAKI but NAKAGOME.

c. Around 10:00 on 17 March, I telephoned Hisao KOBAYASHI, who is the president of the Maruni Industrial Co., Ltd. in Tokushima about the outline of the chat with NAKAGOME, and I also stated as follows: "It seems that we can get the purchase order of which you talked to me about the other day. Are you sure there are some, still?" KOBAYASHI replied, "I will make sure of it at once and if there is I will make a confirmative certificate and send it to you by one of our members." On or about 20 March a member of the Maruni Co., Ltd. brought the confirmative certificate of the 1,000 tons of scrap canvas.

d. On or about 24 March I accepted a communication from Yomoichi SHIMURA that SASAKI said, "I can get the purchase order."

e. On or about 26 March NAKAGOME and SHIMURA came in when I was with HIRAWATARI. SHIMURA introduced NAKAGOME to us as follows:

This is SASAKI. After graduating from the former Imperial University, he went to America and after graduating from the University at California, he returned to Japan. Now he is employed by the Provost Marshal at Yokohama. As I think that the purchase order will be able to be issued, please talk to him personally.

After the introduction of NAKAGOME by SHIMURA, NAKAGOME repeated the same personal history and also stated as follows: I have a charge of superintendent for communists by the special order of the chief of the Yokohama P.M. So it is very simple for me to get the purchase order of the said canvas, and I already got the good answer from the CPO.

Hearing this, HIRAWATARI and I believed him entirely, and thought that he would be able to get the documents from the CPO, so we were inclined to trust him. Then I gave the document to NAKAGOME as following effect:

CPO Purchase Order

Manufacturer: Hisao KOBAYASHI, Tomioka-cho, Tokushima-shi, Tokushima-ken.  
Kind of goods: Scrap Canvas.  
Hoarded Place: Manazono Godown, located at Nada-ku, Kobe-shi.  
Quantity: 200 tons.  
Course of shipment: Kobe-Tokushima-Tokyo.

Giving this document to NAKAGOME, I said as following: "If Col. Stolle's



signature is on this purchase order, this scrap canvas will be able to be transported. I may supply all of these manufactured goods to the CPO, but I want to profit by them as much as possible." And I gave the confirmative certificate of the scrap canvas 1,000 tons which was sent from Hisao NOBAYASHI. Then HIRAWATARI talked about the expense for the movement in order to get the document of the CPO as follows: "I am expecting to use ¥400,000 for this movement so I will give you ¥50,000 or ¥100,000 of it as a deposit and I will give the balance to the person who brings the document signed by Mr. Stolle." NAKAGOME undertook this case, saying, "I will try."

f. On 30 May, NAKAGOME telephoned me as follows: "The document of the CPO is to be made up at 15:00 on 31 May at last. I must give ¥100,000 to the broker at 13:00 on that day. I request you to prepare ¥100,000 when I visit you around 12:30. I replied my consent to his offer.

g. On or about noon 31 May, NAKAGOME visited me alone, and said as follows: "I came here in order to take ¥100,000 which I asked you by telephone yesterday and would send you the document on or about 16:00 without doubt." So I gave ¥100,000 wrapped in paper, to him, believing his words. After about 30 minutes SHIMURA visited me, so I told him about the above fact. Then SHIMURA said, "The document will be surely made up today. I will wait here." He waited until about 20:00. However, as NAKAGOME did not come back, SHIMURA went home. About 22:00 on the same day, NAKAGOME came back accompanying a man named MURAI (afterwards I learned that his real name was Hajime SUZUKI), and said to me as follows, showing a name card printed in English: "ICHIHARA, the name on the name card, works at the CPO. MURAI asked him to get the document from the CPO, and ICHIKAWA escaped with the ¥100,000. We were hunting for him up till now, however we did not find him. Concerning the document of the CPO, I would make it up surely by some other means, so please wait until then." I stated to him as follows: "You must take a responsibility for this case, and get the document back for sure, or else someone will misuse it."

h. A week passed and still there was no hope of the document, so I told SHIMURA to pay back ¥100,000. But on 22 April this year he brought a promissory note of ¥100,000 (the due date is on 5 May).

i. On 5 May, the due date of the note, SHIMURA brought ¥20,000 and asked me to wait for the rest until 13 May. I accepted that ¥20,000 and agreed to wait for till 13 May for the balance.

j. On 7 May this year, SHIMURA visited me and communicated SASAKI's words, "The document will soon be made up", and he also said, "The document will be made up around the 10th. Would you like to get it or not?" HIRAWATARI and I said in turn as follows: "The circumstances at this time is quite different from the previous time, so if it is not a complete certificate I do not want it. And about the compensation, let us consult about it after I receive the documents. If you can get it surely, I would never disregard you."



k. About 10:00 on 10 May NAKAGOME telephoned to me, "I request you to prepare money, as I would take the document with me at 14:00." I answered, "O.K." At that very time, 14:00, NAKAGOME, accompanied by TAKAGI, came in and introduced TAKAGI to us as Mr. Stolle's secretary. Mr. TAKAGI presented before us a document written in English, saying, "The document signed by Mr. Stolle is this." At that time SHIMURA entered into the place where we were. HIRAWATARI inspected the certificate which was handed by TAKAGI, but as he was not sure of its contents, I in turn took it up and looked at it closely. I noticed that it was issued by the TMGT, so I thought it rather strange, and therefore asked Mr. TAKAGI, "Is this a certificate issued by the TMGT?" Mr. TAKAGI replied, "Yes, it is," and explained about it. I went upstairs with HIRAWATARI after inspecting it more carefully, and I said, "Although this certificate is made up properly I cannot decide whether it is effective or not unless we inquire it to the SPB." HIRAWATARI agreed with my opinion and we went downstairs. HIRAWATARI stated before all of them, "As this certificate is of no use without the document from the SPB, please go to the SPB and have it inspected. Then our four members - NAKAGOME, SHIMURA, TAKAGI and I rode in TAKAGI's jeep. I thought we were going to the SPB but we were taken to the TMGT Legal Section. There NAKAGOME introduced Mr. SAKAMOTO to us, saying, "This Mr. SAKAMOTO is a tradesman of the Military Government Team." Then I accompanied with SAKAMOTO and TAKAGI, went to the SPB and met Mr. SHIMURA and requested his explanation. As I felt quite relieved and sure by his explanation, on the way to the TMGT I dropped into my house in order to prepare the money for the promised compensation, and I met HIRAWATARI and told him the document was proper. As HIRAWATARI said he had no cash ready, I asked Mr. TAKAGI to wait until tomorrow. He replied, "I want you to settle the account today, however, I am willing to receive a check instead of cash." Thus I was driven into trouble, but as Masamosuke ISHIBASHI, who is a representative of the Ishii Yoko Co. and my father's acquaintance, was unexpectedly visiting us I asked him to pay for me, explaining the outline of this case showing him the said certificate. After inspecting the certificate, ISHIBASHI gave me a check for ¥100,000 and ¥200,000 (payer: The Kogoyachi Branch of the Yasuda Bank. drawer: Masamosuke ISHIBASHI, Ishii Yoko Co.) and said to me as follows: "I think this is the true certificate. I only have a check book with me today. I have not a bank account today, so you must charge a check tomorrow afternoon." Then I handed the bond of debt ¥300,000 to ISHIBASHI and came back again to the TMGT. Receiving the certificate of GPO from TAKAGI, I handed the said checks of ¥100,000 and ¥200,000 to him in the presence of SHIMURA, NAKAGOME and another person about 16:00 at the Legal Section (Room #208).

k. In conclusion, I will state my impression upon this case: I ought to get the certificate of the GPO through every proper organs, openly and aboveboard without utilizing a lot of persons in secret. I am very sorry to have troubled you, and I hope your lenient dealing.

/s/ Kyohei TERAMURA

Translated by: H. SHIRAI.



C O P Y

Registered Domicile: #67, Shinterakoji, Sendai-shi, Miyagi-ken.  
Present Address: #7, Nishi-3-chome, Ginza, Chuo-ku, Tokyo-to.  
Occupation: Advisor of the Yamato Industrial Co. and several other companies.

NAME: Shin HIRAWATARI

I hereby reply in detail concerning the investigation of the certificate of the CPO at the Legal Section, TMGT, on May 14, 1948.

1. Hisao KOBAYASHI, the president of the Maruni Industrial Company and I got acquainted about 2 years ago. He had no branch office around Tokyo, so I was asked by him to place Kyohei TERAMURA, my step-son, as an advisor of the above company.

2. This Maruni Company has plenty of nice sewing machines and they are used for manufacturing especially. Therefore the company was looking for some materials which could be manufactured at their factory.

3. In the middle of March, Mr. KOBAYASHI talked with TERAMURA about the want of the scrap canvas. He said that in order to get it he must have permission of its purchase and of its supply after manufactured, either from the Japanese Commercial and Industrial Ministry or from the Office of the American Army. As he lives far away he left all the procedures of the above problem to TERAMURA.

4. The mentioned scrap canvas is in the Hanazono godown and the Takasago godown at Kobe-city. But this is under the care of the Koseni (scrap-fiber) Ass'n. So we must have an allowance from either office which I mentioned above.

5. On the early March I caught a nasty cold, and after a few weeks, it changed to acute pneumonia. At the end of July when I was suffering from a high fever, a certain SHIMURA whom I was introduced from a certain FUKUDA and whom I have met before once or twice called us and said that he had some certificates (I do not remember what kind of papers they were, for I met him during my illness) from the 8th Army and he seemed to have a close connection with the Armed Forces. So I told TERAMURA to ask him to investigate so that we can get a formal permission from the Office of the Armed Forces concerning the manufacturing and supplying for the scrap canvas, under the name of KOBAYASHI's 'Maruni'.

6. I remember that the above-mentioned conversation was just a table-talk. Quite a long time past and SHIMURA called us again and said to us as follows: As I found a suitable person, I conversed about the certificate with him. He said he could get some.

So I asked who he was. Then SHIMURA replied, "He is SASAKI. He is now working at the Provost Marshal's in Yokohama. He graduated from a university in American and speaks English very fluently. He has a lot of

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acquaintances among the Occupation Forces. He said he can get the certificate any time. And the title of the certificate is 'Purchasing order' of CPO."

7. TERAMURA requested SHIMURA to come again with SASAKI. On the next day SHIMURA revisited us accompanied by SASAKI.

8. As I was in bed I do not remember about it in detail, but what I memorize exactly is that SASAKI said as follows: "After graduating a university in Japan I went to America and graduated from a university there. After the war was over I got a job at the Yokohama Provost Marshal. I am in charge of the Communist Section under the special orders of the chief of Yokohama P.M. Concerning the scrap canvas which SHIMURA told me about, I have contacted the CPO and got an authorization for supplying the manufactured scrap canvas to the CPO." All the while SHIMURA devoted himself to make sure of the SASAKI's speech, by telling us about a few certificated which were gotten by SASAKI's effort.

9. Then he requested us ¥100,000 as an expense for the 'traffic' and for the 'Meetings'. As it was impossible to consult KOBAYASHI, living far off, TERAMURA managed everything as a member of that company. Accordingly we thought we would pay for KOBAYASHI and when everything is completed perfectly and regularly we would settle accounts. SHIMURA and SASAKI's talk was so reasonable that TERAMURA consented this offer, thinking whoever tries needs money, and moreover it is common to give some money if we can get the regular certificate.

10. On the next morning, SASAKI and SHIMURA came to my house and requested for the said amount of money as they would bring the certificate at about 14:00. I heard that TERAMURA handed the schedule paper of the work (manufacturing) yesterday to SHIMURA and the certificate fit to that schedule was to be granted.

11. About noon on the next day he came to my house alone and soon after left accepting ¥100,000 from TERAMURA saying, "I will surely bring the certificate by 14:00. As I am in a hurry, please tell SHIMURA that I have gone ahead." Soon SHIMURA came and he also said that the certificate would be sent surely at 14:00.

12. About 14:00 we received a telephone from SUZUKI informing us that the certificate might be delayed about an hour due to its translation. (TERAMURA answered the telephone.) I heard that he phoned several times after that. We censured SHIMURA who was waiting for NAKAGOME, but SHIMURA replied, "Do not worry. Although we were late today we will get it, for sure."

13. At that night SASAKI came with a young man named MURAI, and tried hard to explain the reason why he was not able to get the certificate. (At that time I was still feverish, so I do not remember the exact words.) I guess



SASAKI asked MURAI to accompany him in order to apologize to us or they might be working together.

14. As SHIMURA told us SASAKI's personal history and his present condition so truthfully (at that time we thought it for sure) and as SASAKI, himself, told us that he is an interpreter of P.M., I spent that day half in doubt, thinking how could a Japanese who is under the care of the Occupation Forces dare to use P.M. as a tool and commit a fraud.

15. After then SASAKI made an effort to delay the talk of the certificate, and as he said that he would go to the CPO tomorrow or the day after in order to get it, we refused his offer resolutely and requested him to return ¥100,000 as soon as possible, for we thought he was lying and we would cut this case. Furthermore, we said we would prosecute him in case he takes time in returning the money.

16. SHIMURA came to my house several times and each time he was inquired closely by TERAMURA. At length he paid me back and only ¥20,000 - about ten days ago - saying he would bring the rest on the 15th.

17. Such a matter as above-mentioned was negotiated by TERAMURA, who stood proxy for 'MARUNI', so KOBAYASHI, the president of the Maruni Company, does not know anything about it. If this work had developed smoothly, I would have informed the results to him; however, in vain, I am ashamed to tell. TERAMURA, of course, charged all of the said expenses as his own loss.

There might be some mistakes in my above-mentioned statement, because I was ill in bed. However, I think SHIMURA did this work in conspiracy with SASAKI. In addition, TERAMURA negotiated for me with SHIMURA and SASAKI. I am sure his memory is trust-worthy.

18. Therefore, this was the last of the negotiation between SHIMURA and SASAKI, and us. Except that TERAMURA intended to prosecute them if they would try to escape from paying back the money.

19. In the morning on 8 May, SHIMURA called us to make an excuse for the rest of the ¥80,000 and said, "I am sorry that SASAKI troubled you. But this time SASAKI says that he met an officer related to the CPO personally and applied for the certificate. As the result he says he could get it today, if wanted. Do you still need it?" He laughed and scolded SHIMURA that such an offer must be SASAKI's trick for delaying the payment of ¥30,000.

20. Then on the 10th, in the morning SHIMURA came again. He said he could surely get the documents that afternoon. But I refused saying, "I cannot believe you." SHIMURA said, "let us have the documents and see whether they are true or not." But we did not believe it a bit.

21. Then unexpectedly SASAKI telephone us about 14:00 on that day, and said, "I have the certificate now, so I will soon visit you." Without hearing



our answer they came in accompanied with an unknown person, and they introduced him to us as the 2nd Secretary of the CPO. They showed us the certificate. TERAMURA and I read it. But TERAMURA said that if this is a true one they must get a confirmative from SPB. So the four persons, SHIMURA, SASAKI, TAKAGI, and TERAMURA instantly went to SPB by jeep. I guess TERAMURA thought that the certificate might be an imitation as SASAKI brought it.

22. An hour passed and as I laid in bed upstairs, Masanosuke ISHIBASHI, came in to inquire about me. Just then TERAMURA came back and told me that SPB confirmed that the certificates were effective. I recollected what SHIMURA had said when he left for SPB. "When you see that the certificates are useful ones, prepare ¥300,000 for the persons who made an effort to get them." But as it was already past 16:00 I asked Mr. ISHIBASHI, without explaining the reason, if he would lend me ¥300,000. He gave me the checks, ¥200,000 and ¥100,000, noticing to charge them tomorrow afternoon. TERAMURA took them and with TAKAGI who was waiting downstairs left the house saying, "I will go to the place where SHIMURA and SASAKI are waiting and we will settle the matter together," but I did not know where they went.

23. But as TERAMURA did not come home as soon as I expected I became very worried about him. And to my surprise he telephoned me from the Marunouchi Police Station, stating that he was detained without knowing its reason. I also was not able to understand why he was detained, because I had heard that the certificate was confirmed by the COP. This was really a great shock to me and I had to stay in bed again from that night. Today for the first time I noticed the fact.

24. For the last I will say that concerning the certificate there are many suspicious points which cause us to think that SHIMURA and SASAKI were working together from the very beginning. TERAMURA and I wanted to get a regular certificate; to offer formally and to be permitted formally. We never thought about getting them by some illegal means. We were too self-possessed to believe such words like 'expense for movement', frequently used by the above two. We intended to show our thanks for the person who would get the regular certificate by a regular process, of course; at the same time we never intended to present anything to a person who uses illegal means. However, as for the former ¥100,000 and the latter ¥300,000 I had no other intention than to present them as a regular compensation to the persons who worked honestly and settled the matter legally. Therefore, even SHIMURA and SASAKI, I thought I would give the money as a compensation if they worked out legally and honestly. That is why I disbursed. In addition, president KOBAYASHI does not know anything about this case, because TERAMURA principally managed the matter as a representative of the Marumi Co. Concerning the money, the former ¥100,000 was charged by TERAMURA and the latter ¥300,000 was borrowed from ISHIBASHI. Therefore, KOBAYASHI knows nothing about it. The latter checks were not used, so it is the same as not paid. Thus, in short, TERAMURA suffers a loss of ¥30,000 from SASAKI and SHIMURA as above mentioned.

/s/ Shin HIRAWATARI

Translated by H. Shirai



C O P Y

S T A T E M E N T

DATE 7 October 1948

I, CARL W. YOUNG, 0263457, Major, C.E., Legal and Gov't Section, Tokyo Military Government Team, APO 181, the undersigned, having been advised of my rights under the 24th Article of War, make the following statement voluntarily, without threats or promises of reward or immunity. I know that I need not make any statement if I so desire:

At some time prior to 10 May 1948, a transaction involving payment of 200,000 yen for a supposed Transportation Permit was arranged. I did, with full knowledge and consent of Commanding Officer, T.M.G.T., and Mr. V. R. Stolle of C.P.O., compose and give to one Mr. Kanzaki of this section, a paper purported to be such permit and which was entirely false and fictitious. This paper was supposed to be a permit for transportation of canvas in neighborhood of Kobe and was signed by Col. J. C. James, Transportation Expediter. The original document has been either displaced or lost.

/s/ Carl W. Young

C O P Y



COPY

DEPARTMENT OF THE ARMY  
In the Office of The Judge Advocate General  
Washington 25, D. C.

JAGK - CM 330683

7 Jul 1948

U N I T E D S T A T E S )

1ST CAVALRY DIVISION

v. )

First Lieutenant EDWARD C.  
SNYDER (-1019541), Head-  
quarters 2d Cavalry Brigade )

Trial by G.C.M., convened at Camp Drake  
(Tokyo) Japan 11, 16 and 17 March  
1948. Dismissal

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HOLDING by the BOARD OF REVIEW  
SILVERS, ACEROYD and LARNING, Judge Advocates

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1. The record of trial in the case of the officer named above has been examined by the Board of Review.

2. Accused was tried upon the following charges and specifications:

CHARGE I: (Finding of not guilty).

Specification: (Finding of not guilty).

CHARGE II: Violation of the 95th Article of War.

Specification 1: In that First Lieutenant Edward C. Snyder, .  
2d Cavalry Brigade, did, on or about November, 1947, at  
Ross Hall, "The First Three Graders" Club", Tokyo, Japan,  
wrongfully dance with Kiyoko Ogawa, a female Japanese  
national, in violation of orders forbidding Japanese nationals  
at said club, in the presence of enlisted men.

Specification 2: In that First Lieutenant Edward C. Snyder,  
\*\*\*, did, at Tokyo, Japan, on or about 6 December 1947,  
with intent to deceive Warrant Officer Junior Grade Adolphus  
D. Reed, who was then and there Officer of the Day, officially  
state to the said Warrant Officer Reed that an unknown female  
Japanese national was his secretary, which statement was  
known by the said Lieutenant Snyder to be untrue, in that  
said female Japanese national was not his secretary or other-  
wise employed or supervised by him.

CHARGE III: Violation of the 96th Article of War.

Specification 1: (Finding of guilty disapproved by reviewing  
authority).



Specification 2: In that First Lieutenant Edward C. Snyder, \*\*\*, did at Tokyo, Japan, at diverse times between March, 1947, and December, 1947, sell or cause to be sold to Alice Ishigami, a Japanese national, about forty (40) cartons of cigarettes, which said cigarettes were of American origin, intended for sale to American personnel or other specifically authorized personnel, in violation of Circular No.26, General Headquarters, Far East Command, 10 March 1947.

He pleaded not guilty to all charges and specifications. He was found not guilty of Charge I and its specification, guilty of Charge II and its specifications and of Charge III and Specification 1 thereof, and guilty of Specification 2 of Charge III "except for the words 'forty (40)', substituting therefor 'fifteen (15)'". No evidence of any previous conviction was introduced. He was sentenced to be "dismissed from the service." The reviewing authority disapproved the finding of guilty of Specification 1 of Charge II as involved a finding that "at the time and place alleged the accused did wrongfully dance with a female Japanese national in the presence of enlisted men in violation of the 26th Article of War," approved the sentence, and "pursuant to the Article of War 50 $\frac{1}{2}$ " withheld "the order directing the execution of the sentence."

### 3. Evidence

Sometime in the month of November 1947, accused danced with Ogawa Kiyoko, a Japanese national, at the First Three Graders' Club of the 7th Cavalry. The club was commonly called "Ross Hall." On or about 23 November, an enlisted man, Technician Third Grade Robert W. Moss, observed accused dancing at the club with a girl who appeared to be Japanese. The by-laws of Ross Hall, received in evidence as Prosecution Exhibit C, provided that "all Oriental Nationals" would be denied guest privileges. The by-laws were read to the members of the club every three months but were not "published" on the bulletin board. They were kept in the quarters of Staff Sergeant William K. Eustice, who acted as club manager. The club manager, on one occasion in the month of November, saw accused seated at a booth in the club with a Japanese girl. Since the manager understood the girl was a Nisei, he did not request her to leave (R 14-19; Pros. Ex. C).

Between 10:00 and 11:00 p.m. on 8 December 1947, Warrant Officer Adolphus D. Reed, who was then Officer of the Day of the 7th Cavalry Regiment, went to the post exchange warehouse area of the 7th Cavalry Regiment in response to a telephone call from the Sergeant of the Guard. The warehouse area was located "in the S-4 area of the 7th Cavalry Regiment." There he saw accused in a jeep. Accused was accompanied by a woman who "looked Japanese." When Warrant Officer Reed asked accused what he was doing in the area, accused replied that "it was his normal working place." Upon being further interrogated by the Warrant Officer as to his authority "for having a lady in the area," accused stated that he needed no specific authority, for the woman "was his stenographer from the S-4 office." Accused, at this time, was Post Exchange Officer of the 2nd Cavalry Brigade and was "custodian of that warehouse." According to the Warrant Officer, however, accused had



no right to be in the area "at the time he was there" (R 19-21). Corporal John K. O'Brien, 8th Cavalry Regiment, worked in the 8th Cavalry Regiment Post Exchange Office in December, 1947. Accused was the Post Exchange Officer of the 8th Cavalry Regiment. There was neither a secretary nor a stenographer "in the office." When asked on direct examination whether accused had a secretary, the Corporal replied, "Not that I know of, sir" (R 36-37).

Between March and September "or maybe October," 1947, Alice Ishigami, a resident of Tokyo, Japan, had bought about 18 cartons of cigarettes from the 8th Cavalry Regiment Post Exchange. The cigarettes were of the Lucky Strike, Camel and Philip Morris brands. Accused was Post Exchange Officer of that exchange and Alice had visited it several times "with the Red Cross girls to get ice cream." The first time she bought cigarettes from the Post Exchange she received permission to do so from accused. Thereafter, when she could not go there herself, she purchased her cigarettes by telephone. Sometimes "the girl assistant" and sometimes "the GI in charge" would answer the telephone. She bought the cigarettes with "American currency" which she obtained by trading yen with "the GIs." Alice never had "a PX card" nor did she ever "present one." She told accused that she was "British" or "British born." When asked on cross-examination where she was employed "in March, 1947," she replied that she was employed by the 8th Cavalry Regiment Red Cross. She told her employers that she was British born and that she had married a Japanese when she "first came here as an interpreter" in 1935. In March 1947 she thought she was a British National, for her husband had died and she was under the impression that she had regained her British citizenship. It was not until "after this trouble" that she went to the British Embassy and found that she was still a Japanese National (R 24-29, 67-68).

Circular Number 26, General Headquarters, Far East command, dated 10 March 1947, was received in evidence without objection by the defense as Prosecution Exhibit E (R 30). Inter alia, the circular prohibited "American personnel" from

"Trading in American goods with other than American personnel or authorized personnel" (par 5a).

Paragraph 5c of the circular provided:

"Nothing herein shall be construed to prevent the trading by American personnel with other American personnel or authorized personnel at a price or consideration not at a profit."

"To trade" was defined as including "to sell" (par 4c) and the phrase "American personnel" was defined as follows(par 4a):

"'American personnel' All persons of whatever nationality who are subject to military law as defined in Article of War 2."

The effective date of the circular was 12 March 1947 (Pros Ex E).



Over objection by the defense, a pre-trial statement of accused was admitted in evidence as Prosecution Exhibit F after a showing of its voluntary nature (R 39-46). In this statement, accused related that about August, 1946, he was appointed Post Exchange Officer of the 8th Cavalry Regiment, and that about October 1947 he also became Post Exchange Officer of the 2nd Cavalry Brigade. Pertinent extracts from the pre-trial statement follow:

"I have frequented the 1st Three Graders Club down at the 7th Cavalry Regiment. I know several of the Sergeants down there and have been invited there. After work I often drop by the Club for a drink. I have purchased many chit books at the Club. When working late at the Post Exchange Warehouse at the 7th Cavalry, I often buy sandwiches from the club for the soldiers and the Japanese girls who are working with me. One night while working late I took Kyoko over to the club to get some sandwiches. While waiting for the sandwiches, we danced one dance. On another occasion there, I danced with the Japanese girl who manages the band. I have frequently taken my friends to this club. I didn't think there was anything wrong with it.

\* \* \* \*

"I know Alice Ishigami and her son. A friend of Alice's does dressmaking work for my wife. I have sold cigarettes from the Post Exchange to Alice for the regular price. \*\*\*

"On Monday, 8 December, I worked at the PX warehouse during the afternoon; came back for supper, visited my wife at the 49th Hospital; from there I went to the Empire House; and, while on the way from the Empire House to the 7th Cavalry, I picked up a Japanese girl friend of mine on the Ginza and took her to the PX warehouse with me. The soldiers and one Japanese girl were just finishing work when I arrived. They departed and the girl and I remained to be sure the fire was out. We danced to the radio in the office. We were accosted by the sentry, the Sgt of the Guard, and the officer of the day. I told them that this girl was my secretary, although she was not. I told them that to keep her and me out of trouble. I knew that she should not be there at that time of night."

Accused having been informed of his rights as a witness, elected to testify under oath in his own behalf. On the night of 27 November 1947, he entered Ross Hall "to get a drink and see some of the boys." Sergeant Booth, Sergeant Eustice, Sergeant Goodwin and several others were present at the time. After a few drinks, Sergeant Booth suggested that accused "stick around while" but accused informed the Sergeant that he could not stay since he had a girl in his jeep whom he was taking home. The Sergeant then told accused to bring the girl into the club and accused did so. The girl was Ogawa Kiyoko. Accused was not "asked to have the girl leave." At one time, Sergeant Booth and some other sergeants sat in the same booth with accused and Ogawa (R 65-66).



Sergeant William K. Justice testified that on the evening of 27 November he saw accused in the First Three Graders' Club. Accused was seated with "a Japanese girl" and "one or more" members of the club. One of these members was Sergeant Booth (R 58). Sergeant Booth testified that he did not remember whether he had been in the First Three Graders' Club on 27 November. He had never invited accused to the club although he had seen accused on the premises "two or three times." He had never seen accused in the club "with a girl" This testimony was elicited from Sergeant Booth before accused had given his testimony on the witness stand (R 58-60).

4. Discussion

Specification 1, Charge II

*Dancing*

Under this specification, accused stands convicted of having wrongfully danced with a female Japanese national in the presence of enlisted men at the First Three Graders' Club in Tokyo, Japan, in violation of the 96th Article of War. We know of no law, regulation or directive of a public nature which makes the act of dancing with a female Japanese national wrongful nor do we believe there is any justification for a holding that such an act, even when done in occupied Japan by an officer in the presence of enlisted men, is wrongful per se in the sense that the reputation or decorum of the military service would necessarily suffer thereby. The Government's theory seems to have been that accused's terpsichorean adventure was wrongful because the by-laws of the First Three Graders' Club denied entrance to "Oriental Nationals." In this respect, however, not only is there no direct evidence in the record of trial that accused had actual notice of this provision of the club by-laws, but no proof was adduced tending to show that the bar against attendance of oriental nationals was so notorious as to fasten upon accused even a constructive knowledge of it (CM 308766, Lattimer, 4 BR (A-P), 139,145; compare CM 307372, Manly, 61 BR 79,82, and CM 319858, Correlle, 69 BR 183,203,204). Consequently, we hold that the finding of guilty under this specification may not be sustained.

Charge II and Specification 2 thereof

Accused was found guilty under this charge and specification of a violation of the 95th Article of War in that he did, with intent to deceive, officially state to Warrant Officer Reed that an unknown Japanese national was his secretary, which statement accused knew to be untrue in that the said female Japanese national was not his secretary or otherwise employed or supervised by him. There can be no doubt that accused did officially state to Warrant Officer Reed that the seemingly Japanese woman seated in his jeep in the warehouse area was "his stenographer." The issue of accused's guilt of this specification, however, hinges upon whether this statement was sufficiently known to be false. Accused's pre-trial statement contains an admission that the woman was "a Japanese girl friend" of his whom he had "picked up" on the Ginza and that she was not his "secretary" although he had told the Officer of the Day that she was "to keep her and me out of trouble."



An accused, however, cannot be legally convicted upon his uncorroborated confession or verbal admission. There must be adduced, by way of corroboration of accused's inculpatory pre-trial statement, substantial evidence of the corpus delicti, that is, it must appear by competent proof aliunde such confession or admission that the particular offense in question had probably been committed (CM 325377, Sipalay, 74 BR 169,172; CM 325056, Balucanag, 74 BR 67,69,73). We must inquire, then, whether this record of trial contains substantial evidence, additive to accused's pre-trial utterance, to the effect that the woman in accused's jeep was not his secretary, or stenographer. Stated otherwise, does such evidence raise a probability, as distinguished from a possibility, that she was not his amanuensis? We think it does not. True, Corporal O'Brien testified that there was neither a secretary nor a stenographer "in the office" of the 8th Cavalry Regiment Post Exchange and that accused had no secretary that he knew of. However, the Corporal's knowledge of accused's official affairs appears to have been limited to accused's activities as Post Exchange Officer of the 8th Cavalry Regiment Post Exchange. It will be noticed that at the time accused made the allegedly false statement, he was also Post Exchange Officer of the 2nd Cavalry Brigade. There is a void in the proof as to the composition of the staff, if any, which aided him in the latter capacity. His official statement to Warrant Officer Reed was that the woman was "his stenographer from the S-4 office." It was not shown that accused's post exchange operations were not connected with an S-4 office nor did it appear, aliunde his pre-trial admission, that the woman found with him in the warehouse area was probably not his stenographer from such an office. It follows, therefore, that the findings of guilty of Specification 2 of Charge II and of the Charge must be set aside for lack of sufficient evidence to sustain them.

Secretary

Charge III and Specification 2 thereof

Under this charge and specification, accused was found guilty of violation of Article of War 96 in that between March and December, 1947, he sold or caused to be sold to Alice Ishigami, a Japanese national, about 15 cartons of American cigarettes in violation of Circular 26 of the Far East Command. Accused was Post Exchange Officer of the 8th Cavalry Regiment Post Exchange and gave Alice Ishigami permission to purchase cigarettes from that exchange. Pursuant to this permission, she bought about 15 cartons of American cigarettes between March and September "or maybe October," 1947. Circular 26 forbade the sale, by "American personnel," of American goods to "other than American personnel or authorized personnel" (underscoring supplied). The circular defined the term "American personnel" as including "all persons of whatever nationality who are subject to military law as defined in Article of War 2" (underscoring supplied).

Alice testified, in reference to a question as to where she was employed "in March, 1947," that she was employed by the 8th Cavalry Regiment Red Cross. This testimony stands uncontradicted in the record of trial.



Because of the absence of a showing as to when such employment was terminated, if it was terminated, we cannot assume that Alice was not employed by the Red Cross at the time she bought the cigarettes from the 8th Cavalry Regiment Post Exchange (par 112a MCM 1928). Since it appeared that Alice was a resident of Tokyo, it may be considered that she was not "accompanying" the armies of the United States without the territorial jurisdiction of the United States so as to be subject to the Articles of War for this reason (AS 2(d); CM 329933, Miquisbas, Memorandum). However, if she was employed by a Red Cross unit attached to the 8th Cavalry Regiment she was clearly "serving with" the armies of the United States without the territorial jurisdiction and was accordingly subject to military law under Article of War 2(d) while so employed (OP JAG (1917), Vol 1, p 278; CM Miquisbas, supra; see also Geneva (Red Cross) Convention of 1929, Art 10, TM 27-251, O 13b). Alice, then, so long as she maintained her status as a Red Cross employee, was a person coming within the definition of "American personnel" found in Circular 26 and a sale to her of American cigarettes, while she was employed by the 8th Cavalry Regiment Red Cross, would not have been prohibited by the circular. We conclude, therefore, that as a matter of law the evidence adduced with respect to the specification here in question is as consistent with accused's innocence thereof as it is with his guilt and that the findings of guilty of such specification and the charge under which it is laid must be reversed. We have noted that Alice Ishigami had no "PX card" but as to this we deem it sufficient to say that accused was not charged herein with a violation of whatever regulation or directive there might be restricting the sale of post exchange items to persons holding post exchange cards.

5. For the foregoing reasons, the Board of Review holds the record of trial legally insufficient to support the findings of guilty and the sentence.

Signed \_\_\_\_\_, Judge Advocate

Signed \_\_\_\_\_, Judge Advocate

Signed \_\_\_\_\_, Judge Advocate



COPY

DEPARTMENT OF THE ARMY  
Office of The Judge Advocate General  
WASHINGTON 25, D. C.

JAGH-CM 324352

UNITED STATES )

IX CORPS

v. )

Second Lieutenant ARDEN M.  
GADDIS (O-1822872), Infantry. )

) Trial by G.C. M., convened at  
) Sendai, Honshu, Japan, 7 July  
) 1947. Dismissal.

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OPINION OF THE BOARD OF REVIEW  
HOTTENSTEIN, GRAY AND SOLF, Judge Advocates

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1. The Board of Review has examined the record of trial in the case of the officer named above and submits this, its opinion, to The Judge Advocate General.

2. The accused was tried upon the following Charges and Specifications:

CHARGE I: Violation of the 95th Article of War.

Specification 1: In that 2nd Lieutenant Arden M. Gaddis did at Sendai, Japan, on or about 29 May 1947, with intent to deceive Lieutenant Colonel Howard R. Turner who was then in the execution of his official duties as Provost Marshal, Sendai, Japan, officially state to the said Lieutenant Colonel Howard R. Turner that he, the said 2nd Lieutenant Arden M. Gaddis, did not transport Japanese females to the United States Government Post Exchange Warehouse in Sendai, Japan, in a Government vehicle, which statement was known by 2nd Lieutenant Arden M. Gaddis to be untrue.

Specification 2: In that 2nd Lieutenant Arden M. Gaddis did at Sendai, Japan, on or about 1 June 1947, wrongfully occupy a room in a Japanese house with Private First Class Carl Parrick, an enlisted man, and two Japanese females, for immoral purpose.

CHARGE II: Violation of the 96th Article of War.

Specification 1: In that 2nd Lieutenant Arden M. Gaddis did at Sendai, Japan, on or about 29 May 1947, wrongfully admit unauthorized Japanese Nationals into a United States Government Warehouse containing Post Exchange supplies.

Specification 2: In that 2nd Lieutenant Arden M. Gaddis did at Sendai,



Japan, on or about 29 May 1947, wrongfully dispose of American goods, to wit, canned fish and sausages, crackers, cigarettes and Pepsi-Cola, by giving the same to Sadoko Abe and Nobuko Ito, Japanese Nationals, in violation of standing orders.

Specification 3: In that 2nd Lieutenant Arden M. Gaddis did at Sendai, Japan, on or about 29 May 1947, wrongfully drink intoxicating liquor with an enlisted man, which conduct was prejudicial to the conduct of good order and military discipline.

Specification 4: In that 2nd Lieutenant Arden M. Gaddis did at Sendai, Japan, on or about 1 June 1947, wrongfully and without authority, violate curfew regulations by being in a Japanese house after 0030 in violation of standing orders.

He pleaded not guilty to, and was found guilty of, all Charges and Specifications. No evidence of previous convictions was introduced. He was sentenced to be dismissed the service and to forfeit all pay and allowances due or to become due. The reviewing authority approved only so much of the sentence as provides for dismissal and forwarded the record of trial for action under Article of War 48.

3. The Board of Review adopts the statement of the evidence and the law contained in the review of the IX Corps Acting Staff Judge Advocate, dated 19 July 1947, except as it pertains to Specification 1, Charge I and Specification 2, Charge II.

4. The evidence for the prosecution pertinent to Specification 1, Charge I and Specification 2, Charge II is summarized as follows:

The accused was assigned to Headquarters IX Corps as Assistant Post Exchange Officer in charge of a Post Exchange Warehouse at Nagamachi, South Sendai, Japan (R. 6-7).

On the evening of 29 March 1947, pursuant to a prearranged rendezvous, two Japanese girls, Nobuko Ito and Sadako Abe, went to the Nagamachi Station from Sendai, by street car (R 30). Shortly after 1830 hours the accused arrived at the Nagamachi Station in a jeep accompanied by Private First Class James W. Davenport (R 18). The two girls entered the jeep and were driven to the Post Exchange warehouse (R 31), approximately 1/4 or 1/3 of a mile from the Nagamachi Station (R42). Thereupon the accused, Davenport and the two girls entered the warehouse (R 18, 31, 51).

While in the warehouse the accused, Private Davenport and the two girls shared some canned sausages, sardines, crackers, a drink similar to coca-cola,



and some cigarettes (R 20-21, 31, 33, 37-40). Each girl ate some of the food, drank some of the beverage, and smoked some cigarettes (R 31, 33).

At about 2020 hours, two military policemen arrived at the warehouse (R 13). Upon being admitted to the building by the accused (R 15) they searched the building and found the two Japanese girls in one of the rooms of the warehouse (R 14). They saw some cookies, sardines, empty beer cans and pepsi-cola bottles on some packing cases (R 14, 19).

At about 2100 hours Lieutenant Colonel Howard R. Turner, the Provost Marshal and First Lieutenant Walter A. Hummel, the Officer of the Day of the Military Police Platoon, arrived at the warehouse (R 41). Colonel Turner proceeded to question the accused with reference to the incident in the presence of Lieutenant Hummel (R 41, 45). The accused freely admitted that the Japanese girls had been in the warehouse and that he had been "visiting, smoking and having a few drinks, \* \* \*." The Provost Marshal then asked him if he had transported the girls to the warehouse in a government vehicle whereupon the accused replied, "No, Sir." The Provost Marshal then asked him how the girls reached the warehouse, to which the accused replied, "By street car" (R 42, 46).

On cross-examination Colonel Turner admitted that he did not warn the accused of his rights under Article of War 24, and he further admitted that he could not recall the accused's exact words except that he replied, "No, sir." to the question whether he had transported the girls to the warehouse (R 43).

On examination by the court the witness stated that the accused had answered all other questions truthfully (R 43).

On motion of the prosecution the court took judicial notice of Circular No. 26, General Headquarters, Far East Command, dated 10 March 1947, Prevention of Black Market Activities, which provides in relevant part:

"3. Purpose. This circular is intended to inform persons subject to military law within or in transit to or from the occupied area of Japan, including but not restricted to military personnel, civilian employees of the War Department, and dependents, of the necessity for avoiding participation, direct or indirect, in black market activities; and the rules to be observed by them in respect to dealing in supplies transported to Japan for the use of American personnel.

"4. Definitions: The several words and phrases underscored and carried in quotation marks at the beginning of each lettered subparagraph of this paragraph, for the purpose of this circular, will be deemed to have the meanings set forth in such subparagraphs, respectively:

"d. 'American goods'. Any goods, wares, merchandise or other personal property of any kind which either:

- (1) Are of American origin, growth, production or manufacture;



(2) are or have been sold, issued or disposed of, or intended for issue, sale or disposition by or through agencies, governmental or otherwise, for the use of American personnel or authorized personnel, including, but not restricted to, property pertaining to or secured through or from Army sales stores, commissaries, post exchanges, ship stores, clubs for officers, enlisted men and War Department civilian personnel, and the American Red Cross;

(3) are in transit to or from or have been transported to Japan from or through the United States by or for American personnel, by means of Government Transportation; or ✓

(4) bear either on the container, unit or otherwise, a trade mark, trade name, producer's, manufacturer's or distributor's name, brand, revenue stamp, free of tax stamp, label or other mark, or stamp or device of any kind indicating it to be American growth, origin, ✓ production or manufacture, or intended for use or consumption by American personnel or authorized personnel.

"e. 'To Trade'. To enter into, carry on, complete, or perform any contract, agreement, or obligation; to buy, sell, loan, extend credit; trade in, deal in, exchange, transmit, transfer, assign, dispose of or receive; or to have any form of business or commercial communication or intercourse.

\* \* \*

"5. Acts prohibited. Except as authorized by law, regulation, competent order of directive, the following acts by American personnel are prohibited:

"a. Trading in American goods with other than American personnel or authorized personnel.

5. The evidence for the defense pertinent to Specification 1, Charge I, and Specification 2, Charge II is summarized as follows:

As to Specification 1, Charge I

Technician Fourth Grade Roy E. Pritchard testified that he and two others went to a party at the Post Exchange warehouse on the night of 29 March 1947 (R 55). He was present while the Provost Marshal spoke to the accused, and overheard their conversation from a distance of approximately ten steps. He heard the accused say to Colonel Turner that he (the accused) did not transport the women from Sendai to the warehouse in a government vehicle (R 55-56). The witness further testified that the accused said, "They rode the trolley from Sendai to the station. I believe it was Nagamachi" (R 55, 58).

Corporal John Roland testified that he overheard Colonel Turner ask the accused if the girls had come out to the warehouse in a jeep and the accused replied, "No sir, they came by Japanese trolley to Nagamachi Station, which is near the warehouse" (R 60).



Technician Fifth Grade Benjamin S. Swan testified that he overheard the accused tell Colonel Turner that the girls rode the trolley from Sendai to Nagamachi in answer to a question as to how the girls got to the warehouse (R 62).

As to Specification 2, Charge II

After his rights as a witness were explained to him by the law member (R 63) the accused elected to take the stand as a witness in his own behalf (R 64). He testified that the food items which he shared with the Japanese nationals were purchased by him and that he ate a portion of the food in question (R 65).

6. Under Specification 1, Charge I the accused stands convicted of falsely stating to Lieutenant Colonel Turner officially that he did not transport Japanese females to the Post Exchange Warehouse in Sendai, Japan in a government vehicle, which statement was known by the accused to be untrue, in violation of Article of War 95.

In order to support a conviction of the offense alleged the record must show that the accused: (a) made a certain official statement, (b) that the statement was false (c) that the accused knew it to be false, and (d) that such false statement was made with intent to deceive the person to whom it was made (CM 262360, Campbell, 41 BR 58; CM 316750, Ortiz-Aponte; CM 318167, Green; CM 318705, Jackson).

The evidence shows that two Japanese girls came to the Nagamachi Station from their homes in Sendai by street car. The accused met them at the Nagamachi Station and transported them 1/4 or 1/3 of mile to the warehouse in a jeep.

When later questioned by the Provost Marshal about the presence of the girls at the warehouse, the accused freely and truthfully answered most of Lieutenant Colonel Turner's questions. However, when asked whether the girls had been transported to the warehouse by jeep he replied, "No sir" and stated that they had come from Sendai by street car. It may be assumed that the Provost Marshal knew that the street car tracks did not pass the warehouse and that he knew that the closest point to the warehouse accessible by street car was the Nagamachi Station. He did not, however, ask the accused how the girls traveled the short distance from the station to the warehouse.

In view of the fact that the accused frankly and truthfully answered other inculpatory questions, it appears most probable that he understood the question put to him as pertaining to the mode of transportation used by the girls in traveling from Sendai to the vicinity of the warehouse. Three witnesses, who overheard the conversation, testified that the accused stated that the girls rode the trolley from Sendai to the Nagamachi Station. He did not volunteer information as to how they had gone the rest of the way, but he was not under any obligation to volunteer inculpatory information. If we assume that he fully understood the Provost Marshal's question, his answer merely amounts to a failure to make a full disclosure, to a question



which, under the provisions of Article of War 24, he was under no obligation to answer at all. Failure to make a full disclosure is not tantamount to making specified and particularized false statements with deceitful intent (CM 245866, Willis, 29 BR 322; CM 136021 (1919) Dig Op JAG 1912-1940, Sect 454 (49)).

The language of the Board of Review in CM 262360, Campbell, 41 BR 58, is appropriate in the instant case.

"The fact that his selection of language might be deemed cagey does not alone justify branding his statement as a false statement made with intent to deceive. Before a conviction of the offense alleged can be sustained there must be evidence beyond a reasonable doubt, that the statement is both false and made with intent to deceive. The evidence in the instant case does not measure up to this standard" (See also CM 318705, Jackson).

Accordingly we are of the opinion that the record of trial is not legally sufficient to support the findings of guilty of Specification 1, Charge I.

7. Under Specification 2, Charge II, the accused stands convicted of wrongfully disposing of American goods, to wit, canned fish and sausage, crackers, cigarettes and Pepsi-Cola, by giving the same to certain Japanese nationals in violation of standing orders.

It is to be noted that the accused is not charged with misapplication or wrongful disposition of property belonging to any person other than himself.

It is the theory of the prosecution, and apparently that of the reviewing authority, that the sharing of American food, beverages and tobacco with guests who are Japanese nationals constitutes "trading in American goods with other than American or authorized personnel" in violation of Circular No. 26, General Headquarters, Far East Command, 10 March 1947, Prevention of Black Market Activities, pertinent extracts of which are quoted in paragraph 4 above.

The prohibitions contained in Circular 26, are directive in nature and became part of the written military law on its effective date, 12 March 1947, (CM 291176, Besdine, 18 BR (ETO) 181; CM 307 465, Banker; CM 307097, Mellinger, 60 BR 119, 215-216; CM 317064, Johns).

Since the directive is also penal in nature, it follows that the rules ordinarily applied in the construction of penal statutes are applicable to the construction of the directive in question.

It is well settled that statutes must be construed in harmony with their announced or obvious purpose (Humbolt Land Co. v. Allen, 14 Fed (2d)



650, affirmed 274 U.S. 711). The obvious purpose of the directive contained in Circular 26, as stated in its title, and its Declaration of Purpose, is the prevention of Black Market Activities.

As indicated above, the term "to trade" is defined in the Circular as:

"To enter into, carry on, complete, or perform any contract, agreement, or obligation; to buy, sell, loan, extend credit, trade in, deal in, exchange, transmit, transfer, assign, dispose of or receive; or to have any form of business or commercial communication or intercourse" (Underscoring supplied).

The term "dispose of," upon which rests the determination of the problem presented by the instant case, is a broad term capable of many meanings. In CM 138679, Frisbie, cited in CM 217868, Schiedinger, 11 BR 329, 338, it was held that the words "dispose of" might mean any one of many acts, either lawful or unlawful, such as to arrange, to find a place for, to have control or ordering of, to pawn, barter, give away, burn, destroy, determine the fate of, mortgage, and many others. It was said of the words "dispose of" that "Standing by themselves without qualification the words have no legal significance."

Considering the variety of meanings which may be attributed to the term "dispose of" it is obvious that the words, as used in the directive, must be construed as pertaining to such disposition of American goods which may lead, directly or indirectly, to their diversion into Black Market channels. So considered it is obvious that the social serving of reasonable quantities of American foodstuffs to bona fide guests for consumption in the presence of the host cannot possibly lead to the use of such foodstuffs in Black Market Activities.

"General words in a statute should receive a general construction; but they must/understood as used with reference to the subject matter in the mind of the legislature, and strictly limited to it. Their meaning may, if necessary be expanded, as may that of narrower words, or their meaning may be restricted, and they should be so limited in their application as not to lead to injustice, oppression, or an absurd consequence. So words of general import in a statute are limited by words of restricted import immediately following and relating to the same subject" (59 Corpus Juris, Sec. 580, p. 980 and cases cited therein).

"By the rule of construction known as 'ejusdem generis,' where general words follow the enumeration of particular classes of persons or things, the general words will be construed as applicable only to the person or things of the same general nature or class as those enumerated, and this rule has been held especially applicable to penal statutes" (Ibid, sec. 581, citing First National Bank v. U.S., 206 Fed 374).

In applying the foregoing rules of construction to the instant case, we are of the opinion that the general term "dispose of" as used in the definition



of the term "to trade" pertains to disposition in the course of a business or commercial transaction, or in a manner likely to lead toward a business or commercial transaction.

Since neither fraternization with Japanese nationals, nor the entertainment of Japanese nationals was prohibited at the time of the alleged offense, it would appear that the serving of reasonable quantities of foodstuffs incidental to social hospitality does not fall within the prohibition denouncing the trading in American goods.

Accordingly we are of the opinion that the record of trial is not legally sufficient to support the findings of guilty of Specification 2, Charge II.

8. The accused is 29 years of age, married, and the father of one child. War Department records show that he completed three years of high school. He enlisted in the military service on 23 August 1938 and served until 26 August 1941 being discharged as a platoon sergeant. He re-enlisted on 7 March 1942 and after successfully completing the Tank Destroyer Officer Candidate Course, he was commissioned as a second lieutenant, Army of the United States, on 22 December 1942. He has successfully completed the Officers Automotive Course at the Tank Destroyer School, the Officers Special Basic Course at The Infantry School, and the Parachute Course at the Parachute School. He served with the 515th Parachute Infantry Regiment in the European Theater of Operations. Efficiency ratings of record show that he was rated "Satisfactory" for the period from 24 April 1943 until 30 June 1943; "Very Satisfactory" from 1 July 1943 until 31 December 1943; "Satisfactory" from 1 January 1945 until 30 June 1945; "Very Satisfactory" from 1 July 1945 until 31 December 1945; and "Excellent" from 1 July 1946 until 31 December 1946.

9. Attached to the record of trial is a request for clemency addressed to the reviewing authority by Lieutenant Colonel Ned W. Glenn, the Special Defense Counsel, wherein it is stated in part:

"2. Lt. Gaddis is believed to have salvagable value to the service because of his specialized training and experience with the 81 mm mortar.

"3. Conviction under the 95th Article of War would bar him from serving as an enlisted man.

"4. It is believed that Lt. Gaddis has correspondence showing that he requested relief from duty as an officer and re-enlistment prior to the date of his first offense.

"5. Lt. Gaddis was an enlisted man in my company before the war, and his service as an enlisted man was exemplary."



10. The court was legally constituted and had jurisdiction of the person and the offenses. No errors injuriously affecting the substantial rights of the accused were committed. In the opinion of the Board of Review the record of trial is legally insufficient to support the findings of guilty of Specification 1, Charge I, and Specification 2, Charge II, legally sufficient to support all other findings of guilty and the sentence as approved by the reviewing authority and to warrant confirmation thereof. A sentence to dismissal is mandatory upon a conviction of a violation of Article of War 95 and is authorized upon a conviction of a violation of Article of War 96.

s/ D. Hottenstein \_\_\_\_\_, Judge Advocate

s/ R. M. McDonald Gray, Judge Advocate

s/ Walekman A. Solf. Judge Advocate