

CHECK SHEET

Mr. Adams 26-5443

File No: S 236

Subject: Projected Sale of Ko-Toku Kaikan, former Manchukuo Property.

Note No. (1)

From: DS

To: CPC/FP

Date: 2 August 1949

1. Reference is made to telecon Mr. Curland - Mr. Adams, 2 August 1949, on above subject. DS has replied this date to the Chinese Mission memorandum of 30 July 1949, copy inclosed, to the effect that no such sale is being effected nor could it be made under existing regulations (info copy to CPC/FP).

2. It is requested that the Japanese Government again be notified of the applicability of standing instructions regarding the transfer of title to such properties as were foreign owned on 7 December 1941. Reference is made in this connection to CPC/FP check note no. 2, 26 February 1949, to DS check sheet, 7 February 1949, "Chinese Claim to Title of Former Manchukuo Property in Tokyo".

3. It is suggested that American International Underwriters and Mr. Ayakawa be informed that no sale of the Ko-Toku Kaikan (Empire House) can be effected due to existing regulations as well as to the fact that the Chinese Government has presented an official claim for title to this former Manchukuo property.

1 Incl:
Copy of Chinese memo,
30 July 49.

-----W.J.S.-----

WCS
Mrs. J.S. Seachi 26-5624

2

From: CPC/FP

To: DS

Date: 31 AUG 1949

Inclosed is a copy of directive issued to the Ministry of Finance regarding subject property.

1 Incl
1. w/d
Added 1 Incl
2. Memo for M/F

-----E. C. M., Jr-----

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PERTAINS TO: Memo for M/F, file 095, subj, "Ko-Toku Kaikan (Naigai Bui ding)," and
C/N #2 to DS, subj, "Rejected Sale of Ko-Toku Kaikan, former Manchukuo
Property."

MD MR
DHR/SHD/SCA/edt
23 August 1949

MEMO FOR RECORD:

1. C/N #1 fr DS, 2 Aug 49, forwarded memo, 30 Jul 49, fr Chinese Mission requesting that the rumor be investigated re the purchase of the Naigai Bldg (Ko-Toku Kaikan), now known as Empire House and any sale stopped. DS replied to memo but requested that CPC remind JG that any such transactions violate directives re prop in which there is a foreign interest.
2. Chinese Bip Mission interest arises from the Manchukuan proprietary interest in the bldg; validity of alleged transfer of such interest to a Japanese assn in Jul 45 has not been determined. Bldg is on P.D. to Occupation Forces; there is no policy for the disposition of puppet-owned real prop at this time.
3. Negotiations re proposed sale of the bldg to American cos were brought to CPC's attention verbally. The entire problem has been discussed with the M/F and all interested parties who have been advised that any transactions pertaining to such prop are unauthorized and in violation of SCAP directives pertaining to foreign prop.
4. Memo to M/F directs attention to SCAPIN 45, Manchukuan and Chinese Govt interest in the prop, and compliance with JG Ordinance No. 88.
5. C/N #2 to DS forwards copy of directive to M/F.
6. Authority: Red V 81059, 5 May 48; and for direct communication, C/N fr C/S, 2 Apr 46.
7. Concurrences: not required.
8. Action completed on Line No. 31416.

DHB WATZ 26-5639

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Diplomatic Section

DS/WJS/RWA/bk

MEMORANDUM

Tokyo, August 2, 1949.

Reference is made to the Chinese Mission's memorandum of July 30, 1949 regarding the projected sale of the Ko-Toku Kaikan or Empire House reportedly being made by a Mr. Ayukawa to the American International Underwriters of Tokyo.

The Mission is informed that no such sale is being effected nor could it be made under existing regulations. As the Mission was advised in the Diplomatic Section's memorandum of March 11, 1949, the Japanese Government has been informed of the applicability in this connection of standing instructions which prohibit transactions in property in Japan which was, on or since December 7, 1941, owned or controlled, directly or indirectly, in whole or in part, by any person outside of Japan. It is believed that this prohibition of transfers of title to such properties adequately safeguards the interests of China with respect to the Ko-Toku Kaikan.

CPC/FP (Info)

S 236

Copies to:
G-2/FL
CPC/FP

- M/R: 1. Based on CPC/FP check note no. 2, 26 Feb 49, "Chinese Claim to Title of Former Manchukuo Property in Japan", and DS memo to Chinese Mission, 11 Mar 49.
2. Telecon, 2 Aug 49, Mr. Curland, CPC - Adams, reveals no change in situation. Mr. Curland will again notify JG (for relay to Mr. Ayukawa) and advise AIU, Tokyo.

RWA
RWA 26-5443

Jan B

To the
Chinese Mission in Japan,
Tokyo.

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MEMORANDUM

Tokyo, July 30, 1949.

Reference is made to the Diplomatic Section's memorandum dated March 11, 1949 on the subject of claim of Ko-Toku Kaikan, also known as Empire House, Tokyo.

The Chinese Mission in Japan wishes to invite the attention of the Diplomatic Section GHQ SCAP to a information recently received by the Mission to the effect that a certain Mr. Ayukawa, formerly general-manager of Manchu Heavy Industry K.K., has proposed to sell the subject property to the American International Underwriters (AIU) at Tokyo for a sum of ¥4,250,000.00 for the use of AIU. How far this information is true, the Chinese Mission is in no position to make conjecture. However, as stated in the reference memorandum, "such sale can not be made under existing regulations". The Chinese Mission, therefore, requests the Diplomatic Section to conduct an investigation to the above effect and bar any contemplated sale of the afore-mentioned premises.

Co-operation and reply from the Diplomatic Section will be much appreciated.

To the
Diplomatic Section
GHQ, SCAP

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NAIGAH BUILDING

W. J. Spencer
24 Aug 49

UAD

26 July 1949

MEMO FOR FILE

SUBJECT: Chinese Claims

PRESENT: Liu, Lin-Sheng, Chinese Reparations and Restitution Delegation;
Messrs. Dayton and Curland, CPC

Mr. Liu called at the office of Miscellaneous Property Branch this date re the following:

(1) Naigai Building - Minister Yorkson C. T. Shen has heard that the ~~Manchurian Heavy Industry Development Co.~~ is negotiating with American International Underwriters Corporation to sell the subject building for \$4,250,000.

Liu was told that CPC has no intention of authorizing the sale of this building by anyone to anyone pending establishment of title to it; that Japanese Government has been instructed of the applicability of SCAPIN 45 and Ordinance 88 to subject building and that American International Underwriters have been advised accordingly by CPC.

During interview, Liu stated:

- a. Manchukuo Puppet Embassy purchased the building with funds given to it by the Manchurian Heavy Industry Development Co. from a "secret fund"
- b. Chinese Mission is aware but does not recognize the validity of the gifting of the Naigai Co. shares by the puppet embassy to the International Goodwill Club
- c. "Koto-Ku" in the Ko-toku Kaikan is the official appellation of Pu-Yi's reign as Manchukuo Emperor.

(2) Manchukuo Embassy Property - Liu was told that determination of title at this time is not within scope of SCAP's authority but that the property could be made available for Mission's use. Liu was also informed that further investigation is now in progress re subject property.

(3) Taiwan Fiber Products Co. (Taiwan Seni Seihin K. K.) - Liu was told on liquidation of the company (in accordance with SCAPIN 1965) proceeds of liquidation distributable to Formosan stockholders will be deposited into a bank account in Japan (Foreign Creditors' Yen Deposit Account) and will be available to Formosan beneficiaries on demand.

mau

B. Curland

File: Puppet Govt (Gen)
" : Taiwan Seni Seihin Josei K.K.
: Conf. Memo

SIG _____

Tokyo, April 18, 1949.

Officials Concerned,
General Headquarters
for the Allied Powers
Daiichi Building, Tokyo

Re: TO REGAIN SHOWA BUILDING

7 stories stone building located at 18,
2-chome, Marunouchi, Chiyodaku, Tokyo,
being occupied at present by the
Australian Forces.

Sirs,

The Showa Building referred to the above is not utilized today by the Government of Manchukuo, and accordingly it should properly be regained, as provided in the Contract agreed by both parties, by former share holders of the Naigai Building Co., Ltd., who had been the owner of this building. It cannot properly be said legal, as is generally agreed, that the said building has been managed, ever since the cessation of hostilities, by the directorate of an agent for the Government of Manchukuo.

Informing you the above in brief of our Showa Building, (Mr.) Shigetaro Fujioka and (Mr.) Yasuhei Saigo representing all the former share holders referred to the preceding paragraph hereby request and petition to your Authority on behalf of every one of them to regain the ownership of the said building through your fair and equitable direction.

Will you please refer for details the report enclosed herewith of the proceedings until the said building was occupied by the Government of Manchukuo, and request us to appear in person, if necessary, for the further explanation.

Your prompt attention to the matter is most sincerely appreciated.

Respectfully yours,

Minagawa Building
1-6 Ginza, Chuo-ku, Tokyo
April 18, 1949

西郷保平

Yasuhei SAIGO

藤岡茂太郎

Shigetaro FUJIOKA

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UNTIL SHOWA BUILDING WAS OCCUPIED BY MANGHUKUO

1. The Showa Building, 7 stories stone building located at 18, 2-chome, Marunouchi, Chiyodaku, Tokyo being utilized at present by the Australian Occupation Forces (referred to hereinafter "the building") was owned by the Naigai Building Co., Ltd. whose share holders were:

- (i) Akiyama, Konosuke
- (ii) Akashi, Daisuke
- (iii) Kimura, Taiji
- (iv) Ozawa, Giichi
- (v) Kanazawa, Fuyusaburo
- (vi) Minakawa, Hiroyasu
- (vii) Kurota, Yaku
- (viii) Fujiyama, Aiichiro
- (ix) Fujioka Shigetaro
- (x) Minakawa Limited Partnership
- (xi) Katagiri, Yoji
- (xii) Ando, Ken
- (xiii) Kajimoto, Seiji

2. Our Naigai Building Co., Ltd. started the construction of the Building on 11th January, 1921.

3. When it was almost completed, the building was badly destroyed on 1st September, 1923 by severe earthquake in the Tokyo-Yokohama Area. Our officials and men, and workers under our employment totaling so many as 72 were killed or wounded and killed by the destruction. Our deepest sympathy and extraordinary amount of solatium granted to these 72 victims really consoled their bereaved family members, with whom we have observed every year on this day of destruction a memorial service until today.

4. Our all-out effort to reconstruct the building after the devastation never has forgotten by any one of us. We could manage often deadlocked finance which even seemed impossible for us sometimes to continue our construction. On 11th July, 1927, we finally completed our Building. It was really a reward to our sacrificial effort. The memorial service of 72 victims has been observed since then not only in memory of the deceased but also of our all-out effort throughout these years.

5. Sometime at the beginning of November 1942, the government of Manchukuo proposed the purchase of our building. Along with the development of Sino-Japanese war and in its desperated stage after the declaration of war against Allied Powers, the close cooperation of Manchukuo government to this Country might have been more strongly requested by war leaders. It was presumably necessary for the government of Manchukuo to establish their large scale liaison center in the heart of Japan. We simply were forced to accept their

purchase of the Building and sold our total shares to the government of Manchukuo. The purchase price set by them was only thirty five hundred thousand yen (¥ 3,500,000) only.

6. On 25th November, 1942, Mr. Takeo Yamanashi, Councillor for the government of Manchukuo representing the said government and Mr. Hatsutaro Akashi representing our party negotiated details of the purchase and agreed on all the conditions inclusive of our proposal "that the Naigai Building Co., Ltd. will have the first priority to regain the ownership of the Building at the time the Government Manchukuo may not use the building at any reason". It was really consolation to us to anticipate our wish be realized.

7. As our proposal was not spelled in the Contract which was prepared for the signature on 27th November, 1942 by the government of Manchukuo, we further requested to spell the condition in writing. Mr. Yamanashi agreed to hand over to us a separate document to be annexed to the Contract and both parties signed the said Contract at this conference. A few days later, he did hand it over to us, of which the annexed statements by witnesses will be referred herewith.

8. The Contract and this separate document annexed to it and all the related documents as to this purchase were lost by fire caused by the powerful air raid on 25th April, 1945. All of these documents had been under the custody of Mr. Shigetaro Fujioka, Managing Director of our Naigai Building Co., Ltd. in his residence at 16 Miyazato, Nakanoku, Tokyo. Further, both Mr. Takeo Yamanashi and Mr. Hatsutaro Akashi who signed the Contract representing respective parties have already passed away and unable to prove the facts before your authority.

9. However, Mr. Kyo Tanaka and Mr. Yoshiro Sasaki who represented both parties and negotiated particulars of this purchase confirm the facts in writing, their statements of which are attached herewith. We firmly believe that the ownership of the Building would properly be transferred to the former owner who are share-holders of the Naigai Building Co., Ltd., as the government of Manchukuo is substantially dissolved now. We should ask concerning the matter a direction to be given by SCAP, GHQ.

Minagawa Building
1-6 Ginza, Chuo-ku, Tokyo
3 April, 1949

西郷保平
Yasubei SAIGO

藤岡茂太郎
Shigetaro FUJIOKA

STATEMENT

To Whom It May Concern,

The following is true in the best of my knowledge:

When the government of Manchukuo purchased the present Naigai Building, I negotiated the matter between both parties and witnessed the formal signing of the Contract. At this conference, seller, Mr. Hatsutarō Akashi proposed to Councillor Yamanashi of the Manchukuo Embassy the condition as in the following, "I hardly lose myself at this occasion that we finally have to sell this building. We sell this building as we feel unable to reject your proposed purchase being eagerly requested." And then, I would like to propose this one condition and have you confirm it that the government of Manchukuo will resell this building to us in a mutually agreeable condition, whenever they do not utilize it."

To this proposal, Councillor Yamanashi agreed and said that they will. And Mr. Akashi further proposed, "We should have your answer in writing." To this Councillor Yamanashi answered, "I accepted your proposal, and will give you my answer properly in writing."

20th March, 1949

田中 恭一 

Kyo TANAKA
21 - 2 Azabu Nakano-machi
Minatoku, Tokyo

STATEMENT

To Whom It May Concern,

I hereby confirm the following as to the Showa Building located at 2 - 18 Marunouchi, Chiyodaku, Tokyo (formerly Kojimachiku).

1. The government of Manchukuo forcedly purchased this building which was formerly owned by the Naigai Building Co., Ltd. As I managed Sasaki Estate Office, Councillor Yamanashi of Manchukuo Embassy in Tokyo asked me my advice as to the purchase of this building and my cooperation working for him. I also was asked to assist him to refurnish the building and I did my best for him. Therefore, I am fully aware of the purchase of this building and its proceeding in every detail.

2. This purchase was done under the direction of the Army and the owner simply was obliged to sell the ownership to the government of Manchukuo. The seller, Naigai Building Co., Ltd. proposed at this forced purchase one condition as in the following effect:

"The Naigai Building Co., Ltd. will have the first priority to regain the ownership of the building at the time the government of Manchukuo may not use the building at any reason, in future."

3. This condition was properly accepted by Councillor Yamanashi who represented the government of Manchukuo and signed the Contract. However, such clause as is referred in the preceding item was not spelled in the Contract. And then Mr. Akashi proposed to Mr. Yamanashi to confirm the matter in writing, and Mr. Yamanashi agreed to this proposal. In the next conference, Councilor Yamanashi handed over to Mr. Akashi a note in which he spelled the proposal as in the preceding item. This note was written in proper governmental document paper of Manchukuo and adressed to Mr. Hatsutaro Akashi.

10th March, 1949

佐々木 芳朗

Yoshio SASAKI
8 West-8th, Ginza
Chuoku, Tokyo

0-PLD

MINISTRY OF FOREIGN AFFAIRS
CIVIL PROPERTY BUREAU

TO: CIVIL PROPERTY CUSTODIAN, GENERAL HEADQUARTERS
OF THE SUPREME COMMANDER FOR THE ALLIED POWERS.

SUBJECT: Ko Toku Kaikan and Hojin Kokusai Zenrin.

C.P.B. No. 380

9 Apr. 1949

1. Reference is made to the memorandum for Civil Property Bureau, Foreign Office, file 095 (2 Feb 49) CPC/FP, 9 March 1949, subject "Ko Toku Kaikan and Hojin Kokusai Zenrin."

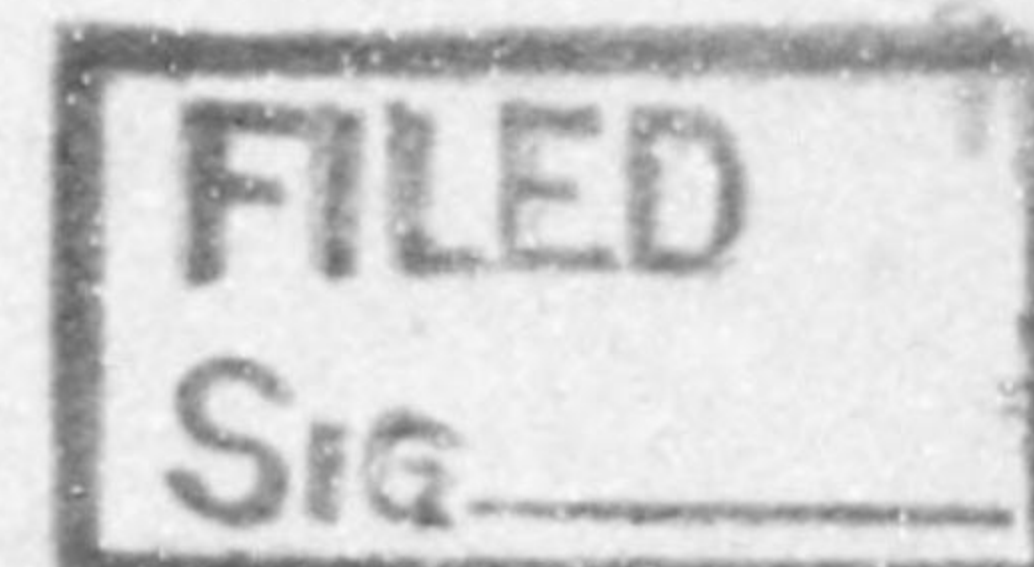
2. Submitted herewith is report on the relationship between the ex-Manchukuoan Government and property in Japan of the Naigai Building Company and Hojin Kokusai Zenrin, as prepared by the Ministry of Foreign Affairs, in compliance with paragraph 2 a through f of the reference memorandum as of attached.

FOR THE MINISTER:

for *T. Matsumura*
(Yuzo Isono)
Director, Civil Property Bureau.

Enclosed: a report

du SAGANUMA



31416

Report on The Relationship between
The Ex-Manchukuan Government and
Property in Japan of The Naigai
Building Company, and Hojin Kokusai
Zenrin.

1 April 1949

- a. Date and purpose of acquisition by Manchukuo of 100% of the securities of Naigai Building Company; source of funds with which purchase was made; type of property owned by Naigai Building Company at that time; agent or agency of Manchukuo by whom purchase was made.

Date: 28 August 1942.

Purpose: to accommodate within this building one part of Manchukuoan Embassy and Tokyo branches of the companies with their main offices in Manchukuo, to promote smooth and intimate relationship among them.

Source of funds:

"Yen Funds" or "Manchukuo Investment Yen Accounts."
Deposited in the Tokyo Branch of Manchukuoan Central Bank who re-deposited them in the Bank of Japan.

Type of property:

See Annex 1. (Inventory of property was made on 31 May 1942).

Agent or agency:

Minoru Aoki, deputy-chief of the Economic Department, Manchukuo Government.

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b.

- b. Control exercised by Manchukuo over management of property of the N.B.C. including the Kotoku Kaikan Building, and its participation in the income accruing from such management; utilisation made of the property of N.B.C. including the use of the Ko Toku Kaikan Building as a club house or residence.

Control and participation:

Whenever the invitations to the share-holders' meetings were sent by the company President to the Manchukuoan Government, the latter, instead of dispatching any representative used to send the letters of full attorney.

No official instruction from the Manchukuoan Government had been given except one following notice.

"As this investment being not the main object for our government, the management of the company should be carried out so as not to make any loss." All income of the company was disbursed only for removal compensation to those former occupants and for other expenses to maintain the Building while no dividend on shares was paid to the Manchukuoan Government.

Utilisation and use of building:

Whenever any room was vacated, various sections of the Embassy and branch offices of the companies moved in. List of companies leased in Naigai

Building

Building is attached as Annex II. Manchukuoan Embassy was paying about ¥32,000 as rent for 6 months to the company, like all other companies did.

- c. Date, purpose, consideration, authority, and by what agent or agency of Manchukuo the shares of N.B.C. were transferred to Hojin Kokusai Zenrin; present ownership registration and location of the certificates of subject shares.

Date: 1 July 1945.

Purpose and consideration:

As these two organization namely N.B.C. and Kokusai Zenri, were working for the same purpose to promote friendship among Embassy and Manchukuoan Companies, naturally their merger (of these two companies) had long been planned among those who had connection with them. This talk, however, had quickly been brought to conclusion as the increasing air-raid made them realize the inevitable transfer of occupants of one destroyed building to another.

From the beginning of June 1945, main activities of the Economical Department of the Embassy was aimed at the quickest transportation of war materials previously stored for Manchukuo. For this end, most of the staff members as well as company clerks were stationed at Niigata, Tsuruga, Moji, Fukuoka and Osaka.

Thus

Thus diminishing the utilization of the building and, accordingly, reducing the necessity of keeping all shares by Manchukuo Government for the purpose of monopolizing control over the building.

Authority:

Transfer of shares was made in the name of Manchukuo Ambassador Wo-In-Kyo. At the beginning of June 1945 a Manchukuoan Imperial Ordinance, "Extraordinary Execution of Administrative Function in Emergency," was proclaimed, inclusively delegating to its ambassador all administrative powers of its government within Japan.

Agency or agency:

Transfer was carried out by Minister Katsura, chargé d'affaire during the furlough of the ambassador.

Present ownership registration:

Shadan Hojin Manshukai.

Location: Kept in the safe at Kokusai Zenrin Building.

- d. Date and purpose of the establishment of Hojin Kokusai Zenrin or its predecessors; composition of its membership; property owned by said association at the time of founding, at the end of the war and at present; source of funds for acquisition of such property.

Date

Where is this document?

What are dates of furlough? When did he go?

Date and purpose of the establishment:

See Annex III (Excerpts from the articles of incorporation).

Composition of its membership:

See Annex IV.

Property owned by association:

See Annex V (Excerpts from Company's inventory of property).

Source of funds:

Funds for acquisition of such property were first borrowed from Tokyo Branch of Manchurian Heavy Industry Development Corporation and later on 1 April 1942, ¥ 1,000,000 was contributed by Gisuke Ayukawa, then president of the corporation, to Manshukai, thus offsetting the loan.

- e. Participation of the Manchukuo Government or its agency in the financing and management of the Hojin Kokusai Zenrin or its predecessors.

Participation:

As Manshukai or Hojin Kokusai Zenrin was Japanese corporation, the Manchukuo Government had no legal right of supervision over its management. While Manchukuoan Government was subsidizing ¥30,000 annually to it.

f. The utilisation operation of property of N.B.C. specifically the Ko To Ku Building, made since transfer of Naigai Building Company Stock by Manchukuo; amount and type of income derived and to whom and for what purpose disbursement has been made of such income.

Utilisation and operation of property:

Since the transfer of stocks, by Manchukuo, the Ko Toku Building had been used as an office building for rent, until 17 February 1946 when it was procured by British Army.

Amount and type of income and its disbursement:

The income consisted chiefly of rentals paid by building occupants amounting:

From June to Nov. 1945.	¥115,883.00
" Dec. 1945 to Nov 1946.	¥381,846.10
" Dec. 1946 to Nov 1947.	¥496,986.00
" Dec. 1947 to Nov 1948.	¥1,525,765.00
" Dec. 1948 to Mar.1949.	¥393,960.00

Disbursement was made for the payment of salaries, ground-rent, taxes, and other miscellaneous expenses. It should be noted that a dividend amounting to ¥15,000 was payed for the first time to H.K.Z. during the latter half of 1948.

It also should be added that two houses costing ¥91,000 and ¥25,000 were purchased from closed

Institution

- 7 -

Institution Liquidation Commission on 4 July 1947
and 9 October 1948 respectively, for use as employees'
quarters.

Annex 1

INVENTORY

as of 31 May 1942

(for Forty-first-term)

Item	Amount of Money
Building for Business	¥ 1,084,290.79
Machinery for Business	¥ 33,402.08
Equipment for Bussines	¥ 8,734.23
Unpaid Money	¥ 2,210.00
Bank Account	¥ 121,792.37
Cash	¥ 621.20
Provisional Disbursement	¥ 6,536.00
Loan	¥ 220,000.00

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Annex II

The list of companies located in
Naigai Bld.

(Dated Apr. 1945)

1. Private offices and stores.
 1. Yasukichi, Tachiban. (Showa Restaurant)
 2. Ichirō, Kondō. (Barber's shop)
 3. Daikichi, Tanaka. (Bicycle's shop)
 4. Masaru, Sugita. (Stationer's shop)
 5. Kōshirō Utamaru. (Merchant)
 6. Yoshio Suzuki. (Lowyer)
2. Naigai Bld. Co., Ltd. managing office (Naigai Birudingu K.K. Kanri-Jimusho)
3. Companies.
 1. Manchuria Marine Transportation Co., Ltd. Tokyo Branch. (Manshu Kaifu K.K. Tokyo Jimusho)
 2. Manchuria Development Co., Ltd. Tokyo Branch (Closed Institution) (Manshu Takushoku Kōsha K.K. Tokyo Shisha)
 3. Manchuria Agricultural Land Development Co., Ltd. Tokyo Branch (Manshu Nōchi Kaihatsu K.K. Tokyo Shiten)
 4. Manchuria Industrial Bank Tokyo Branch (Closed Institut'---) (Manshu Kogyo Ginko Tokyo Shiten)
 5. Manchukuo-Kwntung-province Paper Mfg. Control Ass. Tokyo Branch (Man-kan(Manshu and Kantoshū) Shigyo Tōs Tokyo Jimusho)

6. Manchuria Soy-been's Chemical Industry Co., Ltd.
Tokyo Branch (Manshu Daizu Kagaku K.K. Tokyo Jimusho)
7. Manchuria Farming Tools Mfg. Co., Ltd. Tokyo Branch
(Manshu Nokigu Seizo K.K. Tokyo Jimusho)
8. Manchuria Agricultural Industry Co., Ltd. Tokyo Branch
(Manshu Nōsan Kosha Tokyo Shisha)
9. Manchuria Agricultural Industry Development Co., Ltd.
Tokyo Branch (Manshu Kōnō Sangyo K.K. Tokyo Shiten)
10. Manchuria Leaf-tabacco Co., Ltd. Tokyo Branch
(Manshu Ha-Tabako K.K. Tokyo Jimusho)
11. Seian Coal Mining Co., Ltd. Tokyo Branch (Closed
Institution (Seian Tanko K.K. Tokyo Jimusho)
12. Manchuria Magnesium Co., Ltd. Tokyo Branch (Closed
Institution) (Manshu Maguneshiyumu K.K. Tokyo Jimusho)
13. Manchuria Electric Industry Co., Ltd. Tokyo Branch (Clo-
sed Institution)
(Manshu Dengyo K.K. Tokyo Shisha)
14. Carbon Industry Co., Ltd. Tokyo Branch (Tanso Kogyo K.K.
Tokyo Jimusho)
15. Manchurian Moving-Picture Ass. Tokyo Branch (Closed
Institution) (Manshu Eiga Kyokai Tokyo Shisha)
16. Ryuen Iron Ore Co., Ltd. Tokyo Branch (Closed Institu-
tion) (Ryuen Tekko K.K. Tokyo Jimusho)
17. Agricultural Development Corporation Tokyo Branch
(Kō-nō Gatsusakusha Tokyo Jimusho)

18. Fushin Coal Mining Co., Ltd. Tokyo Branch (Closed Institution) (Fushin Tanko K.K. Tokyo Jimusho)
19. Manchurian Iron and Steel Mfg. Co., Ltd. (Closed Institution) (Manshu Seitetsu K.K. Tokyo Shisha)
20. Tsuruoka Coal Mining Co., Ltd. Tokyo Branch (Closed Institution) (Tsuruoka Tanko K.K. Tokyo Jimusho)
21. Manchuria Heavy Industry Development Co., Ltd. Tokyo Branch (Closed Institution) (Manshu Jū-kogyō Kaihatsu K.K. Tokyo Shisha)
22. Mitsuzan Coal Mining Co., Ltd. Tokyo Branch (Closed Institution) (Mitsuzan Tanko K.K. Tokyo Jimusho)
23. Manchurian Light Metal Co., Ltd. Tokyo Branch (Closed Institution) (Manshu Kei-kinzoku K.K. Tokyo Jimusho)
24. Antō Light Metal Co., Ltd. Tokyo Branch (Closed Institution) (Antō Kei-kinzoku K.K. Tokyo Jimusho)
25. Manchurian Heavy Machine Co., Ltd. Tokyo Branch (Manshu Jūki K.K. Tokyo Jimusho)
26. Manchuria Mining Industry Co., Ltd. Tokyo Branch (Closed Institution) (Manshu Kozan K.K. Tokyo Jimusho)
27. Japan-Manchukuo Trading Co., Ltd. Tokyo Branch (Closed Institution) (Nichi-man Shōji K.K. Tokyo Shisha)
28. The Manchukuo Embassy (Manshu-Koku Taishi Kan)
29. Manchurian Machine Trading Co., Ltd. Tokyo Branch (Manshu Kikai Kōeki K.K. Tokyo Jimusho)

30. Manchuria Machine Industry Co., Ltd. Tokyo Branch
(Manshu Kikai Kogyo K.K. Tokyo Jimusho)
31. Japan-Manchukuo Mining and Industrial Engineers Ass.
Tokyo Branch (Nishi-man Kō-kō Gijutsuin Kyokai Tokyo
Jimusho)
32. Manchuria Textail Industry Co., Ltd. Tokyo Branch
(Manshu Sen-i Kōsha Tokyo Shisha)
33. Man-Kan (Manchuria-Kwantung Province) Trading Union
Ass. Tokyo Branch (Man-Kan Boeki Rengōkai Tokyo Jimusho)
34. Manchuria Live-stock Co., Ltd. Tokyo Branch (Manshu
Chikusan Kōsha Tokyo Jimusho)

Annex III

Date and Purpose of the Establishment
of Hojin Kokusai Zenrin or its prede-
cessors.

Date	Purpose	Name
Feb. 1942	To promote friendly relations among residents in Japan who have ever lived in Manchukuo thereby, contributing good terms between Japan and Manchukuo	Hojin Manshu Koyukai
June 1942	Same as above.	Manshu-Kai
Nov. 1946	To promote friendly relations among residents in Japan who have ever lived in Manchukuo, to improve and elevate culture and knowledge, and to support works for public interest.	Hojin Shotoku Club
July 1947	To promote friendly relations among those who have been in the neighboring countries, to improve and elevate culture and knowledge, and, thereby, to contribute to the establishment of international friendship relations.	Hojin Kokusai Zenrin

Annex IV

Composition of membership
(at present)

Profession	Proportion
Clerks of Private companies	38%
Government officials	6%
Officers of the organization for public welfare	13%
Newspaper Correspondents	3%
Advocates	5%
Businessmen	13%
Former company clerks	12%
Former government officials	8%
Teachers and others	2%

Annex V

INVENTORY

as of 31 Dec. 1942

Stock of Zenrinkurabu Co., Ltd.	¥ 587,225.03
Advance to Zenrinkurabu Co., Ltd.	¥ 71,463.11
Expenses for Purchasing Equipment of Hall	¥ 13,959.42
Fixed Deposit	¥ 250,000.00
Special Current Deposit	¥ 39,809.36
Current Deposit	¥ 1,472.80
Savings Transfer Account	¥ 4,435.38
Cash	¥ 190.31
Unpaid rentals	¥ 30,151.00
Total	¥ 998,706.41

INVENTORY

as of 31 Dec. 1945.

Stock of Zenrinkurabu Co., Ltd.	¥ 582,458.15
Loan of Zenrinkurabu Co., Ltd.	¥ 108,763.11
Expenses for Purchasing Land	¥ 21,667.10
Fixed Deposit	¥ 960,700.00
Spedial Current Deposit	¥ 124,891.50
Transfer Savings	¥ 7,075.51
Current Deposit	¥ 865.85
Cash	¥ 1,189.08
Provisional Disbursement	¥ 223.47
Unpaid rentals	¥ 4,837.79
Total	¥ 1,812,671.56

INVENTORY

as of 31 Dec. 1947

Stock	¥ 1,582,458.15
Loan	¥ 50,000.00
Expenses for Purchasing Land	¥ 21,667.10
Ordinary Deposit	¥ 283,683.26
Transfer Savings	¥ 1,310.47
Provisional Disbursement	¥- 3,500.00
Cash	¥ 1,575.13
Loss for the Current Term	¥ 60,937.58
Total	¥ 2,005,131.69

199
15 March 1949
WHS
EW

MEMO FOR FILE

SUBJECT: Naigai Building (Kotoku Kaikan)

PRESENT: Hishiki, Ministry of Foreign Affairs, Control Bureau, Economic Affairs Section; K. Sukanuma, Ministry of Foreign Affairs, CPB, Fourth Section

1. Representatives of the Japanese Government were again directed to notify the Hojin Kokusai Zenrin (International Goodwill Club) that property acquired by it through shares of Naigai Building Company, donated/gifted by Manchukuo puppet regime, is subject to Ordinance 88 and SCAPIN 45, until further notice. The Club is specifically directed not to dispose of tangible property. There will be no action taken at this time on the investment by Naigai Bldg. Co. of rental proceeds from subject building for purchase of a residential house, but such investments are not to take place in future without prior approval.

(It is considered that the above action is all that is necessary at this time regarding checksheet, S 236, 26 February 1949, from DS which forwards a letter from the Chinese Mission requesting that appropriate steps be taken to prevent the rumoured sale of the subject building to an "American Episcopal Church". Investigation of the interest of Manchukuo in the subject property has revealed that the interest was disposed of by donation; this raises the question of why recognition should not be given to an action of a puppet regime in disposing of property by gift as to its action in acquiring such property.)

mau

pe
B. Curland

FILED
SIG _____

Diplomatic Section

DS/WJS/RWA/bk

MEMORANDUM

Tokyo, March 11, 1949.

Reference is made to the Chinese Mission's memoranda of February 7 and February 16, 1949 on the subject of a claim of the Chinese Government for title to the Ko Toku Kaikan, also known as Empire House, Tokyo, once used by the former puppet government of Manchukuo as a clubhouse for Manchukuo officials visiting Japan.

No authority for acceptance of claims of this category having as yet been received by this Headquarters, it is suggested that until such time as a procedure has been established for adjudicating such claims, to which adequate publicity will be given, this claim be held on file by the Chinese Government. Instructions from higher authority relative to the disposition of interests of former puppet regimes in property in Japan are not yet available and it is, therefore, not within the authority of this Headquarters to effect formal transfers of title to such properties.

In connection with the alleged attempted sale of the Ko Toku Kaikan to a third party, the Mission is advised that such a sale can not be made under existing regulations. This Headquarters has brought this case to the attention of the Japanese Government, clarifying the applicability to former Manchukuo interests of standing instructions which prohibit transactions in property in Japan which was, on or since December 7, 1941, owned or controlled, directly or indirectly, in whole or in part, by any person outside of Japan.

S 236

Copies to:
G-2/FL
G-2/JL
GPC/FP
AG Records

M/R: Based on GPC/FP check note No. 2, 26 Feb 49, to DS check sheet, 7 Feb 49, subj., "Chinese Claim to Title of Former Manchukuo Property in Tokyo".

RWA 26-5443

To the
Chinese Mission in Japan,
Tokyo.

RECEIVED
MAR 15 1949
S16
Handwritten initials and signatures

31416

GPC/FP (Info)

CIVIL PROPERTY CUSTODIAN
AFS 500

095 (2 Feb 49)CPC/PP

WKT
DHB/WHD/khf
9 MAR

MEMORANDUM FOR: Civil Property Bureau, Foreign Office,
Japanese Government, Tokyo, Japan

SUBJECT: Ke Toku Kaikan and Hojin Kokusai Zenrin

1. The Civil Property Bureau is directed to investigate and report on the relationship between the ex-Manchukuoan Government and property in Japan of the Naigai Building Company, and Hojin Kokusai Zenrin. Report will be submitted within thirty (30) days of this memorandum to General Headquarters, Supreme Commander for the Allied Powers, Civil Property Custodian.

2. Report will specifically, though not exclusively, give information, supported by copies of records, where available, pertaining to the following:

a. Date and purpose of acquisition by Manchukuo of 100% of the securities of Naigai Building Company; source of funds with which purchase was made; type of property owned by Naigai Building Company at that time; agent or agency of Manchukuo by whom purchase was made

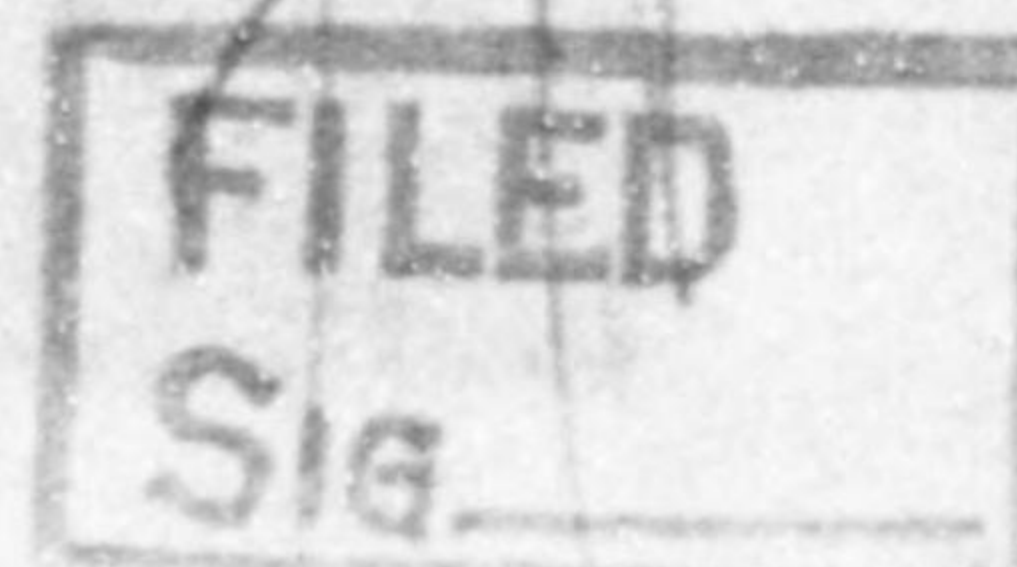
b. Control exercised by Manchukuo over management of property of the Naigai Building Company including the Ke Toku Kaikan building, and its participation in the income accruing from such management; utilization made of the property of Naigai Building Company including the use of the Ke Toku Kaikan Building as a club-house or residence

c. Date, purpose, consideration, authority, and by what agent or agency of Manchukuo the shares of Naigai Building Company were transferred to Hojin Kokusai Zenrin; present ownership registration and location of the certificates of subject shares

d. Date and purpose of the establishment of Hojin Kokusai Zenrin or its predecessor (s); composition of its membership; property owned by said association at the time of founding, at the end of the war and at present; source of funds for acquisition of such property

MAR 10 1949

31416



025 (2 Feb 45)GFC/PT

2 MAR 1948

Subj: Ke Toku Kaikan and Hejin Kokusai Zenrin

e. Participation of the Manchukuo Government or its agency in the financing and management of the Hejin Kokusai Zenrin or its predecessor (s)

f. The utilization/operation of property of Naigai Building Company, specifically the Ke Toku Building, made since transfer of Naigai Building Company stock by Manchukuo; amount and type of income derived and to whom and for what purpose disbursement has been made of such income.

PATRICK H. TANSEY
Brig Gen, USA
Custodian

PERTAINS TO: Memo for CPB, file 095, subj, "Ko Toku Kaikan
and Hojin Kokusai Zenrin."

^{WXB}
DHB/WHD/khf
7 March 1949

MEMO FOR RECORD:

1. Ltr fr Chinese Mission, 2 Feb 49, to DS, submitted claim of China, as successor govt of the Manchukuoan puppet regime, to a bldg known as Ko Toku Kaikan located at 18, 2 Chome, Chiyoda-ku, Tokyo. The Chinese allege that bldg was purchased by Manchukuo fr Naigai Bldg. Co. for ¥3,500,000 on 25 Nov 43, that the bldg was used as a club-house for Manchukuoan officials visiting Japan, and that maintenance of the club-house was through funds obtained fr membership fees, donations, and profits.

2. Office confs with officials of JC indicate that Manchukuo acquired 100% of the stock of Naigai Bldg. Co. (sole asset at that time, subj bldg) for ¥3,500,000 in Sep 42 and that the stock was donated by Manchukuo to Hojin Kokusai Zenrin (International Goodwill Club), a club for furthering relations with Manchukuo, in Jul 45.

3. Subj bldg is at present on procurement demand to the Occupation Forces and is known as the "Empire House."

4. Memo to CPB directs an investigation and a report re Manchukuo's acquisition of the prop of Naigai Bldg. Co. (including Ko Toku Kaikan Bldg.), former and present utilization of the bldg and circumstances of its disposition.

5. Authority: JCS 1380/15, par 45 and rad W 81059, 5 May 48, and for direct communication, C/N fr C/S to CPC, 2 Apr 46.

6. Concurrences: not required.

7. Action continued on Line No. 31416. Report due.

D.H.B. WXB 26-5639

MAR 10 1948

31416

DSFP

**GENERAL HEADQUARTERS
FAR EAST COMMAND**

CHECK SHEET

RWA
Mr. Adams 26-5443

(Do not remove from attached sheets)

File No: S 236

Chinese Claim to Title of Former Manchukuo
Subject: Property in Tokyo.

Note
No.

From: DS

To: CPC/FP

Date: 26 February 1949

1

1. Reference is made to DS check sheet, 7 February 1949, subject as above, regarding the Ko Toku Kaikan (Empire House), Tokyo.

2. Inclosed for your information and necessary action is a copy of the Chinese Mission's memorandum of 16 February 49, stating that it has been reported to the Mission that the former custodians are planning to sell this building. The Mission requests appropriate steps be taken to prevent any such sale.

1 Incl:
Copy of memorandum.

P.A.M.B.
J. S.



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COPY

CHINESE MISSION IN JAPAN
TOKYO

MEMORANDUM

With reference to the Chinese Mission's memorandum dated February 2, 1949 to GHQ, SCAP on the subject of Ko Toku Kaikan at Tokyo, (known as Empire House), the Chinese Mission in Japan wishes to invite the attention of GHQ to the following:

It has been reported to the Mission that the ex-directors of the Kokusai-zenrin Club (), formerly custodians of Ko Toku Kaikan, are planning to sell the said Kaikan to the American Episcopal Church in Japan for ¥5,500,000, which is being assessed by the Nippon Kogyo Bank (), Tokyo. The Mission believes that inasmuch as Ko Toku Kaikan was a "Manchukuo"-owned and "Manchukuo"-organized institution, any attempt to sell the said Kaikan without this Mission's consent is a wrongful act. Furthermore, since the said Club was a Japanese sponsored organization for the purpose of exploiting Manchuria, the defunct Club and its directors should have long ago ceased functioning.

It is therefore requested that GHQ will take appropriate steps, if the above information proves to be true, to forestall whatever action that may be contemplated by the ex-directors of the Kokusai-zenrin Club to dispose of the said Kaikan.

In this connection, this Mission understands that the said building hitherto occupied by BCOF was partially evacuated and that a part of the building was later reassigned by GHQ for the use of some other office. Presuming that there is still some space left in this fairly large building, the Mission wishes to apply for partial use of said Kaikan in order to ease the Mission's housing difficulty aggravated by GHQ's recent rescission of the approval of the construction of bachelor officers' quarters in the Mission. GHQ's favorable consideration on this application will be appreciated.

To the Diplomatic Section
GHQ, SCAP
February 16, 1949.

COPY

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W725

File
mem

26 February 1949

MEMO FOR FILES

SUBJECT: Naigai Bldg. (Ko Toku Kaikan).

PRESENT: Katsura (Minister for State of Manchukuo in Japan July-August '45; General Affairs Counsellor to the Embassy in Japan June '44-August '45. Prior to June '44 with Ministry of Greater East Asia).
Hishiki, Ministry of Foreign Affairs.

Meetings on 12th and 15th February regarding subject building. All statements referred to were made by Katsura (his relationship with Embassy commenced after purchase of building):

1. In 1942 the Minister of Manchukuo Economic Affairs purchased the stock of Naigai Building Co., owners of subject building. He does not know the source of funds with which purchase was made (thinks that Yamashina, now dead, former Counsellor of the Manchukuo Embassy or Tsuneo Uchida, now with Economic Stabilization Board and former chief advisor to the Economic Affairs Secretary of Manchukuo Embassy, may know). Thinks that decision to purchase would normally have been made in Manchukuo Embassy in Tokyo on basis of instructions from Manchukuo Government. In money matters the Embassy in Tokyo was independent of Japanese Government; funds were supplied by the Manchukuo Government.

2. Building was used to house branches in Japan of industrial concerns operating in Manchuria and such agencies of Manchukuo Government in Japan as were involved in supervising the activities of these companies in Manchuria.

3. The International Goodwill Club (Hojin Kokusai Zenrin) was established at end of 1942 as Japanese juridical entity with money donated by Aikawa, President of Manchukuo Heavy Industrial Co.; club at first was known as Manshu-Kai (Manchurian Association). Purpose of the club was "goodwill" and related matters pertaining to Manchuria. First president of the club was Commanding General of the Kwantung Territory with membership including practically all of the tenants in subject building. Club was housed in a building of its own in Tokyo, To-To-Tei. Katsura does not know when Manchukuo Government started subsidizing the club but does know that in 1944 the subsidy was around ¥100,000-¥150,000 per year. There was no Japanese Government subsidy and the club had no relationship with Japanese Government or its agencies.

4. By the middle of 1944 opinion was crystalized that the club and the building were performing similar over-lapping functions pertaining to Manchukuo and that they should be merged; also that it was not dignified for a "Sovereign State" to have a proprietary interest in income producing property. In Nov '44, after heavy air-raids, it was tentatively decided to merge the ownership of subject building and To-To-Tei in the club so that in case one of the buildings should be destroyed housing would be available for the branches of Manchurian Companies and other tenants of Naigai Building.

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X File: Conf Memo

5. On 19 June 1945 the Manchukuo Ambassador in Tokyo, Oinkyo, transferred the ownership of shares in Naigai Building Co. to the club (believes that the club has written evidence of the donation/gift and thinks that Naigai Building Co. transferred ownership of shares on its books in July '45). Ambassador acted on basis of power of attorney to him from the Manchukuo Prime Minister and four other Ministers (Econ. Agric. Transp. and Foreign Affairs) to act with reference to the building as he saw fit (Ambassador was advised by his Counsellors to gift the building to the club).

6. Manchukuo Embassy files were burned in May '45 when the Embassy building gutted. Japanese Government does not have their papers.

7. Head of the Goodwill Club at time of the gifting was R. Tomita, who is now dead. K. Hayashi, President of Naigai Building Co. is now the president of Goodwill Club.

8. Katsura is of opinion that Manchukuo was not a puppet but a Sovereign State acting independently of Japanese Government.

PRESENT: Tsuneco Uchida, Director of Economic Stabilization Board; 1942-43 Financial Attache to Manchukuo Embassy; previous advisor Finance Ministry of Manchukuo Government.
Tsukishima, president of Executive Committee of the International Goodwill Club, formerly with South Manchurian Railway.
Hishiki

Meeting held on 17 Feb 49. Following is information supplied by Uchida:

1. Money for purchase of securities of Naigai Building Co. was not remitted from Manchukuo but withdrawn from Bank of Japan by the Central Bank of Manchukuo, Tokyo Branch; withdrawal probably was made in April '42 and was in sum of approximately ¥3 million.

2. Most of the money for Manchukuo Government purposes was raised in Japan by borrowing from Japanese banks, corporate enterprises (South Manchurian Railway, Development Co's. etc) Japanese Government (Finance Ministry-Deposit Section), flotation of bonds, debentures, stock, etc. It was Uchida's function to negotiate these loans and to float the securities. Funds raised were deposited with Bank of Japan for account of the Central Bank of Manchukuo, Tokyo; administration of these funds was Uchida's function. Manchukuo Central Bank's account with Bank of Japan however included not only funds raised in Japan for Manchukuo but also included certain accounts of South Manchurian Railway and Manchurian Development Co. etc.

3. There was no separate securities issue floated or loan made for purchase of the building. No special issue was participated in exclusively or in significant amount by members of the club. Finance Ministry has information available as to amount of Manchukuo Government bonds floated in Japan and the indebtedness outstanding.

Tsukiashima:

1. Manchukuo Government subsidy to the club probably started in 1941 when the club was known as Ko-wa Kai (this is Manshu Kai's predecessor).
2. Manshu Kai was started in 1942 with ¥1,000,000 donated to Manchuria by Aikawa, President of Manchukuo Heavy Industry Co. Aikawa at first intended to donate the money directly to the club but the members protested and so the donation was made in the name of the Manchukuo Government by the Manchukuo Ambassador in Tokyo on the 10th. anniversary of ~~its~~ foundation. (Aikawa is supposed to have given Manchukuo Government about ¥10 Million for starting various enterprises of this type with the Manchukuo Government matching donations). Manshu Kai used the ¥1 Million to purchase 98% of stock of Zen Rin Club K K owners of the To-To-Tei Building. Manchukuo's subsidy to Manshu Kai was about ¥30,000 yearly; club's yearly expenditure was about ¥200,000.
3. At no time was the Naigai Building used to house visiting Manchukoan dignitaries; it was used entirely ~~by~~ ^{for} offices and had no accommodations for residential use.
4. In 1944 and 1945 To-To-Tei Building also housed some of the Japanese branches of corporations operating in Manchuria.

de

Mr. Adams 26-5443

S 256

Chinese Claim to Title of Former Manchukuo Property in Tokyo.

DS

CPC

7 February 1949

1 1. Inclosed herewith is a copy of Chinese Mission memorandum of 2 February 1949 presenting a claim on behalf of the Chinese Government for title to the Ko Toku Kaikan, a former Manchukuan property in Tokyo. The Chinese Mission states that the Japanese-owned Naigai Building was sold to the puppet government of Manchukuo in 1943 and became the Ko Toku Kaikan, a clubhouse for Manchukuo officials visiting Japan. The Mission claims that no Japanese money or interests were involved in this purchase and therefore that the title to this property should revert to the Chinese Government.

2. Request DS be furnished information on which to base reply to the Mission.

1 Incl:
Chinese Mission memo (may be withdrawn for CPC files).

----- W. J. S. -----

2 From: CPC/YP To: DS Date: Mr. Garland 26-5143
26 FEB 1949

1. From informal conference with representatives of the Japanese Government subject building has been identified to be under procurement demand to the Occupation Forces and currently known as the "Empire House."

2. It is suggested that the Chinese Mission be advised in substance as follows:

"Authority for acceptance of claims of subject category has not as yet been received by General Headquarters, Supreme Commander for the Allied Powers; pending receipt of such authority it is suggested that subject claim be held by the Chinese Government. When procedure has been established for adjudicating such claims, adequate publicity will be given.

"Definitive instructions from higher authority relative to the disposal of interests of the former puppet regimes in property in Japan is also as yet not available to General Headquarters, Supreme Commander for the Allied Powers and it is therefore not within the authority of General Headquarters, Supreme Commander to transfer title of the subject property.

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FEB 26 1949
31416

Chinese Claim to Title of Former
Manchurian Property in Tokyo

GPC/VP

DS

26. FEB 1948

2 (contd)

"Attention of the Japanese Government has been called to the applicability, to Manchukuo's interests, of instructions which prohibit transactions in property in Japan which was on or since 7 December 1941 owned or controlled, directly or indirectly, in whole or in part, by any person outside of Japan."

1 Incl
w/s

----- P. H. T. -----

PERTAINS TO: C/W #2 to DS, subj, "Chinese Claim to Title of Former Manchukuo Property in Tokyo."

WHT
DHB/WHD/khf *BC*
18 February 1949

MEMO FOR RECORD:

1. C/W #1 fr DS, 7 Feb 49, file S 236, requested info on which to base a reply to a claim fr the Chinese Mission, as successor govt of the Manchukuo puppet regime, to a bldg known as "Ke Toku Kaikan" or "Haigai Bldg" located at 18, 2-chome, Chiyoda-ku, Tokyo. Chinese Mission claims title to the prop and requested acknowledgement of the claim.

2. During conf with reps of JO, 10 Feb 49, prop was identified as being under PD and currently known as the "Empire House." JO was informed that provisions of SCAPIN 45 and Ordinance No. 88 were applicable to subj prop.

3. C/W #2 to DS advises that:

a. SCAP does not have authority to accept claims of subj category:

b. SCAP does not have authority to transfer title to prop owned by former puppet regimes

c. JO has been instructed as to the applicability of SCAPIN 45 and Ordinance 88 to subj prop.

4. Authority: Radios W 81093, 5 May 48, and WAR 93563, 3 Jan 48.

5. Action completed on Line No. 31418.

D. H. B.

WHT
shw

CONFERENCE MEMORANDUM

10 February 1949

Miscellaneous-Property Branch/FP

SUBJECT: Naigai Building (To Toku Kaikan) ✓

PRESENT: Inamoto, Director of Naigai Bldg. Co. and Official in Charge of Building since 1942 (57-0696 - 0697)
Hishiki, Ministry of Foreign Affairs, Control Bureau Economic Affairs Section (57-4175 - 4179) formerly with Ministry of Greater East Asia
Messrs. Dayton and Curland

Meeting called to discuss ownership of subject building, at present known as the "Empire House," for which a claim has been received from the Chinese Mission as successor of the Manchukuo Puppet Regime. All statements referred to below were made by Inamoto.

1. ~~Manchukuo~~ Manchukuo, through its Economic Affairs Ministry, acquired an interest in the subject property in September 1942 in following manner: In consideration of payment of ¥3,300,000 it acquired at 100% stock-ownership of Naigai Building Co. (a 100% Japanese owned company), a company whose sole asset was the subject building located at 18, 3 Chome, Chiyoda-ku, Tokyo. Three (3) million yen of the price paid, was for the building, the balance of ¥300,000 was for the bank deposit account of Naigai Building Co. In spite of the 100% stock-ownership, Manchukuo did not acquire representation on the directorate and was permitted voice only at stockholders' meetings which did not include control of management. In essence, Naigai Building Co. managed the property independently of any control from the Manchukuo Regime; dividends from management of property were payable to stockholders but were never declared.

2. Property was acquired for purposes of housing agencies involved in allocating raw materials to be shipped to Manchuria for manufacture and ~~for~~ representatives in Japan of such manufacturers. Tenants consisted of Japanese agencies of "closed institutions", branches of Japanese companies incorporated abroad, Manchukuo Economic Affairs Agency and some agencies of the Manchukuo Embassy. (Complete list of tenants in the building as of middle of 1944 is to be brought in by 12 February 1949.) Acquisition of the property in 1942 became necessary as the Greater East Asia Ministry moved into the South Manchurian Rail Building (Mantetsu) throwing out all these tenants. All tenants paid prevailing rent to the Naigai Bldg. Co. and used the space for offices.

3. In July 1945, the 100% stock ownership of Naigai Bldg was "gifted" to Hojin Kokusai Zenrin (International Goodwill Club). Inamoto alleges that he does not know who in the Manchukuo Embassy transferred the title of the stock of Naigai Bldg. Co. All he knows is that title was transferred as a gift/contribution. (He is to bring in on 12 Feb, a certain Mr. Katsura, former Counsellor of the Manchukuoan Embassy and now a purgee, who is supposed to be familiar with the transfer). The International

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JAN 12 1949
H. H. H.

X File: Cont Memo

CONFERENCE MEMORANDUM - 2

Goodwill Club is still in existence today and is housed in To-To-Tei Bldg. in Tokyo, back of Sanshin Building; the gifted Naigai Bldg. Co. shares are in its safe-box. The International Goodwill Club is a society to improve international relations; former objective was to "improve" relations with the Asiatic countries.

4. Inamoto states he does not know the source of the funds with which Manchukuo bought the Naigai Bldg Co. He thinks Manchukuo withdrew the funds from the Tokyo offices of either the Central Bank of Manchukuo or Manchuko Industrial Bank. He believes that Katsura can supply some information on this question and that possibly ex-officials of the banks involved may be able to do likewise.


5. The building is now on Procurement Demand to Occupation Forces and Naigai Bldg. Co. receives a monthly rental of ¥160,000 from the Japanese Government.

6. The building was partially destroyed in earthquake of 1923 when it was known as the "Showa Building"; it was re-built in 1928 and became the Naigai Building. Including the basement building, it is six stories high; has 3,540 tsubo (125,953 square feet) of space and the current value is estimated to be about ¥130,000,000.

7. In July 1947, the Naigai Bldg. Co., with proceeds of rentals of subject building purchased from CILC a house located at 38, Oiwake-cho, Komagome, Bunkyo-cho, Tokyo. House is occupied by Inamoto as a residence.

8. Regarding rumours that Naigai Building Co. or the Club was negotiating to sell the building to a religious organization, representatives were informed that building is subject to provisions of SCAPIN 45 and Ordinance No. 88 and that no transfer of ownership of building or the shares would be countenanced.

mau


B. Curland

MEMORANDUM

The Chinese Mission in Japan has the honor to invite the attention of the General Headquarters, Supreme Commander for the Allied Powers, to the property known as Ko Toku Kaikan (康徳會館), located at No. 18, 2-chome Chiyoda-ku, Tokyo.

The said Kaikan, as shown in the letter of certification issued by the ex-directors of Naigai Building K.K., was the property of "Manchukuo" which acquired the title of ownership through the sale of Naigai Building to the Government of "Manchukuo" at a price of ¥3,500,000.00 on November 25, 1943. In this connection, it is obvious that there was no Japanese shares or interests involved therein. The Chinese Mission has been given to understand that the said Kaikan was used as the clubhouse of the "Manchukuo" officials visiting Japan. The maintenance of this clubhouse was made possible through the collection of membership fees, donations and surplus profits. It is, therefore, evident that the Kaikan is a "Manchukuo"-owned and "Manchukuo"-organized institution.

The afore-mentioned facts concerning the organization and funds of Ko Toku Kaikan all point to the conclusion that the right of ownership of this property belongs to the defunct Government of "Manchukuo", which was the puppet organization sponsored by the Japanese Government on Chinese soil. This Mission deems it logical and proper that with the elimination of the puppet Government of "Manchukuo" following the restoration of Manchuria to China as an integral part of Chinese territory, all properties belonging to the former puppet Government, whether in China or abroad, should naturally revert to the title of the Chinese Government.

The Mission therefore wishes to claim, on behalf of the Chinese Government, the title of the said property. It is requested that the claim be duly filed pending an approval by higher authority. General Headquarters' acknowledgment of said claim will be appreciated.

To: Diplomatic Section
GHQ, SCAP.

February 2, 1949.

Copy to SCAP 21 Feb 49

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COPY
GENERAL HEADQUARTERS, FAR EAST COMMAND
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

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SECRET

INCOMING MESSAGE

ROUTINE

5 May 48

FROM : JCOS

TO : SCAP

NR : W 81089

Ref your C 65665 and C 66686 of Oct 46. On 3 May the State, Army, Navy, and AF Depts approved the fol conclusions regarding puppet govt assets in Japan and requested that they be transmitted to you for your info in the capacity of SCAP.

Conclusions begin "it is concluded that:

"A. For the purposes of this paper, puppet govts should be:

- (1) Manchoukuo Regime
- (2) Wang Ching-Wei's Nanking Regime
- (3) Laurel Regime of Philippines
- (4) Ba Maw's Regime of independent Burma; and their

successor govts should be, respectively:

- (1) China
- (2) China
- (3) Philippine Republic
- (4) Union of Burma

"B. Property subj to treatment in this paper should include all property in Japan which while in Japan was in the possession or under the control of agencies or personnel of the regimes in Subpara A above, including property of individuals in any way officially connected with such regimes and the dependent's of such persons.

"C. Property specified in Subpara B above which can be identified as having been brought to Japan by puppet regimes or by persons specified in Subpara B above shall be turned over to the successor govts. The burden of proof that property was, in fact, brought to Japan and not acquired in Japan should be placed on the successor govt. No presumption that property was, in fact, brought to Japan should be inferred from the mere fact of apparent title resting in the puppet regime or in persons officially connected with such regime. All other property specified in Subpara B above, except property which is found to be subj to restitution as

35789

ROUTINE

"Paraphrase not required. Handle as SECRET correspondence per para 51 i and 60 a (4) AR 380-5."

SECRET

COPY

SECRET

ROUTINE

FROM : JCOS, NR : WAR 81059, 5 May 48, CONT'D

looted property and except as provided in Subpara D below should be considered as Japanese property.

"D. As an exception of the foregoing and as a measure of assistance to the successor govts, real property owned directly by puppet regimes and used by them for diplomatic and consular purposes may be utilized by successor govts when not required by the SCAP for purposes of the occupation. Transfer of title is not now contemplated and will be considered in reparations decisions and peace treaty provisions."

NO SIG

ACTION: CIV PROP CUST

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, G-2, AG,
ECON & SCI

35783

ROUTINE

TOO : 042045 Z
MCH : 75730

"Paraphrase not required. Handle as SECRET correspondence per para 51 i and 60 a (4) AR 380-5."

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