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Appendix XIXRegulations of Small Scale Business Control Society (abstract)

## I. General Regulations

- 1) The purpose of this society shall be to support the national policy of placing all small scale business within the territory of Tokyo and Osaka under the direction and control of the National Financial Control Society.
- 2) This society shall be set up in accordance with the decree of the National Financial Control Society.
- 3) The headquarters of this society shall be located in Tokyo.
- 4) The jurisdiction of this society shall be within the territory of Tokyo and Osaka.

## II Members

- 5) This society shall be composed of all small business firms within the designated territory that come under the direction of the competent minister.
- 6) Members shall not evade, hinder or refuse inspection by the society's officers concerning their property and business conditions.
- 7) When a member of this society requests material which concerns the National Financial Control Society and its affairs, the society shall supply the material without any delay.
- 8) Members shall obey all control regulations formulated by the society.

## III. Work and its execution

- 9) In order to fulfill the aim of Regulation No. 1, the following work shall be done by all members:
  - a) Direct and control capital, loans and the exchange of bank notes.
  - b) Promote the preparation of small scale business.
  - c) Strengthen the structure of small scale business.
  - d) Promote a closer relationship between small scale business and industry.

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- e) Make surveys and do research concerning small scale business.
  - f) Besides the above items, other necessary works for the benefit of this society shall be required.
- 10) Control regulations of this society shall be recognized by the Minister of Finance.

The chief director shall consult counselors in order to formulate or modify control regulations.

- 11) Essential affairs of this society shall be executed by the chief director.

#### IV. Officers

- 12) This society shall have a chief director, a vice-director and a certain number of superintendents and counselors.
- 13) The chief director shall direct and control all small scale business affected by this society.

The vice-director shall assist the chief director in all works and act for him in his absence.

Superintendents examine and audit the financial status of the society.

Counselors shall answer and give opinions to the chief directors and vice-director's inquiries.

- 14) The chief director shall be appointed by the Minister of Finance and he should have a good knowledge of and experience in small scale business.

The vice-director and counselors should also understand and have experience in small-scale business and their appointments must be approved by the chief director and the Minister of Finance.

Superintendents shall be selected by the majority of members of this society.

- 15) The appointments of the chief director and vice-director shall be for three years and those of superintendents and counselors for two years each. If the chief director or vice-director wishes to resign during his incumbency his resignation should be approved by the Minister of Finance.

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## V. Conference

- 16) There shall be two kinds of conferences namely:
- a) ordinary conferences
  - b) emergency conferences.

The ordinary conference shall be held once a year while an emergency conference shall be called whenever it is needed. Conferences shall be called by the chief director and notifications of the conference shall be mailed to members one week before the meeting is held. Purpose, date and place of the conference shall be mentioned in the notification. The chief director shall be the chairman of the conference.

- 17) The chief director shall consult all members in the conference concerning any change in the regulations or the financial budget of the society.
- 18) At the annual ordinary conference the chief director shall report on all affairs and conditions and the superintendents shall report on the financial statements of the society.

## VI. Financial Management

- 19) The fiscal calendar of this society shall be from April 1 of one year to March 31 of the next year.
- 20) All members shall pay a membership fee.

The membership fee and the method of collecting it shall be determined by the chief director. He shall consult the members at the ordinary conference and adopt the members' opinion.

## VII. Dissolution and Liquidation

- 21) This society may be dissolved by the order of the Minister of Finance.
- 22) The liquidator shall be selected by the court.

## VIII. Penalty

- 23) A member who violates the general regulations of this society shall be fined a sum of not over 2,000 yen.
- 24) A member who violates the control regulations of this society shall be fined a sum not over 5,000 yen.

(Toseikai Nenkan Control Society Year Book, Tokyo p. 341).

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Appendix XXMiddle and Small Scale Industries. (Abstract).

## I. Economic reorganization.

National economy has been reorganized for the purpose of expanding munitions production, promoting industrial exportation and reducing peacetime industries. Medium and small-scale industries have been converted into munitions industries. This procedure was begun in 1940, and medium and small scale industries have been reorganized since 1941 for a unification of industries.

## II. The policies of industrial mobilization.

1) Form of unification. Small industrial and limited companies were legalized, for the Government has encouraged medium and small scale industries to combine into associations since 1939 and the members were allowed to maintain independent businesses. The number of small industrial associations for different industries in March 1942 is as follows:-

Industry	Number of small industrial associations
Fabric	1,035
Metal	119
Machine	203
Pottery	15
Chemical	17
Lumber and Woodcraft	171
Printing	15
Others	183
<b>Total</b>	<b>1,758</b>

The new form of limited companies became effective on 1 January 1940; they were completely unified in management and in production. The number of limited companies and their capital in March 1942 for the different industries is as follows:-

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Industry	Number of limited companies	Capital (Yen)	Percentage
Fabric	584	47,427,600	35.7
Metal	87	6,585,500	5.0
Machine	414	29,600,800	22.3
Chemical	181	10,632,600	8.1
Pottery	44	2,927,000	2.2
Printing and Book-binding	18	960,400	0.7
Lumber and Woodcraft	175	8,866,200	6.7
Food	187	22,088,700	15.1
Gas & Electric	3	30,000	0.0
Others	137	5,635,500	4.2
<b>Total</b>	<b>1,830</b>	<b>132,804,300</b>	<b>100.0</b>

The Government issued an outline of the new system of economic structure in the reorganization of economic organizations on 7 December 1940:

1) The constitution of economic organizations.

All enterprises and associations of essential industries may be unified and all owners and enterprisers of essential industries may be compelled to join the unified economic organizations according to the classification of industries as special corporation under the management of directors who are approved by the Government. Enterprises outside of Japan may also be compelled to join the unified economic organizations according to the classification of their industries.

2) The functions of economic organizations.

These economic organizations according to the classification of industries are the cooperative structures of the Government. All plans, proposals and projects may be approved by the Government and the Government, when necessary, supervises production, distribution and management of these organizations. The fundamental spirit of these organizations is sacrifice for the development of national economy.

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## 3) Relationship with Government.

The Government has the right to direct and supervise and develop these economic organizations.

## III. Relationship with the Control Societies.

The existing industrial associations have weaknesses in their control systems. The industrial associations had as their aim the making of a joint profit and individual member has the right to voice his opinion in the management of the industries. But the Control Societies under the re-organization of national economy has the aim of pursuing a unified control of national policies. The Control Societies have been organized under force and members have been compelled to join by force, while the industrial associations were organized independently and members joined of their own free will, so that there was no principle or controlled guidance. Furthermore, the Control Societies were organized with the aim of promoting the entire strength of national economy by controlling production, distribution and the direction of industries. They serve the nation by adjusting industrial problems, improving industrial skills, advancing industrial efficiency, improving management and developing the business of members.

Now is the time for the Government to show its authority in controlling the essential industries of the nation, and for this purpose, the Government issued regulations for adjusting industrial enterprises on 11 December to restrict the transfer, investment, disposal and use of private industry.

1) The law for control of enterprises shall be enforced to establish a firm foundation for national economy. All business enterprises must be operated with the permission of Government and the Control Society, and the Government and Control Society alone can transfer any industrial enterprise. In addition, new arrangements concerning an industry or additional arrangements concerning an industry or the improvement of industrial arrangements shall be made only with the permission of Government and the Control Society.

2) Government-designated industries are prohibited to transfer or discontinue their work without the permission of the Government. The Government alone has the right to readjust any arrangement in regard to commissioning, taking charge of and transferring industrial enterprises. Also the Government

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shall issue orders for the organization or reorganization or discontinuation of limited or stock companies.

SOURCE: Rodo Nenkan 1943 Part I, p. 160-166.



## Appendix XXI

Export Associations

Exporters' Associations (Yushutsu Kumiai) have come into existence not only for the protection of the yen and procurement of foreign exchange much needed for the prosecution of the war efforts, but also to provide the means and measures for the acquisition of the war materials wherever it was possible on one hand, and for the reduction of consumption of exportable goods in Japan on the other.

The Exporters' Associations were not of recent origin. They existed as far back as 1925, but with gradual development of the military activity in the Far East the number of Exporters' Associations has been remarkably increased. Thus, in 1935 there were 85 Exporters' Associations as against 14 in 1930.

Of the total number of the Exporters' Associations covering various industries, there were by 1937, 40 associations related to goods, 28 to markets, and 17 to goods and markets. Associations which exercised control over the whole country numbered 34, while 51 were of local character.

Of the associations relating to the markets, the regional classification was as follows: Manchoukuo (15), Soviet Union (2), United States and Canada (5), Central America (8), Argentina (2), Europe (3), and British India (3), Africa, Balkans and near East (4), Philippines (2), and South Asia (2).

The activities of the Exporters' Associations became in the course of time, overlapping with those of the Industrial Associations. (Kogyo Kumiai). This was particularly noticeable in the production and distribution of consumers goods, notably textiles. The seepage of various goods, especially all cotton piece goods into the home market became increasingly dangerous to the government's object, by 1937, of promoting export trade to build up the necessary exchange to purchase vital raw materials, machine tools, etc. for the expanding war industries. To correct it the Commodity Link System was introduced in 1937.

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## Appendix XXII

Regulations Governing Special Responsibilities in Keeping Safe the Miscellaneous Articles for Export, as of 5 March, 1942<sup>1/</sup>

The following companies are designated to purchase and keep safe miscellaneous articles for export.

Japan Trade Prosperity Co., Ltd.  
Celluloid Export Prosperity Co., Ltd.  
Rubber Articles Export Prosperity Co., Ltd.  
Glass Articles Prosperity Co., Ltd.  
Japan Machine Export Prosperity Co., Ltd.

The special responsibility to keep safe the miscellaneous articles for export for the time of the reopening of world trade for prosperity is an important matter. Therefore the above mentioned companies are authorized to purchase now and keep safe miscellaneous articles in accordance with the following regulations:

I. The scope of enforcement.

The above mentioned five companies are authorized as the organizations that have special responsibilities to keep safe miscellaneous articles for export:

- 1) Luxury articles that have been prohibited under control regulations.
- 2) Miscellaneous articles that have not been manufactured on account of the difficulty of getting raw materials.
- 3) Miscellaneous articles that are of little use to the Japanese but are made for foreign markets.

II. The method of enforcement.

- 1) The special ability to keep safe miscellaneous articles for exportation for the time of the reopening of world trade, means the ability to maintain management to purchase, and keep safe the miscellaneous articles with the minimum effort and expense.
- 2) Superior factories that have manufacturing skills and experience shall be designated to keep safe the miscellaneous articles for later exportation at the time of the reopening of trade for prosperity.
- 3) Such factories are designated as the factories that have direct relationship with the above mentioned designated companies.

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- 4) The designated companies will order miscellaneous articles from the designated factories to export to Thailand, French Indo-China, and the Southern Areas.
- 5) The designated factories shall deal with the designated companies to export their entire manufactured articles to third nations.
- 6) Japan Trade Prosperity Co. shall distribute appropriate raw materials for manufacturing miscellaneous articles to the designated factories with the permission of the Ministry of Commerce and Industry.

III. Methods of enforcement.

- 1) Under the leadership of the Ministry of Commerce and Industry the committee for safe-keeping miscellaneous articles for export shall be established in each designated company. The committee shall consist of officials of each designated company.
- 2) Each committee shall propose the plans of each factory as to the method for keeping safe the miscellaneous articles, and shall obtain the permission of the Ministry of Commerce and Industry.
- 3) The Ministry of Commerce and Industry shall instruct all other necessary matters pertaining to the enforcement of the above regulations.

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1/ These regulations indicate (a) Post-war trading objectives of Japan and (b) the constant urge to build up foreign exchange balances by starving the home markets which could readily absorb a larger proportion of the export products were it not for controls such as this and the commodity link system.

SOURCE: Keisai Toseiho Nempo, Tokyo, 1942 P. 430-31

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## Appendix XXIII

## THE COMMODITY LINK SYSTEM IN JAPAN

The substance of the Commodity Link System involves an exchange of a set of commodities by means of export and import regulations imposed by the government. This system was introduced in Japan in 1937, with a view to insure the importation of war supplies, while the imports of commodities for general consumption had been placed under rigorous control by means of the Import Permit System or the Import Exchange Permit System.

The Link System; i.e., the linking between exports and imports of individual traders or organizations, may be divided into Import Privilege System and an Obligatory Export System. The former is a system for permitting imports in link with export trade already completed, which thus gives the exporter the privilege to import. The latter, on the contrary, is a system of obligatory export, since the import trade already permitted is to be linked with the export trade to be completed as a necessary condition. There are two types of the link system, an individual commodity linking system and a group linking system. Most of the link systems in operation in 1939 were the individual types operated predominately by the large-scale individual concerns. The group linking system was adopted only in the brush and rayon piece-goods trade. In the latter industries the entrepreneurs as well as the manufacturers are for the most part petty individuals. In these industries imports and exports dominate the situation exercised jointly through their organizations.

The commodity link system was enforced with reference to seven commodities:

- |               |                        |
|---------------|------------------------|
| 1. Soap link  | 4. Hat link            |
| 2. Brush link | 5. Japanese paper link |
| 3. Wool link  | 6. Cotton link         |
|               | 7. Rayon link          |

All commodity link systems in force by the end of 1939 except the hat link system were operated as quantity link systems.

The hat link system was the only value link system in force. Under this system import of raw materials was permitted up to 35 percent of the value of the hats, f.o.b. or 50 percent of the value of hat bodies. Against these imports, it was required that the corresponding products were exported within eight months, either as hats at three times the value of

imports or as hat bodies at twice the value of the imports. <sup>2/</sup>

The group link system and the value link system would appear to have preference in the future as against individual and quantitative link systems.

The most notable example of the efficiency of the link system can be seen in cotton trade where it works exclusively through the spinning companies which exercise control over all sections of the industry. Cotton spinners acquire the right to import raw cotton when they export yarn or tissues, or when they deliver yarn to officially designated associations of the manufacturer or the amount needed for the manufacture of the exported yarn or tissues, or when they deliver yarn to officially designated associations of manufacturers or exporters. The value of raw cotton which may be imported is determined by the amount needed for the manufacture of the exported yarn or piece goods. Gray goods have to be exported within two months and finished goods within two months and finished goods within three months after the import of the raw material contained in them and with a few exceptions the production of cotton manufacturers for domestic consumption has been prohibited as stocks of cotton goods placed under governmental control.

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<sup>1/</sup> For fuller details see Kyoto University Economic Review, April and July 1939 - "The Link System in Japan" by Prof. Kichihiko Taniguchi.

<sup>2/</sup> Ibid., pp. 16 - 17.

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## Appendix XXIV

THE DEVELOPMENT OF THE COMMODITY LINK SYSTEM IN JAPAN

Designation	Date enforced	Commodities linked Exports	Imports	Types of System	Associations concerned
Soap link	October 1, 1937	Soap	Beef Tallow Spices 6)	Export obligation Individual link Quantity link 7)	Japan Soap Exporters Association
Brush link	January 1, 1930	Brush	Bristles Natural ebony Mexican fibre Cow bones	Export obligation Group link Quantity link	Bristle Importers' Control Association Natural Ebony Importers' Control Ass'n Cow Bone Importers Control Ass'n.
Wool link	March 15, 1938	Woolen goods	Wool	Import privilege Export obligation Individual link Quantity link	Wool Importers' Control Ass'n. Japan Woolen Yarn Export Association Japan Woolen Textile Export Ass'n. Japan Hosiery Export Ass'n. Japan Philippine Hosiery Export Ass'n.
Hat link	May 10, 1938	Felt Hats Hat bodies	Noil & other Waste wool	Import privilege Export Obligation Individual link Value link	Japan Felt-hat Raw Material Importers' Control Ass'n. Japan Felt-Hat Export Ass'n.
Japanese paper link	June 1, 1938	Japanese paper	Manila hemp	Export obligation Individual link Quantity link	Japanese Paper Export Promotion Ass'n.

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<u>Designation</u>	<u>Date enforced</u>	<u>Commodities linked Exports</u>	<u>Imports</u>	<u>Types of System</u>	<u>Associations concerned</u>
Cotton link	July 1, 1938	Cotton Goods	Raw cotton	Import privilege Export obligation Individual link Quantity link	Japan Cotton Spinners' Ass'n. Federation of Japan Cotton-goods Export Associations
Rayon link	August 1, 1938	Rayon yarn & textiles	Rayon pulp	Import privilege Export obligation Individual link (yarns) Group link (textiles) Quantity link	Japan Rayon Ass'n. Federation of Japan Rayon-goods Export Ass'n. Federation of Japan Export Rayon Dealers' Associations.

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6) Enforced in February 1936

7) Spices are linked with a value system

## APPENDIX XXV

## THE NATIONAL POLICY COMPANIES OF JAPAN - 1943

	Date of Establishment	Authorized Capitali- zation (in thous- and yen)	Capital Paid-up (in thous- and yen)
Karafuto Development Company	6-1938	50,000	25,000
Teito High Speed Transit Eidan	7-1941	60,000	25,000
Nippon Publication Distribution Co.	5-1941	10,000	5,000
Nippon Cinema Materials Control Co.	3-1943	5,000	500
Oriental Development Co.	12-1908	100,000	75,000
Formosa Development Co.	6-1936	60,000	48,750
Yokohama Specie Bank	2-1886	100,000	100,000
Bank of Japan	10-1882	100,000	45,000
Nippon Hypothetic Bank	6-1897	141,920	117,795
Okayama Ken Agriculture & Industrial Bank	12-1897	3,000	3,000
Aichi Ken Agriculture & Industrial Bank	3-1898	6,000	4,500
Kanagawa Agriculture & Industrial Bank	3-1898	4,000	4,000
Ibaraki Agriculture & Industrial Bank	4-1898	3,000	3,000
Fukushima Agriculture & Industrial Bank	6-1898	4,000	4,000
Hokkaido Colonization Bank	2-1900	20,885	12,770
Nippon Industrial Bank	3-1902	200,000	87,500
People's Gold Depository	7-1938	10,000	9,690
Wartime Financial Gold Depository	4-1942	300,000	150,000
Nippon Securities Exchange	6-1943	200,000	200,000
Pension Gold Depository	6-1938	30,000	30,000
Industrial Association Central Gold Depository	12-1927	35,700	35,700
Nippon Cotton Fishing Net Mfg.	9-1939	2,000	2,000
Nippon Manila Hemp Net Co.	12-1939	3,000	3,000
Nippon Oil Fertilizers	5-1940	3,000	3,000
Farm Machinery Distribution Co.	5-1940	1,000	1,000
Nippon Throwing Mfg. Sale	5-1940	1,000	1,000
Nippon Straw Products Distribution	7-1940	3,000	3,000
Nippon Rubber for Farm Equipment Dist.	9-1940	500	300
Agricultural Insecticide	10-1940	300	150
Nippon Manila Hemp Net Mfg.	11-1940	500	500



Appendix XXV - continued

	Date of Estab- lishment	Authorized Capitali- zation (in thousand yen)	Capital Paid-up (In thous- and yen)
Teikoku Oil Control	9-1942	32,185	15,735
Fodder Distribution	4-1938	8,450	5,575
Tea Tea Mfg.	7-1932	1,200	300
Dai Nippon Phosphorus Ores	6-1939	3,000	1,500
Organic Fertilizer	12-1939	30,000	1,500
Nippon Raw Hemp	6,1940	5,000	5,000
Nippon Export of Farm Products	7-1940	10,000	5,000
Nippon Fertilizer	7-1940	50,000	13,250
Nippon Starch	8-1940	1,000	1,000
Chosen Livestock Dist.	11-1940	1,000	500
Fodder Mfg.	4-1941	5,000	5,000
Nippon Seeds	5-1941	150	75
Farmland Development Eidan	5-1941	30,000	15,000
Nippon Sweet Potatoes & Potatoes	8-1941	10,000	5,000
Nippon Raw Hide	11-1941	10,500	5,000
Nippon Rabbit	11-1941	3,000	3,000
Nippon Raised Fur	10-1939	150	75
Dai Nippon Fur Control	9-1940	71	71
Nippon Charcoal for Gas	5-1941	10,000	10,000
Nippon Lumber	8-1941	50,000	25,000
Nippon Special Forest Products Control	4-1942	1,500	1,500
Marine (products) Skin Control	10-1939	1,000	500
Nippon Vegetable Gelatine Control	9-1940	2,000	1,000
Kokusan Fuel Equipment	12-1940	700	350
Nippon Godo Pearl	8-1942	1,000	500
Nippon Marine Products	11-1942	1,500	1,500
Teikoku Marine Products Control	12-1942	50,000	50,000
Nippon Silk-Yarn By-Products Control	6-1940	5,000	2,500
Nippon Silk-Yarn Control	5-1941	80,000	40,000
Development Co. for Silk-Yarn Use	2-1942	3,000	3,000

Appendix XXV - continued

	Date of Estab- lishment	Authorized Capitaliza- tion (in thousand yen)	Capital Paid-up (In thous- and yen).
Nippon Silk-Yarn Mfg.	7-1943	100,000	50,000
Kyoto Green Producers	1-1928	2,700	2,440
Beer Joint-Sales	8-1933	2,000	1,000
Canned Crab Kyowakai Joint-Sales	7-1935	1,000	1,000
Canned Crab Sales	6-1939	150	150
Nippon Marine Products Dist.	8-1939	3,000	3,000
Nippon Sugar Distribution	6-1940	2,000	500
Nippon Salmon & Trout Distribution	6-1941	3,000	3,000
Nippon Meat Distribution	8-1941	6,000	6,000
Kanto Fowl	10-1941	198	198
Kyokan Fowl	10-1941	198	198
Fukuoka Ken Fowl	11-1941	100	50
Zenkoku Soy Sauce Control	11-1941	1,000	1,000
Nippon Amino Acid Control	11-1941	1,500	1,500
Zenkoku Bean Paste	11-1941	1,000	1,000
Nippon Canned Food Control	3-1942	6,000	3,000
Central Food Public Corporation (Eidan)	9-1942	100,000	60,898
Shoko Kumiai Central Gold Depository	11-1936	16,000	9,983
Kokumin Kosei Gold Depository	7-1941	100,000	97,520
Industrial Establishment Public Corp. (Eidan)	12-1942	200,000	78,450
Nippon Iron Mfg.	1-1934	800,000	671,000
Nippon Precious Metals	12-1937	1,000	1,000
Nippon Gold Production Promotion	9-1938	50,000	40,000
Teikoku Mine Development	8-1939	90,000	27,000
Steel & Iron Raw Materials Control	8-1940	1,000	1,000
Teikoku Light Metal Control	9-1940	25,000	12,500
Nippon Metal Dist.	9-1940	10,000	5,000
Teikoku Manganese Chrome	4-1941	5,000	5,000
Nippon Wire Rod Products Control	6-1941	1,000	1,000
Nippon Cast-Iron Tube Control	7-1941	3,000	1,500
Nippon Mine-Ball Control	8-1941	500	500
Nippon Ore Dressing Reagent	9-1941	500	250

## Appendix XXV - continued

	Date of Estab- lishment	Authorized Capitaliza- tion (in thousand yen)	Capital Paid-up (In thous- and yen)
Nippon Hoops Control	10-1941	500	500
Iron & Steel Sales Control	12-1941	5,000	5,000
Nippon Shavel Control	12-1941	500	500
Nippon Black-Lead Crucible	1-1942	500	500
Nippon Band Steel Control	1-1942	500	500
Black Sheet Control	2-1942	100	100
Nippon Wire Tube Control	3-1942	500	500
Nippon Empty Can Control	3-1942	500	500
Nippon Light Metal Control	4-1942	2,000	2,000
Wire Distribution	4-1942	2,000	2,000
Metal Distribution	5-1942	2,000	2,000
Nippon Ships Hardware Equipment Control	5-1942	1,000	500
Nippon Flourite Control	5-1942	3,000	1,500
Special Steel Sale	6-1942	1,000	1,000
Metal Collection Control	7-1942	500	500
Nippon Automobile	6-1941	3,000	2,500
Callons Oil Glycerine Control	3-1926	800	800
Nippon Leather & Hide Control	3-1939	2,000	2,000
Nippon Chikatabi Joint Sales	9-1939	1,000	1,000
Nippon Automobile Tire Control	11-1939	1,000	250
Nippon Kaizen Control	12-1939	100	100
Nippon Tawain Industry	12-1939	1,700	1,700
Nippon Rubber Toy and Sport Goods for Export Control	1-1940	200	100
Nippon Metal and Glass from Waste Bulbs	2-1940	195	195
Cement Joint Sales	3-1940	5,000	1,250
Rubber Goods for Marine Ind. Joint-Sales	8-1940	150	150
Dai Nippon Asbestos	8-1940	1,000	1,000
Nippon Rubber Band Control	10-1940	1,000	500
Nippon Joint-Sales for Authorized Rubber Sporting Goods	10-1940	100	50
Nippon Industrial Rubber Goods Control	12-1940	500	250
Nippon Rubber Hose Control	12-1940	1,000	750
Paints Control	12-1940	150	75

## Appendix XXV - continued

	Date of Estab- lishment	Authorized Capitaliza- tion (in thousand yen)	Capital Paid-up (in thous- and yen)
Nippon Waste Glass Control	12-1940	1,000	500
Export Rubber Promotion	12-1940	2,000	500
Nippon Mixed Dye Stuff Sale	1-1941	10,000	10,000
Carbide Joint Sale	2-1941	1,000	250
Toa Lacquer Control	3-1941	1,000	750
Nippon Repossessed Tire Sale Control	3-1941	500	250
Koa Lacquer Ltd. Co.	4-1941	100	100
Nippon Tannin Trading Co.	4-1941	1,500	1,500
Rubber Control for Medical Use	4-1941	190	90
Nippon Gunpowder Control	5-1941	2,500	1,250
Nippon Shimbo Leather Control	7-1941	190	475
Nippon Industrial Leather Products Control	8-1941	3,000	3,000
Nippon Cyanide Soda Sales	9-1941	150	150
Nippon Gall Nuts Control	10-1941	500	250
Nippon Industrial Leather Gloves Control	10-1941	150	150
Chuo Oil Cloth	10-1941	190	47.5
Tobu Carbide Dist.	10-1941	180	180
Chubu Carbide Dist.	10-1941	100	100
Kansai Carbide Dist.	10-1941	180	180
Seibu Carbide Dist.	10-1941	180	125
Toyo Licquor Industry	11-1941	150	150
Nippon Celluloid Control	11-1941	500	250
Nippon Waste Celluloid Control	11-1941	200	100
Nippon Shoes Dist. Control	11-1941	1,000	500
Toa Refined Lacquer for Rolling Stock	12-1941	150	75
Raw Materials for Glue Control	12-1941	500	500
Nippon Reproduced Leather Products	12-1941	190	190
Nippon Mixed Resin Control	12-1941	1,000	500
Tar Products Distribution Control	2-1942	3,000	3,000
Nippon Tar Medium Dist.	2-1942	195	195
Soda for Industrial Chemicals	3-1942	2,000	2,000
Nippon Photo Material Control	4-1942	190	190
Nippon Steatite Dist. Control	5-1942	198	99
Shinko China Dist. Control	5-1942	190	190
Nippon Light Metal Equipment Control	5-1942	2,000	2,000

## Appendix XXV - continued

	Date of Estab- lishment	Authorized Capitaliza- tion (in thousand yen)	Capital Paid-up (in thous- and yen)
Nippon Organic Rubber Chemicals Control	7-1942	190	190
Nippon Pine Root Oil Products Control	8-1942	300	300
Nippon Soap Distribution Control	7-1942	3,000	3,000
Nippon Match Control	9-1942	5,000	3,000
Organic Mixed Goods Dist. Control	12-1942	2,000	1,500
Nippon Sulphuric Acid Dist. Control	1-1943	5,000	3,000
Kanto Cement Sale	1-1943	3,000	1,500
Chukei Cement Sale	1-1943	1,000	500
Chukoku Cement Sale	1-1943	1,600	800
Nippon Potassium Salt	2-1943	300	300
Nippon Photo Sensitive Material Sales	2-1943	2,000	2,000
Tokoku Cement Sale	22-1943	1,000	500
Keamsai Cement Sale	2-1943	3,000	1,500
Kyushu Cement Sale	2-1943	1,000	800
Hokkaido Cement Sale	3-1943	1,000	500
Hokuriki Cement Sale	3-1943	700	400
Nippon Fire Proof Brick Control	3-1943	3,000	3,000
Nippon Reagent Control	4-1943	1,000	500
Paints Control	4-1943	2,000	2,000
Nippon Temper Machine Tools	10-1941	180	45
Hyojun Electrical Machinery Joint-Sale	7-1942	1,000	1,000
Nippon Automobile Dist.	7-1942	10,000	10,000
Iron Tube	7-1942	500	250
Nippon Towel Mfg. Control	9-1938	2,000	1,550
Meriyasu Mfg. Control	6-1939	6,500	6,500
Nippon Cotton Fishing Nets Mfg.	9-1939	2,000	2,000
Zenkoku Medical Gauze Mfg. Control	9-1939	500	500
Nippon Cotton Sufu Cloth Control	10-1939	20,000	12,500
Nippon Waste Cloth Control	10-1939	120	120
Nippon Waste Fiber Dist. Control	10-1939	2,000	2,000
Nippon Special Artificial Silk Yarn Control	4-1939	500	500

## Appendix XIV - continued

	Date of Estab- lishment	Authorized Capitaliza- tion (in thousand yen)	Capital Paid-up (in thous- and yen)
Nippon Throwing Yarn Mfg. Sales	12-1939	1,000	1,000
Nippon Manila Hemp Net	12-1939	3,000	3,000
Nippon Special Cotton Sufu Cloth	1-1940	1,000	750
Chuo Mfg. Dis. Control for Work Clothes & Uniforms	4-1940	2,000	2,000
Nippon Used Cotton Control	4-1940	500	250
Nippon Used Fibre Control	5-1940	3,000	1,500
Nippon Sewing Thread Mfg. Dist.	5-1940	1,500	1,500
Nippon Spinning Waste Cloth	6-1940	150	150
Nippon Raw Hemp	6-1940	5,000	5,000
Nippon Special Cloth for Rayon	7-1940	500	500
Nippon Cocoon Products	8-1940	10,000	2,000
Zenkoku Raw Material for Japanese Paper Control	9-1940	190	190
Nippon Yara Spinning Yarn Control	10-1940	2,000	2,000
Nippon Tabi Mfg. Control	10-1940	3,000	3,000
Nippon Special Cotton Yarn Cloth Control	10-1940	1,500	1,500
Nippon Used Manila Hemp Nets Mfg.	11-1940	500	500
Nippon Special Cloth Control	12-1940	1,000	500
Western Paper Joint-Sales	12-1940	180	180
Nippon Publication Div.	12-1940	1,000	500
Nippon Hemp Fibre	5-1941	30,000	3,000
Nippon Japanese Paper Mfg. Control	8-1941	1,250	1,250
Nippon Sheet Paper Control	10-1941	1,000	500
Chuo Dis. Control for Mariyasu products	12-1941	5,000	5,000
Nippon Wool Control	12-1941	5,000	5,000
Chuo Mfg. Dist. Control for Towels	1-1942	1,000	1,000
Chuo Mfg. Dist. Control for Japanese Clothings	1-1942	1,500	1,500
Chuo Mfg. & Dist. Control for Cotton Fibre Goods	1-1942	5,000	5,000
Chuo Mfg. & Dist. Control for Ready Made Cloths	1-1942	5,000	5,000
Nippon Silk & Rayon Fibre Dist. Control	1-1942	20,000	20,000
Chuo Dist. Control for Cotton Cloth	1-1942	10,000	10,000
Chuo Dist. Control for Woolen Thread	1-1942	3,000	3,000
Chuo Dist. Control for Fabi	1-1942	2,000	2,000

## Appendix XIV - continued

	Date of Estab- lishment	Authorized Capitaliza- tion (in thousand yen)	Capital Paid-up (in thous- and yen)
Nippon Silk Sewing Thread Mfg. & Dist. Control	2-1942	2,300	2,300
Chuo Dist. Control for Woolen Blankets	2-1942	1,000	1,000
Nippon Sail Cloth	2-1942	1,000	1,000
Nippon Cotton Sufu Cloth Dist.	3-1942	30,000	30,000
Tokyo To Fibre Products Dist. Control	3-1942	10,000	10,000
Nippon Silk & Cotton Mfg. & Sales	5-1942	1,000	1,000
Nippon By-Products of Cocoon Yarn Control	7-1942	5,000	2,500
Nippon Silk-Rayon Cloth Mfg.	10-1942	40,000	40,000
Nippon Hats, Chuo Mfg. & Dist. Control	-	5,000	5,000
Toa Grains Import Control	5-1938	150	150
Nippon Export Automobile Sale	9-1939	1,000	1,000
Nippon Export Agricultural Products	9-1940	10,000	10,000
Celluloid Export Production	9-1940	150	150
Fibre Products Export Promotion	11-1915	10,000	2,500
Toa Lumber Trade	12-1940	2,500	2,500
Glass Products Export Promotion	12-1940	2,000	500
Rubber Products Export Promotion	12-1940	2,000	500
Toa Raw Material for Plant Oil Import	12-1940	150	150
Toa Scrap Iron Import	12-1940	300	300
Toa Pig Bristle Import	12-1940	1,000	500
Nippon Trade Promotion	1-1941	25,000	6,250
Toa By-Products of Cocoon Yarn Import	1-1941	1,000	250
Nippon Raw Material for Glue Import Control	1-1941	200	200
Silk & Rayon Export Promotion	3-1941	5,000	5,000
China Export Promotion	4-1941	3,000	750
Nippon Machinery Export Promotion	7-1941	5,000	1,250
Nippon Raw Cotton Import Control	7-1941	2,500	2,500
Nippon Leather Products Export Promotion	1-1942	195	195
Chemical Products Export Promotion	1-1942	3,000	1,500
Koeki Eidan	6-1943	300,000	213,955
Kita Karafuto Petroleum	6-1926	20,000	20,000
Kit Karafuta Mining	8-1926	10,000	10,000
Showa Finished Products of Agriculture	12-1934	12,000	12,000

## Appendix XXV - continued

		Date of Estab- lishment	Authorized Capitaliza- tion (in thousand yen)	Capital Paid-up (in thous- and yen)
Alcohol Transportati		2-1938	5,000	3,980
Toa Alcohol Development		3-1938	8,000	8,000
Teikoku Fuel Development		7-1938	200,000	120,000
Teikoku Coke		2-1939	5,000	1,250
Petroleum Dist. Control		4-1940	20,000	10,000
Nippon Fuel Burner		5-1940	7,180	6,930
Nippon Coal		6-1940	50,000	25,000
Hokkaido Coal Sale		9-1940	1,000	500
Joban Coal		9-1940	1,000	250
Yamaguchi Coal		9-1940	1,000	500
Nishi Kyushu Coal		10-1940	1,000	250
Alcohol Dist.		10-1940	6,000	6,000
Karafuto Coal		11-1940	1,000	250
Kyodo Enterprise		4-1941	10,410	10,410
Teikoku Petroleum		9-1941	260,000	260,000
Each Do Fu & Ken Petroleum Distribution	Between	11-1941 & 1-1942	4,500 & 160	4,500 90
Each Do Fu & Ken Coal Distribution	Between	3-1942 & 6-1942	9,000 & 120	9,000 120
Nippon Postal Communication		11-1942	5,000	5,000
Kokusai Electric Communication		3-1938	85,800	63,556
Wireless Telegraph & Telephone of Ships		10-1942	10,000	5,000
Nippon Telegraph & Telephone Works		4-1937	20,000	10,000
Nippon Electric Power Generation & Transmission		4-1939	1,541,000	1,466,000
Hokkaido Power Distribution		4-1942	65,000	65,000
Tokoku Power Distribution		4-1942	164,700	161,295
Kanto Power Distribution		4-1942	805,000	805,000
Chubu Power Distribution		4-1942	200,000	109,587
Hokuriku Power Distribution		4-1942	138,000	119,486
Kansai Power Distribution		4-1942	560,000	507,253
Shikoku Power Distribution		4-1942	58,500	58,500
Chukoku Power Distribution		4-1942	170,000	170,000
Kyushu Power Distribution		4-1942	230,000	230,000
Toa Marine Transport		8-1942	100,000	86,500



## Appendix XXV - continued

	Date of Estab- lishment	Authorized Capitaliza- tion (in thousand yen)	Capital Paid-up (in thous- and yen)
Shoei Coal	7-1935	500	500
Fushiki Harbour Transport	2-1941	850	850
Rumoi Harbor Transport	6-1941	430	430
Hokkaido Coal Transport	7-1941	10,000	8,000
Hiroshima Harbour Transport	3-1942	1,000	500
Onoda Harbour Transports	3-1942	150	375
Karatsu Harbor Transport	3-1942	100	25
Railway Department Coal Transport	3-1942	1,000	1,000
Hakodate Sea & Land Works	4-1942	1,000	1,000
Omi Harbour Transport	4-1942	190	190
Ube Harbour Transport	5-1942	195	48
Niigata Harbour Transport	6-1942	1,750	1,750
Yaraiama Harbour Transport	7-1942	190	190
Sakada Harbour Transport	7-1942	195	195
Nabetsu Harbour Transport	7-1942	650	650
Hakata Harbour Transport	7-1942	1,000	500
Notor Sailing Ship Transport Control	7-1942	5,000	2,500
Shiokama Harbour Transport	8-1942	550	550
Haahimohe Harbour Transport	8-1942	950	950
Sakai Harbour Transport	8-1942	195	195
Akita Harbour Transport	9-1942	720	720
Kimugaura Harbour Transport	11-1942	180	180
Atern Harbour Raft Transport	12-1942	180	180
Nagoya Harbour Transport	12-1942	10,000	10,000
Yokkaichi Harbour Transport	12-1942	1,000	1,000
Kobe Ship Porterage	12-1942	3,000	3,000
Osaka Ship Porterage	12-1942	4,050	4,050
Yokohama Harbour Transport	12-1942	30,000	30,000
Tokyo Harbor Transport	12-1942	30,000	30,000
Osaka Raft	12-1942	1,800	1,800
Hirohata Harbour Transport	12-1942	5,000	5,000
Kammon Harbour Transport	12-1942	25,000	25,000
Kobe Harbour Transport	12-1942	30,000	30,000

## Appendix XXV - continued

	Date of Estab- lishment	Authorized Capitaliza- tion (in thousand yen)	Cap Pal (in and
Kausaki Ship Porterage	12-1942	2,500	2
Wakamatsu Harbour Transport	12-1942	10,000	10
Yokohama Ship Porterage	12-1942	3,000	3
Tokyo Ship Porterage	12-1942	3,500	3
Atarn Harbour Transport Works	1-1943	4,500	4
Hakodate Harbour Transport	1-1943	3,500	3
Tokyo Harbour Raft	1-1943	1,500	1
Nagoya Ship Porterage	3-1943	1,500	1
Nittetsu Hanishi Harbour Transport	3-1943	1,000	1
Kure Harbour Transport	4-1943	10,000	10
Otoru Coal Harbour Transport	5-1942	800	
Shimizu Harbour Transport	6-1943	3,780	3
Oita Harbour Transport	6-1943	150	2
Kushiro Harbour Transport	7-1943	2,000	1
Kushiro Harbour Coal Transport	7-1943	1,800	2
Nagasaki Harbour Transport	7-1943	2,500	1
Muroran Coal Harbour Transport	7-1943	1,150	6
Muroran Harbour Transport	7-1943	6,000	1
Tsururuga Sea & Land Transport	8-1943	1,400	
Nagoya Raft Works	8-1943	800	
Dai Nippon Air Transportation	8-1939	100,000	62
Nippon Transportation	9-1937	100,420	100
Teito High Speed Transportation	7-1941	60,000	25
Nippon Controlled Sport Goods Dis.	12-1939	195	
Tenkoku Medic 1 Gauze Mfg. Control	9-1939	500	
Tenkoku Absorbent Cotton Mfg. Control	1-1940	500	
Nippon Herbs Control	4-1940	500	
Zenkoku Medical Material Control Wholesale	5-1940	195	
Tobu Medical Implements Control Wholesale	7-1940	570	
Chubu Medical Implements Control Wholesale	7-1940	570	
Seibu Medical Implements Control Wholesale	7-1940	570	
Nippon Medical Implements Production Control	7-1941	3,000	

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	Date of Estab- lishment	Authorized Capitaliza- tion (in thousand yen)	Capital Paid-up (in thous- and yen)
Porterage	12-1942	2,500	2,500
Harbour Transport	12-1942	10,000	10,000
Porterage	12-1942	3,000	3,000
Porterage	12-1942	3,500	3,500
Transport Works	1-1943	4,500	4,500
Harbour Transport	1-1943	3,500	3,500
Raft	1-1943	1,500	1,500
Porterage	3-1943	1,500	1,500
Shi Harbour Transport	3-1943	1,000	1,000
Transport	4-1943	10,000	10,000
Harbour Transport	5-1942	800	800
Harbour Transport	6-1943	3,780	3,780
Transport	6-1943	150	150
Harbour Transport	7-1943	2,000	2,000
Harbour Coal Transport	7-1943	1,800	1,800
Harbour Transport	7-1943	2,500	2,500
Harbour Transport	7-1943	1,150	1,150
Harbour Transport	7-1943	6,000	6,000
Harbour & Land Transport	8-1943	1,400	1,400
Works	8-1943	800	800
Transportation	8-1939	100,000	62,376
Transportation	9-1937	100,420	100,420
Speed Transportation	7-1941	60,000	25,000
Med Sport Goods Dis.	12-1939	195	98
Med Gauze Mfg. Control	9-1939	500	500
Med Cotton Mfg. Control	1-1940	500	500
Control	4-1940	500	500
Med Material Control Wholesale	5-1940	195	195
Med Implements Control Wholesale	7-1940	570	570
Med Implements Control Wholesale	7-1940	570	570
Med Implements Control Wholesale	7-1940	570	570
Med Implements Production Control	7-1941	3,000	1,500

## Appendix XXV - continued

	Date of Estab- lishment	Authorized Capitaliza- tion (in thousand yen)	Capita Paid- (in th and y
Shoel Coal	7-1935	500	500
Fushiki Harbour Transport	2-1941	850	850
Rumoi Harbor Transport	6-1941	430	430
Hokkaido Coal Transport	7-1941	10,000	8,000
Hiroshima Harbour Transport	3-1942	1,000	500
Onoda Harbour Transports	3-1942	150	97
Karatsu Harbor Transport	3-1942	100	2
Railway Department Coal Transport	3-1942	1,000	1,000
Hakodate Sea & Land Works	4-1942	1,000	1,000
Oni Harbour Transport	4-1942	190	190
Ube Harbour Transport	5-1942	195	195
Niigata Harbour Transport	6-1942	1,750	1,750
Wairihama Harbour Transport	7-1942	190	190
Sakada Harbour Transport	7-1942	195	195
Nabetsu Harbour Transport	7-1942	650	650
Hakata Harbour Transport	7-1942	1,000	500
Notor Sailing Ship Transport Control	7-1942	5,000	2,500
Shiokama Harbour Transport	8-1942	550	550
Haahimohe Harbour Transport	8-1942	950	950
Sakai Harbour Transport	8-1942	195	195
Akita Harbour Transport	9-1942	720	720
Kimugaura Harbour Transport	11-1942	180	180
Atern Harbour Raft Transport	12-1942	180	180
Nagoya Harbour Transport	12-1942	10,000	10,000
Yokkaichi Harbour Transport	12-1942	1,000	1,000
Kobe Ship Portorage	12-1942	3,000	3,000
Osaka Ship Portorage	12-1942	4,050	4,050
Yokohama Harbour Transport	12-1942	30,000	30,000
Tokyo Harbor Transport	12-1942	30,000	30,000
Osaka Raft	12-1942	1,800	1,800
Hirohata Harbour Transport	12-1942	5,000	5,000
Kannon Harbour Transport	12-1942	25,000	25,000
Kobe Harbour Transport	12-1942	30,000	30,000

XIV - continued

	Date of Estab- lishment	Authorized Capitaliza- tion (in thousand yen)	Capital Paid-up (in thous- and yen)
	7-1935	500	500
Harbour Transport	2-1941	850	850
Harbour Transport	6-1941	430	430
Coal Transport	7-1941	10,000	8,000
Harbour Transport	3-1942	1,000	500
Harbour Transports	3-1942	150	375
Harbour Transport	3-1942	100	25
Department Coal Transport	3-1942	1,000	1,000
Sea & Land Works	4-1942	1,000	1,000
Harbour Transport	4-1942	190	190
Harbour Transport	5-1942	195	48
Harbour Transport	6-1942	1,750	1,750
Harbour Transport	7-1942	190	190
Harbour Transport	7-1942	195	195
Harbour Transport	7-1942	650	650
Harbour Transport	7-1942	1,000	500
Shipping Ship Transport Control	7-1942	5,000	2,500
Harbour Transport	8-1942	550	550
Harbour Transport	8-1942	950	950
Harbour Transport	8-1942	195	195
Harbour Transport	9-1942	720	720
Harbour Transport	11-1942	180	180
Harbour Raft Transport	12-1942	180	180
Harbour Transport	12-1942	10,000	10,000
Harbour Transport	12-1942	1,000	1,000
Porterage	12-1942	3,000	3,000
Porterage	12-1942	4,050	4,050
Harbour Transport	12-1942	30,000	30,000
Harbour Transport	12-1942	30,000	30,000
Harbour Transport	12-1942	1,800	1,800
Harbour Transport	12-1942	5,000	5,000
Harbour Transport	12-1942	25,000	25,000
Harbour Transport	12-1942	30,000	30,000

## Appendix XXV - continued

	Date of Estab- lishment	Authorized Capitaliza- tion (in thousand yen)	Capital Paid-up (in thous- and yen)
Osaka Harbour Transport	12-1942	65,000	65,000
Kammon Ship Portorage	12-1942	2,500	2,500
Osaka Harbour Coal Transport	12-1942	15,000	15,000
Osaka River Transport	12-1942	10,000	10,000
Amagasaki Harbour Transport	12-1942	6,700	6,700
Sakai Harbour Transport	12-1942	500	500
Fushimi Harbour Transport	12-1942	1,000	1,000
Nittesu Yawata Harbour Transport	12-1942	6,500	6,500

Appendix XXV - continued

	Date of Estab- lishment	Authorized Capitalisa- tion (in thousand yen)	Capital Paid-up (in thous- and yen)
Nippon Medical Implements Distribution Control	7-1941	5,000	3,750
Nippon Dental Supply Control	1-1942	300	300
Nippon Medical Care Public Corp.	6-1942	100,000	148,915
Zenkoku Sanitary Cotton Wholesale	11-1942	500	500
Zenkoku Medical Goods Control	12-1942	2,500	1,500
Housing Public Corp. (Eidan)	5-1941	100,000	56,724

SOURCE: Kigyo Tokai Soran (1943) pp. 35-47.

DEC 17 1945

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RECEIVED  
DIVISION OF  
CENTRAL SERVICES

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SECRETARY

WASHINGTON 25

OCT 30 1945

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OK: WMB: mfg  
a no. to Mr. Chapman  
12/5/45

COMMODITIES DIVISION  
NOV - 2 1945  
DEPARTMENT OF STATE

Hon. James F. Byrnes,  
Secretary of State.

My dear Mr. Secretary:

There are enclosed copies of correspondence from Mr. F. W. Mathias of the Pacific Coast Oyster Growers Association of Olympia, Washington, dated October 12, which has been received by the Director of the Fish and Wildlife Service of this Department. This correspondence requests assistance in obtaining from Japan seed oysters for transplantation in suitable waters of the Pacific Coast in order to insure a continuance of oyster production in that region. An officer of the Fish and Wildlife Service has been informed verbally by an officer of the Commodities Division of the Department of State that the Secretary of State has received a letter from the National Cannery Association requesting aid in arranging for export to the United States of Japanese seed oysters.

4R  
9/11/45  
No letter rec'd in dept.

Japanese oysters were introduced on the Pacific Coast a number of years ago and the annual imports of seed from Japan, which continued until the declaration of war by Japan, resulted in sufficient production of adult oysters to support a sizable oyster industry on the Pacific Coast.

The native oyster of the Pacific Coast, the Olympia oyster, is very small and attempts were made to introduce the larger Atlantic oysters. Pacific water temperatures were too low for successful spawning of introduced Atlantic Coast oysters. Japanese seed oysters were then imported. The Japanese oysters do spawn in certain areas of the Pacific Coast, although temperature and other conditions are unfavorable in certain seasons.

It is believed very desirable that some arrangement be made whereby Pacific Coast oyster growers can again obtain seed oysters from Japan. The Fish and Wildlife Service, however, believes that the export of Japanese seed oysters to the United States should not be handled through a single exporter who held a virtual monopoly, as in the past. This monopoly operated very much to the disadvantage of Pacific Coast oyster growers.

DEC 10 1945  
DEPARTMENT OF STATE

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894.628/10-3045



It is recommended that the Department of State take such action as it believes appropriate to arrange for export of Japanese seed oysters to the Pacific Coast of the United States, if such action would be consistent with the economic policies now being pursued by the military government of Japan.

Sincerely yours,

*Deane L. Chapman*  
Assistant Secretary.

Enclosure 17. *act on*

DCR - ITP Unit	
Anal	<i>[Signature]</i>
Rev	<i>[Signature]</i>
Adm	<i>[Signature]</i>
Dist	

C O P Y

PACIFIC COAST OYSTER GROWERS ASSOCIATION  
PHONE 6321  
202 FIRST NATIONAL BANK BUILDING  
OLYMPIA, WASHINGTON

October 12, 1945

Mr. Ira N. Gabrielson, Director  
Fish and Wild Life Service  
Department of the Interior  
Washington, D. C.

Dear Mr. Gabrielson:

I am enclosing copy of a letter sent to Allied Supreme Commander, General MacArthur in Toyko. This letter was authorized at the last meeting of the Pacific Coast Oyster Growers Association at Raymond.

At the meeting, it was stated that M. Yamishita, Japanese who formerly imported seed and furnish it on consignment basis to Japanese growers in this country, is again attempting to get into the seed oyster business. He has been approaching oyster growers in Washington, Oregon and California to place orders with him for seed oysters.

The association is definitely against Mr. Yamishita having anything to do with the seed oyster business.

We will be very glad to have any assistance you can give in the matter of obtaining seed oysters.

The Pacific oyster set in Willapa and Grays Harbors, Hood Canal and Puget Sound waters has been almost nil in the past two years.

With kind regards.

Sincerely,

(Sgd.) F. W. MATHIAS

F. W. Mathias, Director and  
Seed Committee Chairman

C O P Y

October 2, 1945

General Douglas MacArthur  
Allied Supreme Commander  
Toyko, Japan

Dear General MacArthur:

We will value your aid in obtaining information for the guidance of this association in obtaining seed oysters from Japan.

Large quantities of seed oysters, species - *Ostrea Gegas* raised in Japanese waters have been shipped to oyster growers in Washington, Oregon and California for a period of fifteen to twenty years. This seed oyster importation business, which started in the 1920's, continued through the 1930's and ended with the Japanese attack on Pearl Harbor.

The "Pacific" oyster industry developed rapidly in Puget Sound, Willapa and Grays Harbors, Washington and extended to the Oregon coastal harbors and to northern California harbors.

The Pacific Coast Oyster Growers Association was organized under requirements of the National Recovery Act and also for the protection of the oyster growers in the three Pacific Coast states. Many problems were encountered that included an attempt by Japanese to control the oyster industry in Washington, Oregon and California.

This association was able to protect the interests of the American Oyster Growers and acted as the sole seed oyster importing organization, following many troublesome encounters with Japanese interests.

*council* The Japanese government, represented by the Japanese Counsel in Seattle, finally worked out a program, enabling this association to deal with the seed oyster growers in the Sendai Bay region on the Island of Honshu. The seed oysters from this area gave satisfactory results and were inspected by Japanese government biologists, certifying that no drills of other detrimental marine life was being shipped with the boxes of seed oysters.

It is the wish of this association to deal direct with the oysters growers of the Sendai Bay area, obtaining the best quality of seed oysters that will pass inspection of Japanese and United States biologists.

We would like to know (1) when contact may be made with the growers or an association of growers of seed oysters in Sendai

C O P Y

General Douglas MacArthur  
Page 2  
October 2, 1945

Bay area; (2) Was there an oyster seed catch in 1945; (3) Extent of seed catch; (4) When business relations can be re-opened with the Sendai Bay seed growers; (5) Officer or Federal Department to contact for negotiations.

We will appreciate your aid in obtaining the desired information.

Faithfully,

F. W. Mathias, Director and  
Chairman, Seed Oyster Committee

DEC 17 1945

In reply refer to:  
JK: 894.628/10-3045

My dear Mr. Chapman:

Reference is made to your letter of October 30, 1945, concerning the possible importation of seed oysters from Japan for the use of the Pacific Coast oyster growers.

This subject has received the Department's attention in response to several letters and telephonic communications from various individuals and trade associations affiliated with the oyster-growing industry in the Pacific Northwest. The Department of State has transmitted a message through the War Department to the Supreme Commander in Tokyo, inquiring about the availability of seed oysters for shipment to this country at the opening of the growing or setting season in April.

You may be assured that the request of the oyster growers will receive due consideration in the selection of goods for export

The Honorable

Oscar L. Chapman

Assistant Secretary of the Interior

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- 2 -

port from Japan under the established directives governing the  
conduct of foreign trade in the present period of the occupation.

Sincerely yours,

~~For the Secretary of State:~~

*W L THORP*  
*Deputy to the Assistant Secretary*  
*for Economic Affairs*

*[Handwritten mark]*

JK:WMBrown:mf

12-5-45

GR *[Handwritten initials]*

DEC 12 12:43 P.M.

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SECRET

THE STATE-WAR-NAVY COORDINATING COMMITTEE  
WASHINGTON, D. C.



SWN-3495  
7 November 1945

Office of  
FAR EASTERN AFFAIRS  
NOV 9 1945  
DIRECTOR  
Department of State

MEMORANDUM FOR THE SECRETARY OF STATE:

Subject: Policy with Respect to Fishing and Aquatic Industries in Japan.

At its twenty-ninth meeting the State-War-Navy Coordinating Committee approved SWNCC 99/1, as amended by SWNCC 99/2.

In approving SWNCC 99/1, as amended, the Committee agreed:

a. That the paper be transmitted to the Joint Chiefs of Staff and to the State, War and Navy Departments for their guidance and, where appropriate, for implementation; and

b. That the "Conclusions" be communicated by the Far Eastern Advisory Commission to the Governments of the United Kingdom, the Soviet Union, China, France, the Commonwealth of the Philippines, Australia, Canada, New Zealand and the Netherlands together with a statement that the U.S. Government has dispatched the "Conclusions" to the Supreme Commander for the Allied Powers.

A copy of the revised approved paper (SWNCC 99/3) is attached for information, guidance and such action as is deemed appropriate under subparagraph a above.

A similar memorandum has been forwarded to the Secretaries of War, Navy, and the Joint Chiefs of Staff.

For the State-War-Navy Coordinating Committee:

DCR  
Anal  
Rev  
Cat  
Dist

Encl.  
SWNCC 99/3, Cpy No. 56

H. Freeman Matthews  
H. FREEMAN MATTHEWS  
Acting Chairman

NOV 9 - 1945  
COMMISSION OF JAPANESE AFFAIRS  
DEPARTMENT OF STATE

SECRET

Confidential File

394.628/11-745

NOV 29 1945

394.628/11-745

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(Japan)

JA  
FE

DGR

S E C R E TCOPY NO. 56SWNCC 99/37 November 1945Pages 15 - 22, incl.STATE-WAR-NAVY COORDINATING COMMITTEEPOLICY WITH RESPECT TO FISHING AND AQUATIC  
INDUSTRIES IN JAPANReferences: a. SWNCC 99/1  
b. SWNCC 99/2Note by the Secretaries

The enclosure, a revision of reference a to incorporate the amendments proposed in reference b, was approved by the Committee at its twenty-ninth meeting and is circulated for information and guidance.

ALEXANDER D. REID

ALVIN F. RICHARDSON

RAYMOND E. COX

Secretariat

SWNCC 99/3



S E C R E TE N C L O S U R EPOLICY WITH RESPECT TO FISHING AND AQUATIC  
INDUSTRIES IN JAPAN

Report by the  
State-War-Navy Coordinating Subcommittee for the Far East

THE PROBLEM

1. To determine United States policy during the occupation period in regard to the Japanese fishing and aquatic industries.

FACTS BEARING ON THE PROBLEM

2. See Appendix "A".

DISCUSSION

3. See Appendix "B".

CONCLUSIONS

4. During the period of occupation, the Supreme Commander should be guided, subject to military considerations, by the following general principles:

a. In order to meet domestic consumption requirements, the Supreme Commander should:

(1) Insist that appropriate available vessels, facilities, gear, equipment and supplies in Japanese hands be put to use;

(2) Take such steps as he may deem practical and necessary to provide sufficient fuel for allocation to fishing boats;

(3) Require the Japanese Government to rehabilitate the production facilities of the fishing, fish fertilizer and seafood processing industries, and facilities for distribution of their products; and

(4) Furnish such other assistance, subject to general policies governing aid to Japanese industry, as he deems necessary.

S E C R E T

b. The coastal fisheries and fish culture should be utilized as the primary sources for domestic consumption. To the extent that fish culture and coastal fisheries are unable to meet the minimum domestic requirements, deep sea fisheries and other fisheries in water open to Japanese operation may be utilized where security and political considerations permit. Deep sea fishing in areas near United States territory or near United States island responsibilities should not be authorized. Japanese fishing should not be permitted near areas under Allied jurisdiction without prior permission from the country concerned. These prohibitions should continue until international agreements are negotiated permitting Japanese fishing in these areas.

c. In order to determine (1) the effect on Japanese food supply of restrictive measures enforced for security or other reasons, and (2) the extent to which the United States and other nations should be permitted to exploit fisheries previously exploited by the Japanese, the Supreme Commander should immediately obtain from the Japanese Government available surveys and other data concerning the resources of all Pacific fishing areas previously exploited by the Japanese.

d. Japanese fishing operations should conform strictly to:

(1) The provisions of agreements relating to whaling to which the United States is a party;

(2) The provisions of other agreements relating to conservation to which the United States is a party;

(3) The policies or rules governing specific fisheries announced by the United States, or by other governments in conformity with policies announced by the United States with respect to coastal fisheries; ■

(4) The Japanese national and local regulations for the conservation of fisheries.

S E C R E T

e. Such fishery products may be exported as can be produced by vessels, facilities, gear, equipment and supplies not suitable for or convertible to use in providing for domestic consumption, and which are needed (1) to supply United Nations needs for animal proteins and oils or (2) to secure foreign exchange for essential imports.

f. In the establishment of local security regulations consideration should be given to ensuring the maximum production of seafood products consistent with security requirements.

RECOMMENDATIONS

5. It is recommended that:

a. This report be referred to the Joint Chiefs of Staff with a request for their comments from a military point of view; and

b. Upon approval by the SWNCC of the "Conclusions" in paragraph 4 above:

(1) This report be transmitted to the Joint Chiefs of Staff and to the State, War and Navy Departments for their guidance and, where appropriate, for implementation; and

(2) The "Conclusions" in paragraph 4 above be communicated by the Far Eastern Advisory Commission to the Governments of the United Kingdom, the Soviet Union, China, France, the Commonwealth of the Philippines, Australia, Canada, New Zealand and the Netherlands together with a statement that the U.S. Government has dispatched the "Conclusions" to the Supreme Commander for the Allied Powers.

SECRETAPPENDIX "A"FACTS BEARING ON THE PROBLEM

1. SWNCC 150/4 states in Part IV, 3, pages 56-7:

"Japan will be expected to provide goods and services to meet the needs of the occupying forces to the extent that this can be effected without causing starvation, widespread disease and acute physical distress.

"The Japanese authorities will be expected, and if necessary directed, to maintain, develop and enforce programs that serve the following purposes:

- (a) To avoid acute economic distress.
- (b) To assure just and impartial distribution of available supplies.
- (c) To meet the requirements for reparations deliveries agreed upon by the Allied Governments.
- (d) To facilitate the restoration of Japanese economy so that the reasonable peaceful requirements of the population can be satisfied.

"In this connection, the Japanese authorities on their own responsibility shall be permitted to establish and administer controls over economic activities, including essential national public services, finance, banking, and production and distribution of essential commodities, subject to the approval and review of the Supreme Commander in order to assure their conformity with the objectives of the occupation."

SECRETAPPENDIX "B"DISCUSSION

1. Before the war Japan's fisheries production was the largest in the world. The annual catch of Japan Proper has amounted to nearly 3 million tons. About 1 1/2 million people were engaged either full or part time in the industry. Among important primary fishery products are fish, shellfish, seaweed and marine mammals. The fisheries provide important sources of protein in the diet, as well as supplying much of the fertilizer, animal oils, fats and skins. In 1937 the fishing fleet consisted of 364,260 vessels, comprising 297,961 without engines, 97 with steam engines and 66,202 with oil burning engines. 98% of the vessels without motors and 73% of those with engines were under 5 tons. Exports of fishery products 1936-39 averaged 235,000 tons annually with a value of \$30 million--over 3 1/2% of the total value of Japanese exports.

2. Production of fish during the war has decreased to an estimated catch of 2 million tons in 1943-44 and of 1.4 million tons in 1944-45. This decline would appear to have had an important effect upon the Japanese diet. In 1935-37-39 fish contributed 85 (or 3.8%) out of the total of 2270 calories. In 1943-44 they contributed 2.8% of the 2050 calories. Although fish constitute a small proportion of the total caloric intake, they are virtually the sole source of animal protein. In western countries 30% to 40% of the diet is of animal origin, while in Japan the proportion is 10%--almost all from the fisheries. In the pre-war period, consumption for food averaged 85 pounds per year per capita of whole fish; in 1943-44 consumption averaged 55 pounds.

3. It is clear that Japan should produce the volume of fishery products required for her domestic consumption both of food and fertilizer in order to relieve the United Nations of the burden of feeding the Japanese populations and occupying forces during the period of critical food shortages in the United Nations and liberated areas.

S E C R E T

4. The extent to which Japan may be in a position to meet the domestic requirements immediately following the cessation of hostilities appears to be dependent primarily upon (a) the condition of vessels, supplies, equipment and gear and the availability of replacements, (b) the damage to the fisheries and to the industrial capital equipment through naval, military and air action, and (c) availability of fuel.

5. It is desirable that all Japanese naval auxiliary and fishing vessels which are capable of use in fishing operations, as well as all gear, supplies, and equipment in Japanese hands, be employed as fully as possible in production to supply domestic needs. Facilities and materials for repairs and replacements may be drawn from Japanese sources, but a portion may have to be supplied from sources outside Japan. Making such vessels, gear, supplies and equipment available early will reduce materially the food import requirements.

6. A portion of the production facilities may not readily be converted to use in production of the type and quality of goods customary in the domestic market. In general, luxury products should not be produced for general domestic consumption at a time when such items are not readily available in the world market. While it is desirable to secure maximum production of the luxury products when materials and facilities are available and not useful for production of basic items, consideration should be given in distribution of the products, not only to customary domestic consumption patterns, but also to the needs of the occupying forces, and requirements for the United Nations, for foreign exchange and for shipping facilities.

7. Although it may be advantageous in long range economic policy to reestablish and develop all Japanese fishing industries, including those engaged in export, it is preferable at present to exploit the interior and coastal fisheries as the primary sources for domestic consumption needs because, (a) they have, in the past, provided the great bulk of Japan's domestic requirements,

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and are both a traditional and major source, (b) the fishing and processing operations are simple and require equipment and facilities, the major portion of which might be produced locally, (c) the enterprises, particularly in coastal waters, are for the most part communal in character, and (d) international problems of rights to fisheries are largely avoided since the majority of vessels engaged in coastal fishing stay within 30 miles of shore.

8. The trawling operations require mechanized equipment and involve use of waters greater distances from Japan Proper and near the continent. The products of the Japanese concessions in Soviet waters and the deep sea fisheries before the war were primarily export items.

9. Japan and the USSR concluded a five-year agreement commencing January 1944, dealing with Japan's rights in the Soviet fisheries. In recent years, on the grounds of security, the Soviet Government has curtailed the enjoyment by Japan of these rights which have been recognized since the Russo-Japanese War. Legal and diplomatic considerations will possibly determine the extent and conditions of exploitation of the concessions in Soviet waters during the period of occupation.

10. Japan has taken steps to conserve her interior and coastal fisheries resources. Maintenance of the Japanese regulations concerning closed areas, open and closed seasons, intensity of fishing, etc. appear desirable in order to encourage the taking of the maximum quantity of fish consistent with the preservation of the fisheries.

11. It is necessary that Japan be prevented from conducting fishing operations which will endanger the Pacific fisheries. While Japan has regulated the fisheries in home waters in the interests of conservation, Japanese fishing operations in other waters have had little regard for conservation. Progress is being made toward establishing, in concert with other interested nations,

S E C R E T

a system for protecting the fisheries, but it is not expected that a program of regulation will be instituted in the immediate future. As an interim measure, it is recommended that Japanese fishing on the high seas along the American coasts and off American possessions be prohibited until an adequate conservation regime is established. While the recommendation applies only to the continents of North and South America and to the island possessions of the United States, it is recognized that similar zones for protection of fisheries may be established at the request of allied or neutral nations in other waters where the needs for such protection of the fisheries is clearly evident.

12. The whaling agreements in effect with respect to the United States at the present time are: (1) Convention for the Regulation of Whaling signed at Geneva, September 24, 1931, Treaty Series 880; (2) Agreement for the Regulation of Whaling, and Final Act signed at London, June 8, 1937, Treaty Series 933; (3) Protocol amending the Agreement for the Regulation of Whaling signed at London, June 1937, and Final Act of the Conference signed at London, June 24, 1938, Treaty Series 944; Japan participated in the conferences preparing the conventions but failed to ratify.

13. The fur seal treaty of 1911 (T.S. 546) with the United States, Great Britain, Russia and Japan was terminated in October 1941 upon notice from Japan on the ground that Japan's herds were endangering her fisheries. Subsequently, Canada and the United States concluded an executive agreement (E.A.S. 415) governing the Northeast Pacific area. Until the facts as to the conditions of the Robben and Kurile Islands herds are established, any sealing which may be authorized by the government during the occupation period should be undertaken in conformity with sound conservation principles. All pelagic sealing should be prohibited.







DEC 7 1945

~~WEST~~

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JK

COMMODITIES DIVISION  
Referred to JK  
NOV 21 1945  
DEPARTMENT OF STATE

ELDON GRIFFIN  
1211 TWENTY-FIRST AVENUE, NORTH  
SEATTLE (2), WASHINGTON

November 13, 1945

RECEIVED  
DIVISION OF  
CENTRAL SERVICES

1945 NOV 19 - PM 3 2

DC/R  
RECORDS BRANCH

Secretary of State  
Washington, D.C.

JK. File  
Answered 12/2  
by 10.10.12.12.12.

DC/R  
file

I should appreciate your referring to the appropriate office this inquiry about the proper and most expeditious present procedure for the resumption of dealings with Japanese growers of oyster seed (especially in the Matsushima Bay region), formerly supplied to oyster growers here in the Pacific Northwest.

The anticipated spawning of oysters in our own waters has been only intermittent; we have had nothing since 1942. The supply of marketable oysters here is dwindling, and there is now the prospect of a very damaging shutdown, partial or complete, inside of a year. At least two and a half or three years will be required to bring seed to maturity, once it is available. Suspension of operations for two or three years or more would have an extraordinarily bad effect on growers, workers, and persons in auxiliary enterprises. Time is of the essence of this inquiry. Seed used to be brought from Japan for April plantings here.

Specifically, I desire statements of procedure, irremovable obstacles at certain points, if unfortunately any exist, the relation of the military government in Japan to this kind of commercial transaction, and any other matters that seem pertinent. I draw attention to the need of blocking the monopoly which was developing before this war. There was a tendency toward monopoly of sale of seed at this end (promoted by Americans as well as by Japanese) and the Mitsubishi middlemen, I am told, were responsible for a monopoly on the Japanese side. Formerly dealings were directly with seed growers in Japan and everybody seemed pleased. Then the <sup>Japanese</sup> "white-collar boys" entered the picture, the cost of seed was forced up, and a useful international trade was disturbed. Financially and nutritionally the Pacific Northwest oyster-farming industry is genuinely important. Your early attention to its need will be greatly appreciated. Airmail postage for reply is enclosed.

Yours sincerely

Eldon Griffin

JUN 1 - 1948

FILED

Stamped Encl. att. L.  
JK

894.628/11-1345

CS/D  
894.628/11-1345

DEC 7 1945

In reply refer to:  
JK: 894.628/11-1345

Dear Mr. Griffin:

Your letter of November 13, 1945, addressed to the Secretary of State, has been referred to this Division for reply. Thank you for your suggestions and information concerning the needs of the oyster growers in the Pacific Northwest.

Because of the urgent problems involved in the pacification of Japan, and the rehabilitation of essential economic activity, it has not been possible to permit direct trading relations between Japanese citizens and those of other countries. During the present stage of the occupation period, all imports into, and exports from, Japan will necessarily be limited, and will be conducted under Allied control.

The Department of State has had the needs of the American oyster-growing industry under consideration, and has recently taken

Mr. Eldon Griffin

1211 Twenty-first Avenue, North  
Seattle, 2, Washington

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- 2 -

taken steps to ascertain the availability of seed oysters from Japan and the feasibility of selecting them for export in the near future. You may be assure that this matter will continue to receive our close attention.

Very truly yours,

For the Secretary of State:

*Edwin M. Martin*  
Chief of the Division of Japanese  
and Korean Economic Affairs

*WMB*  
JK:WMBrown:mf  
December 4, 1945

*\* IR*  
*gjm*

DF-  
6  
4:55 P.M.

Use only of  
the signed orig-  
inal

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : CA - ~~Mr.~~ Drumright  
FROM : FE - Mr. Woodard  
SUBJECT:

DATE: December 13, 1945

*File*

Reference: Chungking's 2136 of December 11 regarding members of the Senate Small Business Committee.

I suggest that although the action copy has been routed to FE, it would be inappropriate for us to interject ourselves into this matter at this highly controversial stage. I gather that arrangements for the trip centered largely in Mr. Clayton's office acting upon a request from Senator Murray and that actual arrangements were in the hands of Kermit Gordon, who at that time was located in A-C. I suggest, therefore, that we refer Chungking's 2136 to Mr. Gordon who is now located in CP (room 414, 1712 G Street) with the thought that the present situation can be handled in continuity on the basis of the Department's previous commitments and understandings.

As you are aware, CA and FE's participation in this case were confined solely to routine initialing of telegrams drafted in other Divisions of the Department.

*Note also Shanghai's attached No. 361 - Dec 12.*

894.628/12-1345

JAN 16 1946

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DIVISION OF COMMERCIAL POLICY  
DEC 14 1945  
DEPARTMENT OF STATE

Confidential File

894.628/12-1345

*CP - Mr. Gordon  
I agree with Mr. Woodard*

DEC 29 1945

In reply refer to:  
JK 894.628/12-1445

My dear Mr. Griffin:

We have for acknowledgement your letter of December 14, 1945. Since last writing you, we have heard from Tokyo that seed oysters will not be available for export from Japan before December 1946. Between December 1946 and March 1947, it is anticipated that ten thousand cases can be exported.

By this same mail, we are suggesting to the Honorable Charles R. Savage, who has approached us on behalf of the Pacific Coast Oyster Growers Association, that the Association communicate with the U. S. Commercial Company, 811 Vermont Avenue, Washington, D. C. and express their interest in the importation of seed oysters from Japan.

For reasons of security it will not be possible immediately for private firms in this country to deal directly with Japanese business houses. Consequently, arrangements have been made whereby the U. S. Commercial Company will handle imports from Japan for sale to established importers.

Sincerely yours,

Mr. <i>Ed</i>	OCR	Unit
Rev		
Cat.		
Mr. Eldon Griffin,		

Edwin M. Martin, Chief  
Division of Japanese and  
Korean Economic Affairs.

1211 Twenty-first Street, North,  
Seattle, Washington.

DEC

29 1945

JK:REaston:mf  
12-26-85



894.628/12-1445

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894.628/12-1445

ELDON GRIFFIN  
1211 TWENTY-FIRST AVENUE, NORTH  
SEATTLE (2), WASHINGTON

December 14, 1945

*file*  
*Ans: 12/21/45*  
*JA: RHM*  
*Copy answer to Mr. [unclear]*  
*to Mr. [unclear]*  
*to Mr. [unclear]*  
*JK*  
*DE/R*  
*DEC 29 1945*

Mr. Edwin M. Martin  
Chief of the Division of Japanese  
and Korean Economic Affairs - Your  
The Department of State  
Washington, D.C.

JK: 894.628/11-1345

My dear Mr. Martin:

Thanks for your response of December 7 to my inquiry of November 13. I am glad to know that the Department will have in mind the matter of oyster seed from Japan.

You will observe that my letter was intended to be more interrogative and practical than informational. The oyster business has its seasons and its natural requirements which have to be met. There is now no time to be lost. Accordingly, I should appreciate the specific information which I first requested.

I can understand ~~your statement~~ <sup>some degree of</sup> that Japanese trade will be conducted under Allied control. But what does the expression "Allied control" mean? Does it mean scrutiny and supervision of sales and purchases initiated by private business men -- most of whom certainly have no desire to burden government officers with the actual routine of their operations -- or governmental trading (in this case with delivery of seed to Northwest ports and sale of it here to growers of oysters)? In the latter case we shall have no choice but to sit tight. In the former case we shall want to set the wheels in motion at once.

This is why I should appreciate usable information about definite procedure and agencies. If the Department simply has not reached the point at which it can tell what the routine will be a categorical statement to that effect is in order. I should like to be kept on your list of those to receive precise information and directions from time to time. **Airmail envelope is enclosed.**

Yours sincerely

*Eldon Griffin*  
DIVISION OF JAPANESE AND KOREAN AFFAIRS  
DEC 28 1945  
DEPARTMENT OF STATE

DCR Unit  
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Ker  
Tel.  
Dist

894.628/12-1445

JAN 7 - 1946

894.628/12-1445  
DEC 29 1945



AFTER FIVE DAYS, RETURN TO



VIA AIR MAIL

Eldon Griffin  
1211-21<sup>st</sup> Ave., N.  
Seattle 2, Wash.

DIVISION OF  
CENTRAL SERVICES  
TELEGRAPH SECTION

DEPARTMENT OF STATE  
INCOMING TELEGRAM

ACTION COPY

AIR PRIORITIES  
JAN 10 1946

DEPARTMENT OF STATE

ACTION: ITP  
INFO

S  
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C Paraphrase before com-  
municating to anyone.

5574

Shanghai via Navy

Date ~~of~~ December 15, 1945

Rec'd 9:15 p.m.

DEPARTMENT OF STATE  
COMMUNICATIONS SECTION  
RECEIVED

*no action taken because situation being drafted to Chungking 2136 Dec 11. EMH*

SECRET

Secretary of State,

Washington

378, December 15, 11 p.m.

Embassy's December 11, 9 a.m. to Department.

Have interviewed officer in charge China Theater

CID who stated one of US operatives had learned by

chance that Goldstone and McGowan had been making

inquiries and establishing contacts concerning "a

certain commodity". He later stated in answer to inquiry

that this commodity was pearls. (Shanghai serial number

378, December 15, 11 a.m.) He gave no definite informa-

tion that any business transactions had been concluded.

His investigation is continuing.

Within a day or so after his arrival in Shanghai,

Goldstone told Commercial Attache that he was very much

interested in obtaining information and data regarding

cultured pearls. MacGowan indicated interest in seed

oysters

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AIR PRIORITIES  
JAN 14 1946

DEPARTMENT OF STATE

Confidential File

894.628/12-1545

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*m.j.f. 12-18-45  
Paraphrase  
com  
agru*

SECRET

-2-#378, December 15, 11 a.m. from Shanghai via Navy  
oysters from Japan, the latter for revival of Pacific  
northwest production. Goldstone stated that he had  
planned to investigate cultured pearl production in  
Japan but found on arrival in Shanghai that the  
Japanese had dumped their wartime production in this market.  
Hence he proposed to look into the possibilities of  
securing a supply here for the American market as  
incidental to a further investigation after his arrival  
in Japan.

Sent to Chungking, repeated to Department.

JOSSELYN

WMB

SECRET

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JAN 14 1946  
*File*  
DEPARTMENT OF STATE

378

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2 - Agri  
DEC 18 1945  
AEG

## PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Consulate General, Shanghai (via Navy)  
 TO: Secretary of State, Washington  
 DATED: December 15, 1945  
 NUMBER: 378

AIR PRIORITIES

JAN 14 1946

DEPARTMENT OF STATE

SECRET

Officer in charge of China Theater CID, when interviewed, stated that one of U. S. operatives had accidentally learned that McGowan and Goldstone had been making inquiries concerning a certain commodity and had been establishing contacts. (See Embassy's December eleventh cable to the Department.) This commodity was pearls he said later in response to inquiry. The officer gave no definite information that any business transactions had been concluded and he is continuing to investigate. Shanghai serial number 378, December fifteen.

Goldstone, a day or so after he arrived in Shanghai, told the Commercial Attache that he was very much interested in getting information concerning cultured pearls and data pertaining thereto. An interest in seed oysters from Japan to be used for revival(?) of Pacific northwest production was indicated by MacGowan. Saying that he had planned to investigate cultured pearl production in Japan, Goldstone stated that he found on arrival in Shanghai that the Japanese had dumped in this market their wartime production. He proposed, therefore, as incidental to a further investigation after his arrival in Japan to examine the possibilities of obtaining a supply here for the American market.

This message repeated to the Department and sent to Chungking.

DC/L:ER 12/17/45

JOSSELYN

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89

PREPARING OFFICE  
WILL INDICATE WHETHER

### TELEGRAM SENT

PREPARING OFFICE WILL  
TYPE HERE CLEARLY THE  
CLASSIFICATION OF THE  
MESSAGE: 5044

Collect

### Department of State

**SECRET**

Charge Department:

Washington  
Telegrams must be  
closely paraphrased before  
being communicated  
to anyone.  
**SECRET**

DEC 29 1945

Charge to

7pm.

AMERICAN CONSUL

SHANGHAI

367

Difficult for DEPT to make definite recommendations  
in absence of full report of CID investigation (Your 388  
Dec. 18).

No objection to furnishing CID with documents other  
than correspondence exchanged between Senator Murray  
and two men involved. Permission to reveal such  
correspondence would have to be obtained from <sup>Senator</sup> Murray.

No objection to members of consulate furnishing  
information to CID on informal basis. Formal statements  
should if possible be avoided. Repeat to Chungking.

Re Goldstone who was about to leave for U.S.

*Cheser*  
Acting

with marks  
valued at about  
\$20,000

DOR - ITP Unit  
ARR: \_\_\_\_\_  
P.V. \_\_\_\_\_  
Cas. DEC 29 1945 P.M. *CR*  
Dist. \_\_\_\_\_

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~~033-1100/11-1845~~  
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12/29/45

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cleared with  
Mr. Swain by  
tele. phone  
CR*  
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DIVISION OF  
EMPLOYMENT SERVICES  
DEC 29 PM 6 49

894.628/12-1845

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Confidential File

894.628/12-1845

DIVISION OF  
CENTRAL SERVICES  
TELEGRAPH SECTION

DEPARTMENT OF STATE

ACTION COPY

*Handwritten initials*

CTC -M  
Paraphrase before com-  
municating to anyone.

INCOMING TELEGRAM

Shanghai via Navy

Dated December 18, 1945

Rec'd 9:33 p.m., 18th

SECRET

ACTION: *FC* / *TI*

INFO:

S Secretary of State

U

C

EUR

FE

IT P

DC/L-K

DC/R-1

Washington

388, December 18, Noon

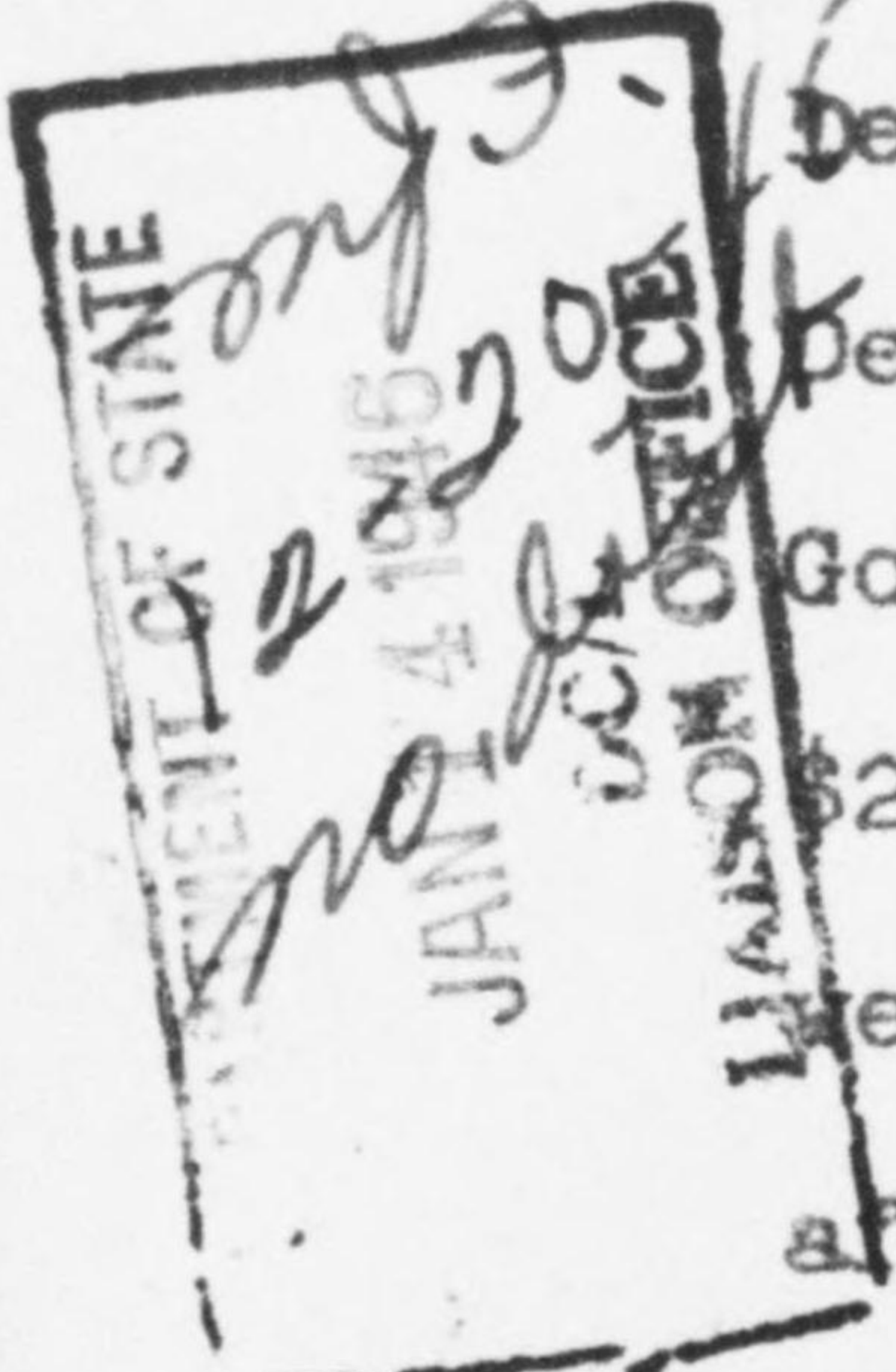
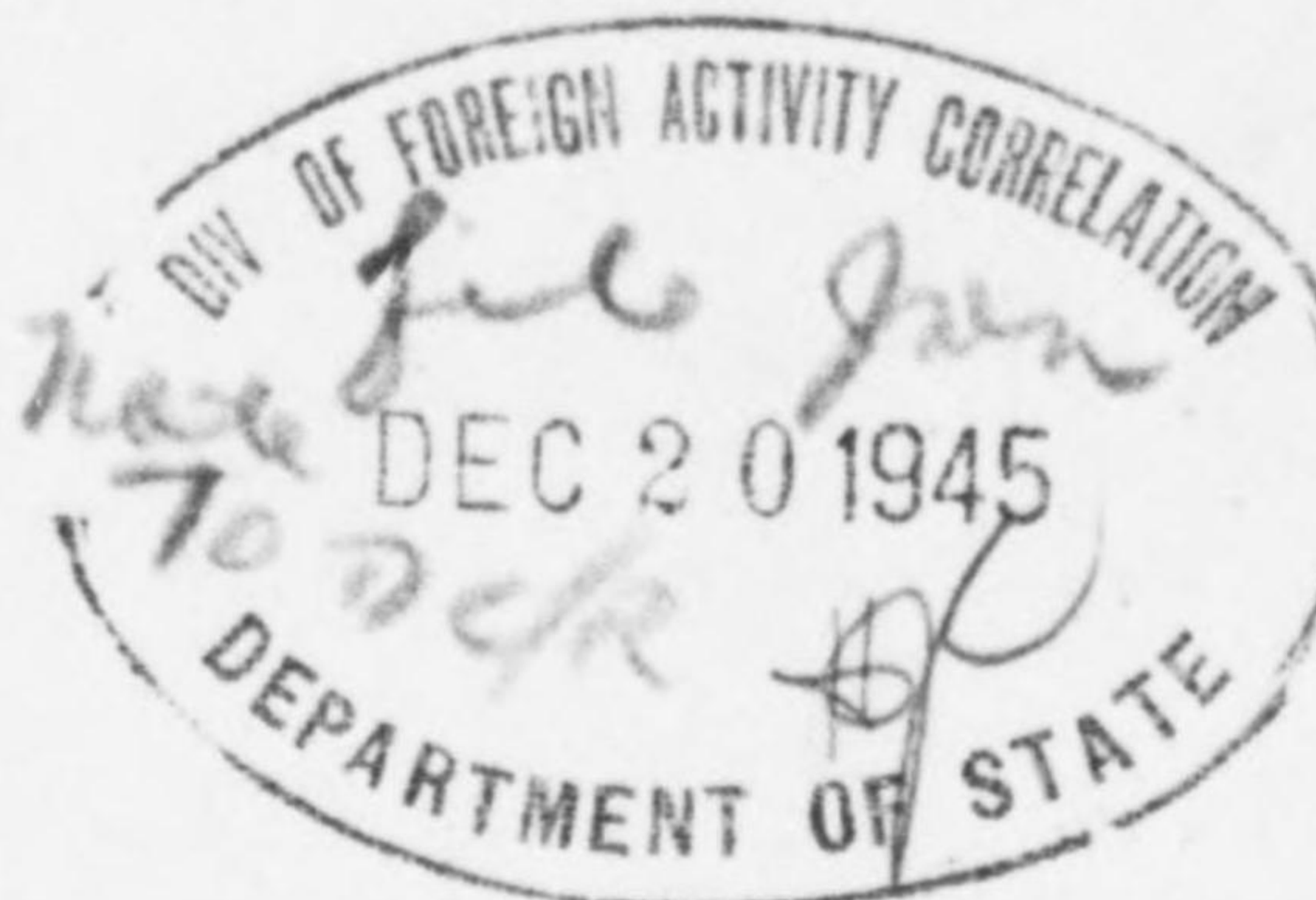
Have just learned from Lieutensjvxiomkqul in

charge of Army CID that his agents removed Goldstone from airplane yesterday morning as he was about to leave for the United States. (Shanghai serial No. 388, December 18, noon) (My 378, December 15, 11 a.m.).

Goldstone had in his possession pearls valued at about \$20,000 according to Colonel. Goldstone and McGowan were then interviewed by Colonel, Goldstone making affidavit about the matter, and McGowan making statement but declining to make affidavit.

Colonel with approval his superior officers is holding up departure these two men as he wishes to place them aboard surface vessel taking about 17 days to United States thus giving Army authorities time to make full report to Washington, so that Washington authorities may take such action as they wish at time arrival in United States of Goldstone and McGowan

SECRET



894.628/12-1845

ITP/D

CP	Action
Information:	
ITP	
CP	✓
ILH	
IR	✓
LA	✓
PED	
DEC 27 1945	

JAN 14 1946

Confidential File

SECRET

-2-#388, December 18, Noon, from Shanghai via Navy and McGowan. Colonel now desires his plan of withholding air transportation "cleared" with Consulate General, and asks me to OK surface transportation which I have refused unless requested by the men themselves.

Colonel was told that invoice had been obtained at this office for shipment of pearls to be carried by Goldstone and that there was nothing secret about action. He stated that there was an Army circular, (No. 48 dated April 8, 1945, Headquarters Echelon, United States Forces, China Theater) copies of which he has since sent this office which forbade under penalty of confiscation the transportation of any merchandise on American Government transportation lines into, within and from China Theatre. He was told that Goldstone undoubtedly did not know about this order as no one in Consulate General had heard of it, and that if a businessman had asked if he could carry his merchandise with him after obtaining a Consular invoice, he would have been answered in the affirmative.

Goldstone previously inquired at Office Invoice  
Section whether

SECRET

SECRET

-3-#388, December 18, Noon, from Shanghai via Navy

Section whether other persons were shipping pearls and was answered in the affirmative, the Consular Officer knowing that Goldstone was acting for the Senate Committee.

Have received written request from Army CID that they be permitted to examine members of Consulate General staff regarding conversations with two men, following which examinations formal statements would be made up and signed. Army CID also wishes to examine Consular invoice and cables which the two men may have received through the intermediary of this office. Urgently request specific instructions on this paragraph.

Sent to Department, repeated to Chungking.

JOSSELYN

WMB

SECRET



SECRET

DEPARTMENT OF STATE

obtained on  
copy to  
A-R  
P/M  
file  
RECEIVED  
OFFICE OF CHIEF  
1945

Paraphrase of War Department

Tele. CFB 17768

Dated: Dec. 18, 1945

Cm-IN 5139

From: Shanghai, China, CG, China Theater

To: War Department

MRCAS has now had it confirmed by competent military authorities that Mr. <sup>Joseph</sup> Goldstone who is travelling at the expense of the Government with Mr. <sup>Howard H.</sup> McGowan of our corporation (this message is signed Maverick and it is requested that it be transmitted to the Smaller War Plants Corporation) and stated to be a member of the Senate Small Business Committee has with him \$20,000 worth of pearls bought in China before the date when in Japan certain commitments were made. An act of this nature is not proper because personal trading at the expense of the Government, if not illegal, is certainly not ethical. As to whether or not McGowan actually is an accessory to these acts, which are bad, may not be proved ultimately in court, but there is no question of the high impropriety of his even allowing acts of this sort. It is requested that you bring an end to his employment, and right away at the same time by the Board of Director's action carry out the revocation of any loan to the Senate Small Business Committee, as well as any appropriation for this man's trip. It is also requested that the Senate Small Business Committee be advised of your acts at the same time. After this has been done McGowan

SECRET

has the

XR  
103 91602  
033 1193

894.628/12-1845  
DIV OF FOREIGN ACTIVITY CORRELATION  
JAN 10 1946  
DEPARTMENT OF STATE

894.628/12-1845  
CS/VJ  
Confidential File

SECRET

- 2 -

has the right to bring an appeal before Civil Service, but meanwhile it is necessary that prompt action be taken.

There will be protection for McGowen's due process rights but meanwhile precedence must be given to the rights of the Government, our Corporation, and the public. The Attorney General's office and the Department of State should be taken into confidence fully. For both McGowen and Goldstone transportation by air has been cancelled, and these two will be sent by water. I approve of this. Whatever ultimately is determined judicially is irrelevant to this matter. While it may be proved that McGowen is an "innocent victim", it is a fact that if he had used a reasonable amount of discretion these facts would have had to be disclosed long ago. It is requested that you cooperate with all authorities.

Emphasis must be placed on the fact that regardless of the ultimate determination from the criminal point of view we must give firm disapprobation and disapproval to these alleged acts and the behavior of these individuals. Such conduct is disgraceful, and if prompt action were not taken by our corporation, it would not be fair to any part of the Government or to the Senate. It is requested that you take the indicated actions and give your cooperation to the agencies that I have asked you to get in touch with.

	OUR TFP Unit
ASST	LCC
P	LCC
SA	

*REC*  
FC:RECarroll:cm

ACTION G-2 (Smaller War Plants Corporation)  
INFORMATION OPD, G-2 (State, L AND LD)

SECRET

SECRET

Paraphrase

*File*

*794628/12-1545*

DEPARTMENT OF STATE

ASSISTANT SECRETARY

378 from Shanghai, December 15.

Officer in charge CID, China, states one of US operatives by chanced learned that Goldstone & McGowan were establishing contacts concerning pearls. No evidence given that transactions were completed. Investigation continuing.

Goldstone, upon his arrival in Shanghai, told Commercial Attache that he wanted to obtain data and information concerning cultured pearls. MacGowan interested in securing seed oysters from Japan to revive production in Pacific northwest. ~~Reported~~ by Goldstone that he had planned to investigate cultured pearl production in Japan, but found Japanese wartime production had been dumped in Shanghai market. Expected to secure supply for American market here, but would investigate further upon arrival in Japan.

(Sent to Chungking, repeated to Dept.)

And	<i>zh</i>	
Dist	<i>zh</i>	<i>MF</i>

*1-11-45 8941, 628/12-1545-911544, 628/12-1945*

STANDARD FORM NO. 64

*Office Memorandum* · UNITED STATES GOVERNMENT

DATE: 1/5/46

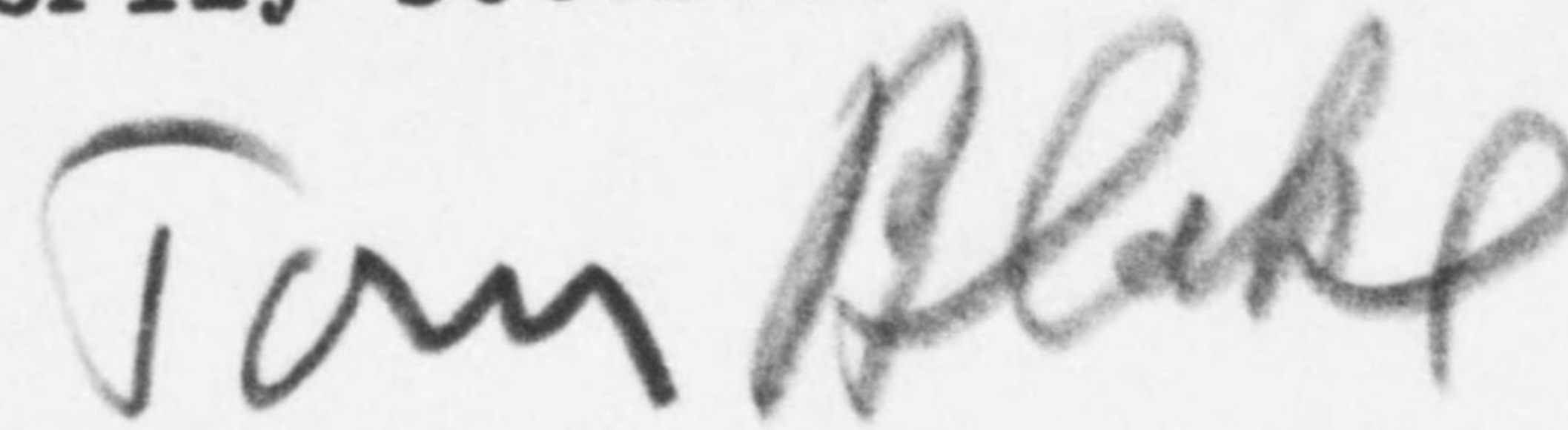
TO : Le - Mr. Summers

FROM : SA/M - Mr. Blake

SUBJECT :

I am returning herewith your file on the Goldstone and MacGowan case as the matter is now closed as far as this Division is concerned. I do not know from whom you originally obtained this file and you may want to return it to the proper Division so that the papers may be correctly filed.

Many thanks for your help and cooperation in this matter which has now been satisfactorily settled.



Tom Blake

SA/M:TDB:VH

1/3  
LE - Mr. Summers

---

The code room  
sent this file to  
me. I am returning  
it to you in case  
you need it in  
connection with  
further developments  
in this matter.

Kenneth Gordon.

CP

**SECRET**

PARAPHRASE OF WAR DEPARTMENT CABLE

19 December 1945

FROM: CG, China Theater, Shanghai, China

TO: War Department

NR: CFB 17768

DATE: 18 December 1945



*File*  
*1-17-46*  
~~FC-REC~~  
~~JK-~~  
~~CA-~~  
~~JA-~~  
~~FC-REC~~

MRCAS has now had it confirmed by competent military authorities that Mr. Goldstone who is travelling at the expense of the Government with Mr. McGowan of our corporation (this message is signed Maverick and it is requested that it be transmitted to the Smaller War Plants Corporation) and stated to be a member of the Senate Small Business Committee has with him \$20,000 worth of pearls bought in China before the date when in Japan certain commitments were made. An act of this nature is not proper because personal trading at the expense of the Government, if not illegal, is certainly not ethical. As to whether or not McGowan actually is an accessory to these acts, which are bad, may not be proved ultimately in court, but there is no question of the high impropriety of his even allowing acts of this sort. It is requested that you bring an end to his employment, and right away at the same time by the Board of Director's action carry out the revocation of any loan to the Senate Small Business Committee, as well as any appropriation for this man's trip. It is also requested that the Senate Small Business Committee be advised of your acts at the same time. After this has been done McGowan has the right to bring an appeal before Civil Service, but meanwhile it is necessary that prompt action be taken.

There will be protection for McGowan's due process rights but meanwhile precedence must be given to the rights of the Government, our Corporation, and the public. The Attorney General's office and the Department of State should be taken into confidence fully. For both McGowan and Goldstone transportation by air has been cancelled, and these two will be sent back by water. I approve of this. Whatever ultimately is determined judicially is irrelevant to this matter. While it may be proved that McGowan is an "innocent victim", it is a fact that if he had used a reasonable amount of discretion these facts would have had to be disclosed long ago. It is requested that you cooperate with all authorities.

Emphasis must be placed on the fact that regardless of the ultimate determination from the criminal point of view we must give firm disapprobation and disapproval to these alleged acts and the behavior of these individuals. Such conduct is disgraceful, and if prompt action were not taken by our corporation, it would not be fair to any part of the Government or to the Senate. It is requested that you take the indicated actions and give your cooperation to the agencies that I have asked you to get in touch with.

ACTION: G-2 (Smaller War Plants Corporation)

INFORMATION OPD, G-2 (State), L AND LD

CM-IN-5139

Anal	<i>zh</i>
...	<i>gfs</i>
...	<i>WPK</i>



**SECRET**

894.628/12-1945

JAN 17 1946

TILOS/IE

Confidential File

894.628/12-1945

CHARLES R. SAVAGE  
3d DIST. WASHINGTON

EXECUTIVE SECRETARY  
RICHARD T. WATSON

ROOM 138  
HOUSE OFFICE BUILDING

COMMITTEES:  
IRRIGATION AND RECLAMATION  
PUBLIC BUILDINGS AND GROUNDS  
PUBLIC LANDS  
INVALID PENSIONS  
CENSUS

### Congress of the United States House of Representatives

Washington, D. C.

December 19, 1945

JAN 4 1946

*file  
anal. 12/26/45  
Mr. Reardon's info*

*copy made of SCAP  
communication to  
FW Mathias*

*DCIP*

Honorable James F. Byrnes  
Secretary of State  
Department of State  
Washington 25, D. C.

Dear Mr. Byrnes:

*894.628/10.1945  
CP ITP*

RECEIVED  
DIVISION OF  
CENTRAL SERVICES  
MAR 10 1946

Reference is made to your letter of November 7th, in which you furnish me with detailed information regarding the importation of seed oysters from Japan, which information was originally requested by the Pacific Coast Oyster Growers Association.

This organization had previously communicated in this connection with the Supreme Allied Commander, and I am enclosing, herewith, correspondence I have just received from Mr. F. W. Mathias, Director of the Association, and Seed Committee Chairman, which I believe is self-explanatory.

I shall, therefore, deeply appreciate your again looking into this matter for me with a view toward giving me your advice and assistance on the same, and any further information.

Please return Mr. Mathias' correspondence to me with your reply.

Thanking you in advance for your kindness in this connection, and with best wishes, I am,

Sincerely yours,

*Charles R. Savage*  
Charles R. Savage

DCR - ITP Unit	
Appr.	<i>Do</i>
Rev.	<i>Do</i>
Out.	<i>mh</i>
Dist.	mwd

JAN - 8 1946  
DIVISION OF COMMERCIAL AFFAIRS  
ref. to JK  
DEC 21 1945  
DEPARTMENT OF STATE

894.628/12-1945

894.628/12-1945

COPY

DCR

GENERAL HEADQUARTERS

SUPREME COMMANDER FOR THE ALLIED POWERS

AG 080 (25 Oct 45) NR

APO 500  
17 November 1945

Pacific Coast Oyster Growers Association,  
202 First National Bank Building,  
Olympia, Washington.

Gentlemen:

This letter is in further reply to your letter of 2 October 1945 on the subject of seed oysters from Japan.

We have now learned that there will be no exportable surplus of seed oysters available from Japan in 1945. It is expected, however, that some 10,000 cases, of 12,000 or more spat each, will be available around December 1946 to March 1947. Availability of these stocks will be dependent upon the export demand being indicated within the next three or four months.

If you will advise this Headquarters of the probable demand, we will so advise the seed-oyster producers.

FOR THE SUPREME COMMANDER:

Harold Fair,  
Lt. Col., A.G.D.,  
Asst. Adjutant General.



JAN 4 1946

In reply refer to:  
JK 894.628/12-1945

My dear Mr. Savage:

Reference is made to your letter of December 19, 1945, regarding the importation of seed oysters from Japan. The information regarding the exportable surplus of seed oysters expected to be available in December 1946, which was given to the Pacific Coast Oyster Growers Association in a letter from General Headquarters to them on November 17, 1945, was cabled to the War Department on December 13 and referred to us for action. We were in the process of giving you the details when your letter under reply was received.

Arrangements are being made whereby imports to the United States from Japan will be handled by the U. S. Commercial Company. It is suggested that the Pacific Coast Oyster Growers Association communicate with the U. S. Commercial Company, at 811 Vermont Avenue, Washington, D. C., to arrange the details for the future importation of seed oysters from Japan.

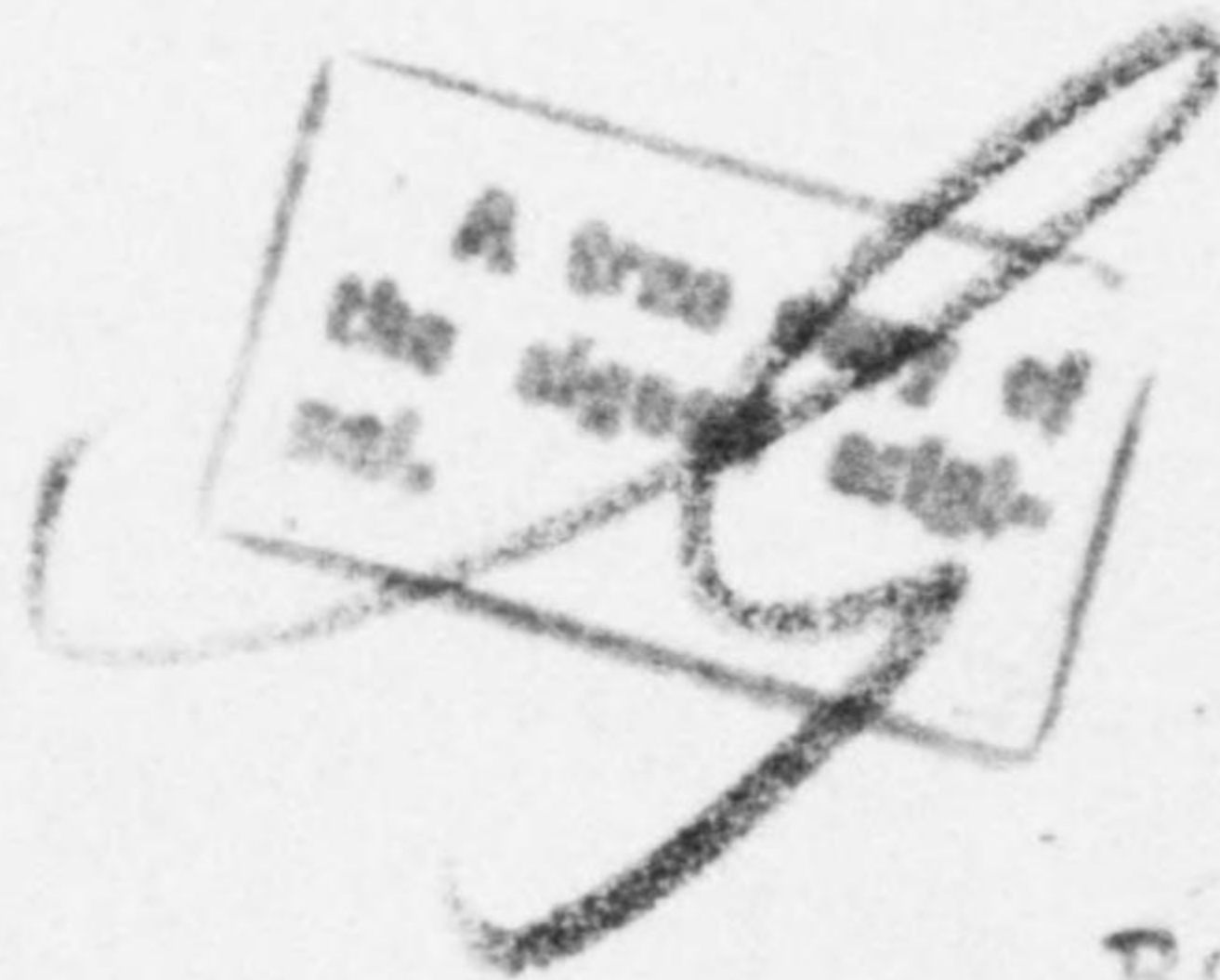
Correspondence from Mr. Mathias is returned herewith as requested. Also enclosed, for your information, is a copy of our letter to Mr. Eldon Griffin, answering questions put to us in his letter of December 14, 1945.

DCR - ITP Unit	
Anal.	LDH
Rev.	Jo
Cat.	ve
Dist.	

Sincerely yours,  
James F. Byrne

Enclosures:

- 1 letter to Hon. Charles Savage, dated Dec. 12, 1945, from F. W. Mathias.
- 1 letter to Pacific Coast Oyster Growers Association, dated Nov. 17, 1945 from Lt. Col. Harold Fair, General Headquarters.
- 1 letter to Lt. Col Fair dated December 3, from F. W. Mathias.
- copy letter to Eldon Griffin, Dec. 21, from E. M. Martin.



Routine

JAN 3 CR P. 4

The Honorable  
Charles R. Savage  
House of Representatives.

JK:REaston:mf XH W  
12-26-45

JA

CP

894.628/12-1945

CS/LE

894.628/12-1945

DIVISION OF  
CENTRAL SERVICES  
TELEGRAPH SECTION

ACTION COPY

DEPARTMENT OF STATE

INCOMING TELEGRAM

LEGAL ADVISER  
JAN - 2 1946  
DEPARTMENT OF STATE

*Handwritten initials and marks*

ACTION: EC *TTT LE*

INFO:

S

U

C

EUR

FE

ITP

DC/L-K

DC/R-1

*TW-EFM*  
Paraphrase before communicating to anyone.

8300

Shanghai

Dated December 24, 1945

Rec'd 2:13 p.m., 24th

SECRET

Secretary of State,

Washington

409, December 24, 3 p.m.

My 388, December 18 Noon. Commanding General

DIV OF FOREIGN ACTIVITY CORRELATION  
*file No. 3*  
DEC 26 1945  
*ARC*  
DEPARTMENT OF STATE

894.628/12-2445

*Handwritten:* X R  
033.1193

China theater has today sent me copy of report marked secret made by CID US forces China theater regarding MacGowan and Goldstone. Report is 10 pages single spaced in length with 21 exhibits attached. Commanding General in letter of transmittal recommends that report be sent to State Department to be brought to attention of Attorney General, Senate Small Business Committee and Small War Plants Corporation.

(Sent to Department repeated to Chungking)

Report is being airmailed to Department. In the meantime would appreciate reply last paragraph my 388.

EH

*Handwritten:* m f z  
12-26-45  
no list

RECEIVED  
CENTRAL SERVICES  
DEPARTMENT OF STATE  
JAN 2 - 1946

SECRET

MESSAGE UNSIGNED

JAN 2 - 1946

Confidential File

STANDARD FORM NO. 64

*Office Memorandum* · UNITED STATES GOVERNMENT

DATE: 1/14/46

TO : FE  
DC/R

FROM : IR - R. P. Terrill

SUBJECT :

The attached despatch has been in the Department since January 5 and in our opinion transmittal of appropriate enclosures to the Senate Small Business Committee and the Smaller War Plants Corporation, in accordance with General Caraway's request, should be expedited.

As we understand the matter under reference, this Department is in no way involved in the alleged malfeasance of office by a representative of the U.S. Senate Small Business Committee while in China. The Department, through the American Consulate General in Shanghai, is merely acting as a transmittal agency.



IR:RPT:amh

DCR -

1-9-45

Mrs R. M. Davis

Reference was  
sent back to DCR  
for redistribution  
as this Division does  
not handle this  
matter.

Please see that  
this despatch goes  
to the office which  
handled previous.

Thank you

FC - E. Storer

NO. 50

AMERICAN CONSULATE GENERAL

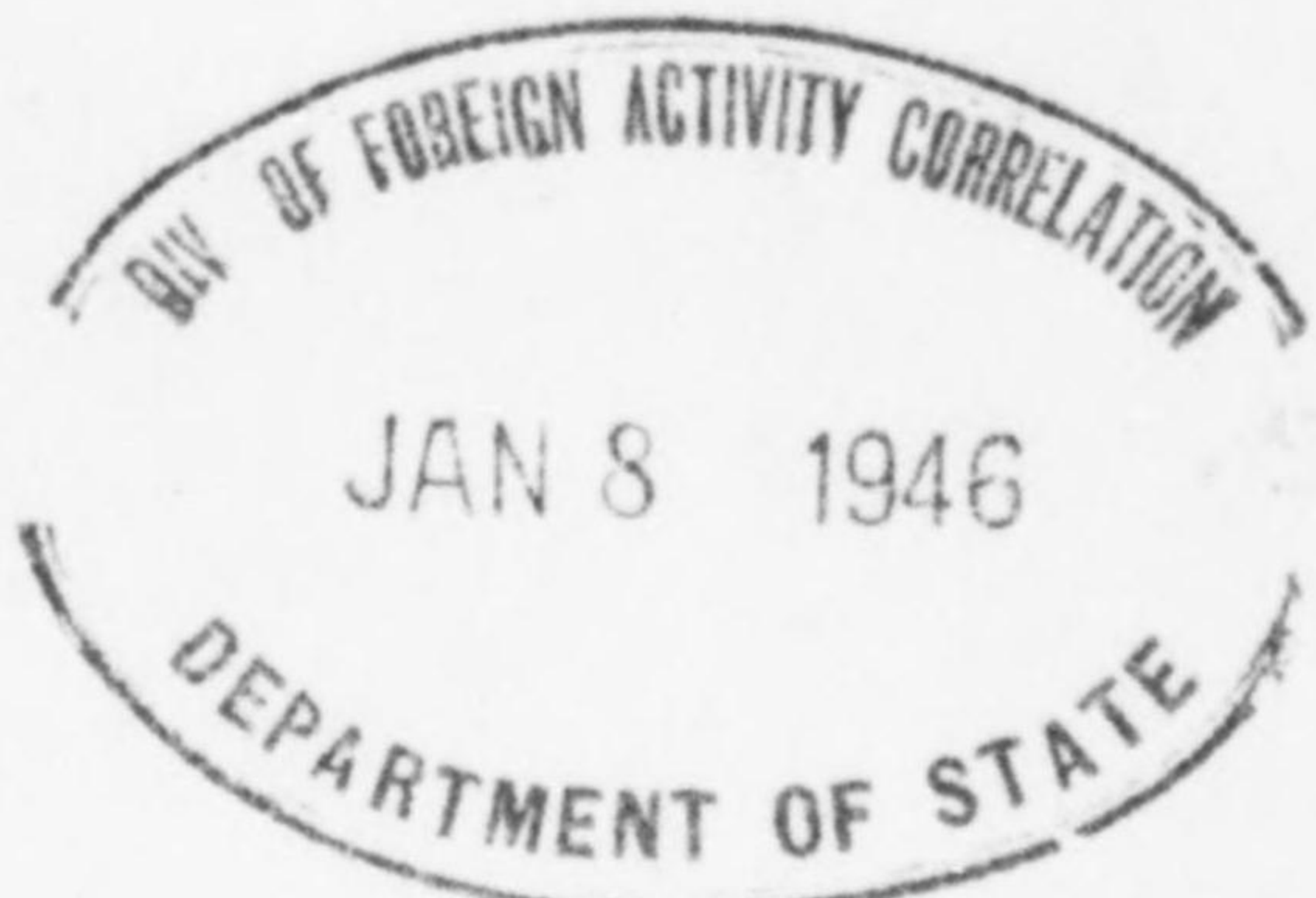
Shanghai, China, December 26, 1945

SECRET

INTERNATIONAL RESOURCES DIVISION

RPT enc. att  
JAN 11 1946

SUBJECT: Howard H. MacGowan and Joseph Gold DEPARTMENT OF STATE  
1-1403



THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

SIR:

With reference to my telegram no. 409 of December 24, 3 p.m. on the above subject, I have the honor to transmit herewith an undated memorandum from the Headquarters, China Theater, received on December 24, 1945, forwarding two copies of a report made to the Commanding Officer, China Theater, by the Criminal Investigation Division of the Office of the Theater Provost Marshal.

It will be noted that the Commanding General, China Theater, recommends that this report be transmitted to the State Department and that it be brought to the attention of the Attorney General, the United States Senate Small Business Committee, and the Small War Plants Corporation.

In compliance with the request of the Theater Commander, there is also enclosed a copy of the orders of Lieutenant Colonel John Stoskopf, Jr., Director of the Criminal Investigation Division, who is returning to the United States shortly, in the event that any of the interested agencies desire to confer with him.

In compliance with instructions received from the Embassy at Chungking in its telegram to the Department, repeated to this office, dated December 11, 9 a.m., a copy of this report is being sent to the Embassy. No copy of the report is being retained in the files of this office.

Respectfully yours,

*Paul R. Josselyn*  
Paul R. Josselyn  
American Consul General

Enclosure: att HB

Memorandum from Brigadier General Caraway, with accompaniments (with original despatch only)

801  
PRJ:mjy

In quintuplicate to Department Copy to Chungking.

Form with fields: Ana., Rev., Cst., Dist. and handwritten notations.

*only one  
revised  
CP  
XR  
033/193*

RECORDS BRANCH  
JAN 5 10 26

*SC/R*

*FC  
894628/12-2445*

894.628/12-2645  
CSLE

894.628/12-2645  
CONFIDENTIAL

JUN 1 1949  
RECEIVED

NO: 50

Shanghai, China, December 26, 1945

SECRET

Howard H. MacGowan and Joseph Goldstone

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON, D. C.

With reference to my telegram no. 409 of December 24, 3 p.m. on the above subject, I have the honor to transmit herewith an undated memorandum from the Headquarters, China Theater, received on December 24, 1945, forwarding two copies of a report made to the Commanding Officer, China Theater, by the Criminal Investigation Division of the Office of the Theater Provost Marshall.

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Paul R. Josselyn  
American Consul General

Enclosure:

Memorandum from Brigadier General  
Caraway, with accompaniments  
(with original despatch only)SO1  
PRJ:mjyIn quintuplicate to Department  
Copy to Chungking.

COPY

Enclosure to despatch no. 50 from American  
Consulate General, Shanghai, dated December 26,  
1945.

HEADQUARTERS  
UNITED STATES FORCES  
CHINA THEATER

Shanghai, China

No. \_\_\_\_\_

MEMORANDUM:

TO : United States Consul General, Shanghai, China.

Forwarded herewith are copies of a report of investigation concerning Howard H. MacGowan and Joseph Goldstone, who have been in China on a mission for the United States Small Business Committee. Mr. MacGowan is also an employee of the Small War Plants Corporation.

It is recommended that this report be transmitted to the State Department and that it be brought to the attention of the Attorney General, the United States Senate Small Business Committee, and the Small War Plants Corporation.

Attached, for the information of the above agencies, is a copy of the orders of Lt. Col. John F. Stoskopf, Jr., Director of the Criminal Investigation Division, who is returning to the United States shortly, in the event that any of the interested agencies desire to confer with him in furtherance of this investigation.

PAUL W. CARAWAY  
Brigadier General, G.S.C.  
Acting Chief of Staff

COPY

HEADQUARTERS  
CHINA THEATER REPLACEMENT SERVICE  
UNITED STATES FORCES  
SHANGHAI APO 290

No. 127

18 December 1945

SUBJECT: Travel Orders

TO : Personnel Concerned.

1. PAC in RR 1-1 thru 5 and RR Cir #24, USP CT fol 0 is reld fr atchd unasgd CT Repl Serv, Shanghai APO 290 and fr asgmt to China Theater and WP o/a 19 December 1945 via first avail air or other T fr his present oversea sta to the Z of I. Upon arrival in the continental limits of the US he will rpt to the CO, Port of Debarkation, or Control Officer, Air Gateway for fur T to Separation Center #36, Ft Logan, Colo, for disposition under the provisions of RR:

<u>NAME</u>	<u>GRADE</u>	<u>ASN</u>	<u>BRSV</u>	<u>SSN</u>	<u>ASRS</u>	<u>MosSv</u>	<u>ADDRESS</u>
STOSKOPF, John Jr.	Lt.Col	0414052	CMP	9322	123	50	Holsington, Kan.

2. The above 0 will be under the control of the CO, Air Transport Command from time of departure from oversea sta until released by proper auth in the US.

3. A baggage alws of sixty-five (65) lbs is authorized while tvlg by acft. All other atzd and excess pers baggage will be marked, packed, tagged and with the Owner's Inventory and Certificate and Customs Declaration turned over to the proper auth for shipment to the US in accordance with Cir 130 dtd 24 Aug 45, Hq USP CT APO 879. Upon arrival at a new sta in the US you will notify the Officer in Charge, Baggage Clearance Unit, Traffic Control Div, OCT, 25 Broad Street, New York, 4 NY of the address to which baggage is to be forwarded inclosing two (2) copies of these orders.

4. You will notify your correspondents and publishers to discontinue mailing letters and publications to you until further advised of your new mailing address. WD AGO Form 971-1 dtd 9 Oct 43 (V/Mail Notice to Correspondents and Publishers) may be used for this purpose.

5. T by air, rail and/or any other means of T is auth.  
T alws: AR 35-4820.  
TDN. PCS. 79-207 P 431-02 A 212/60425.  
(Tvl Auth: VCGG China Theater).

BY COMMAND OF BRIGADIER GENERAL MIDDLETON:

(Signed) JOHN B. RICHTER

JOHN B. RICHTER  
1st Lt Inf  
Asst Adj General

Dist "A"

Each individual - 20 copies to be disposed of as follows: US Airport Concerned (2); Separation Center CO (2); The AG, Oper Br (OB-I) (1); The AG, O Br (PO-A) (1); Remainder as required.



NO: 50

Shanghai, China, December 26, 1945

SECRET

Howard H. MacGowan and Joseph Goldstone

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON, D. C.

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Respectfully yours,

Paul R. Josselyn  
American Consul General

Enclosure:

Memorandum from Brigadier General  
Caraway, with accompaniments  
(with original despatch only)

801

PRJ:mjy

In quintuplicate to Department  
Copy to Chungking.

COPY

Enclosure to despatch no. 50 from American  
Consulate General, Shanghai, dated December 26,  
1945.

HEADQUARTERS  
UNITED STATES FORCES  
CHINA THEATER

Shanghai, China

No. \_\_\_\_\_

MEMORANDUM:

TO : United States Consul General, Shanghai, China.

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PAUL W. CARAWAY  
Brigadier General, G.S.C.  
Acting Chief of Staff

COPY

HEADQUARTERS  
CHINA THEATER REPLACEMENT SERVICE  
UNITED STATES FORCES  
SHANGHAI APO 290

No. 127

18 December 1945

SUBJECT: Travel Orders

TO : Personnel Concerned.

1. PAC in RR 1-1 thru 5 and RR Cir #24, USF CT fol 0 is reld fr atchd unasgd CT Repl Serv, Shanghai APO 290 and fr asgmt to China Theater and WP o/a 19 December 1945 via first avail air or other T fr his present oversea sta to the Z of I. Upon arrival in the continental limits of the US he will rpt to the CO, Port of Debarkation, or Control Officer, Air Gateway for fur T to Separation Center #36, Ft Logan, Colo, for disposition under the provisions of RR:

<u>NAME</u>	<u>GRADE</u>	<u>ASN</u>	<u>BRSV</u>	<u>SSN</u>	<u>ASRS</u>	<u>MOSSV</u>	<u>ADDRESS</u>
STOSKOPF, John Jr.	Lt.Col	0414052	CMP	9322	123	50	Hoisingtom, Kan.

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T alws: AR 35-4820.  
TDN. PCS. 79-207 P 431-02 A 212/60425.  
(Tvl Auth: VCGG China Theater).

BY COMMAND OF BRIGADIER GENERAL MIDDLETON:

(Signed) JOHN B. RICHTER

JOHN B. RICHTER  
1st Lt Inf  
Asst Adj General

Dist "A"

Each individual - 20 copies to be disposed of as follows: US Airport Concerned (2); Separation Center CO (2); The AG, Oper Br (OB-I) (1); The AG, O Br (PO-A) (1); Remainder as required.

NO: 50

Shanghai, China, December 26, 1945

SECRET

Howard H. MacGowan and Joseph Goldstone

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON, D. C.

With reference to my telegram no. 409 of December 24, 3 p.m. on the above subject, I have the honor to transmit herewith an undated memorandum from the Headquarters, China Theater, received on December 24, 1945, forwarding two copies of a report made to the Commanding Officer, China Theater, by the Criminal Investigation Division of the Office of the Theater Provost Marshall.

It will be noted that the Commanding General, China Theater, recommends that this report be transmitted to the State Department and that it be brought to the attention of the Attorney General, the United States Senate Small Business Committee, and the Small War Plants Corporation.

In compliance with the request of the Theater Commander, there is also enclosed a copy of the orders of Lieutenant Colonel John Stoskopf, Jr., Director of the Criminal Investigation Division, who is returning to the United States shortly, in the event that any of the interested agencies desire to confer with him.

In compliance with instructions received from the Embassy at Chungking in its telegram to the Department, repeated to this office, dated December 11, 9 a.m., a copy of this report is being sent to the Embassy. No copy of the report is being retained in the files of this office.

Respectfully yours,

Paul R. Josselyn  
American Consul General

Enclosure:

Memorandum from Brigadier General  
Caraway, with accompaniments  
(with original despatch only)801  
PRJ:mjyIn quintuplicate to Department  
Copy to Chungking.

COPY

Enclosure to despatch no. 50 from American  
Consulate General, Shanghai, dated December 28,  
1945.

HEADQUARTERS  
UNITED STATES FORCES  
CHINA THEATER

Shanghai, China

No. \_\_\_\_\_

MEMORANDUM:

TO : United States Consul General, Shanghai, China.

Forwarded herewith are copies of a report of investigation concerning Howard H. MacGowan and Joseph Goldstone, who have been in China on a mission for the United States Small Business Committee. Mr. MacGowan is also an employee of the Small War Plants Corporation.

It is recommended that this report be transmitted to the State Department and that it be brought to the attention of the Attorney General, the United States Senate Small Business Committee, and the Small War Plants Corporation.

Attached, for the information of the above agencies, is a copy of the orders of Lt. Col. John F. Stoskopf, Jr., Director of the Criminal Investigation Division, who is returning to the United States shortly, in the event that any of the interested agencies desire to confer with him in furtherance of this investigation.

PAUL W. CARAWAY  
Brigadier General, G.S.C.  
Acting Chief of Staff

COPY

HEADQUARTERS  
CHINA THEATER REPLACEMENT SERVICE  
UNITED STATES FORCES  
SHANGHAI APO 290

No. 127

18 December 1945

SUBJECT: Travel Orders

TO : Personnel Concerned.

1. PAC in RR 1-1 thru 5 and RR Cir #24, USF CT fol 0 is reld fr atchd unasgd CT Repl Serv, Shanghai APO 290 and fr asgmt to China Theater and WP o/a 19 December 1945 via first avail air or other T fr his present oversea sta to the Z of I. Upon arrival in the continental limits of the US he will rpt to the CO, Port of Debarkation, or Control Officer, Air Gateway for fur T to Separation Center #36, Ft Logan, Colo, for disposition under the provisions of RR:

<u>NAME</u>	<u>GRADE</u>	<u>ASN</u>	<u>BRSV</u>	<u>SSN</u>	<u>ASRS</u>	<u>MosSv</u>	<u>ADDRESS</u>
STOSKOPF, John Jr.	Lt.Col	0414052	CMP	9322	123	50	Hoisington, Kan.

2. The above O will be under the control of the CG, Air Transport Command from time of departure from oversea sta until released by proper auth in the US.

3. A baggage alws of sixty-five (65) lbs is authorized while tvlg by acft. All other atzd and excess pers baggage will be marked, packed, tagged and with the Owner's Inventory and Certificate and Customs Declaration turned over to the proper auth for shipment to the US in accordance with Cir 130 dtd 24 Aug 45, Hq USF CT APO 879. Upon arrival at a new sta in the US you will notify the Officer in Charge, Baggage Clearance Unit, Traffic Control Div, OCT, 25 Broad Street, New York, 4 NY of the address to which baggage is to be forwarded inclosing two (2) copies of these orders.

4. You will notify your correspondents and publishers to discontinue mailing letters and publications to you until further advised of your new mailing address. WD AGO Form 971-1 dtd 9 Oct 43 (V/Mail Notice to Correspondents and Publishers) may be used for this purpose.

5. T by air, rail and/or any other means of T is auth.  
T alws: AR 35-4820.  
TDN. PCS. 79-207 P 431-02 A 212/60425.  
(Tvl Auth: VCGG China Theater).

BY COMMAND OF BRIGADIER GENERAL MIDDLETON:

(Signed) JOHN B. RICHTER

JOHN B RICHTER  
1st Lt Inf  
Asst Adj General

Dist "A"

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NO: 50

Shanghai, China, December 26, 1945

SECRET

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CHINA THEATER

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PAUL W. CARAWAY  
Brigadier General, G.S.C.  
Acting Chief of Staff



COPY.

HEADQUARTERS  
CHINA THEATER REPLACEMENT SERVICE  
UNITED STATES FORCES  
SHANGHAI APO 290

No. 127

18 December 1945

SUBJECT: Travel Orders

TO : Personnel Concerned.

1. PAC in RR 1-1 thru 5 and RR Cir #24, USF CT fol 0 is reld fr atchd unasgd CT Repl Serv, Shanghai APO 290 and fr asgmt to China Theater and WP o/a 19 December 1945 via first avail air or other T fr his present oversea sta to the Z of I. Upon arrival in the continental limits of the US he will rpt to the CO, Port of Debarkation, or Control Officer, Air Gateway for fur T to Separation Center #36, Ft Logan, Colo, for disposition under the provisions of RR:

<u>NAME</u>	<u>GRADE</u>	<u>ASN</u>	<u>BRSV</u>	<u>SSN</u>	<u>ASRS</u>	<u>MosSv</u>	<u>ADDRESS</u>
STOSKOPF, John Jr.	Lt.Col	0414052	CMP	9322	123	50	Hoisington, Kan.

2. The above O will be under the control of the CG, Air Transport Command from time of departure from oversea sta until released by proper auth in the US.

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5. T by air, rail and/or any other means of T is auth.  
T alws: AR 35-4820.  
TDN. PCS. 79-207 P 431-02 A 212/60425.  
(Tvl Auth: VOCC China Theater).

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1st Lt Inf  
Asst Adj General

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Form DS-10 Department of State 6-1-45		Date
<b>REFERENCE SLIP</b>		
To: <i>DC/R - Miss Davis</i>		
<input type="checkbox"/> Advise <input type="checkbox"/> Approve & Return As You Requested <input type="checkbox"/> Attention <input type="checkbox"/> Attach File <input type="checkbox"/> Comment & Return <input type="checkbox"/> Consider <input type="checkbox"/> Copying <input type="checkbox"/> Correct <input checked="" type="checkbox"/> File <input type="checkbox"/> Follow-up <input type="checkbox"/> Hold <input type="checkbox"/> Initials Needed <input type="checkbox"/> Investigate & Report <input type="checkbox"/> Instruct <input type="checkbox"/> Justify <input type="checkbox"/> Keep Me Advised <input type="checkbox"/> Legal Matter <input type="checkbox"/> Memo Required <input type="checkbox"/> Not Interested <input type="checkbox"/> Note & Destroy <input type="checkbox"/> Note & Forward	<input type="checkbox"/> Note & Return <input type="checkbox"/> Note & File <input type="checkbox"/> Per Telephone Talk <input type="checkbox"/> Previous Correspon. <input type="checkbox"/> Priority Action <input type="checkbox"/> Reconsider <input type="checkbox"/> Recommend Action <input type="checkbox"/> Record <input type="checkbox"/> Reply <input type="checkbox"/> Return to Sender <input type="checkbox"/> Rewrite <input type="checkbox"/> Signature Required <input type="checkbox"/> See Me <input type="checkbox"/> Take Action <input type="checkbox"/> Transfer <input type="checkbox"/> Type <input type="checkbox"/> Verify <input type="checkbox"/> Reply for Signature of	
REMARKS: <i>Action Complete - Considered obsolete in A's files -  SECRET material in file</i>		
From <i>A - Miss Keever - Rm 5224</i>		

ADDRESS OFFICIAL COMMUNICATIONS TO  
THE SECRETARY OF STATE  
WASHINGTON, D. C.



DEPARTMENT OF STATE  
WASHINGTON

SECRET

February 13, 1946

Memorandum for:

Mr. Arnold,  
Smaller War Plants,  
101 Indiana Avenue,  
Room 354,  
Holt Building.

I am forwarding to you herewith a report provided by General Caraway on the subject of Howard H. MacGowan and Joseph Goldstone. This report is furnished to you with the understanding that it will be returned and while it is in your hands no copy or extract will be communicated to anyone outside of your Department.

*Carter L. Burgess*  
Carter L. Burgess

FW. 894.628/1-2645



FW

Dist. \_\_\_\_\_

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SECRET FILE

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Carter L. Burgess

McGowan & Goldstone

**DEPARTMENT OF STATE**  
**ASSISTANT SECRETARY**

February 13, 1946

Received from Carter L. Burgess,  
Department of State, one envelope con-  
taining report by General Caraway on  
the subject of Howard H. MacGowan and  
Joseph Goldstone.

*Helene Fra*  
Mr. Arnold

FW 894.628/12-2645

FW

Anal.	.....
Rev.	.....
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Dist.	.....

DCI EXP Unit

DEPARTMENT OF STATE  
THE LEGAL ADVISER

*File*  
ASSISTANT SECRETARY  
MR. RUSSELL  
JAN 31 1946  
DEPARTMENT OF STATE

A-R: Mr. Carter L. Burgess

At the time we were considering the case of McGowan and Goldstone, I discussed the question of the transmission of the C.I.D. in the case report by the War Department to the Senate Small Business Committee with Colonel Lincoln of that Department.

Colonel Lincoln told me that the War Department has never been officially apprised of the situation, as all action had been taken in the area and that it was not in a position to transmit the report which had been furnished in China to the American Consulate General in Shanghai.

McGowan & Goldstone

*FW 894.628/12-2645*

*LM*  
Le:LMSummers:vb  
1-29-46

*PW*  
FOR - ESP Unit  
Rev. *SS*  
Cst. *SS*  
Dist.

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Le:LMSummers:vb  
1-29-46

SECRET

January 18, 1946

To the Department of State:

The receipt is acknowledged of one copy of a secret report dated December 19, 1945, to the Commanding General, United States Forces, China Theater, APO 879, on the subject of "Howard H. McGowan and Joseph Goldstone, Alleged representatives of the United States Senate Small Business Committee", together with enclosures A to U of that report. It is understood that the report is being furnished to the Senate Small Business Committee for the private information of the members of the Committee, pursuant to a recommendation made by the Acting Chief of Staff, Headquarters, United States Forces, China Theater, to the United States Consul General at Shanghai, China, by whom this report was forwarded to the Department of State.

Since the report is secret, it is received on the understanding that the contents of it will not be divulged. When the report shall have served the purposes of the Senate Small Business Committee, it will be returned to the Department of State.

*Lis M. Miller*  
 Chairman c.m.

FW 894.628/12-2645

*fw*

	ISB Unit
Anal	<i>ll</i>
Ev.	<i>ll</i>
Out.	
Dist.	

**SECRET**

CRIMINAL INVESTIGATION DIVISION  
OFFICE THEATER PROVOST MARSHAL  
UNITED STATES FORCES  
CHINA THEATER

Shanghai, China  
19 December, 1945

**SUBJECT:** Howard H. MACGOWAN and Joseph GOLDSTONE, Alleged Representatives of United States Senate Small Business Committee

**TO :** Commanding General, United States Forces, China Theater, APO 879.

**SUMMARY:**

Howard H. MacGowan and Joseph Goldstone, arrived in Shanghai on or about 22 November 1945, allegedly as representatives of the United States Senate Small Business Committee, for the purpose of making an official survey of business conditions and opportunities for small business in China. Immediately after their arrival and throughout their stay in China they conducted negotiations for large scale private business transactions with the very apparent purpose of effecting as much of a monopoly of the available world supply of cultured pearls as was possible. Although possessing no specific authority for such purpose, these subjects also made a six day trip to Japan in connection with the cultured pearl industry there.

Mr. Goldstone was the principal in these transactions, although MacGowan admittedly had full knowledge of and was present at most of the negotiations. Mr. Goldstone represents one of the largest American pearl concerns and brought with him to China approximately \$120,000.00 in currency, checks and letters of credit, and also arranged for additional financing in the sum of \$300,000.00. Mr. Goldstone attempted to leave China by air on 17 December 1945 with a large shipment of pearls. His trip was cancelled and the pearls seized.

This investigation was conducted with the concurrence and approval of Mr. Maurey Maverick, General Manager, Small War Plants Corporation, a United States governmental agency, who strongly condemned subject's practices of conducting private business for profit while allegedly engaged on official business and travelling under government auspices; the American Consulate and the Commanding General, China Theater.

**DETAILS:**

1. On 3 December 1945 information was received from a confidential source by the Assistant Director, Criminal Investigation Division, that two American civilians, allegedly members of or representing the United States Senate, were engaging in private business transactions on a large scale with the apparent purpose of effecting a monopoly of the available world supply of cultured pearls.

2. Investigation of these reports was immediately instituted since the illegal use of government transportation was involved. It was ascertained that the civilians referred to were a Mr. Howard

-2-

SECRET

H. MacGowan and a Mr. Joseph Goldstone, who were allegedly representatives of the United States Senate Small Business Committee visiting the Orient for the purpose of making a survey of business conditions for said committee. As best as could be determined, their transportation had been arranged for by the State Department and they had traveled by military aircraft from the United States to China.

3. Preliminary investigation disclosed that MacGowan and Goldstone had arrived in Shanghai about 22 November 1945 and almost immediately after their arrival had engaged in negotiations with several dealers for the avowed purpose of cornering the market on pearls. The full details of their activities will be subsequently developed in this report, but the first information received indicated that their initially planned operations involved purchases of upwards of five hundred thousand dollars (\$500,000.00).

4. It was established that McGowan was a Regional Director of the Small War Plants Corporation, a United States government agency, and that he had been loaned to the Senate Small Business Committee for the purpose of this trip. At this time, on 5 December 1945, it was learned that Mr. MAUREY MAVERICK, General Manager of the Small War Plants Corporation, was also in Shanghai on official business for his organization. An interview was immediately arranged with Mr. Maverick and he was informed of all of the known facts regarding subjects, including the fact that they had left Shanghai about 3 December 1945 for Tokyo where they were reportedly going to make some arrangements in connection with the cultured pearl industry there. Subjects had no known authorization to make this trip.

5. Mr. Maverick stated that even if MacGowan and Goldstone were representing a Senate committee it would be highly improper for them to transact any private business while on an official mission. Accordingly, Mr. Maverick prepared a radio to the Commander in Chief of Allied Forces in the Pacific requesting investigation in Japan of subject's activities there, and stating that if "MacGowan is in any way connected with transactions of a private nature, that he be informed that I, as General Manager of the Smaller War Plants Corporation, do by this communication remove him from any connection with the Smaller War Plants Corporation immediately", and directing that MacGowan be returned to the United States. (Exhibit A) Mr. Maverick further informed the Director, Criminal Investigation Division, China Theater, that he desired the fullest possible investigation of these reports and that he would extend every possible cooperation in furthering and expediting such investigation.

6. With the concurrence of the Secretary to the General Staff, China Theater, such radio was sent to Tokyo on 6 December 1945. Shortly thereafter, on 8 December 1945, a radio was also sent to the Theater Provost Marshal in Tokyo requesting investigation and report of MacGowan's and Goldston's activities in Japan with respect to the pearl industry. (Exhibit B)

7. Mr. Maverick had proceeded to Chungking in the meantime and a radio was received on 10 December 1945 from him stating "that whether strictly illegal or not private trading for profit on government expense

-2-