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MEMORANDUM
WITH REGARD TO
COMMERCIAL PACIFIC CABLE COMPANY

Organization

The company was organized under the laws of the State of New York on September 23, 1901 and has been in continuous operation since that date.

Location of Offices

The headquarters of the company are at 67 Broad Street, New York 4, N.Y.

The company has an office in continental United States at 22 Battery Street, San Francisco 11, California.

The offices in the insular possessions of the United States are located as indicated below:

Honolulu, Territory of Hawaii,
3 Alexander Young Building,
1027 Bishop Street (Postal Zone 9).

Midway Islands,
On Sand Island.

Guam Island,
Near the village of Sumay.

Prior to the outbreak of the war in the Pacific Area, the company also maintained offices as noted below:

Manila, Philippine Islands,
El Hogar Filipino Building.

Shanghai, China,
34 Avenue Edward Seventh, (principal office)
3 Peking Road, (branch office)

Tokio, Japan,
621 Sanshin Building,
Yuraku-cho, Kojimachi-ku.

The office in Tokio, Japan, was a commercial office, and the headquarters of the company's general representative for Japan.

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Nature of business

The company is engaged in international communications by submarine telegraph cable that under normal pre-war conditions extended from San Francisco to Shanghai via Honolulu, Midway, Guam and Manila. Messages from and to Shanghai and inland points via Shanghai were handled over this route.

At Guam, the company had a cable line to Bonin Islands where connection was made with a Japanese cable extending to Tokio. Messages from and to Japan and Japanese possessions and mandated territories were handled over this Via Bonin route.

At Manila, the company exchanged message traffic with The Eastern Extension, Australasia and China Telegraph Company (a subsidiary of Cable & Wireless, Ltd.) for Hongkong, Inland China via Hongkong, the Malay States, Straits Settlements, etc.

Agreement with Japan

The initial agreement with the Empire of Japan for an interchange of cable traffic and for the landing of the Guam section of the cable line of Commercial Pacific Cable Company on Peel Island in the Bonin Islands group was made on September 12, 1905 for a period of thirty years. During the year 1935, the agreement was extended with some modifications to September 12, 1940, and thereafter was to continue in force unless and until terminated by six months' previous notice in writing given by one party to the other.

In line with the usual practise of Commercial Pacific Cable Company some thought was given during the latter part of the year 1939 to starting negotiations for a definite extension of the agreement with Japan. It was finally decided to make contact with the State Department. Following is copy of a report made by the Treasurer of the company to the late President of a conference with respect thereto on December 14, 1939:

"As suggested in your memorandum of November 8, 1939, I called at the State Department, during my visit to Washington last week, with respect to our agreement with Japan that expires in September next.

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The call was made on Thursday afternoon, December 14, 1939 at 3 o'clock. I was finally referred to Francis C. De Wolf, Esq., to whom I outlined the situation. Walter A. Adams, Esq., Counsel General was also present during the interview. Both gentlemen expressed the opinion that Commercial Pacific Cable Company should not take the initiative in bringing up the matter, and that it would be desirable for us to let the Japanese make the first move. I expressed the hope that any new arrangement proposed would not further prejudice our interests in securing business from or to Japan but if it did that we would appeal to the State Department for such assistance as they could render. I was cordially invited to contact the Department if such an eventuality arose.

During my presentation of our position I made allusion to the Commercial Treaty now pending between Japan and the United States that I understood was now under consideration, but Messrs. De Wolf and Adams stated they had no information with respect thereto.

The interview was initially arranged by the secretary to Sumner Wells, Esq., Under Secretary of State, who expressed pleasure to be of assistance in endeavoring to find the proper person for me to contact. The arrangement was made for me to see Maxwell M. Hamilton, Esq., Chief, Division of Far Eastern Affairs, with Dr. Stanley Hornbeck, Adviser on Political Relations, and possibly Dr. Herbert Feis, Adviser on International Economic Affairs, to be present. Upon my arrival at Mr. Hamilton's office, he sent out word through his secretary that I should contact Mr. Adams. He accompanied me to the office of Mr. De Wolf where the interview as reported above took place."

Corporate Data

Nationality of company	American
Capital of company	U.S. \$4,000,000.
Directors:	
Rogers H. Bacon	Thomas V. Jordan
Prescott S. Bush	Robert Lehman
Frank Flynn	William J. O'Shea
Albert H. Ginman	Wolcott H. Pitkin
Officers:	
Chairman-Executive Committee	Frank Flynn
President	(Vacant)
Vice President	Frank Flynn
Treasurer	Frank Flynn
Secretary	Thomas V. Jordan
General Attorney	James A. Kennedy
Assistant Treasurer	Robert Chamberlain
Assistant Secretary	Edward T. McKeon
Assistant Secretary	Ross A. Wakeman

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Assets lost in Japan
as a result of the War

Following is a statement of assets in Tokio, Japan, at the outbreak of war in the Pacific area.

Plant and property -		
Office furniture and fixtures		U.S.\$ 78.31
Cash -		
The Mitsubishi Bank, Ltd.	U.S.\$ 4,260.42	
Cash on hand in office	<u>643.65</u>	4,904.07
Accounts receivable -		
Customers	U.S.\$ 3,164.26	
Imperial Japanese Telegraph Administration	<u>10,326.60</u>	<u>13,490.86</u>
Total		U.S. <u>\$18,473.24</u>

The above statement has been prepared from the latest available information at the head office of the company in New York, and is subject to adjustment upon receipt of more detailed reports from Japan.

Documents submitted
with this Memorandum

Attached hereto are copies, in English, of Agreements covering landing license, cable connections, exchange of traffic, etc., and supplemental letters in connection therewith.

<u>Nature</u>	<u>Parties</u>	<u>Date</u>
I. Agreement with regard to Japanese Government landing license, cable connections, exchange of traffic, etc.	Japanese Minister to the United States; President, Commercial Pacific Cable Company	Sept. 12, 1905
II. Supplemental agreement to the foregoing agreement with regard to Japanese and United States Government rates.	Director General of Posts and Telegraphs, Imperial Japanese Telegraph administration; Vice President and General Manager, Commercial Pacific Cable Company	July 25, 1906
III. Understanding with regard to certain stipulations of the above supplemental agreement	Imperial Japanese Telegraph administration; Commercial Pacific Cable Company	July 25, 1906

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<u>Nature</u>	<u>Parties</u>	<u>Date</u>
IV. Memorandum with regard to accounting for traffic exchanged under the agreement	Director General of Posts and Telegraphs, The Imperial Japanese Telegraph Administration; Vice President and General Manager Commercial Pacific Cable Company	July 25, 1906
V. Additional agreement extending and modifying the Agreement, dated September 12, 1905	Director General of Telecommunications, Department of Communications of Japan; Special Representative, Commercial Pacific Cable Company	Aug. 30, 1935
VI. Supplementary letters (four in number) with regard to additional agreement	Chief of Foreign Telegraph Section, Empire of Japan; (one)	Aug. 21, 1935
	Director General of Telecommunications, Empire of Japan; Special Representative of Commercial Pacific Cable Company - (three)	Aug. 30, 1935

Copies of these documents are on file with the Department of State, Washington, D. C., their file Le 811.7394 C 73/32.

67 Broad Street,
New York 4, N. Y.
May 15, 1945

COPY

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THIS AGREEMENT made the 12th day of September, one thousand nine hundred and five, by and between the Government of Japan (hereinafter referred to as the Government), duly represented by Mr. Kogoro Takahira, Japanese Minister to the United States, and the Commercial Pacific Cable Company, a corporation organized under the laws of the State of New York, United States of America, (hereinafter referred to as the Company) duly represented by Mr. Clarence H. Mackay, President of the Company.

WHEREAS, the Government owns and operates the lines of telegraphic communication throughout the Empire of Japan; and

WHEREAS, The Company owns and operates a system of submarine cables between the United States of America and the Philippine Islands, with intermediate stations, one of such intermediate stations being on the Island of Guam; and

WHEREAS, the parties hereto have agreed to establish submarine cable communication between the Island of Guam and the mainland of Japan with an intermediate station at Peel Island, one of the Bonin Islands;

NOW THIS AGREEMENT WITNESSETH:

1. The Government shall within one year from the date hereof, unless prevented by force majeure, connect a Post Office on the mainland of Japan with the Post Office on Peel Island by a submarine cable of the best materials and most improved manufacture containing two hundred pounds of copper per nautical mile and one hundred and eighty pounds of gutta percha per nautical mile.
2. The Company shall, within one year from the date hereof, unless prevented by force majeure, connect its station on the Island of Guam with the Post Office on Peel Island by a submarine cable of the best materials and most improved manufacture containing two hundred pounds of copper and one hundred and eighty pounds of gutta percha per nautical mile, the Government hereby granting the Company full and necessary permission to land its said cable on Peel Island. The end of the said cable of the Company landing at Guam shall be worked by competent employees of the Company and the end of the said cable of the Company connected with the Post Office on Peel Island shall be worked by competent employees of the Government free of cost to the Company.
3. It is understood and agreed that both sections of cable shall be joined together at Peel Island and duplexed for working directly between Guam and the mainland of Japan, except for such time daily as shall be mutually arranged for the purpose of transmitting any traffic originating in or destined to the Bonin Islands. The international system of signalling shall be used on the cables.
4. If during the term of this agreement, any other cable shall be allowed to be laid between Japan and the United States or to form part of such a connection, no special favor or privileges shall be granted to the said cable that would prejudicially affect the interests of the Company.
5. For the official messages of the Government passing over the Company's cable between San Francisco and Bonin, the Company will charge

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in respect of the transmission over said cable, one half the rate for the time being charged to the general public.

6. The Company agrees to hand over to the Government via the Guam-Bonin cable, all traffic originating in America destined to Japan coming to its lines, provided that the total rates charged to the public shall not be more than those charged for the time being by any other route, and the Government agrees to hand over to the Company via the Guam-Bonin cable, all traffic coming to its lines destined for America, provided that the total rates charged to the public shall not be more than those charged for the time being by any other route, and the parties hereto further agree to transmit all traffic handed by one to the other with all practicable expedition. The receipts for and from the transmission of messages over the cable between Guam and the mainland of Japan, shall belong, forty per cent to the Government, and sixty per cent to the Company.

7. The Company shall have the right to place its Electrician at Peel Island to regularly test the cable between Peel Island and Guam, for which all facilities shall be placed at his disposal by the Government and the Company shall, if it deem it necessary or convenient, be permitted to place a representative at Tokio or Yokohama who shall be recognized by the Government.

8. With a view to utilize the said cable to its fullest capacity, the Government and the Company jointly agree to do their utmost to develop the traffic between Japan and America and to improve any defects that might be found in respect of the working of the said cable and the management of the business concerning the same.

9. Having regard to the difficulties and risks attending the repairs of deep submarine telegraph cables, it is agreed that the parties hereto are not to come under pecuniary responsibility to each other of them in relation thereto, but subject to this qualification it is hereby agreed that each of the parties hereto shall use its best endeavors to maintain its cables or lines in efficient working order and if any cable or line of either of the parties hereto shall be incapable through interruption of transmitting messages in the ordinary course of business the Government or Company respectively, shall with all practicable despatch use its best endeavors to restore such cable or line to efficient working order.

10. This Agreement shall continue in force for a period of thirty years from the date hereof and thenceforward until six calendar months notice to determine the same is given by either party to the other in writing.

IN WITNESS WHEREOF, the parties to these presents have set their hands and seals respectively the day and year first above written.

(Seal)

(sd) K. Takahira,
Japanese Minister to the United States.

In the presence of
M. Hanihara. (Seal)

(sd) Clarence H. Mackay,
President
Commercial Pacific Cable Company

In the presence of
John Goldhammer.

COPY

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In connection with the Agreement dated the 12th day of September 1905, the following additional arrangement has been concluded between the undersigned:-

I. The Japanese Government telegrams from any points in the United States of America and from London, England, to Japan forwarded via the Pacific route shall be directed and sent through the systems of the Commercial Pacific Cable Company and of the Commercial Cable Company including its connecting land lines, provided that it does not cause any great inconvenience to the senders and the total charges to be levied on such telegrams are not higher than those by any other route via the Pacific.

II. The Japanese Government telegrams emanating from and destined to any points in the United States shall be directed and sent via the landline system of the Commercial Cable Company including its connecting lines at its ordinary tariff rate unless it causes any great inconvenience to the senders and the total charges to be levied on such telegrams are higher than those by any other route.

III. The Commercial Pacific Cable Company undertakes that the charges on the Commercial Cable Company's landline system to be levied on the Japanese Government telegrams between Japan and any points in the United States of America and London, England, forwarded via the Pacific, shall be one half the rate for the time being charged to the general public.

IV. The Commercial Pacific Cable Company also undertakes that the Japanese Government telegrams emanating from the Commercial Cable Company's office in London, England, and destined to Japan shall be treated as "Receiver-to-pay" telegrams. The payment of the charges for the transmission of such telegrams shall be settled between the Japanese Telegraph Administration and the Commercial Pacific Cable Company.

V. During the term of the Agreement dated the 12th day of September 1905, the Japanese Government undertakes to collect on the United States Government telegrams between Japan and the United States, via Bonin-San Francisco, one half the rate in respect of transmission over the cable between Bonin and the coast of Japan.

VI. The rebate on the Japanese Government telegrams mentioned in Article 5 of the said Agreement dated the 12th day of September 1905 and that on the United States Government telegrams mentioned in Articles 5 & 7 of the present Arrangement shall be construed to be applicable also to the official messages of the two Governments from Japan to Honolulu, Midway, and Guam and vice versa.

VII. The Japanese Government will, on the Government messages of the United States exchanged between Japan and the United States, via the Japan-San Francisco cable, levy one half Japan's terminal rate for the time being charged to the general public.

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VIII. The present Arrangement with the exception of the stipulations mentioned in Articles 5 & 6 shall continue in force until it shall be terminated by six months' notice by one of the contracting parties to the other in writing.

Done in Tokio this twentyfifth day of July nineteen hundred and six.

For and on behalf of	For and on behalf of
the Commercial Pacific Cable	the Imperial Japanese Telegraph
Company,	Administration,
(sd) Geo. G. Ward	(sd) K. Komatsu
Vice President and	Director General of Posts and
General Manager.	Telegraphs.

COPY

It is mutually understood that the stipulations of Articles I and II of the Arrangement dated the twenty-fifth day of July 1906 shall not be applicable to the Japanese Government telegrams treated as such in accordance with the provision of paragraph 2 of Article 15 of the International Convention Regulations (London Revision 1903), and to the Japanese Government messages despatched by travellers.

For the Commercial Pacific

Cable Company

(sd) Geo. G. Ward.

For the Imperial Japanese

Telegraph Administration.

(sd) K. Komatsu.

Tokio, 25th July, 1906.

COPYM E M O R A N D U M .

1. The accounts of traffic exchanged between the offices of the Government and of the Company shall be checked daily by means of abstracts (Inward and Outward taken separately).

A copy of the abstracts for each month shall be sent from the Tokio Post Office to the Company's office in New York for verifying the accounts.

2. The settlement of accounts shall take place at the end of each month, and the resulting balance shall be converted into yen at the demand rate of exchange on Paris ruling on the last day of the month in account and be paid to the Company's banker in Japan designated by the Company.

3. The reimbursement of half charges on Inward Government telegrams of Japan shall be settled in the accounts for each month, by means of the refund list prepared by the officials of the Tokio Post Office.

4. Papers emanating from the Japanese Telegraph Administration in respect of claims for refund of charges on telegrams transmitted between the offices of the Government and of the Company shall be sent to the Company's office in New York through the Director of the Tokio Post Office. The like documents coming from the Company's office in New York shall be sent to the Japanese Administration through the Director of the Tokio Post Office.

5. The names of senders and receivers, the date of despatch and the number of words of each message treated as "receiver-to-pay" telegram mentioned in Article 4 of the additional arrangement dated the twentyfifth day of July 1906 should be entered in "Specification" to be sent from the Company's office to the Director of the Tokio Post Office for collection of charges. Such names, date and number of words should also be entered on the receipt for each R.T.P. message to be given to the senders.

6. In order to avoid errors in accounts between the offices of the Government and of the Company, the Japanese Government "receiver-to-pay" telegrams shall be marked R.T.P., the prepaid Japanese Government telegrams marked J.G. and the United States Government telegrams marked U.S.G. in preamble, when handing them over from one office to the other.

7. All service messages and other correspondences to be exchanged between the Japanese Telegraph Administration as well as the Government Post Offices and the Company shall be written in the English language.

For and on behalf of
The Commercial Pacific
Cable Company,
(sd) Geo. G. Ward
Vice President & General
Manager.

For and on behalf of
The Imperial Japanese Telegraph Ad-
ministration
(sd) K. Komatsu
Director General of Posts and
Telegraphs.

Tokio, 25th July, 1906.

C O P Y

An Additional Agreement to the Agreement of
September 12, 1905.

In connection with the Agreement of the 12th day of September, 1905, between the Government of Japan and the Commercial Pacific Cable Company regarding the laying and the working of a submarine telegraph cable between Tokio and Guam, it is mutually agreed upon between the Department of Communications of Japan (hereinafter referred to as "Teishinsho") and the Commercial Pacific Cable Company, a corporation organized under the Laws of the State of New York, United States of America (hereinafter referred to as "C.P.C.") that the term of validity of thirty years of the said Agreement be extended by five years so that the said Agreement will be in force for a period of thirty-five years from the date thereof, and thereafter continue in force unless and until terminated by six months' previous notice in writing given by one party to the other, it being, however, clearly understood that the following modifications will be made with regard to application or interpretation of stipulations in the said Agreement:

1. That the stipulation of Art. 4 of the said Agreement will be regarded as null and void.
2. That the stipulation contained in Art. 6 thereof, that "the Government agrees to hand over to the Company via the Guam-Bonin cable all traffic coming to its lines destined for America", will be interpreted as meaning "all traffic bearing the indication 'fil'".
3. That with regard to the stipulation of Art. 7 thereof, the C.P.C.'s right to place its electrician at Peel Island to regularly test the cable between Peel Island and Guam will be waived by C.P.C. and that Teishinsho will cooperate with C.P.C. to carry on the said regular test.

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4. That the stipulation contained in Art. 8 thereof, that "with a view to utilize the said cable to its fullest capacity, the Government and the Company should jointly do their utmost to develop the traffic between Japan and America" will be regarded as null and void.

5. That in connection with stipulation of Art. 9 thereof, the repairing work of the cable belonging to C.P.C. will be entrusted by C.P.C. to Teishinsho at the former's expense, so far as it is undertaken between the point of 26° 53' N. Lat. and the landing point of the said cable at Peel Island.

6. That subject to the stipulations of the said Agreement, the International Telecommunication Convention, Madrid, 1932, and Regulations attached thereto and any Convention or Regulations in substitution thereof will be made applicable to the traffic handled over the Tokio-Guam Cable.

This additional Agreement shall come into force on and after the 12th day of September, one thousand nine hundred and thirty-five.

Done at Tokio, in English, in duplicate, this 30th day of August, one thousand nine hundred and thirty-five.

FOR THE DEPARTMENT OF COMMUNICATIONS OF
JAPAN,

(Sgd.) S. Shindo,

(Seal of the
Ministry of
Communications, Tokyo)

Director General of
Telecommunications

FOR THE COMMERCIAL PACIFIC CABLE COMPANY,

(Sgd.) John Reifsnider,

Special Representative

C O P Y

DIRECTION GENERAL OF TELECOMMUNICATIONS
MINISTRY OF COMMUNICATIONS
EMPIRE OF JAPAN

Tokio, August 30, 1935.

No. G.1142

Mr. J. Reifsnider,
Special Representative of
the Commercial Pacific Cable Company,
Tokio.

Dear Sir:

With reference to the additional arrangement dated July 25, 1906, regarding the working of the Tokio-Guam cable, I have to state that the Teishinsho understands that the stipulations of Articles 1 and 2 of the said additional arrangement shall be regarded as null and void from September 12, 1935, that is the date of the enforcement of the additional Agreement dated August 30, 1935, in connection with the Agreement of September 12, 1905 regarding the laying and working of the Tokio-Guam cable.

I shall be obliged if your Company will confirm the above.

Yours faithfully,

(Sgd.) S. Shindo,

Director General of
Telecommunications

I, on behalf of the Commercial Pacific Cable Company, confirm the understanding as set forth above.

(Sgd.) John Reifsnider,

Special Representative of the
Commercial Pacific Cable Co.

Tokio, August 30, 1935.

C O P Y

DIRECTION GENERAL OF TELECOMMUNICATIONS
MINISTRY OF COMMUNICATIONS
EMPIRE OF JAPAN

Tokio, August 30, 1935.

No. G.1142

Mr. J. Reifsnider,
Special Representative of
the Commercial Pacific Cable Company,
Tokio.

Dear Sir:

With reference to the stipulation of Art. 3 of the Agreement of September 12, 1905, regarding the laying and working of the Tokio-Guam cable, the Teishinsho understands that the Commercial Pacific Cable Company has agreed to the present schedule hours allotted to the transmission of the traffic originating in or destined for the Bonin Islands being increased by 30 minutes between 3 and 3.30 p.m. Japan time. daily, effective from September 12, 1935.

I shall be obliged if your Company will confirm the above.

Yours faithfully,

(Sgd.) S. Shindo,

Director General of
Telecommunications

I, on behalf of the Commercial Pacific Cable Company, confirm the understanding as set forth above.

(Sgd.) John Reifsnider,

Special Representative of
the Commercial Pacific Cable
Company

Tokio, August 30, 1935.

C O P Y

DIRECTION GENERAL OF TELECOMMUNICATIONS
MINISTRY OF COMMUNICATIONS
EMPIRE OF JAPAN

Tokio, August 30, 1935.

No. G.1142

Mr. J. Reifsnider,
Special Representative of
the Commercial Pacific Cable Company,
Tokio.

Dear Mr. Reifsnider,

I am in receipt of your letter of August 30, 1935 which reads as follows:

"Referring to the Additional Agreement signed this day between the Department of Communications of Japan and the Commercial Pacific Cable Company, with regard to the exchange of telegraph traffic between Japan and the United States, we beg to advise you that this Additional Agreement must be submitted to the Secretary of State of the United States immediately after execution and the Department of State shall have thirty days next after receipt thereof in which to signify its disapproval thereof. We shall appreciate an acknowledgement of this letter."

I beg to state that the contents of the letter referred to above have duly been noted by this Administration.

Yours faithfully,

(Sgd.) S. Shindo,

Director General of
Telecommunications

C O P Y

DIRECTION GENERAL OF TELECOMMUNICATIONS
MINISTRY OF COMMUNICATIONS
EMPIRE OF JAPAN

Tokio, August 21st, 1935.

No. G.1110

Mr. J. Reifsnider,
Special representative of C.P.C.
Tokio.

Dear Mr. Reifsnider,

I am in receipt of your letter of Aug. 8, which reads as follows:

"I am instructed by my Head Office in New York to say that the Additional Agreement to the Agreement of September 12th, 1905. is acceptable and that I am authorized to sign on behalf of the Company, it being understood that my Company shall be free to carry on its activities as hitherto to develop traffic for its own route.

"My understanding from conversation with you is that the word "America" shall be interpreted to mean all countries in North, Central and South America and the West Indies.

"I am authorized to confirm to you that articles 1 and 2 of the Additional Arrangement dated July 25th, 1906, to the Agreement of September 12th, 1905, are to be regarded as null and void henceforward.

"Also that the additional time out on the Bonin cable, namely from three to three-thirty PM Tokio time is acceptable.

"I also note from my conversation with you and from memorandum,

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that all messages for America (interpreted as North, Central, South America and the West Indies) bearing the indication "Fil" will be transmitted via the Bonin cable and that during interruptions of the said cable, all such messages will be handed to the Great Northern Telegraph Company at Nagasaki for transmission over the Nagasaki Shanghai cable. We also understood that messages bearing the indication "via Bonin" will continue to be sent by that route.

"Although as stated to you my Company feels that it would have been fair to it to give it the right to offer the same facilities, etc. which may be offered by wireless routes, it is willing to waive this stipulation in view of your request that the Company rely on the good faith of your Administration, that no action would be taken which would be discriminatory against my Company in meeting competition practices.

"Subject to your confirmation of the foregoing, I am prepared to sign the Additional Agreement at your convenience".

I have to say that the contents of your letter referred to above have duly been noted by us, and to confirm that your understanding set forth in that letter is correct in every particular, with the exception of the two points which to remove any possible misunderstanding should be made clearer as follows:-

1. With regard to messages for America bearing the indication "Fil", it is our understanding that in the event of the Bonin cable being interrupted, all such messages will be handed to the Great Northern Telegraph Company at Nagasaki for further transmission, and that transmission beyond Nagasaki not being within its control, the Teishinsho is not in a position to guarantee that such messages be transmitted over the Nagasaki-Shanghai cable.

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2. With regard to messages bearing the indication "Via Bonin" they will continue to be transmitted over the Bonin cable.

It may be added that as we are now getting through formalities necessary for the Minister's final approval, I think we shall be able to sign the Additional Agreement within a week.

Yours faithfully,

(Sgd.) N. Nagaoka,

Chief of Foreign
Telegraph Section

MACKAY RADIO AND TELEGRAPH COMPANYORGANIZATION

The Company was organized under the laws of the State of Delaware on September 13, 1926 and has been in continuous operation since that date. Mackay Radio and Telegraph Company (a California Corporation), a party to the attached agreement with the Department of Communications of Japan, was merged into the respondent as at December 31, 1943.

CORPORATE DATA

Issued Capital	\$4,000,000
Board of Directors:	
A. C. Jorgensen	Warren Lee Pierson
John W. Lair	Haraden Pratt
Luke McNamee	E. H. Price
Officers:	
President	Luke McNamee
Executive Vice-President	F. L. Henderson
Vice-President and Chief Engineer	Haraden Pratt
Vice-President and General Manager	A. C. Jorgensen
Vice-President and General Attorney	J. A. Kennedy
Vice-President	Morgan Heiskell
Vice-President	L. Spangenberg
Vice-President	I. B. Brown
Vice-President	E. H. Price
Vice-President	C. E. Scholz
Comptroller	F. H. Wirths
Secretary	D. M. Day
Treasurer	J. J. Brosnan
Assistant Vice-President	J. T. Chatterton
Assistant Comptroller	A. Farrugia
Assistant Secretary	G. L. Rust
Assistant Treasurer	J. L. Dotto
Assistant Treasurer	E. H. Dufau

LOCATION OF OFFICES

The head office of the Company is located at 67 Broad Street, New York 4, New York.

The Company presently maintains approximately forty offices and stations in the United States, Hawaiian Islands and in various foreign countries. Prior to the outbreak of war in 1941 offices were also maintained in Manila, Philippine Islands and in Tokyo, Osaka and Kobe, Japan.

Mackay Radio and Telegraph Company

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NATURE OF BUSINESS

The Company is engaged principally in the handling of international communications by radiotelegraph. As a supplemental service, it also sells, repairs and maintains radiotelegraph and radio direction finding equipment for ships. Prior to the war, the Company operated seven coastal stations on the Atlantic and Pacific coasts for handling marine traffic with ships at sea.

With respect to its international telegraph communications service, the Company presently operates forty radio circuits to cities in Central and South America, the West Indies, Europe, Africa, Asia, Australasia and the Hawaiian Islands. Among the international circuits which were closed as a result of the war, was one between San Francisco and Tokyo.

AGREEMENT WITH JAPAN

The San Francisco-Tokyo circuit was operated pursuant to an Agreement dated May 2, 1934 between the Company and the Department of Communications of Japan (copy attached). The original Agreement, which was amended by a supplemental Agreement dated September 1, 1935, ran for a period of five years and thereafter was to continue in force until terminated by six months' previous notice in writing given by one party to the other.

ACCOUNTS

Assets in Japan, or those resulting from operations under the above Agreement with the Department of Communications of Japan, at the date of the outbreak of the war, according to our records were as follows:

Plant and equipment -		
Office furniture and fixtures - Tokyo	\$3,346.01	
- Osaka	457.64	
- Kobe	<u>407.82</u>	\$ 4,211.47

Mackay Radio and Telegraph Company

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ACCOUNTS (Continued)

Cash -			
National City Bank of New York, Tokyo	\$ 4,943.98		
Yokohama Specie Bank, Tokyo	1,844.31		
Sumitomo Bank, Tokyo	15,601.71		
Cash in office	<u>92.16</u>	\$22,482.16	
Accounts receivable -			
Regular traffic account	\$13,573.97		
Transferred accounts due from Japanese Government	80,577.66		
Local customers	5,413.73		
Marine traffic	<u>11,212.61</u>	110,777.97	
Rent deposits -			
Tokyo office	\$ 99.18		
Osaka office	47.40		
Kobe office	<u>27.44</u>	<u>174.02</u>	
	Total		<u>\$137,645.62</u>

DATA SUBMITTED WITH THIS MEMORANDUM

Attached are copies of the following:

	<u>Nature</u>	<u>Date</u>
I	Agreement concerning the exchange of traffic and the operations of the San Francisco - Tokyo radio circuit	May 2, 1934
II	Letter of agreement concerning possible reduction in rates	May 2, 1934
III	Letter of agreement concerning the number of messages to be sent by the Company	May 2, 1934
IV	Letter of agreement concerning the opening date for services over the new circuit	May 2, 1934
V	Supplemental agreement amending certain portions of the original agreement	Aug. 21, 1935

August 28, 1945.

AN AGREEMENT

between

THE DEPARTMENT OF COMMUNICATIONS OF JAPAN

and

MACKAY RADIO AND TELEGRAPH COMPANY

for

operation of a duplex radiotelegraph service
between Japan and the United States of America

AN AGREEMENT, made between THE DEPARTMENT OF COMMUNICATIONS OF JAPAN (hereinafter called "Teishinsho") of the one part, and MACKAY RADIO AND TELEGRAPH COMPANY (hereinafter called "the Company"), a corporation duly organized and existing under the laws of the State of California in the United States of America, and having its principal offices for the transaction of business at 67 Broad Street in the City of New York in the United States of America, of the other part,

WITNESSETH:-

WHEREAS Teishinsho controls and operates stations in Japan for the transmission and reception of telegrams by radiotelegraphy and by means thereof conducts a public telegraph service; and

WHEREAS the Company possesses and operates in the United States of America stations for similar purposes and conducts similar service; and

WHEREAS the parties hereto desire jointly to operate and conduct a duplex radiotelegraph service between Japan and the United States of America;

NOW THEREFORE IT IS HEREBY MUTUALLY AGREED BY THE PARTIES HERETO AS FOLLOWS:-

1. Each of the parties hereto shall supply and provide a suitable radio station or stations for the purpose of conducting the radio service as aforesaid between the two countries of the parties hereto.
2. Each of the parties hereto undertakes to adopt necessary measures to maintain, at all times, its station or stations as aforesaid in the best working order and condition.
3. Teishinsho undertakes to transmit to a station of the Company all telegrams destined for the United States of America

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bearing any routing indication given by senders containing the word "Mackay".

4. The Company undertakes to transmit to a station of Teishinsho all telegrams under the control of the Company destined for Japan and all telegrams under the control of the Company and routed via Japan for Chosen, Taiwan, Karafuto, places under the Japanese Administration in Manchuria and the South Sea Islands under the Japanese Mandate.

5. It is understood that the provisions in the two preceding articles will in no way prevent the said stations from handling telegrams with each other from or to such places beyond Japan or the United States of America as may mutually be agreed upon.

6. The total rates per word for telegrams are composed of, according to circumstances:-

- (a) The terminal rates or the transit rates of each party;
- (b) The radiotelegraphic rates between the stations aforesaid;
- (c) The further transmission rates.

7. The total rates per word for telegrams shall be arranged separately by mutual agreement.

8. The radiotelegraphic rates shall be divided equally between the parties hereto.

9. Government telegrams of Japan (the term "Japan" including within the meaning of this Article 9 Chosen, Taiwan, Karafuto, places under the Japanese Administration in Manchuria and the South Sea Islands under the Japanese Mandate) exchanged between Japan on one side and the United States of America and Canada on the other, as well as Government telegrams of the United States of America

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exchanged between Japan and the United States of America, shall be transmitted at one half of the rates for ordinary or code telegrams as the case may be.

Government telegrams of Japan and of the United States of America (other than those referred to in the preceding paragraph of this Article 9) transmitted by the service provided for in this agreement shall be granted a rebate of one half of the rates between Japan and San Francisco for ordinary or code telegrams as the case may be.

10. Neither party hereto can without first obtaining the consent in writing of the other party substitute for itself another party which would take its place and stand in carrying out the conditions of this agreement.

11. Unless otherwise agreed upon, the service shall be conducted and accounted for and settled in accordance with the provisions of the International Convention of Telecommunications, and the Regulations attached thereto or any Convention or Regulations in substitution thereof and in accordance with the laws and decrees of the respective countries of the parties hereto.

12. This agreement shall become effective upon the date hereof, and shall remain in force for a period of five years from the date to be agreed upon in writing by the parties hereto upon which the service provided for herein shall be opened for commercial traffic, and shall continue in force after such five year period unless and until terminated by either party giving to the other six months' previous notice in writing.

Done at Tokyo, in English, in duplicate, the 2nd day of May, one thousand nine hundred and thirty-four.

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On behalf of THE DEPARTMENT OF COMMUNICATIONS
OF JAPAN

Witness (Sgd.) N. Yamamoto
(sgd.) Takeo Lun
Director General of Telecommunications.

On behalf of MACKAY RADIO AND TELEGRAPH COMPANY,

Witness (Sgd.) C. C. Chapman
(sgd.) A. G. Jillard
Vice-President.

(SEAL)

EMPIRE DU JAPON
MINISTERE DES COMMUNICATIONS
DIRECTION GENERALE DES TELECOMMUNICATIONS

Tokio, 2nd May, 1934

Mackay Radio and Telegraph Company,
T O K Y O

Gentlemen,

With reference to the Radiotelegraph Agreement between the Teishinsho and Mackay Radio and Telegraph Company (California) signed this day, the Teishinsho understands that, it being the desire of both parties to said Agreement that the rates should be as low as commercially practicable, your Company agrees to confer from time to time with the Teishinsho for the purpose of considering any reduction in rates that may be practicable.

The Teishinsho further understands that, both parties to said Agreement recognizing the desirability of establishing a direct Japan-New York circuit, your Company agrees as soon as commercially practicable to give prompt consideration to the establishment of such circuit and the attendant rates, in cooperation with the Teishinsho.

We shall be obliged if your Company will kindly confirm the above.

Faithfully yours,

(Sgd.) N. Yamamoto

Director General of Telecommunications.

We confirm the understanding
as set forth above.

MACKAY RADIO AND TELEGRAPH COMPANY

By (Sgd.) C. C. Chapman

Vice-President

Tokio, 2nd May, 1934.

EMPIRE DU JAPON
MINISTERE DES COMMUNICATIONS
DIRECTION GENERALE DES TELECOMMUNICATIONS

Tokio, 2nd May, 1934.

Mackay Radio and Telegraph Company,
T O K Y O.

Gentlemen,

With reference to the Radiotelegraph Agreement between the Teishinsho and Mackay Radio and Telegraph Company (California) signed this day, the Teishinsho understands that your Company shall make every effort so that the number of messages to be transmitted by the Company to the stations of the Teishinsho pursuant to Article 4 of the said Agreement for each quarter of the calendar year during the continuance of said Agreement shall be at a rate at least equal to the number of messages sent to Japan from the United States of America by the Commercial Pacific Cable Company during such corresponding quarterly period.

We shall be obliged if your Company will kindly confirm the above.

Faithfully yours,

(Sgd.) N. Yamamoto

Director General of Telecommunications.

We confirm the understanding as set forth above.

MACKAY RADIO AND TELEGRAPH COMPANY

By (Sgd.) C. C. Chapman

Vice-President

Tokio, 2nd May, 1934.

EMPIRE DU JAPON
MINISTERE DES COMMUNICATIONS
DIRECTION GENERALE DES TELECOMMUNICATIONS

Tokio, 2nd May, 1934.

Mackay Radio and Telegraph Company,
T O K Y O

Gentlemen,

Referring to the Radiotelegraph Agreement between the Teishinsho and Mackay Radio and Telegraph Company (California) signed this day, we write to advise you that, further to Article 12 of said Agreement, the Teishinsho understands that both parties thereto shall make every effort in their power to have the radio circuit provided for in said Agreement made commercially operative on the first day of October, 1934, but if, owing to technical conditions, the said radio circuit cannot be placed in commercial operation on the above date, then the date for opening the said radio circuit for commercial traffic may be postponed to a date not later than the first day of December, 1934.

We shall be obliged if your Company will kindly confirm the above.

Faithfully yours,

(Sgd.) N. Yamamoto

Director General of Telecommunications.

We confirm the understanding as set forth above.

MACKAY RADIO AND TELEGRAPH COMPANY

By (Sgd.) C. C. Chapman

Vice-President

Tokio, 2nd May, 1934.

SUPPLEMENTAL RADIO TRAFFIC AGREEMENT

BETWEEN

THE DEPARTMENT OF COMMUNICATIONS OF JAPAN

AND

MACKAY RADIO AND TELEGRAPH COMPANY

(CALIFORNIA)

THIS SUPPLEMENTAL AGREEMENT, made between the DEPARTMENT OF COMMUNICATIONS OF JAPAN (hereinafter called "TEISHINSHO") of the one part, and MACKAY RADIO AND TELEGRAPH COMPANY (hereinafter called "the COMPANY"), a corporation duly organized and existing under the laws of the State of California in the United States of America, and having its principal offices for the transaction of business at 67 Broad Street in the City of New York in the United States of America, of the other part.

WITNESSETH:-

WHEREAS TEISHINSHO and the COMPANY have entered into a certain radio traffic agreement dated the 2nd day of May 1934 (hereinafter called the "original agreement"), providing for the exchange of commercial radio traffic between the stations of TEISHINSHO on the one hand, and the stations of the COMPANY in the United States of America, on the other hand, all on the terms and conditions in such original agreement provided; and

WHEREAS TEISHINSHO and the COMPANY desire to effect certain additions and modifications in such original agreement on terms agreed to by the parties hereto;

NOW, THEREFORE, it is mutually agreed by the parties hereto as follows:-

1. In article 3 of the original agreement after the word "Mackay" there shall be added the following clause:

"TEISHINSHO shall transmit to a station of the COMPANY for each quarter of the calendar year a percentage of all unrouted radio traffic originating in Japan (Chosen, Taiwan, Karafuto and the South Sea Islands under the Japanese Mandate included) and destined to the United States of America equal to the proportion existing between the total amount of radio traffic originating in the United States of America and destined to Japan which TEISHINSHO

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received from the COMPANY and the total amount of such traffic which TEISHINSHO received by all the existing radio routes between Japan and the United States of America during the preceding quarter."

2. Article 8 of the original agreement is hereby amended as follows:

"The radiotelegraphic rates shall be divided two thirds to the party sending the message and one third to the party receiving the message."

3. In article 9 of the original agreement the words "one half of the rates between Japan and San Francisco", are hereby amended so as to read "one half of the radiotelegraphic rates between Japan and San Francisco".

4. The original agreement except to the extent that the text thereof is modified in accordance with the foregoing provisions of this Supplemental Agreement shall remain in full force and effect and the text of the original agreement as modified in accordance with the foregoing provisions of this Supplemental Agreement shall be read and construed as a single document.

5. This Supplemental Agreement shall be in force from the 1st of September 1935.

Done in Tokyo, in English, in duplicate, the 21st day of August, one thousand nine hundred and thirtyfive.

On behalf of the DEPARTMENT OF COMMUNICATIONS
OF JAPAN

Witness:

(sgd.) N. Nagaoha

(Sgd.) S. Shindo
Director General of Telecommunications

(SEAL)

On behalf of MACKAY RADIO AND TELEGRAPH COMPANY,

Witness:

(sgd.) I.B.Brown

(Sgd.) C. C. Chapman

Vice President