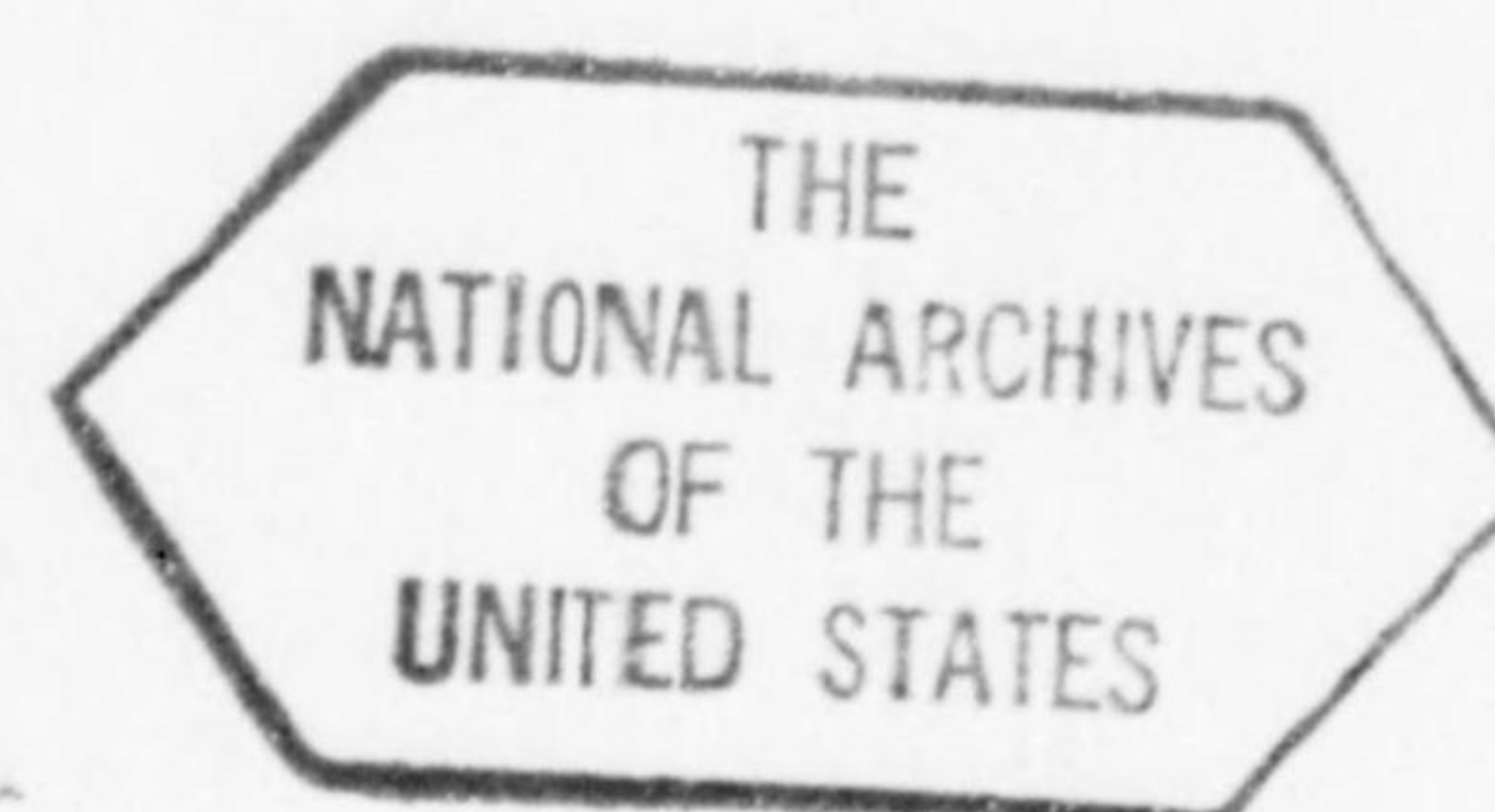


GHQ/SCAP Records(RG 331)  
Description of contents



- (1) Box no. 2099
- (2) Folder title/number: (11)  
Zaibatsu Controls - Mitsui Mining Officials

(3) Date: Aug. 1948 - Nov. 1948

(4) Subject:

Classification	Type of record
540	c

(5) Item description and comment:

(6) Reproduction:  Yes  No

(7) Film no.

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RECORDED IN PROBE SEC. 3(E) AND 3(F) OR (E) NDG # 775012

File 25

Re. The appeal by President Yamakawa  
and nine others of Mitsui Kozan K.K.

November 15, 1948,  
Prime Ministers Office.

On July 31, 1948 President Yamakawa and nine others of Mitsui Kozan K.K. appealed under Article 23 of the Law for Termination of the Zaibatsu Family Control requesting the re-examination of their cases to the Prime Minister.

Upon acceptance of the requests the Prime Minister forwarded them to the Appointees Re-examination Committee, and, in accordance with its findings, returned the cases to the Appointees Examination Committee for its reconsideration. The findings of the latter Committee were, together with its report on the proceedings, submitted to the Prime Minister, on October 18, 1948.

The Prime Minister was convinced that both Committees reached their respective conclusions on the cases at issue after extensive and thorough examinations, investigating into the related evidence and other data, and hearing explanation of facts from persons concerned. It was considered, therefore, appropriate that their findings be respected on the basis of which the Prime Minister approved the applications for re-examination of President Yamakawa and nine others of Mitsui Kozan K.K. on November 13, 1948.



8 November 1948

MEMO FOR EXECUTIVE OFFICER.

SUBJECT : Final Report from Japanese Government regarding  
Ten Mitsui Mining Officials.

1. On 28 October 1948, the Appointees Examination Committee submitted the attached report to Government Section. This report indicates that the Committee has decided to clear all ten Mitsui Mining Officials.

On this date the Committee was notified to submit its recommendation to the Prime Minister in the usual procedure. It was reminded that our instructions in the past in this connection were to proceed with these cases and that this headquarters desired a prior notification from the Prime Minister, before final action was taken in either clearing or designating subject cases.

2. The Appointees Examination Committee is now finished with these cases having decided that all ten officials are cleared.
3. To my knowledge, the Prime Minister has not as yet indicated whether he will accept this decision. This entire matter now rests with him. We are no longer interested in additional documents from the Appointees Examination Committee.

*T. Diamantes*  
T. DIAMANTES  
Capt. Inf.



*Town*  
*about this*  
*in a personal letter*  
*with several other*  
*expressions on your part?*  
*See me +*

*Oct. 20,*  
*Capt. Diamantes*

Re. The Application for Re-examination Filed  
by President Yamakawa and Nine Others of Mitsui  
Kozan

October 25, 1948.

The application for re-examination filed by President Yamakawa and nine others of Mitsui Kozan having been returned from the Prime Minister on October 5, 1948, the Committee perused the relevant application as well as the records of testimonies made at the Re-examination Committee and eventually requested Mitsui Honsha and Mitsui Kozan to submit to it supplementary data, further asking testimonies from the following persons:

- |                      |       |  |
|----------------------|-------|--|
| BABA, Kyoichi .....  | ..... | formerly Chief, the Documents and Archives Div., Mitsui Honsha |
| EDO, Hideo .....     | "     | Deputy Chief, the Documents and Archives Div., Mitsui Honsha   |
| KAWASHIMA, Saburo .. | "     | Pres., Mitsui Kozan  |
| SUMII, Tatsuo .....  | "     | Standing Director, Mitsui Honsha                               |
| TASHIRO, Hisao ..... | "     | Pres., Mitsui Kozan  |
| YAMAKAWA, Ryoichi .. | ..    | Pres., Mitsui Kozan  |

The Committee having conducted a most careful examination on the afore-stated materials and testimonies and having exchanged views at its meeting on October 19, which was joined by the members of the Re-examination Committee, arrived at the conclusion:

"That the assumption of office in Mitsui Kozan of the appellants is not deemed as having been based directly or indirectly on the appointment by the Mitsui family members or Mitsui Honsha,



and that they cannot be inferred as appointees judged from the circumstances under which they actually performed duties after their appointment."

The following points were carefully studied by the Committee as having an important bearing on the final judgement of the case.

a. Whether or not the Mitsui Zaibatsu or Mitsui Honsha participated, after the dissolution of the Honsha, in the appointment of officers of its direct Zaibatsu companies.

b. According to the testimony of ex-President Kawashima of Mitsui Kozan at the Re-examination Committee, Standing Director Sumii of Mitsui Honsha was informed in advance of the plan drafted by the witness in respect to the appointment of officers in December, 1945. What was the intention that prompted Mr. Kawashima to approach Mr. Sumii in this connection?

c. What was the nature of a blank power of attorney issued by Mitsui Honsha on the occasion of the election above-mentioned?

d. In the speech of ex-President Tashiro on his resignation at the extraordinary general meeting of February, 1947 as well as in the inauguration address by present President Yamakawa in March of the same year was a passage to the effect that the appointment of the officers of December, 1945 was made by receiving credence from, or at the recommendation of, Mitsui Honsha. On what factual basis was that particular part of the address made?

e. It is alleged that two of the appellants, Messrs. Yamakawa and Ishida might have been appointed through their connections with Mr. MITSUI, Takanaga. To what extent may this be justified?



f. After the assumption of office, did the appellants actually perform duties in such a manner and with such authority and power as to stamp them as appointees?

1. Re. The appointment of officers of direct Zaibatsu companies of Mitsui Honsha.

a. With respect to the election of officers of direct Zaibatsu companies (such as Bussan, Mitsui Kozan, etc.) Mitsui Honsha (inclusive of its former organizations) it was customary, until the termination of the war, to determine and recommend their presidents and its own functionaries despatched thereto. Regarding the other officers the president of a direct Zaibatsu company customarily approached the Senior Director and the President of Honsha with his own plan of appointment. On the decision reached at such conference, Honsha would make a writ of nomination with the endorsement of either the President or Senior Director, which was usually handed to the president of a company concerned, immediately before the opening of a general meeting of shareholders.

A similar procedure was deemed to have been followed also in connection with Mitsui Kozan until the termination of the war. (The term of Directors in the company is two years, and the Committee confirmed the writ of nomination made by the then Mitsui Somotokata on the occasion of election in December, 1943).

b. The policy of the Zaibatsu dissolution rapidly took concrete shape. In response to the issuance of the GHQ, Memorandum dated November 6, 1945, subject: "Re. The Dissolution of Holding Companies", Mitsui Honsha decided formally on its dissolution on 8 of the same month, and notifying the purport of said decision



to its affiliates by a company bulletin, discontinued its controlling power hitherto exercised over them and abolished concomitantly the procedure of the nomination of officers, referred to in a. above.

Concrete evidence substantiating the above point is difficult to obtain by its very nature, but the testimonies of the witnesses summoned all clearly point to the veracity of the fact, which is also well within the inference of the Committee. Since the Committee began work, approximately 140 persons of the ten Zaibatsus (those connected with the Mitsui total 45) who assumed the positions of officers only after the termination of the war, have been screened. In conducting examination every effort was made on the part of the Committee to clarify the actual circumstances relative to the appointment of each applicant asking him to produce all available data, but no evidence or materials were obtainable which were indicative of any semblance of concern of the Zaibatsu families or Honshas in the nomination of officers of their respective affiliates after the decision of the Zaibatsu dissolution.

2. Respecting the testimony of ex-President Kawashima of Mitsui Kozan at the Re-examination Committee, the Committee being convinced of the key to the solution of the problem having been held in his hand, took action and heard him directly on detailed points. According to that interview the following were disclosed in connection with the election of the appellants and others;

a. Regarding the dissolution of Mitsui Honsha, Mr. Kawashima had known about it before the release on November 8, 1945 of the statement of the dissolution of Honsha as he had held concurrently the position of Participating Director of Honsha, and he intended,



therefore, to resign the presidency of Mitsui Kozan at its forthcoming general meeting of shareholders.

b. He looked for his successor by himself without being influenced by the views of others as the controlling power of Honsha and ceased to exist. For his first choice, he thought of Standing Director Nakane, whose service was however unavailable on account of his prolonged stay in Korea, and therefore Mr. Kawashima decided to recommend Standing Director Tashiro, next to Mr. Nakane in seniority in career. This decision was made a few days before the opening of the general meeting of shareholders.

c. This decision was referred to Mr. Tashiro accordingly, who was also consulted in the compiling of a list of the personnel including Mr. Yamakawa and other officers, so that the task of the successor to Mr. Kawashima as president would be considerably facilitated. Thus the plan concerning his successor and other officers was finally drafted on December 12 or 13.

d. Under such circumstances the plan was drafted without consulting the Mitsui families or Mitsui Honsha at all, and, needless to say, no writ of nomination or any similar papers was issued by Mitsui Honsha in this connection.

e. However, Mr. Kawashima told the matter to Standing Director Sumii of Honsha in the belief that Honsha should be notified of his successor as a matter of courtesy, Honsha being a big shareholder of the company, to say the least, although decision for dissolution had already been made.

Mr. Sumii gave no expression of his view on the matter.

(According to previous custom, the intention of an officer in his position had been indicated in one way or another and, furthermore for writs of nomination to be issued with the approval of



mitsui, Takakimi was consulted prior to final decision being given).

Mr. Kawashima met Mr. Mitsui (Takakimi) some days after the general meeting, when he expressed his thanks for the credence he had enjoyed during his tenure of office as president, and referred on that occasion briefly to the matter concerning the appointment.

f. Previous to that, representative employees for the Kyushu district came up to Tokyo for the purpose of making representations centering around the demand that President Kawashima, Standing Director Tashiro and other officers, who had been in office during the war, be removed with the dissolution of the Zaibatsu and were received by Mr. Sumii to whom their views on the coming election of officers were conveyed. However, the decision for the dissolution of Honsha was already made and its controlling power over the affiliated was prohibited. Under these circumstances all that he was able to do was to hear the statement of the purpose of <sup>their call</sup> without comment, which was perfunctorily relayed to Mr. Kawashima. The proposed line-up of the new board of directors having been already fixed at that time, the election of officers was not in the least affected by the message conveyed as evidenced by Mr. Kawashima.

g. Thus, Mr. Kawashima named the new officers at the general meeting of shareholders of December 14, 1945. Evidence is given that although Mr. Kawashima talked with Mr. Mitsui (Takakimi) about Mr. Tashiro, President-designate, before the election at the general meeting, he never mentioned the names of the others



for the approval of the Mitsui families or Honsha.

On examination into the above testimonies, the Committee has drawn the following inference:

a. Although aware of the democratization movement that had been gathering strength after the termination of the war, Mr. Kawashima lacked courage to fully implement the policy of the Zaibatsu dissolution, which is not however construed as the manifestation of any intent on the part of Mr. Kawashima to maintain the Mitsui's influences. Such lukewarm attitude of his, it is considered, resulted in the talk with Mr. Sumii of Honsha about the plan of election although what he had intended was nothing more than a desire to inform out of mere courtesy.

b. Such action cannot however be deemed to have conformed to procedures observed until the termination of the war, and, on the other hand, no manifestation whatever was made of the intention of Honsha on the matter, with the consequence that a writ of nomination customarily issued on similar occasions until the termination of the war was not then issued.

c. With respect to the proposed appointment of Mr. Tashiro, who assumed the presidency subsequently, Mr. Mitsui (Takakami) seemed to have been consulted, and it is deducible that his understanding was sought in this connection.

d. However, it is almost unconceivable that any opinion or intention of the Mitsui families or Honsha was made, directly or indirectly, manifest in the process of the appointment of the appellants concerned.



3. In connection with the opening of general meeting of shareholders of December, 1945, Mitsui Honsha issued a blank power of attorney. As testified by Mr. Sumii, this action was taken to meet the requirements of the Commercial Code without which the meeting could not be considered valid, and it was based upon the understanding of the authorities (including the GHQ) that power of attorney might be issued so long as the voting right was not exercised.

4. The speech of ex-President Tashiro on his resignation at the extraordinary general meeting of February, 1947 as well as in the inauguration address by present President Yamakawa in March of the same year as construed by the Re-examination Committee, may be accepted. Further study on this point reveals the following circumstances then prevalent.

Since the termination of the war, a democratization movement had been started within the company, and in the autumn of 1946 with the materialization of the application of the Public Office Purge Memorandum to economic fields, the movement also began to take concrete shape, which developed into a movement to back up Mr. Yamakawa and others. The prevailing situation pointed, too, to the inevitableness of a large scale reshuffle of personnel, and in order to carry out this smoothly in an amicable atmosphere it was necessary first to obtain a general resignation of officers en bloc. And by way of circumventing a delicate question of personal popularity in the company of individual officers, and by way of expediency in the realization of what was envisioned, a passage in the address previously mentioned to the effect that the appointment of the officers of



December, 1945 having been made by receiving credence from, or at the recommendation of, Honsha etc. etc. was employed. The foregoing, it is considered, constitute the facts of the case. Investigation into the testimonies and other available materials has not disclosed any facts or suspicion that substantiate the alleged recommendation or credence of the Zaibatsu, excepting the case of ex-President Tashiro, afore-mentioned.

The prevailing situation, above<sup>^</sup>mentioned, was then reported to the Holding Companies Liquidation Commission and with its prior approval on the appointment of Mr. Yamakawa and other new officers of the board, a list of their names was submitted to the said extraordinary general meeting of shareholders for its final decision. A certificate of the H.C.L.C. issued in this connection is herewith attached.

5. Two of the appellants, Messrs. Yamakawa and Ishida have had occasion to be acquainted with MITSUI, Takanaga, a family member of the Mitsuis, and it may be questioned as to whether he intervened for them directly or through the representatives of Kyushū district who came up to Tokyo at that time. But there is absolutely no evidence in support of the suspicion that they were elected officers in December, 1945 because of their association with Mr. Mitsui (Takanaga).

He has severed the connection with the company since his retirement from the position of officer in Mitsui Kozan, 1943, and Mr. Kawashima was perceived to have endeavoured his utmost in keeping him at a respectful distance. Mr. Tashiro was asked his opinion more than once on the proposed appointment of Messrs. Yamakawa and Ishida by Mr. Kawashima, which was, according to



Mr. Tashiro's testimony, seven to ten days prior to the opening of the general meeting of shareholders of December, 1945, whilst the coming up to Tokyo of the company's representatives for the Kyushu district was timed just a day before the general meeting.

From the circumstances, above-mentioned, the election of the two officers was considered to have been made according to the plan drafted by Mr. Kawashima of his own accord.

6. Further, the Committee investigated into the duties actually performed by the appellants after their assumption of office.

The Commerce and Industries Ministry Ordinance under the date of September 19, 1945 subjected Mitsui Kozan, directly or indirectly, to the supervision of the GHQ to which the company has to submit its report on business operation. In accordance with the provisions of various orders since promulgated the company has been required to obtain necessary permission of the authorities concerned in various phases of its detailed operation. The Committee, having examined the minutes of meetings of the board of directors, was convinced of the facts that the appellants have faithfully observed the provisions of the relevant laws and ordinances in their execution of the company's business, and that consequently they have not been instrumental in the maintenance of the Zaibatsu influences.



Enclosures:

1. A certificate by the Chairman, Holding Company Liquidation Commission.
2. Additional Explanatory Notes on Petition for Re-Examination (Description centering around the actual circumstances relative to the duties and responsibilities after the assumption of office)



GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Government Section

8 October 1948

MEMORANDUM FOR THE RECORD

SUBJECT: Discussions with Chairman, Appointees Examination Committee.

1. Ten Mitsui Mining Officials

On 7 October 1948, Mr. UEDA Misao came to Government Section to report that the ten MITSUI Mining Officials' cases had been referred back to his committee by the Prime Minister. He was told that we had that knowledge and that his committee should proceed to dispose of these cases without undue delay. UEDA stated that it would take approximately two weeks to thoroughly review the cases and arrive at a new decision. In answer to this statement it was suggested to him that he set the date for completing the cases one week hence, at the most; after this period if additional time is needed his committee could again set a date. It was pointed out to him that his committee had already reached a decision on these cases in June 1948, and that it did not seem necessary to further delay the final decision. UEDA again requested any evidence from this headquarters concerning the ten MITSUI officials. He was informed that this Section had no evidence to give the committee, and to proceed with the large amount of documentary evidence recently compiled by the Appointees Re-Examination Committee, and with whatever new evidence the Committee itself desired to obtain.

2. INAGAKI Heitaro

UEDA was also informed to re-open INAGAKI's case since it was apparent that the committee's final reports were lacking in sufficient facts and details. He was also instructed to guard against outside interference, especially with this case, and to make every effort that the committee give full consideration to all the facts in this case.

*T. Diamantes*  
T. DIAMANTES  
Capt. Inf.



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22 September 1948

MEMORANDUM FOR: CHIEF, GOVERNMENT SECTION

SUBJECT: Ten Mitsui Mining Officials Removed Under the Provisions of the Law for Termination of Zaibatsu Family Control.

1. Herewith file containing data on Mitsui Mining Company officials. Captain Diamantes, who worked with Commander Hussey on the matter, has written a summary M/R.
2. It is his recommendation that the decision of the Re-Examination Committee that 10 Mitsui Mining Company Officials are eligible for reinstatement be rejected. Although his recommendation admittedly may be the proper one, I cannot concur. I believe that Government Section policy was violated by Commander Hussey's direction to the Japanese Government that its original recommendation clearing these people be rejected, inasmuch as Commander Hussey gave this instruction orally and refused any explanation. Government Section directs the Japanese in controversial matters only by stated reasons delivered in the form of memoranda from the Chief, Government Section. I believe further that anonymous letter information (and neither of the letters considered by Commander Hussey were signed) should generally be disregarded.
3. The person believed to have written the anonymous letters later testified before the Re-examination Committee. His testimony there was quite inconclusive and considerably garbled.
4. Captain Diamantes, with understandable loyalty to Commander Hussey, states that failure to support Commander Hussey's original decision would constitute "loss of face" for Commander Hussey. However, inasmuch as this is a recommendation based on additional evidence, I do not see that such "loss of face" would result.



5. Captain Diamantes advises me that the Japanese Government will reinstate these people in accordance with the recommendation of the Re-examination Committee unless a written directive to the contrary is dispatched from this Headquarters.

JACK P. NAPIER  
Maj AGD  
EXECUTIVE OFFICER



Keiko Sakamoto -

Employee of Mitsui Mining  
Co. submits the attached  
statement on behalf of a  
Mr. Kuriyoshi, a minor  
official of the Co.

DPC

24 Feb 78

RAA



KUNIKOSHI Toichi  
Chief Engineer  
Mitsui Mining Co.  
Tokyo Office.



GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Government Section

21 September 1948

MEMORANDUM FOR THE RECORD

SUBJECT: Ten Mitsui Mining Officials Removed Under the Provisions of the Law for Termination of Zaibatsu Family Control

On 24 February 1948 Commander Hussey received from Mr. KUNIKOSHI, a minor official in the Mitsui Mining Company, a confidential letter which indicated that ten officials of that company came under the provisions of the law, having been appointed to their executive posts in the Mitsui Mining Company by Zaibatsu family members. (Tab "A").

(Memo for Chief, Government Section - 29 May 1948 - A.R.H. Jr (TAB "C").

As a result of this letter, to which Commander Hussey had attached considerable importance, the Zaibatsu Screening Committee was notified on 4 June 1948 that its decision to clear the ten subject officials had been overruled by this headquarters. The Committee had asked for specific reasons for overruling the decision, but was then informed that any communication in this matter would be forwarded to the Prime Minister and the request was refused.

On 17 August 1948 another confidential letter was received in Government Section, presumably from KUNIKOSHI, pertaining to these officials. It states that ten removed officials were appealing for re-examination and were making every effort to be cleared by means of bribes and entertainment to Japanese Government officials. (Tab "B").

The Zaibatsu Screening Committee which handles appeals (appointees Re-Examination Committee) has now (Sept. 20, 1948) arrived at the decision to clear the ten officials, and is recommending that the cases of the ten officials be returned to the first committee. Numerous affidavits have been received and the Re-Examination Committee has gone to great lengths in submitting stenographic records which summarized, point to clearing these men. (TAB "D"). Mr. KUNIKOSHI Toichi (who voluntarily submitted evidence to Government Section which resulted in the over-ruling of the Committee) was called to testify along with 16 others by the Japanese Re-Examination Committee. (Case #6 TAB "D"). In the stenographic records there is indication that the Committee knew he sent an anonymous letter to this headquarters, and in a roundabout way attempted to discredit him during the interview. A close examination of Case #6 TAB "D" reveals that KUNIKOSHI testified under tension. Either he was treated as though he had committed a crime, or else the man was excited to the point where he could not think straight. For example:

*22 Sept  
Gen Whitney directs  
Committee of command  
to P.M. to what action  
to take please  
J*



Excerpts

Chairman: Did you become Chief Engineer soon afterwards?

Witness: I became Chief Engineer last year.

Chairman: You became Chief Engineer from Chief of Machinery Section?

Witness: Yes, but I may be wrong. Generally speaking, I am not sure about dates and positions.

Chairman: But you are sure that you were Chief of Machinery Section in December 1945?

Witness: I think I was either Chief of Machinery Section, or possibly Acting Chief.

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YENJOJI: You have spoken of "anonymous letters" again and again. Is there any fact, which if brought to light, would cause trouble? If no such circumstances could possibly be conceived, it would not have been necessary for you to make so much of the question of anonymous letters all this time. Isn't it that you are aware of a special circumstance inasmuch as you refer to anonymous letters?

Witness: Because there was such a prevailing sentiment....

YENJOJI: A sentiment that would induce the writing of anonymous letters?

Witness: Since so many entertained a doubt such as I have mentioned they may write .. write anonymous letters. Then, as regards government officials, they too have brothers and friends, you know.

YENJOJI: Pass a resolution with regard to the suspicions hanging over Mr. YAMAKAWA and others.....?

Witness: Not a resolution. The matter having been broached, attracted interest. Otherwise, it might have been passed off.

YENJOJI: As I have listened to you, I notice that you use frequently the term "might". Are things so vague? "might have", "possibly" and so forth.



21 September 1948

Witness: I don't mean that.

YENJOJI: But you go on saying "might" and we on our part.....

Witness: I haven't said anything definite... Even MacArthur wouldn't say.....

YENJOJI: You are not MacArthur.

Witness: All right.... Please, ask anything. I'll speak.  
etc.... etc.....etc.....

The latest findings of the Committee were submitted to Government Section in draft form, September 20, 1948 which recommend clearing the ten mining officials. (TAB "E").

The Committee now requests data from this headquarters to consider along with findings obtained to date. On behalf of the Prime Minister it has further indicated the need for instructions in writing from this headquarters if the decision is again over-ruled.

A Summary of the problem and recommendations for its solution:

1. Commander Hussey was convinced that the officials concerned were Zaibatsu appointees. If he were still in Government Section he would undoubtedly over-rule the Re-Examination Committee, as he did the Examination Committee.
2. A decision of Government Section should not be reversed unless there is evidence of an injustice. There is still doubt in the stenographic records and the latest findings of the Committee as to the circumstances surrounding the appointment of the officials.  
(See pages 5 & 6, TAB "E")
3. The Appointees Re-Examination Committee has only the responsibility of recommending to the Prime Minister whether or not a case should be sent back and re-examined by the first committee.
4. Three of the officials removed, YAMAKAWA, Ryoichi, ISHIDA, Ken, SATO, Hisaki, applied for temporary retention and were granted a temporary stay in office by the Japanese Committee until 31 December 1948, to which this Section did not object. This, in itself, constitutes sufficient leniency on the part of Government Section.
5. Granted that reviewing powers of Government Section have in this instance been based upon testimony of a minor official of the Mitsui Mining Company, the situation surrounding the manner in



21 September 1948

which the Committee has frantically attempted to clear them; and the stupidity of representatives of the Mitsui Mining Company in attempting to bribe Comdr. Hussey by presenting a ring to Mrs. Hussey (immediately returned without accepting) indicates the existence of considerable guilt.

Recommendations:Primary

1. The Re-Examination Committee should be over-ruled, since the appeals of these ten Mitsui Mining officials followed an over-ruling, and should not have been accepted by the Japanese Government in the first place. The Committee had even been told that any appeals would probably be useless, in June 1948.

Alternate

2. If the above recommendation is considered too arbitrary, then Government Section should transfer the responsibility for passing judgment on these cases to the Prime Minister with the information we now have in our files viz: TAB "A", and with the statement to the effect that this headquarters is still not convinced that the subject officials are not Zaibatsu appointees.

*T. Diamantes*  
T. DIAMANTES  
Capt INF



24 Feb 1948

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P  
Y

TAB  
"A"

Circumstances Regarding the Selection  
and Appointment of Executive Officers  
of the Mitsui Mining Company.

The persons mentioned below were selected and appointed on 14 December 1945 as Executive Officers of a "Zaibatsu" company. They are now being examined in accordance with the provisions in the Zaibatsu Executives Purge Law.

President	:	YAMAKAWA, Ryoichi
Managing Directors:		ISHIDA, Ken
		SATO, Hisaki
		YAMAMOTO, Yusaku
Directors	:	YAMADA, Yoshio
		KAWABAZAKI, Shitaro
		HASEGAWA, Toshio
		NAKAYAMA, Seiju
		SUGIYAMA, Saburo
Managing Auditor	:	OYAZU, Hisao

They were appointed under the following circumstances:

A stiff competition took place among the members of the Zaibatsu Family and vigorous campaigns were made, since this was considered the last appointments to be made by the Zaibatsu. As a result, the above mentioned people were appointed and the circumstances were well known among those who were concerned.

After the appointment, they issued a statement that the "Zaibatsu" will not interfere in the operations of its holding companies after 17 December 1945, in obedience to the spirit of the Potsdam Declaration.

However, with a purpose of concealing the above facts and as an evidence against the purge decision under the provisions of the Zaibatsu Executives Purge Law, they presented a distorted picture and certified that they issued a statement to the effect that the Zaibatsu Main Company shall not interfere in the operations of its holding companies after 6 October 1945, that is the day when the Potsdam Declaration was issued.

NOT SIGNED



C  
O  
P  
Y

17 Aug 1948

To: Colonel C. L. Kades  
Government Section, GHQ

Subject: Information of Mitsui Case

1. Ten Directors of Mitsui Mining Co. were purged, and are now under re-investigation.

They have exhausted every means to be released from their purge thru Mr. Fukushima, and other officials of the Japanese Government, by means of bribes and entertainments.

They have no excuse to offer, other than the fact that their purge would decrease coal production, and will beg your permission for releasing half of them. They hope that Government Section will change its opinion after Mr. Hussey's departure and that they will be released from their purge.

2. In the Mitsui Chemical Industry Co., the subsidiary of Mitsui Mining Co., some group of officers have intended to maintain the influence of Zaibatsu Organization against your policy.

They are planning also to invite some officers of Mitsui Mining Co. to appoint the Mitsui Chemical's officer: Specifically Mr. Ishida, managing Director of Mitsui Mining Co. They planned to appoint Managing Director of Mitsui Chemical Co.

Names of members who are operating against your directives follow:

President of Mitsui Chemical	Y. Enomoto
Managing Director	M. Otsubo
Director	N. Asai
"	T. Hirayama
Secretary	T. Miyano

The first step of their plot began with dismissal of two Managing Directors from their post by the order of President. Although four months have elapsed, no successors have been decided, owing to the delay in Mitsui Mining case.

3. Negotiations have gone on since March at many places. One of the largest parties was held by Mr. Miyano, Secretary of Mitsui Chemical, in Atami. He spent 500,000 yen for that party, and presented 200,000 yen as bribes to members of HCLC, President of the Bank of Japan, and other high officials thru Mr. Araki, member of the Diet.

Moreover in three instances, he appropriated about 500,000 yen to Mr. T. Hayashi, former president, for a canvassing fund to carry out their

TAB  
B



plan. Mr. T. Hayashi were purged and this also has been done against your policy.

We request that you investigate and re-inspect the Mitsui case to remedy the evil of the Zaibatsu Controlling Influence.

NOT SIGNED



GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Government Section

29 May 1948

MEMORANDUM FOR THE CHIEF, GOVERNMENT SECTION

SUBJECT: Application of Zaibatsu Family Control Law

1. On 24 February 1948 Mr. Kuniyoshi, a minor official of the Mitsui Mining Company, submitted to me the attached statement of the facts relating to the appointment of executive officials of the Mitsui Mining Company (Tab "A"). This statement indicates clearly that the officials appointed on 14 December 1945 were all Zaibatsu appointees.

2. At the meeting of the Screening Committee held on 27 May 1948, all officials of the Mitsui Mining Company listed in the statement submitted were cleared as not being Zaibatsu appointees.

3. It is apparent that the Committee either failed to consider the evidence submitted to them or did not discharge their duties in a proper manner. In view of the evidence submitted to us, it is recommended that SCAP overrule the decision of the Screening Committee and instruct the Committee to designate the listed officials as Zaibatsu appointees.

ALFRED R. HUSSEY, Jr.  
Chief, Governmental Powers Division

Encl. 1

TAB  
"C"



*Rec'd.  
20 Sept 1948  
from App. Re-Exam  
Committee*

A W A R D (provisional)

YAMAKAWA, Ryoichi	President of the Mitsui Kozan Kabushiki Kaisha (Mitsui Mining Company)
ISHIDA, Takeshi	Standing Director of the same company
SATO, Hisaki	Standing Director of the same company
YAMAMOTO, Yusuke	Former Standing Director of the same company.
<del>KAWARAZAKI, Motobaro</del>	Former Standing Director of the same company.
YAMADA, Yoshio	Former Director of the same company
HASEGAWA, Toshio	Former Director of the same company
SUGIYAMA, Saburo	Former Director of the same company
NAKAYAMA, Seiju	Former Director of the same company
OYAZU, Hisao	Former Standing Auditor of the same Company.

Whereas, in accordance with the provisions of the Law for Termination of the Zaibatsu Family Control, the above-named ten persons appealed for recognition that they are not to be deemed as Zaibatsu appointees, the Prime Minister gave his decision in the negative in a written statements dated July 2 and June 29, 1948, on the ground that "according to evidences, the Mitsui family participated, either directly or indirectly, in the procedure of their appointment on December 14, 1945, as the opportunity was considered the last one to maintain the family's influences, and in effect, it is evidenced, the Mitsui family succeeded in attaining its aims," and thereupon the said ten persons, under date of July 31 of the same year, appealed to the Appointees Re-Examination Committee to have their case legally re-examined.

The

TAB  
"E"



The Committee made efforts to clarify the actual circumstances relative to the appointment of the appellants to the posts of executive officials, by means of closely examining the numerous documents submitted in evidence by the appellants and also investigating the testimonies of MITSUI, Takagimi of the Mitsui head ~~families of Mitsui, KAWASHIMA~~ family; MITSUI, Takaharu and MITSUI, Takanaga, members of six main branch families of Mitsui; KAWASHIMA, Saburo and TASHIRO, Hisao, former presidents of the Mitsui Mining Company; SUMII, Tatsuo, former standing secretary (jomuriji) of the Mitsui Honsha K.K. (Mitsui Head Office); KURIKI, Kan, director of the Mitsui Mining Company; SAKAMOTO, Kenichi, auditor of the same company; KURAYAMA, Tadanori, chief of the mining office at Miike of the same company; EGUCHI, Goichiro, deputy chief of the Fukuoka Office of the same company; MATSUNAGA, Hajime, former auditor of the same company and MATSUNAGA, Yoshiko, his wife; SAKURAI, Takeshi, chief of the Stocks Section of the same company; KUNIKOSHI, Toichi, chief engineer of the Engineering Department of the same company; TSUBAHARA, Haruo, chief clerk of the Personnel Department of the same company; EDO, Hideo, former <sup>p</sup>deputy chief of the Documents and Archives Department of the Mitsui Head Office; as well as YAMAKAWA, Ryoichi and ISHIDA, Takeshi, the appellants in the present case, and the Committee after careful examinations of the findings thus obtained arrived at the following decision:

Decision:

It is recognized that this subject be properly referred back  
to



to the Appointees Examination Committee.

Reasons:

At the general meeting of stockholders of the Mitsui Mining Company held on December 14, 1945, Ryoichi Yamakawa and Takeshi Ishida were elected to the post of standing directors, and other appellants were elected to the post of directors, of the company, and assumed their posts respectively on the same day. In the first place, the examination was centered on the question whether, as alleged by the Prime Minister as the reason for his dismissal of the appeal, the Mitsui family actually took part in the process of the abovementioned appointment, directly or indirectly, for the purpose of attaining its objective.

- 1) It is a well-known fact that in regard to appointment of officials of Zaibatsu companies belonging to ~~the Mitsui~~, the Mitsui Gomei Kaisha, the Mitsui Somotokata (Mitsui Headquarters) or the Mitsui Head Office, since its establishment in March, 1944, acted as the pivotal organ of all the companies of the Mitsui group, and that the customary practice in regard to realignment of executive officials in the Mitsui Mining Company and other important companies of the group was to assign a person to the post of the president as recommended by the Mitsui Gomei, the Mitsui Headquarters or the Mitsui Head Office, and to have the other executive officials elected at the general stockholders meeting, as nominated by the president.

of



of the company concerned and as previously approved by the headquarters, except in case where the headquarters would despatch its own functionaries to assume the posts in question.

Based on the requirement to dissolve large Zaibatsus as one of the controlling policies for Japan, after her surrender, as announced by the State Department of the U.S. Government after the termination of the war, the Japanese Government issued a directive on November 6 of the same year in regard to their dissolution. On November 8, President Takagimi Mitsui of the Mitsui Head Office declared that the Head Office would no longer function as the centre of all the companies of the Mitsui group and that its controlling leadership over the companies would be abolished. This declaration was announced on the same day in the company's official bulletin of the Head Office to notify its subsidiary companies accordingly. This gave rise to a strong demand among the employees of the companies to have the executive officials, who had been elected through the traditional procedures, dismissed from their posts, and to appoint new officials on the basis of popular demand of the employees of the respective companies. It was in the general atmosphere like this that the general meeting of stockholders of the Mitsui Mining Company was held, in order to appoint new executives to replace the current officials on expiration of their term. President

Saburo



Saburo Kawashima, who had been in the post of the president consecutively since December, 1939, and was well acquainted with the company's affairs, nominated the candidates for the posts, inconsideration of the prevailing social conditions, personal career, abilities and the confidence enjoyed by them with in the company. His proposed line-up was: Hisao Takhiro, then a standing director, to the post of president; Hajime Nakane, Inasuke Inarida, then standing directors, and, from among the employees, Ryoichi Yamakawa and Takeshi Ishida, the present appellants, to the post of standing directors; Chikao Kuroda, Tatsuhiko Hama, and, from among the employees, Hisaki Sato and other seven appellants in the present case to the post of directors. In nominating the prospective executive officials, Saburo Kawashima did not consult with any person belonging to the Mitsui family or the Mitsui Head Office, to say nothing of other officials in his own company, but acted of his own accord. It is a fact that Saburo Kawashima intimated the proposed appointment to Tatsuo Sumii, the standing secretary of the Mitsui Head Office, a couple of days before the general meeting of the stockholders. But he approached Sumii for confiding his plan merely as a matter of propriety, rather than for the purpose of obtaining approval. To this Tatsuo Sumii gave no answer in the affirmative or in the negative, as just



just then the Head Office had been declared by its president to be no longer a central organ of the Mitsui. Thus Saburo Kawashima attended the general meeting of stockholders, was delegated to nominate the executive officials, and nominated, as previously proposed, President Hisao Tashiro and others, thus completing the formalities of appointing the new officials. In short it may be stated that at the general meeting of stockholders held on December 14, 1945, the officials were appointed just as previously nominated by Saburo Kawashima of his own accord, and neither the Mitsui family nor the Mitsui Head Office took any part in the appointment.

- 2) At that time the employees of the Mitsui Mining Company took a keen interest in the appointment of the executive officials at the above-mentioned general meeting. In particular, the employees at the mines at Miike, Yamano and Tagawa in Kyushu held a conference among them in regard to the new line-up of the executive officials, and agreed that the new board of executives should be formed under the leadership of Ryoichi Yamakawa and Takeshi Ishida, the former taking the post of president. Four of them, Tadanori Kurayama, Hisaji Uemura, Susumu Ishinishi and Goichiro Eguchi, representing the employees, came to Tokyo on the 13th, the day before the general meeting. They considered that to lay the case before President Kawashima direct would appear

as



as if they demanded his resignation, and would run counter to the principle of propriety toward one's superiors, and decided to see Takaharu Mitsui, one of the Mitsui's six main branch families, but were refused the chance of an interview. Thereupon, they went to Tatsuo Sumii, the standing secretary of the Mitsui Head Office, and disclosed the demand of the employees, asking him to pass it on to Saburo Kawashima. But Tatsuo Sumii repeatedly declined the request, pointing to the abovementioned statement of the president of the Mitsui Head Office, and said that the Mitsui Head Office was not now in a position to have a voice in the appointment of officials in the companies belonging to the Mitsui group, but finally agreed, at the earnest solicitation of the employees' representatives, to transmit the demand to Saburo Kawashima, though not in the capacity of the standing secretary of the Mitsui Head Office, but in his personal capacity. Just before the general meeting he informed Saburo Kawashima of the employees' demand accordingly. But as the proposed line-up of the new board of executives had been already fixed at that time, and as Tatsuo Sumii merely informed Kawashima of the object of the visit of the employees' representatives, without suggesting any desired change in the proposed line-up, the appointment of officials was not in the least affected by the words of Tatsuo Sumii.

- 3) In regard to the election of officials at the general meeting



meeting of stockholders held on December 14, 1945, the Mitsui Head Office, who held about sixty per cent of the company's stocks, gave a blank power of attorney to Saburo Kawashima to let him exercise the voting right of the Mitsui Head Office as a stockholder, and it is obvious that he exercised the right by virtue of this power of attorney. In consideration of the fact that the Mitsui Head Office had already declared to discontinue functioning as a central organ of all the Mitsui group companies as mentioned before, the issuance of a power of attorney for its voting right might be considered as a step somewhat irrelevant. However, at the general meeting of December 14, 1945, the agenda included not only the election of officials but also certain proposals introducing alterations in the company's articles of association, which, in accordance with the provisions of the Commercial Code, required the presence of more than half the total stockholders or their representatives to form the quorum. This necessitated the issuance of the abovementioned power of attorney by the Mitsui Head Office. Although the Mitsui Head Office issued a power of attorney to have its voting right exercised, the formation of the required quorum was the sole purpose, so that there was no requirements or conditions attached to have formally exercised its voting right, but practically it cannot be argued that the Mitsui Head Office had a voice

in



in the appointment of the abovementioned officials.

- 4) Recommendation of a new line-up of executives made by the employees of the three mines in Kyushu was just their recommendation and nothing more. There is absolutely no evidence in support of the suspicion that either the Mitsui family or the Mitsui Head Office had participated in it. Of the Mitsui family members, the only one who was in Kyushu at that time was Takanaga Mitsui. As Takanaga Mitsui was in the post of a director of the Mitsui Mining Company during the periods from January, 1932, to January 1936, and from December, 1941, to December, 1943, he had more acquaintances among the employees of the company than any other member of the Mitsui family. But as he was not in the least related to the company at that time, he had not the slightest interest in the election of the abovementioned officials. Neither did the employees, in making recommendation as mentioned above, consult with Takanaga Mitsui. He heard of the contemplated trip to Tokyo of the employees' representatives only on the day before their departure, when he happened to receive a medical examination of Susumu Ishinishi, who was a physician and one of the representatives.
- 5) In the meantime, the stockholding of the Mitsui Head Office in the Mitsui Mining Company, together with its voting right, was transferred to the Holding Company Liquidation Commission on October 8, 1946. Of the officials appointed

at



the general meeting of stockholders held on December 14, 1945, Ryoichi Yamakawa and Takeshi Ishida thought it advisable ~~that~~ in the circumstances Hisao Tashiro and two others who were executives during the war resigned their posts, but considered it indecorous to demand their resignation alone, as they were their superiors. Therefore, in order to ~~form~~ the basis of their argument they took advantage of the fact that at the general meeting of December 14, 1945, when the present board of executives was appointed, the Mitsui Head Office exercised its voting right as a stockholder, though in form only and in the situation as already described. It was argued that all the executive officials elected at a general meeting at which the Mitsui Head Office exercised its right as a stockholder should now resign, and thus all the officials declared their intention to tender resignation. It was decided then to hold an extraordinary general meeting of February 14, 1947, for the purpose of electing new executive officials. As the result of this meeting, President Ryoichi Yamakawa and other officials were appointed.

In the minutes of this extraordinary general meeting of stockholders held on February 14, 1947, it is recorded as follows: "Chairman Tashiro stated that the present officials were elected, at the regular general meeting of stockholders in December, 1945, when the Mitsui Head Office exercised



exercised controlling powers over this company as the largest stockholder, by receiving credence from the Mitsui Head Office. Now that the controlling powers of the Mitsui Head Office have ceased to exist any longer, all the present officials will in the meantime resign their posts, and desire the formation of a new board of executives, obtaining the confidence of the stockholders on a renewed basis."

The above passage is an abridged record of the following script which Chairman Tashiro read at the general meeting.

"The present executive officials were elected at the regular general meeting of stockholders held in December, 1945. At that time, the Mitsui Head Office, the largest stockholder of this company owning about sixty per cent of this company's stocks, was still in existence, both in name and substance. In view of this, the present executive officials of this company may be recognized as having been appointed, by receiving credence from the Mitsui Head Office.

But now the Mitsui Head Office has been dissolved. Of the stocks owned by it, the old stocks were transferred to the Holding Company Liquidation Commission on October 8 last year, while in regard to the new stocks the voting right was placed in the hands of the same Commission on January 15 this year. With this the controlling pro

powers



powers the Mitsui Head Office exercised over this company have disappeared altogether.

Therefore, it is desired that all the present officials elected on the basis of credence given by the Mitsui Head Office resign their posts, and that on a clean slate new executives be elected today on the basis of renewed confidence of the stock holders."

This was a statement of reasons, given by Hisao Tashiro, then the president of the company, for the resignation of all the officials as mentioned before, which was recommended by Ryoichi Yamakawa and others. Though the wordings were not quite well-chosen, the purport of the statement, reduced to essentials, was that the officials appointed at a general meeting at which the Mitsui as a stockholder exercised its right, even though in form only, should properly resign their posts in the meantime. The statement by no means indicates that the appointment of officials at the general meeting of stockholders on December 14, 1945, was made at the recommendation of the Mitsui Head Office.

- (6) Ryoichi Yamakawa, who was elected to the post of the president at the general meeting of stockholders on February 14, 1947, sent a circular letter under date of March 5 of the same year, announcing his assumption of office, to the chiefs of departments and operating units within the company company. In this circular letter



company. In this circular letter, it was stated: "The former officials elected in December, 1945, were appointed to their posts at the recommendation of the Mitsui Head Office-----" But this statement, as in the case of Tashiro's speech, merely pointed to the fact that the former officials were elected at a general meeting of stockholders, at which the Mitsui Head Office as a stockholder exercised its voting right, even though in form only.

- 7) From what has been described above, it should be concluded in reference to the election of officials at the general meeting of stockholders held on December 14, 1945, that the reason for the Prime Minister's decision reading, "the Mitsui family participated, either directly or indirectly, -----, as the opportunity was considered the last one to maintain the family's influences, and in effect the Mitsui family succeeded in attaining its aims," cannot properly be upheld. This Committee made detailed inquiries into the possible existence of such facts as were mentioned in the Prime Minister's decision, but could not find out anything to substantiate such suspicion.

Of course it was observed that within the company there were certain employees, who wished that Ryoichi Yamakawa and nine other officials would retire and that the decision of non-approval would be given in the present case. This Committee tried to obtain new data from them, on which to

base



base its re-examination of the present case. But, in the final analysis, they were either opposed to Ryoichi Yamakawa and others, as a matter of personal feeling, or had the end in view to take advantage of the retirement of Yamakawa and others as a chance of becoming executive officials themselves. Thus the Committee could not discover any evidence to arouse the suspicion that the Mitsui family or the Mitsui Head Office took a part in the process of appointing Ryoichi Yamakawa and other officials.

This Committee, in the circumstances, considers that the alleged facts which formed the basis of the Prime Minister's decision of non-approval are unfounded, and has arrived at the decision as mentioned before.

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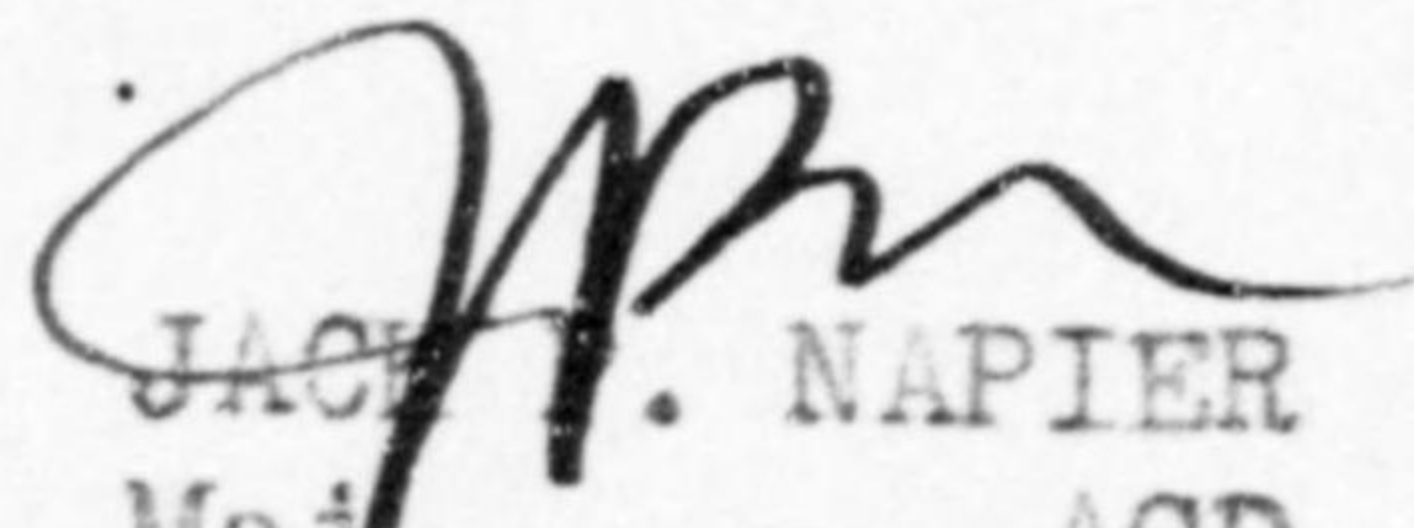
MEMORANDUM TO: Captain T. Diamantes

27 August 1948

SUBJECT: Ten Mitsui Mining Officials Removed Under the Provisions of  
the Law for Termination of Zaibatsu Family Control.

I agree with your conclusion that these appointees should probably not be reinstated. However, I think we are a bit premature in deciding to turn them down before we know that they will be again recommended to us and before they have had their day in court. Incidentally, Tom, tho' I agree with you fully that anonymous letters should be given very little, if any, weight, how do you reconcile your statement that KUNIJOSHI's first unsigned letter was the deciding factor and, in fact, the only consideration in Government Section's original action with your strong recommendation that the same man's second unsigned letter be thrown out the window?

Hold the whole thing until final action by the Government.

  
JACK A. NAPIER  
Maj AGD  
EXECUTIVE OFFICER



GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Government Section

26 August 1948

MEMORANDUM FOR THE RECORD

SUBJECT: Ten Mitsui Mining Officials Removed Under the Provisions of the Law for Termination of Zaibatsu Family Control.

On 24 February 1948 Commander Hussey received from Mr. KUNIJOSHI, a minor official in the Mitsui Mining Company, a confidential letter which indicated that ten officials of that company came under the provisions of the law, having been appointed to their executive posts in the Mitsui Mining Company by Zaibatsu family members. (Tab "A").

As a result of this letter, in which Commander Hussey had complete confidence, the Zaibatsu Screening Committee was notified on 4 June 1948 that its decision to clear the ten subject officials had been overruled by this headquarters. The Committee had asked for specific reasons for overruling the decision, and was then informed that any communication in this matter would be forwarded by General Whitney to the Prime Minister.

On 17 August 1948 another confidential letter was received in Government Section, presumably from KUNIJOSHI, pertaining to the officials. It states that the ten removed officials were appealing for re-examination and were making every effort to be cleared through bribes and entertainment to Japanese Government officials. (Tab "B").

In all probabilities the Zaibatsu Screening Committee will again submit its decision to clear the ten officials, using the Re-examination Committee (Appeal Committee) and basing the decision on a considerable number of documents and certificates.

It is recommended that the Committee again be notified that the decision of this headquarters to remove the ten Mitsui officials is final, if in the near future it brings in findings to justify their clearance. The reasons being:

1. Commander Hussey was convinced that the officials were Zaibatsu appointees.
2. A decision of Government Section should not be reversed unless there is evidence of an injustice and no such evidence exists regarding these officials.



3. The Appointees Re-examination Committee has the responsibility of merely recommending to the Prime Minister whether or not a case should be sent back and re-examined by the first committee. Since the decision of the first committee was overruled by Government Section, our powers of review will not be upheld if the decision is changed by an appeal of the Appointees Re-examination Committee.

4. Three of the officials removed,

YAMAKAWA, Ryoichi  
ISHIDA, Ken  
SATO, Hisaki,

applied for temporary retention and were granted a temporary stay in office until 31 December 1948, to which this Section did not object. This, in itself, constitutes sufficient leniency on the part of Government Section.

5. Tab "B" should not be honored and not used as a basis for judging the Mitsui officials' designation as Zaibatsu appointees.

*T. Diamantes*  
T. DIAMANTES  
CAPT INF



24 Feb 1948

C  
O  
P  
Y

Circumstances Regarding the Selection  
and Appointment of Executive Officers  
of the Mitsui Mining Company.

The persons mentioned below were selected and appointed on 14 December 1945 as Executive Officers of a "Zaibatsu" company. They are now being examined in accordance with the provisions in the Zaibatsu Executives Purge Law.

President	:	YAMAKAWA, Ryoichi
Managing Directors:		ISHIDA, Ken
		SATO, Hisaki
		YAMAMOTO, Yusaku
Directors	:	YAMADA, Yoshio
		KAWARAZAKI, Shitaro
		HASEGAWA, Toshio
		NAKAYAMA, Seiju
		SUGIYAMA, Saburo
Managing Auditor	:	OYAZU, Hisao

They were appointed under the following circumstances:

A stiff competition took place among the members of the Zaibatsu Family and vigorous campaigns were made, since this was considered the last appointments to be made by the Zaibatsu. As a result, the above mentioned people were appointed and the circumstances were well known among those who were concerned.

After the appointment, they issued a statement that the "Zaibatsu" will not interfere in the operations of its holding companies after 17 December 1945, in obedience to the spirit of the Potsdam Declaration.

However, with a purpose of concealing the above facts and as an evidence against the purge decision under the provisions of the Zaibatsu Executives Purge Law, they presented a distorted picture and certified that they issued a statement to the effect that the Zaibatsu Main Company shall not interfere in the operations of its holding companies after 6 October 1945, that is the day when the Potsdam Declaration was issued.

NOT SIGNED



C  
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P  
Y

17 Aug 1948

To: Colonel G. L. Kades  
Government Section, GHQ

Subject: Information of Mitsui Case

TAB  
"B"

1. Ten Directors of Mitsui Mining Co. were purged, and are now under re-investigation.

They have exhausted every means to be released from their purge thru Mr. Fukushima, and other officials of the Japanese Government, by means of bribes and entertainments.

They have no excuse to offer, other than the fact that their purge would decrease coal production, and will beg your permission for releasing half of them. They hope that Government Section will change its opinion after Mr. Hussey's departure and that they will be released from their purge.

2. In the Mitsui Chemical Industry Co., the subsidiary of Mitsui Mining Co., some group of officers have intended to maintain the influence of Zaibatsu Organization against your policy.

They are planning also to invite some officers of Mitsui Mining Co. to appoint the Mitsui Chemical's officers: Specifically Mr. Ishida, managing Director of Mitsui Mining Co. They planned to appoint Managing Director of Mitsui Chemical Co.

Names of members who are operating against your directives follow:

President of Mitsui Chemical	Y. Enomoto
Managing Director	H. Otsubo
Director	H. Asai
"	T. Hirayama
Secretary	T. Miyano

The first step of their plot began with dismissal of two Managing Directors from their post by the order of President. Although four months have elapsed, no successors have been decided, owing to the delay in Mitsui Mining case.

3. Negotiations have gone on since March at many places. One of the largest parties was held by Mr. Miyano, Secretary of Mitsui Chemical, in Atani. He spent 500,000 yen for that party, and presented 200,000 yen as bribes to members of RCLC, President of the Bank of Japan, and other high officials thru Mr. Araki, member of the Diet.

Moreover in three instances, he appropriated about 500,000 yen to Mr. T. Hayashi, former president, for a cavassing fund to carry out their



plan. Mr. T. Hayashi were purged and this also has been done against your policy.

We request that you investigate and re-inspect the Mitsui case to remedy the evil of the Zaibatsu Controlling Influence.

NOT SIGNED



113012

SUBJECT : Stenographic Records of Testimony made by  
Witnesses Called by Japanese Government for  
Case of Ten Mitsui Mining Officials re: Law  
for Termination of Zaibatsu Family Control.

FROM : Appointees Re-Examination Committee.

DATE : 17 Sept 1948.

TAB  
"D"



SPPONTEES RE-EXAMINATION COMMITTEE

Case of Mitsui Mining Co.

Hearing of Witness

Date of Hearing	Witness	Stenographed or not	No. of Documents, stenographed and translated
Aug. 11 1948	<u>Mr. SUMII, Tatsuo</u> ex-Standing Director of MITSUI Co.	Stenographed	No.1 ✓
"	<u>Mr. KAWASHIMA, Saburo</u> ex-President of Mitsui Mining Co.	"	No.2 ✓
"	<u>Mr. TASHIRO, Toshio</u> ex-President of Mitsui Mining Co.	"	No.3 ✓
Aug. 18	<u>Mr. EDO, Hideo</u> ex-Vice Chief of Archives of Mitsui Honsha	None	
"	<u>Mr. MITSUI, Takanaga</u> Mitsui Zaibatsu family	Stenographed	✓ No.4 ✓
"	<u>Mr. KURAYAMA, Tadanori</u> Chief of Miike Mine	"	No.5 ✓
"	<u>Mr. EGUCHI, Goichiro</u> Vice Chief of Fukuoka Office	"	
Aug. 25.	<u>Mr. KUNIKOSHI, Toichi</u> Chief Engineer, Mitsui Mining Co., Tokyo	Stenographed	No.6 ✓
"	<u>Mr. TSUBAHARA, Haruo</u> Chief of Personnel Section, Mitsui Mining Co., Tokyo	"	No.7 ✓
"	<u>Mr. SAKURAI, Takeshi</u> Chief of Stock Section, Mitsui Mining Co., Tokyo	"	-
Aug. 30	<u>Mr. MATSUNAGA, Hajime</u> ex-Auditor of Mitsui Mining Co.	"	✓ No.8



Sept. 1	<u>Mrs. MATSUNAGA, Yoshiko</u> Wife of Mr. MATSUNAGA	"	-	
"	<u>Mr. MITSUI, Takagimi</u> Mitsui Zaibatsu family	"	✓ No.9	✓
"	<u>Mr. MITSUI, Takaharu</u> Mitsui Zaibatsu family	"	✓ No.10	✓
Sept 6	<u>Mr. SAKAMOTO, Kenichi</u> Auditor of Mitsui Mining Co.	"	-	
"	<u>Mr. KURIKI, Kan</u> Director of Mitsui Mining Co.	"	-	
"	<u>Mr. YAMAKAWA, Ryoichi</u> President of Mitsui Mining Co.	None	-	
"	<u>Mr. ISHIDA, Ken</u> Standing Director of Mitsui Mining Co.	None	-	



NO. 1

APPOINTEES RE-EXAMINATION COMMITTEE

RECORDS OF HEARINGS

WITNESS: SUMII, Tatsuo



Minutes of Appointees Re-examination

Committee Hearing

(August 11, 1948)

Members present:

KAWAZOE, Chairman

OKI

ENJOJI

OKUII

KASHIMA

ANZAI

NISHIYAMA

Witness present:

SUMII, Tatsuo

Chairman: You are Mr. SUMII, Tatsuo?

Witness: Yes.

Chairman: We are sorry to trouble you when you are busy, but we should like to ask you about a matter concerning the application for re-examination of Mr. YAMAKAWA, Ryoichi and nine other zaibatsu officials of the Mitsui Mining Co., I think what you say will affect all quarters concerned to a great extent, and I hope you will tell the truth.

Witness: Yes, I will.

Chairman: You were formerly a standing director of the Mitsui Head Office?

Witness: Yes.

Chairman:



Chairman: Paragraph 3 of the testimony No. 3 which you presented says, "It is a matter of course that the Mitsui Head Office had nothing to do with the election of officials of the Mitsui Kozan K.K. which took place on Dec. 14, 1945. But the general meeting of shareholders of that day was to make a special decision, and with the understanding of the authorities concerned the Head Office, which was a great shareholder, sent in a power of attorney in order to exercise the right of shareholders, but they had nothing to do with the contents of the decision." What do you mean by that? I should like to know what you mean by that a power of attorney was sent in, but that the Head Office had nothing to do with the contents of the decision either directly or indirectly.

Witness: Simultaneously with the issuance of a directive concerning the dissolution of the Zaibatsu, we were ordered to have nothing to do with the personnel affairs and management of directly-or-indirectly-affiliated companies. But if Mitsui, a great shareholder, did not send in a power of attorney, a general meeting could not be held. Such being the case, we asked the Holding Companies Liquidation Commission what to do, and were advised to send in a power of attorney, but to refrain from taking part in the decision. Thus the general meeting was held, and there was no other .....

Chairman:



Chairman: You say that the power of attorney was sent in because there was to be a special decision-----.

There was to be alterations of the articles of association of the company, and if the power of attorney were not sent in for the purpose, the general meeting could not be constituted, Was that why it was sent in?

Witness: Yes.

Chairman: Do you send in no power of attorney to a general meeting of shareholders at which there will be no alteration of the articles of association of the company----- no special decision to be made?

Witness: It would not have been sent in, if there had been no necessity, I think. But at that time we used to ask for directions of the Holding Companies Liquidation Committee about everything-----.

Chairman: There is no need of sending in a power of attorney in case there is to be no special decision----- there is no need of sending in Mitsui's power of attorney unless there is necessity for a special decision.

Witness: I don't remember-----exactly, but I wonder if a special decision is not necessary for constituting a general meeting.

Chairman:



Chairman: No. For instance, the latter part of paragraph 1 of the testimony No. 4 which was presented by the chief and deputy chief of the Archives Division of your company says "In the case of a company which had something to be specially decided in the agenda the sending in of the power of attorney of the Head Office which was a great shareholder was necessary for constituting a general meeting. At the general meetings since the end of the war there have been many alterations of the articles of association and-----." I understand that a power of attorney is necessary for alterations of the articles of association, I don't think it necessary to send a power of attorney to a general meeting at which no alteration of the articles of association is to be made. Did you generally send it in?

Witness: Yes, I think we generally sent it in.

Chairman: And why didn't you take part in the decision?

Witness: It was because-----.

Chairman: Mitsui announced that they had given up taking part in such matters as personnel control and election of officers and it would have been better if they had not sent in a power of attorney.

Witness: We thought that it was right to send in a power of attorney if we did not taken part in the decision-----.

Mr. Kashima:



Mr. Kashima: I am afraid your memory is wrong. At the time of the general meeting which was held on Dec. 14, 1945, there was no Holding Company Liquidation Committee.

Witness: I wonder if it was not yet established. Then, it may be that it was the Economic and Scientific Section of GHQ.

Maybe it was talks with Col. Claimer. We decided upon the dissolution of the zaibatsu out of respect to the directive and decided a policy of having nothing to do with management and personnel affairs, and consulted GHQ whenever it was necessary. As I was busy in those days because of the chaotic conditions brought about by the dissolution of the zaibatsu and also had many other things to attend to, I had the chief of the Archives Division deal properly with such business and I am afraid my answer was wrong, but whenever a problem turned up, we used to ask for a direction of the Economic and Scientific Division and to act according to it-----.

Chairman: If you had nothing to do with personnel affairs and management and refrained from interfering in such a matter, there would have been no misunderstanding, if you had not sent in a power of attorney.

Witness: Even if we sent in a power of attorney, we did not exercise the right of decision. This was a transitory,

abnormal



abnormal measure, and we did not speak, recommend or designate anybody, but we merely went through a formal procedure in order to obtain a quorum necessary for constituting a general meeting.

Chairman: There is no necessity of it-----in the case of elections of officials-----. It is necessary in the case of alterations of the articles of association.

In the case like that there was no need to send in a power of attorney, I think. Paragraph 4 of your testimony says "On the day before the general meeting several delegates from the offices of the company in Kyushu came up to Tokyo with desiderata concerning the leading officials who were to be successors-----" and they saw you. Was it true?

Witness; Yes.

Chairman: What were the desiderata?

Witness: Those who came up to Tokyo and wanted to see me were section chiefs of Miike, Tagawa and Yamano representing their respective bodies of officers. But I declined to see them saying "There is no need of seeing them. I won't see them. Mitsui Head Office is outside of the control and there is no need of seeing them. Even if I see them, it will be waste of time." But they wanted to see me by all means-----. There was an intermediary who advised me to see them in the capacity of a private person and I saw them in spite of pressure of business.

They



They said that the general opinion demanded the retirement of the highest officials, such as Mr. Kawashima and Mr. Tashiro, and appointment of a new staff. I remember Mr. Yamakawa was among them. I said that the Head Office could do nothing of the kind, and refused their request. But they said that they had come as delegates all the way from Kyushu and wanted their wishes to be conveyed----- . It may sound ridiculous, but in those days everything was in a chaotic condition brought about by the dissolution of the Mitsui Zaibatsu, and without thinking deeply, I said, "If you wish so earnestly, I will act as an intermediary and tell what you say to President Kawashima." And I think I told him.

Chairman: At that time was designation made of the 15 directors and auditors who were elected at the general meeting of the 14th?

Witness: Not all, I think. They could not have done such a thing.

Chairman: Were the 10 persons who have applied for re-examination in the list?

Witness: I think two or three were there-----Kawashima, Tajiro-----.

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In.



In short, the purport consisted in the request for retirement of the leading officials.

Chairman: I think there were desires for successors to be elected.

Witness: As successors Yamakawa-----I didn't know much about the Mining Company nor did I know its personnel affairs and I could not say anything about the personnel of my own will-----.

Chairman: The delegates recommended Mr. YAMAKAWA, Ryoichi and-----.

Witness: Yamakawa and ISHIDA, Ken-----.

Chairman: SATO, Hisaki and others were in the list, I think.

Witness: No. I don't think they were.

Chairman: Yusuke Yamamoto?

Witness: I think he was.

Chairman: Hatsutarō Kawarasaki?

Witness: That was about all. They did not request for so many persons. I didn't think things would develop in this way, and I don't remember well, but I don't think they recommended so many persons.

Chairman: It is mentioned that you accepted their desiderata and conveyed them to the President.

Witness:



Witness: I think I did. Anyhow, there were personnel affairs of more than 20 directly- and indirectly-affiliated companies, and I knew the personnel of the Bussan(Mitsui Products Company) very well, but as I did not come into contact with those of the Mining Company, I don't remember them. For instance this was my first time to hear of Yamakawa.

Chairman: Do you mean to say that you conveyed to the President their request for persons to be elected officials as mentioned?

Witness: I only conveyed their request to him.

Chairman: Your testimony says that you told Mr. Kawashima in the capacity of a private person. Is it possible that a standing director of the Mitsui Head Office acted as a private person---especially in connection with an important matter of the company?

Is it possible to act properly in such a way?

Witness: It was decided that the Mitsui Head Office should be dissolved and that they should have nothing to do with personnel affairs and management----- so I told the delegates about it, and I myself thought I was not in such a position.



I don't know who told them of me-----they were all strangers to me-----, but they must have thought that I am a person easy to talk to, and that if they asked me for anything, I would comply with their request. In short, they thought that I am a person to be easily approached, and without thinking deeply, came to me with their request. I could not refuse it, and I think I conveyed to Mr. Kawashima, in a sense to say: "Of course, this is not a directive of the highest officials of the Head Office, but is a request from the delegates, and I pass it on to you." I hope you will understand that I did it out of kindness.

Chairman: When you conveyed their request to President Kawashima, did you use the words "This is not what the highest officials say-----this is not their directive?"

Witness: Even if I hadn't used them, Mr. Kawashima had full powers of the Mitsui Mining Company and was the highest standing director, who was not in a position to receive orders from me either officially or privately, and there was hardly any use saying such a thing.

I asked him. You may say that I was careless, but not as an elder member of the concern, but as a senior I could not refuse their request pointblank-----.

Chairman:



Chairman: I should think it was indiscreet.

Witness: I was very careful-----everything-----with Brig. General Clamer more than ten times----- I discussed openly and squarely what the Zaibatsu should do and did everything with his understanding, but since it was made clear that the dissolution of the Zaibatsu was a settled matter and that there was no help for it, it was decided that Mitsui should not exercise its power as a Zaibatsu, that the President and I should resign. To be frank, I waited impatiently and resigned from my post, and I had no intention whatever of using the power of the Zaibatsu or of making use of their remaining power.

Chairman: It is said that at the general meeting President Kawashima was entrusted with the designation of officials.

Concerning the designation of officials by President Kawashima, was there no preliminary consultation with you, the Mitsuis, and members of the Head Office?

Witness: Not at all.

Chairman: Not even for form's sake?

Witness: I think you know that it is the President's duty to select officials-----leading officials, and to appoint them, and there had hardly been any case where the President's decisions were disapproved by the President or of the standing directors of the Mitsui Head Office.

It



It may be that the preliminary consultation was held for form's sake, but I don't remember we took part in it.

Chairman: Was it before the general meeting?

Witness: Maybe it was for form's sake, but I am not quite sure of that point. So far as I remember, consultation used to be held-----it was held till the general meeting before the one in question, but at the time we are speaking of it was a turning point of -----.

Chairman: On the day before the meeting you told the President about Mr. Yamakawa's and two or three others' desires. If the plan was brought to you, when was it? You saw it on the day before, didn't you?

Witness: Yamakawa and others-----.

Chairman: I don't think there was enough time to bring it. Was there enough time to bring Kawashima's plan----- in that case?

Witness: I don't remember whether it was brought or not.

Chairman: I don't think there was enough time to bring it. You went on the day before to tell the President about the delegate's desiderata----- and then he would map out a plan and bring it to you. Do you still mean to say that it was not brought to you?

Mr. Anzai:



Mr. Anzai: Putting aside the question of bringing it, when you went to see Mr. Kawashima with Yamakawa's plan, that is, the plan of the delegates of the workers, didn't he consult with you and say that there might be the workers' desires, but that Mr. Tashiro would be appointed at that time?

Witness: I think he did.

Mr. Anzai: You didn't only ask him to take the workers' plan into consideration and leave him, did you?

Witness: Desires for recommending Yamakawa were simply conveyed to Mr. Kawashima. For form's sake, I mean.

Mr. Anzai: But didn't he say that there might be such desires at that time, but that Mr. Tashiro would be appointed?

Witness: No, he didn't. I might say that he almost thrust the decision at me. But it was not necessary, either. I don't remember it.

Chairman: You say that it may be that the plan was brought to you. But do you remember it was brought to you?

Witness: It used to be brought to me, but in those days we were not in a position to say whether it was right or not. For the President it used to be said whether it was right or not, but it was customary for standing and managing directors not to call it into question, because it was left with the President, and I don't remember.

Mr. Anzai



Mr. Anzai: It was not because <sup>he</sup> wished that Mr. Kawashima resigned from his post of the Mitsui Mining Company, but because you told him about your talks with Mr. Clamer and advised him to resign.

Witness: I told the directly-and-indirectly-affiliated companies of munitions. I said, "I am going to resign and you had better resign, too. Let's resign."

Mr. Anzai: The person who has the authority to force one to resign-----.

Witness: It was a resolution passed at the general meeting, but if one was to be forced to resign, a procedure through the general meeting-----.

Mr. Anzai: It is for form's sake.

Witness: At any rate it was a time of transition-----.

Mr. Anzai: In the case of Mr. Kawashima, you-----.

Witness: I said, "As you have been engaged in munitions industry for a long time, you must resign. Judging from what I have learned from the GHQ, you who are in a responsible position must resign." But he should make his final decision, and no power was exercised. Until that time he seemed to say that he wouldn't resign.

Mr. Anzai: You were in a position to force Mr. Kawashima to resign, and I think he consulted with you about his successor.

Witness:



Witness: Mr. Kawashima is, so to speak, a strange "existence." He is my senior. I think he told Mr. Takagimi, the then President, something about it, but he told me nothing about it.

Mr. Oki: Did you attend the general meeting of December 14th?

Witness: None of us attended it. Nobody attended it from the Head Office.

Mr. Oki: Did nobody from the 11 families of the Mitsuis attend it?

Witness: Of course not.

Mr. Okui: Did the delegates from Kyushu want Mr. Kawashima to resign, and tell you about his successor? For instance, Yamakawa, Ishida..... Mr. Tashiro was to be the President?

Witness: It seems it wasn't decided yet.

Mr. Okui: Mr. Yamakawa and Mr. Ishida were designated, but how was it that Mr. Tashiro became the next President.

Witness: Nothing to do with..... nothing to do with the proposal of the local delegates..... maybe it was taken into more or less consideration, and at the general meeting of Dec. 14, 1945, election of officials was held under President Kawashima and they were nominated.

He did everything of his own will.

Chairman: Thank you very much.

END



No. 2

APPOINTEES RE-EXAMINATION COMMITTEE

RECORDS OF HEARINGS

WITNESS: KAWASHIMA, Saburo



Minutes of Appointees Re-examination Committee Hearing  
(August 11, 1948)

Committee members present:

Kawazoe, Chairman.  
Oki  
Enjoji  
Okui  
Kashima  
Anzai  
Nishiyama

Witness present:

KAWASHIMA, Saburo

Chairman: You are Mr. Kawashima, Saburo, are you?

Witness : Yes.

Chairman: We are now going to re-examine the cases of YAMAKAWA, Ryoichi and nine others of the Mitsui Mining Company. In the Certificate No. 5, presented by you, it is stated that the election of official's at the shareholders' general meeting of the Mitsui Mining on December 14, 1945, was left with you, the chairman of that day's meeting, and that you named the officials, therefore, according to the planned list of officials you had prepared beforehand. Is that statement correct?

Witness:



Witness: Yes.

Chairman: In preparing the planned list of officers beforehand, did you do so by consulting anyone?

Witness: I did it at my own discretion.

Chairman: Didn't you consult Mr. Sumii or someone else?

Witness: It was usual in the past, that is, before the termination of the war that such plan was generally formed by myself, that is, by the president of the company at the time and was taken to the head office where the plan was discussed. If there was any opinion on the part of the head office, such opinion would be set forth; otherwise, the plan would be accepted. Recently, that is, since the termination of the war, as the head office had come not to touch on such matters due to the dissolution of Zaibatsu, there was no more necessity to ask for its opinion. Accordingly, the plan in question is one formed by myself. In short, I took to the general meeting the plan as formed at my sole discretion, instead of following the past custom of asking for other persons' opinions.

Chairman: Did you obtain Mr. Sumii's previous understanding for the plan? Did you show it to him?

Witness: According to the past custom, if it may be so called, I just showed him the plan, asking how he thought, but he knew what he was about and said that he would leave everything with me.

Chairman: Didn't he express any opinion?

Witness:



Witness: No, nothing.

Chairman: The general meeting was held on the 14th. What day did you show him the plan?

Witness: I don't think it was the day immediately before.

Chairman: Was it not some days before?

Witness: Yes, I think it was two or three days before.

Chairman: When you saw Mr. Sumii the day right before that of the general meeting, did you hear from him that representatives of the various branches in Kyushu had come to Tokyo to make requests, and did he tell you about such requests?

Witness: I heard nothing about those requests, although he told me gossippingly that such and such persons had come and said such and such things.

Chairman: Did he mention any desire then about the appointment of new officials?

Witness: I don't think he had any special desire, at the time ...

Chairman: What did he say, that is, what were the requests made by the branch representatives from Kyushu?

Witness: I was not told much about the matter. I had scarcely anything to do with the arrival of representatives from Kyushu. The case was like this. They came to Tokyo, I don't remember when it was, perhaps a few days before the general meeting. When I went to the company's head office, Mr. MITSUI, Takaharu, who was then one of the directors, was there, and,

pointing



pointing to four or five names written on a visiting card, told me that those men had called at his home, for canvassing or the like, but that he had denied them an interview. I only wondered what was the aim of their visit to Tokyo. That was the first time I ever came to know of their coming, but I had no idea on what business they did so.

Chairman: Were you not informed of their desire for the appointment of Yamakawa, Ishida, Yamamoto, etc., as new officials?

Witness: They went to see Mr. MITSUI, Takaharu, but were refused an interview. They were told to come to the company's office if they wished to see him on any business. Immediately on his arrival at the office, Mr. Mitsui spoke to me, saying that these men had called, and showed me the visitors' names written on a visiting card of their leader. They wanted, it would seem, an interview with Mr. Mitsui, but he brought the card to me, saying that he would not touch on company affairs ...

Chairman: Mind you, we are asking about Mr. Sumii.

Witness: Mr. Sumii said nothing in detail as to who had come and what had happened, except their visit only.

Chairman: We have just asked Mr. Sumii, and he states that they desired the appointment of Yamakawa, Ishida, Yamamoto, etc., as new officials and that he transmitted their desire to you. Is his memory mistaken?

Witness: Perhaps he said to me just that much, in a light sense.

Chairman:



Chairman: It doesn't matter whether in a light sense or in a serious sense, but we wish to know the contents of the matter he transmitted to you.

Witness: That made all contents and there was nothing more.

Chairman: We cannot understand that. Please tell us in brief what Mr. Sumii said to you.

Witness: Mr. Sumii said nothing as to who had come, nor what kind of canvassing they were making. It was but a simple story, something like a desire that something might be done for such and such persons.

Chairman: Did he refer to the names as those whose appointment as officials had been desired? Did he mention to you the names of Yamakawa and others?

Witness: He mentioned two names, YAMAKAWA, Ryoichi, and ISHIDA, Ken, and that was all.

Chairman: The retirement of the existing management was desired, was it not?

Witness: I heard nothing like that.

Chairman: Were you not desired to retire?

Witness: He did not tell me anything of that kind.

Chairman: Is that so? You formed the plan prior to the interview with Mr. Sumii, did you?

Witness: That's right. I paid no attention, therefore, to the desire of those men from Kyushu.

Chairman:



Chairman: Was the question of your retirement decided prior to that?

Witness: Yes, it was. Right after the termination of the war, it was suggested by Mr. Sumii at a meeting of five or six men who were in the post of the so-called "councillors" in those days, that the management of the Mitsui concern should better retire en masse and that each member would tender his resignation. In my case, however, as my term of office was to expire in December, it was opined that there would be no necessity to retire prior to that, which would, on the contrary, cause a confusion of affairs, and that I should better remain in my post till the time of the general meeting. Under such circumstances, I did not retire. I did not tender my resignation, though some others perhaps did so. Generally, from November through December, the General meeting of each company was held, and as it was practically a fixed thing that the presidents of all companies should resign simultaneously, I had, of course, decided to retire in due course.

Chairman: Later, at the shareholders' extraordinary general meeting held on February 14, 1947, ten of the fifteen officers formerly named by you and elected were re-elected, including Yamakawa, but the other five, Tashiro, Kuroda, Hama, Ota, and Matsunaga failed of election. Can't you tell us how that happened?

Witness: I was not consulted at all about the matter, nor did I inquire, either, as I never participated in practical affairs of the company after my retirement.

Oki:



Oki: Did you not consult any member of the Mitsui family for the appointment of officials?

Witness: They were never consulted from before the war, though the opinion of the Gomei (partnership) was sought. For, if personal opinions had been asked for, such opinions would have been accompanied by various requests. Especially, we never consulted those persons. Some consulted them, but I never did. So I was branded as stiff-necked.

Chairman: Mr. MITSUI, Takahiro was deeply interested in the Mitsui Mining, and Mr. Ishida was appointed to the post of standing director at his recommendation, I hear.

Witness: They were friends, perhaps, but Mr. ~~Takahiro's~~ recommendation could not be so powerful. Such as he was, Mr. ~~Takahiro~~ would not have dared to force his wish upon us, of course.

Oki: Was he too young?

Witness: When I was director of the Miike Mines, he was apprenticed to office affairs under my care, and such relationship of father and boy, so to speak, in the past would have made it rather awkward for him to make any demand upon me.

Oki: When Mr. YAMAKAWA and other were designated to be purged from public service and asked you for a certificate necessary for the examination of their cases, did you refused to write it?

Witness: I wrote nothing.

Oki:



Oki: Were you not approached by those persons at the time of their designation?

Witness: The issuance of a certificate by the head office sufficed and the first examination finished.

Oki: I don't mean the case of Zaibatsu dissolution. When an appeal was made for removal from the public service purge list, you are said to have refused writing a certificate for the ten persons ...

Witness: Nothing of that kind took place.

Oki: Was it just a groundless rumour?

Witness: I think so.

Kashima: Were both Mr. Takahiro and Mr. Takaharu officials of the Mining Co. ? Or was Mr. Takahiro a plain member?

Witness: They were directors of the Mining Company. Mr. MITSUI, Takanaga was the first to join the directorate. Mr. Takaharu had held such post long since.

Kashima: Was the proposed list which was adopted at the general meeting identical with the one you took to show to Mr. SUMII?

Witness: Yes.

Kashima: According to the minutes of the general meeting, the nomination of the officials was left entirely with the president. But in preparing the planned list did you ask for the opinion of the directorate? Did you not obtain for it an understanding of the then directors?

Witness:



Witness: The seeking of the directorate's previous understanding, if my memory is correct, was not in practice with the Mining Company.

Kashima: Was that the case always?

Witness: Yes.

Kashima: In the case of deciding who should be appointed the chief of a division, was it not usually done without holding a meeting of officials?

Witness: Such meeting was held.

Kashima: In promoting the chief of a section to that of a division, a meeting of officials was held to consider the matter, wasn't it? If so, the appointment of a division chief from among plain staff members was not effected dogmatically, was it?

Witness: That's a question of traditional usage. In short, it was a customary practice, I think, for the president to make the selection and consult the head office. For, in case the opinion of the directorate had to be consulted each time a plain member was to be appointed to such post, oversight would be apt to take place, leading to various troubles. Such was the customary practice, I think, from the very beginning of my president days.

Kashima: Was the appointment of the chiefs of divisions and sections not submitted to the general meeting for consideration?

Witness: Of course, not. The appointment of directors was regarded as a more important affair, in which case the opinion of the principal shareholders was ascertained first and then the

proposal



proposal submitted to the general meeting. Such were, briefly, the formalities generally followed.

Kashima: Principal shareholders had no right to decide, had they? Nor was it, I think, the way to satisfy his staff members that the president would only announce the consent of the head office to his decision, either. As a matter of common sense, it would appear that the usual procedure taken by the head office in such case, in order to ensure the internal harmony of the company, was to have the matter discussed at a meeting of the directorate.

Witness: With the Mining Company, as had always been the case with all Mitsui concerns, I think, it was not in practice to have such a matter passed first at a meeting of the directorate before taking it to the head office, for if the resolution were adopted at the directorate meeting ...

Kashima: On the passage of a resolution, you used the blank letter of attorney of the head office, did you? The head office is said to have obtained the understanding of GHQ in the matter, but in what way was a blank letter of attorney? to be used?

Witness: I don't know, as that was the business of the head office.

Chairman: How to use a blank letter of attorney ... I mean, you used it at your own discretion, did you?

Witness: That depended on the occasion ... right before the general meeting ...

Chairman:



Chairman: On the day right before the general meeting?

Witness: Such letter was received just a few hours before the opening of the meeting.

Kashimas: No negotiation made with GHQ previously?

Oki: In the minutes of the shareholders' general meeting held on February 14, 1947, Mr. Tashiro is recorded to have stated that the said meeting was one entirely unrelated with the eleven Mitsui families, saying ...

"The present officers were elected under the confidence of the Mitsui head office at the regular general meeting of December, 1945, when the Mitsui head office, as the principal shareholder of this company, still continued to exercise the right to govern it. Now that such right of the head office has ceased to exist, it is desirable that the present officials, twelve in number, shall resign en masse on this occasion, to be replaced by a new body of officials organized under renewed confidence ..... The present officials were elected at the regular general meeting of December, 1945, and in those days the Mitsui head office still existed in name and in fact as the principal shareholder of this company, holding about 60 per cent of the total shares, and accordingly the present officials can be regarded as having been elected under the confidence of the Mitsui head office. Now, due to the dissolution of the Mitsui head office", etc., etc.

On this point, do you think that the Mitsui head office of the eleven Mitsui families had nothing to do with the company?

Mr. Tashiro thinks so.

Witness: I wonder what he really meant when he said ~~that~~ .....  
Chairman:



Chairman: It is said to have been suggested at the general meeting of February 14, 1947, that the directors at the time should resign because they had been elected on December 14, 1945, and were officials under the influence of the Mitsuis, who held 60 per cent of the total shares. It follows, therefore, that the election of officials at the general meeting of December, 14, which, you say, you conducted at your sole discretion, was, after all, carried out under the influence of the Mitsui head office or Mitsui families, doesn't it?

Anzai: You have stated that, when you took your plan to show to Mr. Sumii, he asked you to do just as you thought fit. That means that Mr. Sumii approved the plan.

Witness: Even in the war-time, if such matter had been referred by the president of the Mitsui Gomei, he would, very likely, have been told, "Do just as you think fit."

Anzai: In selecting candidates for the post of officials, you consulted the Mitsui head office, didn't you?

Witness: I never allowed myself to be influenced by anybody.

Anzai: We don't mean to blame Mr. Kawashima for going to consult.

Witness: It is rather a delicate question.

Enjoji: Mr. Kawashima determined the features of the succeeding directorate at his own discretion. Yes, officially so, perhaps, but, as a practical question, wasn't there, inside

and



and outside the Mitsui Mining Company, much canvassing to recommend selves or others for the posts of succeeding directors?

Witness: No.

Enjoji: Judging by out common sense, it would seem likely that, on the dissolution of the Mitsui zaibatsu suddenly like that, members of the company and the affiliated companies would be interested. As a matter of fact, the arrival of the representatives from Kyushu was an instance of such canvassing, either in the form of request or demand in regard to the organization of the succeeding directorate. It would be, indeed, beyond the comprehension by common sense that no one tried to influence Mr. Kawashima, who was the president.

Witness: When you consider the matter from the general point of view, especially, under the present condition of affairs, it is quite natural that you would think that way, but, in that respect, my company was perfectly controlled. With regard to the appointment of directors, there was no canvassing whatever. The recent happening was quite exceptional. I have never heard of any others. In a good sense, the members of the Mitsui concerns were very well controlled, but such condition might be called, using an expression of modern use, feudalistic. In that respect, they were quite different from other companies.

Enjoji: You mean that you made the decision entirely at your own responsibility.

Witness: Yes.

Chairman:



Chairman: Didn't it happen that Mr. MITSUI, Takanaga moved briskly concerning the organization of the succeeding directorate?

Witness: No, never. Aside from the present question, though perhaps it is better not to place on record, let me mention just gossippingly that Mr. Takanaga, who is very particular about matters, used to meddle considerably in company affairs, but that, when I became the president of the company, as I would never adopt his suggestions, he ceased even to speak to me when we came across each other by chance.

Oki: He was assigned to the Mitsui Chemical Industry, wasn't he?

Enjoji: Was Mr. MITSUI, Takanaga in Kyushu?

Witness: Whether he was in Tokyo or in Kyushu, even the Mitsui head office people could hardly tell, you know.

Oki: His house stood beside the pond.

Anzai: When the officials were elected on December 14, 1945, order of seniority among technicians and clerks, too, seems to have been recognized according to the length of service in the company. Wasn't this done specially by you, though you thought it rather trite, as Committee Member Enjoji questioned before, because of the cry raised from among the employees of the company, such as division and section chiefs, against the executive for personnel affairs re-adjustment?

Witness: No, not for such a reason.

Chairman:



Chairman: Were they placed in that order, that is, according to the amounts of their monthly salaries?

Witness: Just let me mention this, that is, when the merit of any employee attracted the notice of the president, such employee would be sure to attain seniority in due course of years.

Anzai: The order of seniority is made to agree with that of monthly salary amounts, I see.

Witness: Is that so? Would it seem as if there were no singling out of merits?

Anzai: That would serve as well to prove the absence of meddlesome instructions of the Mitsui zaibatsu, but ...

Enjoji: Didn't you ever adopt measures unmodifiedly as demanded by workers?

Witness: Never.

Enjoji: Are you well acquainted with Mr. Yamakawa? How was his ability appraised among the Mitsui families? Wasn't he on specially intimate terms with them?

Witness: He had not yet attained a position high enough to become personally acquainted with them. If he knew any members of the Mitsui families, it was perhaps Mr. Takahiro, who was at Miike, and Mr. Takanaga, who was also there. He did not know anyone else. Naturally, it was impossible for his ability to be appraised either favorably or otherwise among those families, I think.

Oki:



Oki: Was the appointment of Mr. Shohara as one of the directors due to his connection with the Chemical Industry?

Witness: Due to technical reasons, I think, respectively.

Kashima: Seven officers, including yourself, retired simultaneously. Why was that? You had talked with Mr. Sumii and had made up your mind to resign, but why did the others do so?

Witness: That was because of the general condition of affairs at the time, and also because it was thought better for senior members to retire as far as possible.

Kashima: Wasn't it partly because of the lack of harmony between the old and new members of the directorate?

Witness: That was not the case at all.

Chairman: Thank you very much. We appreciate your trouble.



No. 3

APPOINTEES RE-EXAMINATION COMMITTEE

RECORDS OF HEARINGS

WITNESS: TASHIRO, Toshio



Minutes of Appointees Re-examination Committee Hearing.

(August 11, 1948.)

Members present:

Chairman KAWAZOE

OKI

KASHIMA

ANZAI

OKUI

ENJOJI

NISHIYAMA

Witness present:

TASHIRO, Toshio

Chairman: I understand your name is Mr. Tashiro. Am I right?

Witness: Yes.

Chairman: I ask you questions about the case submitted for re-examination involving YAMAKAWA, Ryoichi and other nine Zaibatsu officials of the Mitsui Kozan (Mitsui Mining Company). As what you are going to state in reply is likely to have repercussions on various quarters, I would ask you to make plain and honest statements.

Witness:



Witness: I will.

Chairman: At the general meeting of stockholders held on December 14, 1945, you were elected as a director of the Mitsui Mining Company and were appointed the president of the company on the same day. Weren't you?

Witness: Yes.

Chairman: At the extraordinary general meeting of February 14, 1947, you as the chairman of the meeting stated like this. Is it recorded correctly? According to the minutes of the meeting submitted as Evidence No. 19, it is recorded: "The chairman stated that the present executives of the company were appointed at the regular stockholders meeting of December, 1945, when the Mitsui head office as the largest stockholder of this company exercised control over its management, by receiving credence from the Mitsui head office. Now that the controlling powers of the Mitsui head office have ceased to exist....." Is it correct that you made a statement like this?

Witness: What I stated is abridged to a considerable extent in the minutes. In the minutes, which I think was drawn up subsequently, the statement is not recorded word for word, But I testify that the gist of my statement was as recorded in the minutes.

Chairman: Will you please repeat in outline what you stated then?

Witness:



Witness: It was the usual practice that the chairman of a general stockholders meeting would speak with script prepared according to precedents by the Archives Section of the company. Therefore, there must be kept in the office of the Mitsui Mining Company a copy of the script which I read.

Chairman: Is there anything that is not in keeping with what you meant to convey? Is there anything recorded in the minutes that does not agree with what you actually stated?

Witness: I understand I am being asked as to how the conclusion was arrived at that Mr. YAMAKAWA, Ryoichi and other nine persons were 'appointees.' Whether or not I myself am an 'appointee'.....

Chairman: The question of 'appointees' arose in the subsequent stages. What I am asking you now is the inference of the wordings used by you, such as "controlling powers exercised by the Mitsui head office over this company at that time" or "appointment of executives by receiving credence from the Mitsui head office."

Witness: If sufficient time is allowed for me to explain the details as to how the script with which I spoke was prepared, I think the circumstances would be thoroughly understood. The termination of the war in 1945 gave rise to some measure of uneasiness both inside and outside of the company. The general atmosphere was in favor of purging the old-timers from their positions in the company. At the time the general attention of the employees of the Mitsui Mining Company was focused, among others, on whether or not Mr. Saburo Iwashita, the predecessor of mine as the president, would resign his post. There was a move on, I should



on whether or not Mr. Saburo Kawashima, the predecessor of mine as the president, would resign his post. There was a move or, I should rather say, an atmosphere in certain quarters, claiming that those who collaborated with Mr. Kawashima, namely, the leading executives of the company during the war, should also resign their posts as a proper step to be taken. As the Committee members may be informed, representatives of certain elements in the company visited Mr. Sumii of the Mitsui head office, and made demonstrations that Mr. Kawashima and myself should be dismissed on the alleged ground that these two wartime executives now lacked proper qualifications for their offices. Some even thought that Kawashima and Tashiro were inseparably united. But this was not always the case. At any rate, in 1945 I succeeded to the post of the president, after having received various advices from Kawashima. The move demanding the resignation of the old-timers or the wartime directors still persisted somewhere within the company as ever, under the general atmosphere favoring such a move. Though I never heard of a positive and united demand of the employees for the resignation of executives, I was constantly informed of the existence of such a trend as I have just described. In 1947 the question of qualifications for public offices became an outstanding issue. On the ground that I was a *standing* director of the Mitsui Mining Company during the war, there was not the slightest doubt as to my falling under the

category



category to be purged, and accordingly I thought I had to resign my post. About the time my disqualification was decided upon, the demand for my early resignation was beginning to be voiced louder than ever. I gave some thought to how the situation could be explained at the general meeting. However, it appeared the other executives, without my knowledge, had already for some time past been determined, almost definitely, to resign en bloc, as a matter of immediate measures to be taken. In consideration of various conditions, therefore, the date of the general meeting, among others, had to be expedited. I had also some idea as to the line-up of the succeeding board of directors. But the extraordinary general meeting was convened already on the 14th of February, though slightly delayed as against the demand of all concerned. Prior to this extraordinary general meeting, a meeting of the directors which was not a regular one was held. At this informal directors' meeting I stated like this: As I was undoubtedly coming under the category to be purged, I would resign at the forthcoming general meeting; my colleagues Messrs. Gen Nakane and Inasuke Inarida had resigned already on January 3, leaving vacancies to be filled; but as to other directors I was not as yet sure if they also had to resign. As some people opined that the other directors might as well resign later on, if and when objections would be raised to their holding offices and their disqualifications would be definitely established, I told them the idea at some length. However, as they had been already determined

to



to resign on bloc, the subject now was to decide on how the general resignation should be explained. Thereupon I proposed: that I would resign the post anyhow, as my disqualification for public offices was quite unequivocal, as mentioned before, and I would not be allowed to stay; and that as to other executives' resignation it would be explained that as they had originally been elected in company with myself they would rather resign on this occasion for the purpose of taking a fresh start. It was then argued by someone that such an explanation would not be quite convincing; to stand by Tashiro through foul and fair as the reason for the resignation would not be sufficient; that it would be desirable to make a plain statement that as their appointment to the present posts was made at a time when the right of the Mitsui as the company's stockholder was overwhelmingly exercised, they would now refer the matter to the present stockholders' vote of confidence on a new basis. The majority agreed to this argument. I then decided to make explanation along the suggested lines, gave the idea to those in charge of such matters in the company, and had the script drawn up, with which to deliver the speech at the general meeting. Now I think the members of the Committee may have grasped the outline of the circumstances, although my statement included some inside stories, which certainly are not to my credit.

Chairman



Chairman: At that time the Directive relative to the dissolution of the Zaibatsu had already been issued, and the Mitsui itself had declared its intention to carry out dissolution. Therefore, if what you have just stated was all that had to be conveyed in the speech, a mere reference to the election held at a time when the Mitsui exercised its predominant stockholder's right, would have sufficed, eliminating any possibility of being misunderstood. But as a matter of fact, the speech contained such expressions as appointment by receiving credence from the Mitsui head office, exercise of controlling powers, and so forth-----expressions which suggest far more advanced stage of control than the mere exercise of stockholder's right.

Witness: I do recollect having used the expression "receiving credence from," but is there the wording "exercise of controlling powers"?

Chairman: "Now that the controlling powers of the company (Mitsui) have ceased to exist, the present executives will resign in the meantime, and enjoying the confidence on a renewed basis....." So reads the record.

Witness: After my resignation, the minutes was.....

Chairman: Is this merely a perfunctory report?

Witness: Are the expressions found in the report which I actually read?

Chairman



Chairman: Yes, they are found in it. These are expressions somewhat different from what you have just stated. Was it not actually the case that at that time the Mitsui head office exercised controlling powers and that at the general meeting of December 14, 1945, the appointment of executives was made with the understanding of or by receiving credence from the Mitsui head office?

Witness: As regards such circumstances, I had no direct communications with the Mitsui head office. I had only second-hand information through the medium of Mr. Kawashima. Therefore.....

Chairman: Did not these expressions point to the fact that President Kawashima, with the understanding of Mr. Sumii, elected the executives at the previous general meeting?

Witness: I don't think so. In the past, the president of the company used to elect the executives after consulting with the head office in detail, and in the morning of the day on which a general meeting was held a note of this size containing the particulars was brought to this company by the president's secretary of the head office. In the case of the general meeting in 1945, the main interest was centered on whether or not Mr. Kawashima would resign, and I myself was not previously informed on the subject. As the date of the general meeting was close at hand, namely, a couple of days

before



before it, we were still discussing what steps should be taken. As we used to take lunch together, it was not possible to openly express our opinions on personal merits or demerits. Particularly, as Mr. Kawashima was our respected superior, it was not our custom to ask him questions in a friendly manner. I think it was only on the day before the general meeting that I asked him about the concrete proposals to be submitted to the meeting. After a while when I was just going to leave him on a pretext of an engagement, he asked me this time as to what arrangements should be made for the tomorrow's general meeting. I think he also gave a casual expression, before that, to his idea of inviting certain persons into this company. Then I heard him speak his idea as to the standing director to be appointed. He further stated that Mr. Nakane, my senior in the company was then still in Korea, and ended by asking me to undertake the task of succeeding to his position. He then went on to say, on the supposition of my acceptance of the offer, what personnel line-up would be advisable, and also made mention of some idea that might be feasible. I gave my views like this: Mr. Yamakawa, since he entered the company, was chiefly engaged in the coal business. But as there was also metal-mining business to be taken care of, either Mr. Sentaro Morimoto or Inasuke Inarida should be assigned to it. While Mr. Morimoto lacked the experience, Mr. Inarida had both experience and interest in the metal-mining business. As Mr. Inarida had actually operated the business in the Taiheiyo Tanko (Pacific Coal Company), he would make a proper person for the position in this company



company. As I was under the impression that Mr. Kawashima was not yet determined as to Messrs. Yamakawa and Ishida, I said

to Mr. Kawashima that whatever might be his own ideas the important thing was to make use of their respective talents, and that the proper person for coal business would be Mr. Yamakawa, and the financial affairs would properly be assigned to Mr. Ishida. This was the only role I played in the appointment of executives. I never communicated with the Mitsui head office on the subject, nor had Mr. Kawashima any dealings with the head office in this connection.

Chairman: Though it may be known to you, I would call your attention to the fact that when after your resignation Mr. Yamakawa and other ten persons were newly appointed at the general meeting of 1947, President Yamakawa sent a circular letter to various circles announcing his assumption of office, and that it was stated in the circular that the previous executives were appointed by the recommendation of the former Mitsui head office.....

Witness: Quite recently, I heard about it.

Chairman: Will you please enlighten us as to the meaning of the "recommendation of the Mitsui head office?"

Witness: The wording.....

Chairman: It was stated that fifteen persons had been appointed by recommendation. How is it to be interpreted?

Witness



Witness: I do not understand it either. But, for your information I would like to add: Although at the directors' meeting held to formulate the gist of the chairman's speech to be delivered at the general meeting there were numerous directors present, and they considered that the directors who had been elected by the Mitsui under the overwhelming majority of their stockholders' right were "appointees," still some of them may have stated their views according to private understanding with the Mitsui as in the past, and others may have expressed their views simply for the purpose of purging the former executives from the board-----in short I think their views were at variance with one another. I think the views of those who once agreed to resign en bloc and were subsequently re-elected, in particular those of Messrs. Yamakawa and Ishida, will serve to clarify the situation. It will also throw a light on the situation to ascertain what was talked in regard to those who were actually dismissed. Those determined to resign en bloc were excluded from these talks.

Mr. Ukui: I understand, Mr. Tashiro, that you were **elected** to the post of the president at the general meeting of December, 1945, and you conferred about the matter with Mr. Kawashima, your predecessor as the president. I further understand that according to the statement of Mr. Kawashima at that time Mr. Nakane, the chief of the managing directors was in Korea and was not expected to return; Mr. Kawashima himself would resign his post; and Mr. Inarida would be assigned to the

post



post of a managing director in the metal mining business. Then, were Messrs. Yamakawa and Ishida newly appointed at your own recommendation?

Witness: Their appointment was already included in the private plan of Mr. Kawashima. However, Mr. Kawashima was not as yet definitely decided as to whether they would be made directors or standing director, and even if they would be appointed standing directors as to where their services would be employed. I said to Mr. Kawashima that I was not sure what opinions were held by him on their abilities; but that Mr. Yamamoto was long employed in the Coal Controlling Association and his promotion in the company had been delayed; and that as Mr. Ishida had abilities, which may properly be employed, he might be appointed to the post of a standing director in Tokyo.

Mr. Okui: May I understand that their appointment to the post of standing director was due to your recommendation?

Witness: As they were my colleagues and had abilities, I considered their services could properly be employed.

Mr. Okui: It happened that both Mr. Ishida and Mr. Yamakawa were named among the persons recommended for the executive posts by the employees who came from Kyushu to make representations. After the termination of the war, there was a move within the company for a renewal of the personnel line-up to have 'new' executives appointed. Was Mr. Kawashima aware of this move?

Witness



Witness: Both Mr. Kawashima and I were careless enough not to obtain any previous news as to their coming to Tokyo. I was informed only after they came. I think it was also the case with Mr. Kawashima. If I were informed, I would have told of it to Mr. Kawashima, and if Mr. Kawashima had heard of it, he might have informed me of it. Although there was an uneasy atmosphere in those post-war days, I think it must have been a complete surprise to Mr. Kawashima that such a radical steps could have been taken.

Mr. Okui: The decision of Mr. Kawashima to include Messrs. Yamakawa and Ishida in the board of directors might be considered as having been influenced by the general conditions in the post-war days. What are your views on this point?

Witness: I am not sure whether Mr. Kawashima would have appointed them standing directors or placed them somewhere else. But I think he would have appointed them in any case, regardless of whether influenced by the general atmosphere or not.

Chairman: At the extraordinary general meeting of stockholders held on February 14, 1947, ten executives out of the previous fifteen retained their posts, and you, Mr. Tashiro, and Messrs. Kuroda, Hama, Ota and Matsunaga resigned. How is it to be accounted for that the ten executive were re-elected?

Witness: On the ground that the five (See Note) were the wartime executives.....

Note: Minutes amended to exclude Mr. Matsunaga.

Chairman



Chairman: Was that the only reason?

Witness: That may have been the formal reason.

Chairman: Executives during the war?

Witness: Yes, their names are submitted in a list.

Mr. Kajima: Was it strongly claimed within the company to dismiss them?

Witness: I don't know where the demand originated, but the demand was given a wide publicity.

Mr. Kajima: At the general meeting of February, 1947, were there any representatives of the General Headquarters for the Allied Powers present?

Witness: Two or three representatives came. Then there arose an awkward situation for the Mitsui Mining Company as to the method of appointing the executives after my resignation at the general meeting. It may be somewhat exaggerating, but I think the disunity within the company found expression over the question. Although I may not be the proper person to explain the situation, one of the stockholders expressed his opinion like this: Now the successors to the posts had to be appointed ----there was no question about this-----but in appointing the successors such persons as might be subsequently disqualified for public offices should be avoided. Appointment of executives through perfunctory procedure by a small committee would be to ignore the right of the stockholders. Executives should be elected and appointed by all the stockholders in a fair and

equitable



equitable manner. The same stockholder thereupon went on to make mention of individual qualifications that so-and-so had not been purged, but was likely to be disqualified in the future and was therefore not acceptable. To this, some objections were raised, further complicating the situation. But a compromise was made afterward to form an appointment committee. Persons who were considered as having the least chance of being purged were elected for the appointment. The result of their deliberation, however, was just as it had been anticipated at the outset, so that the election was not considered as quite free.

Mr. Okui: Why did Mr. Matsunaga assume the post of an auditor?

Witness: Mr. Matsunaga is a graduate of Hitotsubashi (Tokyo Higher Commercial School). He was originally engaged in the business of selling coal, and later took care of supply business. From the post of the chief of the Supply Division, he became an auditor.

Mr. Okui: Mr. Matsunaga, when resigning his post, stated that he would resign because of his Directorship during the war?.....

Witness: As we held conference as to how the matters would be explained at the general meeting, I pointed out the impropriety of resigning simply because everybody was already determined to resign en bloc-----of which I was informed from private sources. I suggested first to call the directors who were in the local offices and then after consulting them to resign



resign en bloc, on the ground that we had been appointed when the Mitsui exercised their stockholders' right and that we would thus be enabled to take a fresh start. I asked them if anybody had any objection to the proposed action. Seemingly, they had tacit understanding among them and agreed to my proposal. So we attended the general meeting.

Mr. Oki: Were there not any signs of dissatisfaction?

Witness: There may have been some signs. As I was in a friendly relation with Mr. Matsunaga, he would have expressed his dissatisfaction, if any. But he just mentioned that he resigned his post.

Mr. Oki: I think Mr. Hama is considerably advanced in age.

Witness: I think he is about my age.

Chairman: I understand Mr. Inarida is a talented technician.

Witness: He showed his talent in the coal-mining business, particularly in the financial matters. He is my senior.

Mr. Oki: In short, what you stated at the extraordinary general meeting as reasons was based on the idea of tendering general resignation, avoiding an awkward situation-----.

Witness: I had no such idea. Probably neither had the other people any such idea. I myself had no inclination to take up such a question, as I was to resign as a purgee. Other people were going to resign for the present without any distinct idea. But as the situation had to be clarified.....

Mr. Oki