DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

894.51 BONDHOLDERS/ 1-148--------12-3148 — 49

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

LEGAL ADVISER
Referred to FN for action
JAN 22 1948
DEPARTMENT OF STATE

FE
FN
Doc

894.51 BONDHOLDERS/1-1648

503 Truman Boyd Manor
Long Beach 10, California
January 16, 1948

Department of State
Washington, D. C.

Attention: Legal Adviser

Gentlemen:

It was suggested by the Office of Alien Property that I write to you regarding our claim since it appeared to relate to matters within the jurisdiction of your Department.

Can you give me any information regarding the status of Tokyo Electric Bonds.

Very truly yours,

Sumajiro Harada

Sumajiro Harada

RECEIVED
JAN 17 1948
DEPARTMENT OF STATE
FINANCE BRANCH

DIVISION OF FINANCIAL AFFAIRS
JAN 26 1948
DEPARTMENT OF STATE

Ans and FN form 1/28/48
Answered 5/17/48
FN - 4.5 earlier

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FILED
JUN 12 1951

8/7 1-1648

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

COUNTY COURT
IOWA COUNTY
DODGEVILLE, WISCONSIN

JAMES E. O'NEILL, JUDGE

CES 1/23/48
LEGAL ADVISER
Referred FN for action
JAN 23 1948
DEPARTMENT OF STATE

Jan. 16, 1948.

JAN 1948 DEPT OF STATE

Legal Adviser,

Department of State,

Washington, D. C.

Dear sir:

I am the owner of one $1,000 Japanese Government bond described as Imperial Japanese Government External Loan of February 1, 1924, thirty year Sinking Fund Gold Bond due Feb. 1, 1954, which, of course has been in default since 1942. I have filed claim with the Office of Alien Custodian and the Director suggests that I may wish to communicate with you. Is there anything further I can properly do to protect my interest arising under the above claim?

My wife is the owner of one $1,000 Berlin City Electric Bond, also in default. This bond, as I recall, is due in 1956. Is there anything she should do in respect to such obligation?

Thanking you, I am,

Very truly yours,

James E. O'Neill.

DCR - CLAIMS UNIT
Anal. EP
Rev. JB
Cat. tlb
Dist.

DIVISION OF FINANCIAL AFFAIRS
JAN 27 1948
DEPARTMENT OF STATE
FILED
JAN 25 1951

XR 862.51 Bondholders

894.51 BONDHOLDERS/1-1648

CS/V

894.51 Bondholders/1-1648

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

FN

JUN 17 1948

In reply refer to
FN 894.51 Bondholders/1-1648

894.51 BONDHOLDERS/1-1648

My dear Judge O'Neill:

Reference is made to your letter dated January 16, 1948, acknowledged by the Department on January 28, 1948, relative to a $1000.00 Imperial Japanese Government bond held by you and to a $1000.00 Berlin City Electric bond held by your wife.

A definitive reply to your inquiry is not now possible, but the following may be helpful to your understanding of the Department's position with respect to such obligations.

The Department considers that investment in foreign bonds is primarily a private transaction into which the purchaser enters after calculation of the risks involved. In case of default on dollar bonds issued by or guaranteed by governmental entities, it is not the practice of the Department to negotiate directly for American holders, but it does endeavor to render such assistance as it properly can to such holders or their representatives. In this connection attention may be called to the Foreign Bondholders Protective Council, Incorporated, 90 Broad Street, New York, New York, which was organized several years ago to serve as a central representative body. Although it was established with the encouragement of the Department, the Council acts on its own responsibility. Some time ago, at the request of the Council, the Department transmitted to the United States Political Adviser to the Supreme Commander for the Allied Powers, at Tokyo, a complete statement regarding the dollar bonds issued or guaranteed by Japanese governmental entities. This statement was sent for the information and use of the Political Adviser and of the appropriate section of the Staff of the Supreme Commander, and for such action as might be considered appropriate in the protection of the American interest involved. The

Department

The Honorable
James E. O'Neill,
Judge of the County Court,
Iowa County,
Dodgeville, Wisconsin.

FN

CSN

894.51 Bondholders/1-1648

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Department believes that the Council is mindful of the interests of American holders of such obligations and that it will, when occasion offers, take such steps as it considers to be to the advantage of the holders. You may wish to write to the Council in connection with the Japanese Government bond held by you.

The Berlin City Electric bond held by your wife is in a somewhat different category. This is a private obligation not guaranteed by a governmental entity. In such a case it is assumed that holders will be prepared, if necessary, to avail themselves of the usual methods to secure enforcement of their rights when resort to such measures may be practicable. The Department is unable to state now when this may be.

It will be appreciated that the Department is not in a position to state now what provisions, if any, affecting the obligations referred to by you, may be contained in the Peace Treaties with Japan and Germany, or what provision for claims arising from the war may be made. As you doubtless know, there will be many claims and demands against Japan, and Germany, and against municipalities and persons in those countries, of which such obligations as those to which you refer will probably constitute but a small part.

Nevertheless, the Department will make a record, for such future consideration as may be found to be appropriate, of the information submitted by you with regard to the bonds held by you and by your wife. In addition to the data contained in your letter of January 16, 1948, you should inform the Department of the manner and date of acquisition of these bonds by you and your wife, the purchase price, the last payment of interest thereon, and the manner (whether by birth or naturalization) and date of acquisition by you and your wife of American citizenship. If citizenship was acquired by naturalization, the name and location of the court granting citizenship, and the number of the relative certificate should also be given. If it should later be found advisable for individual holders to take further steps, due announcement will be made in the public press.

Sincerely yours,

For the Secretary of State:

James C. Corliss
Assistant Chief
Division of Financial Affairs

FN:VWJones:mw
6/4/48

CR JUN 17 1948 P.M.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

OE

Banque Belge pour l'Etranger (Overseas) Limited.

Affiliated to the Société Générale de Belgique

67 WALL STREET

Head Office
LONDON

Cable Address
"SINOBE"

RECEIVED
JAN 23 1948
DEPT. OF STATE
DC/R

NEW YORK 5, N. Y., **January 21, 1948**

DIVISION OF OCCUPIED AREAS
ECONOMIC AFFAIRS
JAN 27 1948
DEPARTMENT OF STATE
No action required
Jan 25

Department of State
Washington, D.C.

Attention Mr. Roswell H. Whitman, Acting Chief
Division of Occupied Areas, Economic Affairs

Dear Sirs:

Ref.: OE 894.51 Bondholders/12-947

We acknowledge receipt of your letter of December 29 for contents of which we thank you, and we are accordingly communicating with the Belgian Diplomatic Representative in Tokyo.

Yours very truly,

BANQUE BELGE POUR L'ETRANGER
(OVERSEAS) LIMITED
NEW YORK AGENCY

MJS/hs

Assistant Manager Chief Manager

DCR - CLAIMS UNIT
Anal.
Rev.
Cdl.
Dist.

894.51 BONDHOLDERS/1-2448
FILED
FEB -2 1948
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894.51/Bondholders/1-2148

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

DWIGHT L. ROGERS
6TH DISTRICT FLORIDA
ROOM 111, HOUSE OFFICE BLDG.

COMMITTEE:
INTERSTATE AND FOREIGN COMMERCE

SUBCOMMITTEES:
AVIATION
FEDERAL TRADE COMMISSION
COMMERCE AND TRADE

Congress of the United States
House of Representatives
Washington, D. C.

January 22, 1948

SECRETARIES:
HATTIE MAE COKE
WERDNA I. O'BANNON

FILE REF:
INF

FEB 5 1948
CES
LEGAL ADVISER
Referred to FN for advice
JAN 23 1948
DEPARTMENT OF STATE
DCR
SO

State Department
Washington, D. C.

Gentlemen:

Enclosed herewith is a letter which I have received from Dr. Victor Neesen of Fort Lauderdale, Florida, same being self-explanatory.

I shall appreciate very much your going into this matter and advising me in the premises, along with the return of the enclosure.

Thanking you, I am

Sincerely yours,

DLR/c

Encl. recd 1/23/48. OK. all VVL

DEPARTMENT OF STATE
RECEIVED
1948 JAN 20 AM
DIVISION OF COMMUNICATIONS

DIVISION OF FINANCIAL AFFAIRS
Reply & letter to Atty Gen
JAN 27 1948 1/29/48
FN - J. C. Carlin
DEPARTMENT OF STATE
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894.51 BONDHOLDERS/1-2248
FILED
FEB 12 1948
894.51 Bondholders/1-2248

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

(COPY)

217 S.E. 10 St.
Fort Lauderdale
Florida

Jan. 18th

Dear Mr. Rogers:

I own 8 bonds of Tokyo Electric Lt. (Japan). Money to pay interest on these bonds was deposited in N.Y. Dec. 1st 1941. to pay interest due Dec. 15th. After Pearl Harbor, the Alien Property Custodian confiscated this money and has held it ever since. And my brokers - Hunt, Hill, & Betts, are unable to obtain information as to when it will be released. The Jap. Govt. who guaranteed these bonds is anxious and willing to pay all the back interest. Can you find out for me what is the obstacle standing in the way of these payments?

I am retired on a fixed income and am badly in need of this money.

Your constituent,

Cordially,

Victor Neesen, M.D.

(COPY)

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

FEB 5 1948

In reply refer to
FN 894.51 Bondholders
/1-2248

The Secretary of State encloses for the information of the Attorney General a copy of a letter dated January 22, 1948 from the Honorable Dwight L. Rogers, Representative from Florida, with a copy of the enclosure thereto, a letter dated January 18, 1948, directed to Representative Rogers by Dr. Victor Neesen, Fort Lauderdale, Florida, in connection with the disbursement of funds held by the Office of Alien Property to make payments pertaining to eight Tokyo Electric Light Company (Japan) bonds held by Dr. Neesen.

It would be appreciated if the Office of Alien Property would take such action as may be considered appropriate in this matter.

Enclosure:
Copy of letter from
Representative Rogers
with enclosure.

CR
FEB 3 1948 P.M.

FN:JCCorliss:rt 1/29/48

894.51 BONDHOLDERS/1-2248
CS/A
894.51 Bondholders/1-2248

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

FEB 5 1948

In reply refer to
FN 894.51 Bondholders/1-2248

My dear Mr. Rogers:

Reference is made to your letter of January 22, 1948, enclosing a letter dated January 18, 1948, from Dr. Victor Neesen, Fort Lauderdale, Florida, regarding the disbursement of certain funds held by the Office of Alien Property in connection with eight Tokyo Electric Light Company (Japan) bonds held by Dr. Neesen.

This matter is one falling within the jurisdiction of the Office of Alien Property under the law, and the Department has therefore transmitted to that Office a copy of your letter, with a copy of the enclosure thereto, with a request that it take appropriate action in the matter.

Sincerely yours,

For the Secretary of State:

Charles E. Bohlen
Counselor

Enclosure:
Letter from Dr. Neesen.

The Honorable
Dwight L. Rogers,
House of Representatives.

CR FEB 3 1948 P.M.

FN:JCCorliss:rt 1/29/48

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

INCOMING AIRGRAM

DEPARTMENT OF STATE DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

OFFICE OF FINANCIAL AND DEVELOPMENT POLICY
FEB 12 1948
DEPARTMENT OF STATE

FROM 1789

LONDON

DATED February 5, 1948

RECD. Feb. 11, 1948 8:47 AM

UNCLASSIFIED

DIVISION OF FINANCIAL AFFAIRS
FEB 13 1948
DEPARTMENT OF STATE

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Secretary of State,

Washington

A-~~324~~ 323 February 5, 1948

1. Reference is made to Embassy's airgram A-1039, May 8, 1947, in regard to Japanese bondholders.

2. Following oral questions and answers exchanged in House of Commons on February 3, 1948, on this subject:

Mr. Keeling (Conservative M.P. for Twickenham) asked the Chancellor of the Exchequer whether he will support American efforts to get the service of Japanese bonds resumed; and what information he has about Japanese plans for resuming the service.

Sir S. Cripps (Chancellor of the Exchequer): "I am not acquainted with the efforts to which the hon. Member refers, but the rights of the bondholders will be borne in mind in the discussions leading up to the Peace Treaty. As regards the second part of the Question, Press reports suggest that the Japanese Government is properly anxious to resume the service of its external debt; but the balance of payments position of Japan is such that it is not likely to be possible in the near future."

DEPARTMENT OF STATE MAR 1 1948 DC/L LIAISON OFFICE

Mr. Keeling: "May I thank the Chancellor for this modification of the unhelpful attitude of his predecessor to British holders of those bonds, who, I hope he will agree, are just as patriotic and just as deserving of his support as any other British creditors of a foreign government?"

Sir S. Cripps: "The hon. Member can thank me, but not in those terms."

FILED FEB 25 1948

PERMANENT RECORD COPY.—This copy must be returned to DC/R central files with notation of action taken.

Following/

894.51 BONDHOLDER S/2-548 HH

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

A-323
February 5, 1948
from London

Following written question and answer on this subject exchanged in House of Commons on February 3, 1948:

Mr. Teeling (Conservative M.P. for Brighton) asked the Chancellor of the Exchequer how many British subjects and how many United States subjects are registered as holders of Japanese bonds; when the last registration was made; how many of these bonds are outstanding; how many were redeemed by the Japanese Government during the war; and how many British subjects are registered as holders of Japanese bonds in loans floated in the United States.

Sir S. Cripps: "In 1942 persons resident in the United Kingdom were invited to register with the Trading with the Enemy Department particulars of their Japanese property, including bonds. This invitation is still open. Information as to the number of persons so registered as holders of Japanese bonds could not be furnished without disproportionate labour and would be of little value as the registration is voluntary and incomplete. The amounts outstanding at the beginning of the war were approximately £38 million of sterling loans and $276 million of dollar loans. I am not aware that there has been or could have been during the war any effective redemption of foreign currency bonds owned by allied nationals."

GALLMAN

Copy to U.S. Political Adviser, SCAP, Tokyo

EFDrumright/wg
2/4/48

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

INCOMING AIRGRAM

DEPARTMENT OF STATE DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

DIVISION OF FINANCIAL AFFAIRS
FEB 18 1948
DEPARTMENT OF STATE

FROM 2786

LONDON

DATED February 10, 1948

RECD. February 17, 1948
9:03 a.m.

OFFICE OF FINANCIAL AND DEVELOPMENT POLICY
FEB 18 1948
DEPARTMENT OF STATE

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UNCLASSIFIED

Secretary of State,

Washington

A-349, February 10, 1948

1. Reference is made to Embassy's airgram A-323, February 5, 1948, in regard to Japanese bonds.

2. Following article on this subject appeared in the February 4, 1948, edition of Financial Times:

"The reply given by Sir Stafford Cripps in Parliament yesterday to a question on Japanese bonds showed a much more conciliatory attitude than Mr. Dalton's, in his more exuberant days. That the British bondholders have some rights the Government now appears to recognise. That marks an important advance. But caution is still essential in any attempt to assess the outlook.

"Japan, unlike Italy, has no sterling balances to pay interest arrears. The Japanese authorities, again, have intimated that they are willing to resume the debt service, but not, apparently, at the old contractual rates. When a settlement is reached, as one day it undoubtedly will be, the attitude of the U.S. will be the dominating factor. If the settlement reached by the U.S. with Italy is taken as a guide, it can be assumed that the terms imposed will not be unfavourable to Japan. It would be unwise at this stage, therefore, to speculate on the investment status of the bonds. That is a matter which only the future and the U.S. can decide."

GALLMAN

DEPARTMENT OF STATE FEB 27 1948 DC/L LIAISON OFFICE

Copy to U.S. Political Adviser, SCAP, Tokyo

EFDrumright/wg
2/9/48

FILED FEB 20 1948

PERMANENT RECORD COPY.—This copy must be returned to DC/R central files with notation of action taken.

894.51 BONDHOLDERS/2-1048

HH

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

MAY 24 1948

In reply refer to
FN 894.51 Bondholders
/2-1648

My dear Mr. Graham:

Reference is made to your letter dated February 16, 1948, acknowledged by the Department on February 25, 1948, relative to five $1000.00 Great Consolidated Electric Power Company dollar bonds which you hold.

The Department will make a record of the information you have submitted regarding your holdings, but in order that there may be no misunderstanding as to the significance of its acceptance of this data, there is set forth a statement relative to the Department's position with respect to such obligations.

The Department considers that investment in foreign bonds is primarily a private transaction into which the purchaser enters after calculation of the risks involved. In case of default on dollar bonds issued by private entities, it is assumed that the holders will be prepared, if necessary, to avail themselves of the usual methods to exercise any rights they may possess, whenever and wherever resort to such measures is possible. In case of default on dollar bonds issued by or guaranteed by governmental entities, as are the bonds mentioned by you, it is not the practice of the Department to negotiate directly for American holders, but it does endeavor to render such assistance as it properly can to such holders or their representatives. In this connection attention may be called to the Foreign Bondholders Protective Council, Incorporated, 90 Broad Street, New York, New York, which was organized several years ago to serve as a central representative body. Although it was established with the encouragement of the Department, the Council acts on its own responsibility. Some time ago, at the request of the Council, the Department transmitted to the United

States

Mr. Douglas Graham,
100 Prospect Avenue,
Hackensack, New Jersey.

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894.51 BONDHOLDERS/2-1648

CSN / 2-1648
894.51 Bondholders

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

States Political Adviser to the Supreme Commander for the Allied Powers, at Tokyo, a complete statement regarding the dollar bonds issued or guaranteed by Japanese governmental entities. This statement was sent for the information and use of the Political Adviser and of the appropriate section of the Staff of the Supreme Commander, and for such action as might be considered appropriate in the protection of the American interest involved. The Department believes that the Council is mindful of the interests of American holders of such obligations and that it will, when occasion offers, take such steps as it considers to be to the advantage of the holders. You may wish to write to the Council in connection with the bonds mentioned by you.

It will be appreciated that the Department is not in a position to state now what provisions, if any, affecting such obligations, may be contained in the Peace Treaty with Japan or what provision for claims arising from the war may be made. As you doubtless know, there will be many claims and demands against Japan, and against Japanese municipalities and persons, of which such obligations as those to which you refer will probably constitute but a small part.

Nevertheless, as indicated above, the Department will make a record, for such future consideration as may be found to be appropriate, of the information submitted by you with regard to your holdings. It is requested that you also inform the Department of the manner and date of your acquisition of these bonds, the purchase price, the last payment of interest thereon, and the manner (whether by birth or naturalization) and date of your acquisition of American citizenship. If citizenship was acquired by naturalization, the name and location of the court granting citizenship, and the number of the relative certificate should also be given. If it should later be found advisable for individual holders to take further steps, due announcement will be made in the public press.

Sincerely yours,

For the Secretary of State:

James C. Corliss, Assistant Chief
Division of Financial Affairs

Ch
MAY 24 1948

FN: VWJones:RT
5-20-48

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

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RECEIVED
FEB 18 1948
DEPT. OF STATE
DC/R

100 Prospect Ave.
Hackensack N.J.
Feb 16th 1948

Department of State
Legal adviser
Washington D.C.

Dear Sir:-

On Nov. 3rd 1947 I filed a claim with the Alien Property Director for five (5) $1.000.00 bonds of the Swak Consolidated Electric Power Company of Japan, with coupon interest to the time they should have been called August 1st 1944.

I received a postal Nov 7-1947 acknowledging receipt of same "formal receipt to follow".

I have received no formal receipt up to this time.

LEGAL ADVISER
FEB 19 1948
DEPARTMENT OF STATE

sss

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DIVISION OF FINANCIAL AFFAIRS
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FEB 20 1948 2/25/48
Answered 5/20/48
DEPARTMENT OF STATE
FN - V.W. Janes

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

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FN

DC/8

MAY 31 1948

As Mr. David L. Bazelon stated in his first letter, that since this also appears to relate to matters within the jurisdiction of the State Department, I am writing you for information and further instructions.

Thanking you, I am,

Respectfully yours

Douglas Strathearn

51

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DIVISION OF FINANCIAL AFFAIRS
ack FN form
FEB 20 1948 2/25/48
Answered 5/20/48
DEPARTMENT OF STATE
FN - V.W. Janes

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Foreign Bondholders Protective Council, Inc.
Ninety Broad Street, New York 4

March 5, 1948

Dear Mr. Livesey:

The purpose of this letter is to bring before the Department some of the comments of the Council in regard to the settlement of the external bonded debt of Japan. The letter is intended to supplement and put in more definite form many questions which I have discussed with you in our customary periodical conferences with the Department over foreign bond problems.

I attach herewith a memorandum which gives the best judgment the Council has been able to assemble with the assistance of the Department and the fiscal agents on the principal statistical points on the Japanese governmental debt outstanding in dollars. There are fourteen issues of dollar bonds publicly issued, on all of which the Imperial Japanese Government is liable either as principal obligor or as guarantor. The aggregate amount of principal outstanding outside of Japan appears to total now only about $68,000,000. You will note about $20,000,000 principal is the direct debt of the Imperial Government. About $6,000,000 is equally divided between the cities of Tokyo and Yokohama. The remaining indebtedness consists of the bonds of Japanese power and development corporations, all of which corporate bonds were guaranteed by the national government originally or by later action before the outbreak of the war. The principal of these corporate bonds aggregates about $40,000,000, of which the largest items are about $20,000,000 issued by the Tokyo Electric Light Company and about $11,000,000 by the Oriental Development Corporation. The contractual annual interest service on the whole Japanese dollar debt is only about $4,000,000 a year. The bonds, of course, have been in default as respects all service since Pearl Harbor, or more than six years. The bonds represent a relatively small fraction of a large indebtedness floated in the United States between 1924 and 1931, for nearly six-sevenths of the original total has been retired or exchanged by Japanese holders for internal Japanese obligations.

The Debt is a small item in the economy of Japan either as respects its domestic budget or the burden on its foreign exchange. The service of foreign governmental debt is seldom

an

Frederick Livesey, Esq.
Advisor, Office of Financial and Development Policy
182 Old State Department Building
Washington, D. C.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

an important financial element in the economy of a nation and, in the case of Japan, the burden is even less than usual.

In addition to the dollar debt, Japan has outstanding a somewhat similar series of obligations in sterling on which we do not have precise figures but which may still be several times as large as the dollar debt, and it has an indebtedness in French francs which may now be affected by currency depreciation. The sterling and franc debts are both predominantly national bonds although there are some small issues of city and corporate bonds similar to our own.

Turning to the question of policy as respects the adjustment of this indebtedness, the following points should be noted:

First, there is a well developed feeling both in the United States and in Great Britain that Japan is capable of meeting the debt in full both as respects the adjustment of arrears and the future performance of the contract rates and obligations. There are two small dollar issues outstanding on which the principal came due during the war. There are several other issues on which some adjustment of maturity would be necessary in view of the events of the war and the period of post-war recover, but the Council is in accord with the sentiment in financial circles, which we think is general in both this country and Britain, that Japan should perform her obligations in full and that the disposition of the Japanese Government itself will be to carry out its obligations, if permitted. Japan before the war was meticulous in attention to her foreign indebtedness and, as the record show, has by one means or another retired the great bulk of it even before the obligations matured.

Whatever may be the economic restrictions laid upon Japan under the policy adopted by the victorious governments, she must in any case be permitted considerable international commerce, if only to afford life to her population. The payment of her debts would not only be a relatively small burden on this considerable commerce but probably would contribute to its healthy development within sound limits, while the failure to meet her obligations in full, even if brought about by policy forced upon her, would almost certainly impede her commercial future. We hope therefore that the American Government and the State Department, as the agency entrusted especially with these policies, will find it possible to so frame the treaties of peace and the future economic limitations placed upon Japan in such a way as to permit the payment of the debt.

Second,

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Second, the events which have occurred since the attack upon Pearl Harbor have complicated the machinery of nearly all of these issues in one way or another to an extent that requires considerations of financial policy and rehabilitation measures.

Without attempting to do more than suggest some of these problems, we point out that the debts of the Imperial Government, of the cities of Tokyo and Yokohama, and the Taiwan Electric issues were all serviced by the Yokohama Specie Bank's New York agency which is now liquidated, and there is not even a nominal representative for the administration of the interest or retirement funds on this large part of the Japanese debt. The funds in New York held by the Yokohama Specie Bank and finally taken over by the Alien Property Custodian include some substantial amounts which in the judgment of the Council were fiduciary funds held by that bank for the benefit of bondholders. The Alien Property Custodian made a ruling contrary to this view which was protested by spokesmen of the bondholders, but the legal remedies for the assertion of the bondholders' claims are so complex that they have not so far been pressed. It would seem to us that in any legislation dealing with the Japanese assets seized by our Government, provision could and should be made for the recognition of the strong equitable position, if indeed it is not a legal right of the holders of Japanese bonds to these sums which had been remitted from Japan for the service of the various issues.

Another element of confusion in the situation is that the changes made by Allied occupation policy in the organization of the Japanese financial and industrial system have resulted in several liquidations of Japanese financial institutions, notably the Mitsui Bank, the effect of which has been to replace the trustees who under the contracts were set up to enforce the security obligations of the Japanese corporate issues. Most of the guaranteed corporate issues, as you will notice, had trustees in the form of Japanese banking institutions. There are no American trustees provided although the corporate issues, as distinguished from the national and city issues, had in most cases American fiscal agents whose duties were restricted to the operation of interest payments and sinking fund redemptions.

Another complication in the situation arises from the fact that the Japanese Government, if we understand the facts correctly, proceeded during the war to convert bonds of the external issues which were held in Japan into yen obligations, thereafter "assuming" the obligation of paying principal and interest, and arbitrarily canceling various mortgages and other pledges of security on properties of the obligor corporations. These breaches of contract during the war call for the consideration of the Department and have been brought to the Depart-

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

ment's attention in some cases at least by the American fiscal agents which have been associated with the issues. There has been some indication that the mortgages would be reinstated. The proper protection of the American bondholders in connection with these unilateral breaches of their contracts is a part of the general problem.

The sterling indebtedness of Japan has been an active topic in London, and our Council has received a number of communications from the Council of Foreign Bondholders in London calling attention to the official and unofficial attitudes and activities in Britain. The matter has been publicly discussed in Parliament. Correspondence and numerout items in the British press which we have received indicate that Britain is moving with considerable determination in an endeavor to see that the Japanese sterling public debt is serviced in full.

The Council has been in accord with the idea that it is wise in the case of post-war readjustment to make a comprehensive settlement, not only of the indebtedness and obligations between the victor and the defeated governments, but also of the respective claims of nationals. The policy of making an over-all comprehensive settlement was followed in the case of Italy. The settlement with Italy was recommended by the Council in the belief that the interests of bondholders were best served by accepting the proposal made in the course of the general economic adjustment with Italy instead of postponing a settlement until later and also that the principal terms of settlement involved were adequate and wise. There has been public criticism, however, of the final rate of interest established in the adjustment and of the differential treatment accorded British and American bondholders as a consequence of the differing policies of the British and American Governments as respects certain clauses in the treaties of peace.

The criticism has been aimed in Britain and the United States not only at the two Councils but at the two governments. We in the American Council are quite willing to face public criticism when we feel, as we do in this case, that we acted wisely in behalf of the American bondholders. This sort of development, however, on the one hand, hampers somewhat the freedom to carry out even the wisest national policy and, on the other hand, in our judgment, can be anticipated and avoided by some consultation and consideration at an early stage. It is nearly always possible to arrive at a policy regarding bond settlements which is consistent with the full expression of our national interests in such great questions as security and trade and still gives recognition to the points of view

of the

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

of the widely scattered bondholders and of the financial community whose opinions to some degree affect the bondholders' attitude. The Council is constantly endeavoring to explore and understand these points of view, as it must if it is to handle its duties successfully. I think if these could be discussed at an early stage in the formulation of a post-war settlement in the case of Japan, the whole problem could be met with the hope of general approval. The bonded debt, as we see it, is not so large an economic burden on the future of Japan, whatever may be the plans of our Government, as to embarrass either rehabilitation or limitations on the domestic or foreign economy of the Japanese nation.

The American Government has been active in preparing the way for international investment in the future. The great impediment is after all the history of the past. The loans to Japan have never been considered examples of reckless or irresponsible lending, and it might be practicable in the course of their adjustment to offset in part the impression made by other settlements which today discourage the American investor.

Respectfully,

(Signed) James Grafton Rogers,

James Grafton Rogers,
President.

Enclosure

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Foreign Bondholders Protective Council, Inc.
Ninety Broad Street, New York 4

March 5, 1948

894.51 Bondholders/3-548

Dear Mr. Livesey:

The purpose of this letter is to bring before the Department some of the comments of the Council in regard to the settlement of the external bonded debt of Japan. The letter is intended to supplement and put in more definite form many questions which I have discussed with you in our customary periodical conferences with the Department over foreign bond problems.

I attach herewith a memorandum which gives the best judgment the Council has been able to assemble with the assistance of the Department and the fiscal agents on the principal statistical points on the Japanese governmental debt outstanding in dollars. There are fourteen issues of dollar bonds publicly issued, on all of which the Imperial Japanese Government is liable either as principal obligor or as guarantor. The aggregate amount of principal outstanding outside of Japan appears to total now only about $68,000,000. You will note about $20,000,000 principal is the direct debt of the Imperial Government. About $6,000,000 is equally divided between the cities of Tokyo and Yokohama. The remaining indebtedness consists of the bonds of Japanese power and development corporations, all of which corporate bonds were guaranteed by the national government originally or by later action before the outbreak of the war. The principal of these corporate bonds aggregates about $40,000,000, of which the largest items are about $20,000,000 issued by the Tokyo Electric Light Company and about $11,000,000 by the Oriental Development Corporation. The contractual annual interest service on the whole Japanese dollar debt is only about $4,000,000 a year. The bonds, of course, have been in default as respects all service since Pearl Harbor, or more than six years. The bonds represent a relatively small fraction of a large indebtedness floated in the United States between 1924 and 1931, for nearly six-sevenths of the original total has been retired or exchanged by Japanese holders for internal Japanese obligations.

FE 894.51 Bondholders/3-548

The Debt is a small item in the economy of Japan either as respects its domestic budget or the burden on its foreign exchange. The service of foreign governmental debt is seldom

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Frederick Livesey, Esq.
Advisor, Office of Financial and Development Policy
182 Old State Department Building
Washington, D. C.

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an important financial element in the economy of a nation and, in the case of Japan, the burden is even less than usual.

In addition to the dollar debt, Japan has outstanding a somewhat similar series of obligations in sterling on which we do not have precise figures but which may still be several times as large as the dollar debt, and it has an indebtedness in French francs which may now be affected by currency depreciation. The sterling and franc debts are both predominantly national bonds although there are some small issues of city and corporate bonds similar to our own.

Turning to the question of policy as respects the adjustment of this indebtedness, the following points should be noted:

First, there is a well developed feeling both in the United States and in Great Britain that Japan is capable of meeting the debt in full both as respects the adjustment of arrears and the future performance of the contract rates and obligations. There are two small dollar issues outstanding on which the principal came due during the war. There are several other issues on which some adjustment of maturity would be necessary in view of the events of the war and the period of post-war recover, but the Council is in accord with the sentiment in financial circles, which we think is general in both this country and Britain, that Japan should perform her obligations in full and that the disposition of the Japanese Government itself will be to carry out its obligations, if permitted. Japan before the war was meticulous in attention to her foreign indebtedness and, as the record show, has by one means or another retired the great bulk of it even before the obligations matured.

Whatever may be the economic restrictions laid upon Japan under the policy adopted by the victorious governments, she must in any case be permitted considerable international commerce, if only to afford life to her population. The payment of her debts would not only be a relatively small burden on this considerable commerce but probably would contribute to its healthy development within sound limits, while the failure to meet her obligations in full, even if brought about by policy forced upon her, would almost certainly impede her commercial future. We hope therefore that the American Government and the State Department, as the agency entrusted especially with these policies, will find it possible to so frame the treaties of peace and the future economic limitations placed upon Japan in such a way as to permit the payment of the debt.

Second,

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Second, the events which have occurred since the attack upon Pearl Harbor have complicated the machinery of nearly all of these issues in one way or another to an extent that requires considerations of financial policy and rehabilitation measures.

Without attempting to do more than suggest some of these problems, we point out that the debts of the Imperial Government, of the cities of Tokyo and Yokohama, and the Taiwan Electric issues were all serviced by the Yokohama Specie Bank's New York agency which is now liquidated, and there is not even a nominal representative for the administration of the interest or retirement funds on this large part of the Japanese debt. The funds in New York held by the Yokohama Specie Bank and finally taken over by the Alien Property Custodian include some substantial amounts which in the judgment of the Council were fiduciary funds held by that bank for the benefit of bondholders. The Alien Property Custodian made a ruling contrary to this view which was protested by spokesmen of the bondholders, but the legal remedies for the assertion of the bondholders' claims are so complex that they have not so far been pressed. It would seem to us that in any legislation dealing with the Japanese assets seized by our Government, provision could and should be made for the recognition of the strong equitable position, if indeed it is not a legal right of the holders of Japanese bonds to these sums which had been remitted from Japan for the service of the various issues.

Another element of confusion in the situation is that the changes made by Allied occupation policy in the organization of the Japanese financial and industrial system have resulted in several liquidations of Japanese financial institutions, notably the Mitsui Bank, the effect of which has been to replace the trustees who under the contracts were set up to enforce the security obligations of the Japanese corporate issues. Most of the guaranteed corporate issues, as you will notice, had trustees in the form of Japanese banking institutions. There are no American trustees provided although the corporate issues, as distinguished from the national and city issues, had in most cases American fiscal agents whose duties were restricted to the operation of interest payments and sinking fund redemptions.

Another complication in the situation arises from the fact that the Japanese Government, if we understand the facts correctly, proceeded during the war to convert bonds of the external issues which were held in Japan into yen obligations, thereafter "assuming" the obligation of paying principal and interest, and arbitrarily canceling various mortgages and other pledges of security on properties of the obligor corporations. These breaches of contract during the war call for the consideration of the Department and have been brought to the Depart-

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of the

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

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. The American Government has been active in preparing the way for international investment in the future. The great impediment is after all the history of the past. The loans to Japan have never been considered examples of reckless or irresponsible lending, and it might be practicable in the course of their adjustment to offset in part the impression made by other settlements which today discourage the American investor.

Respectfully,

(Signed) James Grafton Rogers,

James Grafton Rogers,
President.

Enclosure

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

	Int.	Issued	Matures	Amount Issued	Total Amt. Outstanding
National (2)					
Imp. Japanese Govt.	6-1/2%	Feb. 1, 1924	Febr 1, 1954	$150,000,000	$93,914,7
Imp. Japanese Govt.	5-1/2%	May 1, 1930	May 1, 1965	71,000,000	58,740,(
Municipal (2)					
Tokyo	5-1/2%	Apr. 1, 1927	Apr. 1, 1961	20,640.000 c	12,438,(
Yokohama	6%	Dec. 1, 1926	Dec. 1, 1961	19,740,000 c	12,464,(
Corp. Gtd. (10)					
Gt. Consolidated	7%	Aug. 1, 1924	Aug. 1, 1944	15,000,000 a	2,397,(
Gt. Consolidated	6-1/2%	July 1, 1925	July 1, 1950	13,500,000 a	2,337,
Nippon Elect. Pwr.	6-1/2%	Jan. 2, 1928	Jan. 1, 1953	9,000,000 a	4,952,
Oriental Development	6%	Mar.15, 1923	Mar.15, 1953	19,900,000 c	10,366,
Oriental Development	5-1/2%	Nov. 1, 1928	Nov. 1, 1958	19,900,000 c	11,057,
Shinyetsu El. Pwr.	6-1/2%	Dec. 1, 1927	Dec. 1, 1952	7,650,000 b	4,194,
Taiwan El. Pwr.	5-1/2%	July 1, 1931	July 1, 1971	22,800,000c	19,573,
Toho El. Pwr	7%	Mar.15, 1925	Mar.15, 1955	15,000,000 a	712,
Tokyo El. Lt.	6%	Junel5, 1928	Junel5, 1953	70,000,000 a	47,393,
Ujigawa El. Pwr	7%	Mar.15, 1925	Mar.15, 1945	14,000,000 a	2,859,
14 Issues			Grand Totals	$468,130,000	$283,397,

Assumed also by Japanese El. Gen. & Trans. Co. and I.J.G. at some later date in 1940.
Guaranteed at time of their issuance by I.J.G.

As reported by Fiscal Agents at about Dec. 1, 1941.
a Assumed by Japanese Elect. Generaltion & Transmission Co. and the I.J.G. beginni April 1, 1939.

A.H.W. - Feb.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

ued	Total Amt. # Outstanding	+ Approximate Total Amt. Outstanding Outside Japan	Annual Interest Computed on Amts. in Previous Column	Fiscal Agent
000	$93,914,700 [1]	$11,615,300 ≠	754,994	none *
000	58,740,000	9,482,000 ≠	521,510	none *
000 c	12,438,000	3,068,000	168,740	none *
000 c	12,464,000 [2]	3,250,000 ≠	195,000	none *
000 a	2,397,000	1,346,000	94,220	Dillon Read I
000 a	2,337,000	754,500	48,543	Dillon Read In
000 a	4,952,000	1,132,000	75,580	Harris Trust Te
000 c	10,366,000 [3]	7,608,000 ≠	456,480	National City
000 c	11,057,000	3,997,500	219,863	National City
000 b	4,194,000	1,257,000	81,705	Dillon Read f
000 c	19,573,000 [4]	3,745,000 ≠	205,975	none
000 a	712,000	582,500	40,775	Guaranty Trust Te
000 a	47,393,000	19,103,000	1,146,180	Guaranty Trust Te
000 a	2,859,500	864,000	60,480	National City In
000	$283,397,200	$67,804,800	$4,068,045	

1 Gov't sources report $94,068,400
2 " " " $12,495,000
3 " " " $10,520,000
4 " " " $19,584,000

* Formerly Yokohama Specie Bank, now liquidated.

** Formerly Mitsu
+ Except as to n to be "assumed from Sept. 15,
≠ Figures taken by Finance Mi cannot be chec

I.J.G. beginning
.H.W. - Feb. 27, 1948

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND [redacted] # 760050

+ Approximate Total Amt. Outstanding Outside Japan	Annual Interest Computed on Amts. in Previous Column	Fiscal Agent	Trustee
$11,615,300 ≠	754,994	none *	none
9,482,000 ≠	521,510	none *	none
3,068,000	168,740	none *	none
3,250,000 ≠	195,000	none *	none
1,346,000	94,220	Dillon Read	Industrial Bk. of Japan
754,500	48,543	Dillon Read	Industrial Bk. of Japan
1,132,000	75,580	Harris Trust	Teikoku **
7,608,000 ≠	456,480	National City	none
3,997,500	219,863	National City	none
1,257,000	81,705	Dillon Read	formerly Mitsui Bk.
3,745,000 ≠	205,975	none	none
582,500	40,775	Guaranty Trust	Teikoku **
19,103,000	1,146,180	Guaranty Trust	Teikoku **
864,000	60,480	National City	Industrial Bk. of Japan
$67,804,800	$4,068,045		

1 Gov't sources report $94,068,400
2 " " " $12,495,000
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* Formerly Yokohama Specie Bank, now liquidated.

** Formerly Mitsui Bank

\+ Except as to national issues, reported to be "assumed" by Japanese Gov't as from Sept. 15, 1943 under Law 60.

≠ Figures taken from information supplied by Finance Ministry of Japanese Gov't cannot be checked for accuracy

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

	Int.	Issued	Matures	Amount Issued	Total Amt. Outstanding #	Approxima Total Amt Outstandi Outside Ja
National (2)						
Imp. Japanese Govt.	6½%	Feb. 1, 1924	Feb. 1, 1954	$150,000,000	$93,914,700 1	$11,615,30
Imp. Japanese Govt.	5½%	May 1, 1930	May 1, 1965	71,000,000	58,740,000	9,482,0
Municipal (2)						
Tokio	5½%	Apr. 1, 1927	Apr. 1, 1961	20,640,000 c	12,438,000	3,068,0
Yokohama	6%	Dec. 1, 1926	Dec. 1, 1961	19,740,000 c	12,464,000 2	3,250,0
Corp. Gtd. (10)						
Gt. Consolidated	7%	Aug. 1, 1924	Aug. 1, 1944	15,000,000 a	2,397,000	1,346,0
Gt. Consolidated	6½%	July 1, 1925	July 1, 1950	13,500,000 a	2,337,000	754,5
Nippon Elect. Pwr.	6½%	Jan. 2, 1928	Jan. 1, 1953	9,000,000 a	4,952,000	1,132,0
Oriental Development	6%	Mar.15, 1923	Mar.15, 1953	19,900,000 c	10,366,000 3	7,608,0
Oriental Development	5½%	Nov. 1, 1928	Nov. 1, 1958	19,900,000 c	11,057,000	3,997,5
Shinyetsu El. Pwr.	6½%	Dec. 1, 1927	Dec. 1, 1952	7,650,000 b	4,194,000	1,257,0
Taiwan El. Pwr.	5½%	July 1, 1931	July 1, 1971	22,800,000 c	19,573,000 4	3,745,0
Toho El. Pwr.	7%	Mar.15, 1925	Mar.15, 1955	15,000,000 a	712,000	582,5
Tokyo El. Lt.	6%	Junel5, 1928	Junel5, 1953	70,000,000 a	47,393,000	19,103,0
Ujigawa El. Pwr.	7%	Mar.15, 1925	Mar.15, 1945	14,000,000 a	2,859,500	864,5
14 Issues			Grand Totals	$468,130,000	$283,397,200	$ 67,804,5

\# As reported by Fiscal Agents at about Dec. 1, 1941.

a Assumed by Japanese Elect. Generation & Transmission Co. and the I.J.G. beginning April 1, 1939.

b Assumed also by Japanese El. Gen. & Trans. Co. and I.J.G. at some later date in 1940.

c Guaranteed at time of their issuance by I.J.G.

1 Gov't
2 "
3 "
4 "

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Approximate Total Amt. Outstanding Outside Japan	Annual Interest Computed on Amts. in Previous Column	Fiscal Agent	Trustee
$11,615,300 ∓	754,994	none *	none
9,482,000 ≠	521,510	none *	none
3,068,000	168,740	none *	none
3,250,000 ≠	195,000	none *	none
1,346,000	94,220	Dillon Read	Industrial Bk. of Japan
754,500	48,543	Dillon Read	Industrial Bk. of Japan
1,132,000	73,580	Harris Trust	Teikoku **
7,608,000 ∓	456,480	National City	none
3,997,500	219,863	National City	none
1,257,000	81,705	Dillon Read	formerly Mitsui Bk.
3,745,000 ≠	205,975	none	none
582,500	40,775	Guaranty Trust	Teikoku **
19,103,000	1,146,180	Guaranty Trust	Teikoku **
864,000	60,480	National City	Industrial Bk. of Japan
$ 67,804,800	$4,068,045		

1 Gov't sources report $94,068,400
2 " " " $12,495,000
3 " " " $10,520,000
4 " " " $19,584,000

1940.

** Formerly Mitsui Bank.
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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

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1,615,300 ≠	754,994	none *	none
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754,500	48,543	Dillon Read	Industrial Bk. of Japan
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7,608,000 ≠	456,480	National City	none
3,997,500	219,863	National City	none
1,257,000	81,705	Dillon Read	formerly Mitsui Bk.
3,745,000 ≠	205,975	none	none
582,500	40,775	Guaranty Trust	Teikoku **
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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

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A.W.W. - Feb. 1

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

+ Approximate Total Amt. Outstanding Outside Japan	Annual Interest Computed on Amts. in Previous Column	Fiscal Agent	Trustee
$11,615,300 ±	754,994	none *	none
9,482,000 ‡	521,510	none *	none
3,068,000	168,740	none *	none
3,250,000 ‡	195,000	none *	none
1,346,000	94,220	Dillon Read	Industrial Bk. of Japan
754,500	48,543	Dillon Read	Industrial Bk. of Japan
1,132,000	75,580	Harris Trust	Teikoku **
7,608,000 ‡	456,480	National City	none
3,997,500	219,863	National City	none
1,257,000	81,705	Dillon Read	formerly Mitsui Bk.
3,745,000 ‡	205,975	none	none
582,500	40,775	Guaranty Trust	Teikoku **
19,103,000	1,146,180	Guaranty Trust	Teikoku **
864,000	60,480	National City	Industrial Bk. of Japan
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Except as to national issues, report to be "assumed" by Japanese Gov't as from Sept. 15, 1943 under Law 60.
Figures taken from information suppl by Finance Ministry of Japanese Gov't cannot be checked for accuracy

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

...ate ...t. ...ling ...apan	Annual Interest Computed on Amts. in Previous Column	Fiscal Agent	Trustee
,300 ‡	754,994	none *	none
,000 ‡	521,510	none *	none
,000	168,740	none *	none
,000 ‡	195,000	none *	none
,000	94,220	Dillon Read	Industrial Bk. of Japan
,500	48,543	Dillon Read	Industrial Bk. of Japan
,000	75,580	Harris Trust	Teikoku **
,000 ‡	456,480	National City	none
,500	219,863	National City	none
,000	81,705	Dillon Read	formerly Mitsui Bk.
,000 ‡	205,975	none	none
,500	40,775	Guranty Trust	Teikoku **
,000	1,146,180	Guaranty Trust	Teikoku **
,000	60,480	National City	Industrial Bk. of Japan
,800	$4,068,045		

't sources report $94,068,400
" " $12,495,000
" " $10,520,000
" " $19,584,000

** Formerly Mitsui Bank
Except as to national issues, reported to be "assumed" by Japanese Gov't as from Sept. 15, 1943 under Law 60.
Figures taken from information supplie by Finance Ministry of Japanese Govt cannot be checked for accuracy.

...erly Yokohama Specie Bank, now liquidated.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

L. E. Colgrove Real Estate

Insurance · Property Management · Mortgages

March 8, 1948

LEGAL ADVISER
Referred to FN for action.
MAR 15 1948
DEPARTMENT OF STATE

RECEIVED
MAR 11 1948
DEPT. OF STATE
D C/R

Legal Adviser
Department of State
Washington, D. C.

Dear Sir:

As the result of probation of the Estate of Philip T. Colgrove at Hastings, Michigan, late in 1947, I find myself in possession of two bonds of the Imperial Japanese Government. I was the sole beneficiary of this Estate, being the only remaining child, which was set up February 10, 1930.

The said bonds are No.M-74186 and No.M-74187 Imperial Japanese Government External Loan of 1924 and in the amount of $1000.00 each, 30 year sinking fund 6½% Gold Bond; due February 1, 1954.

Will you please advise me whether or not these bonds have any value. Interest coupons are attached, No.36 February 1942 including No.60 February 1954 in the amount of $32.50 each.

Under date of March 4, 1948 the Office of Alien Property advised me to communicate with you for information relative to the possible value of these bonds.

Yours very truly,

L. E. Colgrove

LEC:W

DIVISION OF FINANCIAL AFFAIRS
Ans 5/4/48
MAR 16 1948
F.N. U.W. Jones
DEPARTMENT OF STATE

DCR - CLAIMS UNIT
Anal. UW
Rev. DW
Cat. Th

JUN 12 1951

139 West Maple Avenue — Phone Birmingham 460

— Michigan —

894.51 BONDHOLDERS/3-848
CS/A
3-848

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

FN

In reply refer to
FN 894.51 Bondholders
/3-848

MAY 14 1948

894.51 BONDHOLDERS/3-848

My dear Mr. Colgrove:

Reference is made to your letter of March 8, 1948, relative to certain Imperial Japanese Government 6-1/2% dollar bonds which you inherited. You inquire as to the value of these bonds.

At the request of the United States Securities and Exchange Commission, no transactions in Japanese bonds have been made by brokers or dealers since December 1941. The Department is therefore unable to inform you as to how you might ascertain the present value of these bonds.

A definitive statement regarding the future of these bonds is not now possible, but the following may be helpful to your understanding of the Department's position with respect to such obligations.

The Department considers that investment in foreign bonds is primarily a private transaction into which the purchaser enters after calculation of the risks involved. In case of default on dollar bonds issued by or guaranteed by governmental entities, it is not the practice of the Department to negotiate directly for American holders, but it does endeavor to render such assistance as it properly can to such holders or their representatives. In this connection attention may be called to the Foreign Bondholders Protective Council, Incorporated, 90 Broad Street, New York, New York, which was organized several years ago to serve as a central representative body. Although it was established with the encouragement of the Department, the Council acts on its own responsibility. Some time ago, at the request of the Council, the Department transmitted to the United States Political Adviser to the Supreme Commander for the Allied Powers, at Tokyo, a complete statement regarding the dollar bonds issued or guaranteed

by

Mr. L. E. Colgrove,
139 West Maple Avenue,
Birmingham, Michigan.

DFD Unit
Anal.
Rev.
Dat.
Mail

FN
CS/V
3-848

894.51 Bondholders/3-848

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

by Japanese governmental entities. This statement was sent for the information and use of the Political Adviser and of the appropriate section of the Staff of the Supreme Commander, and for such action as might be considered appropriate in the protection of the American interest involved. The Department believes that the Council is mindful of the interests of American holders of such obligations and that it will, when occasion offers, take such steps as it considers to be to the advantage of the holders. You may wish to write to the Council in connection with the bonds mentioned by you.

It will be appreciated that the Department is not in a position to state now what provisions, if any, affecting such obligations, may be contained in the Peace Treaty with Japan, or what provision for claims arising from the war may be made. As you doubtless know, there will be many claims and demands against Japan, and against Japanese municipalities and persons, of which such obligations as those to which you refer will probably constitute but a small part.

Nevertheless, the Department is glad to make a record, for possible future use, of the holdings by American citizens of such bonds. In addition to the data contained in your letter of March 8, 1948, you should also furnish to the Department a statement giving the manner (whether by birth or naturalization) and date of acquisition of American citizenship by you. If citizenship was acquired by naturalization, the name and location of the court granting citizenship should also be given. If it should later be found advisable for individual holders to take further steps, due announcement will be made in the public press.

Sincerely yours,

For the Secretary of State:

James C. Corliss, Assistant Chief
Division of Financial Affairs

FN:VWJones:rt 5/4/48

OFD

894.51 BondHolders/3-248

Jap

DIVISION OF FINANCIAL AFFAIRS
Ans'd & Sent to Ottawa
MAR 25 1948
5/7/48 - FN-U.W. Jones
DEPARTMENT OF STATE

Mr. James C. Corliss,
Assistant Chief,
Division of Financial Affairs,
Department of State,
Washington
U.S.A.

Flinton,
Ontario,
Canada,
March 2/48.

894.51 BONDHOLDERS
/3-248

Dear Mr. Corliss:

In reply to your recent letter (Fn 894.51 Bondholders 12-947)

You make repayment of the bond debt to me conditional on several things one of which is being an American citizen. All conditions required can be satisfactorily met, excepting the one of citizenship. I suppose however that I may have residual claim, that is, after all claims of American citizens are met.

Please inform me about this.

Yours truly, Keith M. MacEwan.

894.51 Bondholders
3-248

FILED
SEP 25 1951

DC/R
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Cat. 17

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

FN

In reply refer to
FN 894.51 Bondholders
/3-948

MAY 21948

894.51 BONDHOLDERS/3-948

My dear Mr. Padolino:

Reference is made to your letter dated March 9, 1948, relative to $2000.00 worth of Imperial Japanese Government 6-1/2% bonds which you own.

At the request of the United States Securities and Exchange Commission, no transactions in Japanese bonds have been made by brokers or dealers since December 1941. The Department is therefore unable to suggest possible disposition of your holdings at the present time.

A definitive statement regarding the future of these bonds is not now possible, but the following may be helpful to your understanding of the Department's position with respect to such obligations.

The Department considers that investment in foreign bonds is primarily a private transaction into which the purchaser enters after calculation of the risks involved. In case of default on dollar bonds issued by or guaranteed by governmental entities, it is not the practice of the Department to negotiate directly for American holders, but it does endeavor to render such assistance as it properly can to such holders or their representatives. In this connection attention may be called to the Foreign Bondholders Protective Council, Incorporated, 90 Broad Street, New York, New York, which was organized several years ago to serve as a central representative body. Although it was established with the encouragement of the Department, the Council acts on its own responsibility. Some time ago, at the request of the Council, the Department transmitted to the United States Political Adviser

to the

Mr. Joseph Padolino,
127 Brookwood Street,
East Orange, New Jersey.

DCR OFD Unit
Anal RLH
Rev.
Init.
Dist.

CSM:AS 894.51 Bondholders/3-948

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

to the Supreme Commander for the Allied Powers, at Tokyo, a complete statement regarding the dollar bonds issued or guaranteed by Japanese governmental entities. This statement was sent for the information and use of the Political Adviser and of the appropriate section of the Staff of the Supreme Commander, and for such action as might be considered appropriate in the protection of the American interest involved. The Department believes that the Council is mindful of the interests of American holders of such obligations and that it will, when occasion offers, take such steps as it considers to be to the advantage of the holders. You may wish to write to the Council in connection with the bonds mentioned by you.

It will be appreciated that the Department is not in a position to state now what provisions, if any, affecting such obligations, may be contained in the Peace Treaty with Japan, or what provision for claims arising from the war may be made. As you doubtless know, there will be many claims and demands against Japan, and against Japanese municipalities and persons, of which such obligations as those to which you refer will probably constitute but a small part.

Nevertheless, the Department will make a record, for possible future use, of the information you have submitted regarding your holding. If it should later be found advisable for individual holders to take further steps, due announcement will be made in the public press.

Meanwhile, your attention is called to the fact that the Office of Alien Property is entertaining debt claims of American citizens against certain Japanese assets vested by that Office. American holders of bonds of Japanese debtors may wish to file claims thereon with the Office of Alien Property, Department of Justice, Washington, D. C., which will inform claimants whether any assets of particular debtors have been vested. Details relative to the matter may be obtained from the Office of Alien Property or from any United States attorney.

Sincerely yours,

For the Secretary of State:

James C. Corliss, Assistant Chief
Division of Financial Affairs

FN:VWJones:rt 4/30/48

OFD
(Mr. Lisle)

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

Crow

DCR: Room 467 - - - - - URGENT

Please record and return immediately to—

LEGAL ADVISER
(Name)

MAR 11 1948
(Division)

DEPARTMENT OF STATE
(Room number)

Signed

GPO 16—42293-1

Return to
FN-108 OS

MAY 7 1948

Brookwood St
East Orange N.J
March 9th 1948

FN

LEGAL ADVISER
Referred to FN for action
MAR 13 1948
DEPARTMENT OF STATE

Dear Sir:

In the year 1924 I have invested $2.000 in Imperial Japanese Government Bonds. "Gold Bonds" at 6½%. Was an Internal Loan. 30 Year Sinking Fund. Due in 1954.

I will appreciate it very much if you will please give me some advice or information in regards to my Bonds.

It means so much to me, as it represents a good part of my life's earnings. I am 76 years old, retired, and get no pension. I really need money bad.

Is there any way I can redeem my Bonds or at least get my Interest due me on Coupons from these Bonds since February 1942 $357.50?

894.51 BONDHOLDERS/3-948

FILED
Renewed 4/30/48 /A
MAR 16 1948
FN-C.W. Jones
DEPARTMENT OF STATE

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Return to
FH-128 OS
71948

I am a citizen of these
United states since 1891.

Thanking you for any advice
or information.

Respectfully Yours.

P.S. Government agent × Joseph Padolino
for this loan was
through.

Yokohama Specie Bank Ltd.

This letter was written
by his son: John.
but signed by
Mr. Joseph Padalino himself.

DEPARTMENT OF STATE

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

Read

Cable Address "Moodestcor"

MOODY'S INVESTORS SERVICE

65 Broadway
New York 6, N.Y.

Boston
Chicago
Los Angeles
Philadelphia

Correspondents of
MOODY'S INVESTORS SERVICE, LTD.
King William Street House,
Arthur Street, London, E.C.4

March 12, 1948

Mr. Richard D. Weigl, Executive Officer,
Office of Far Eastern Affairs
U. S. Department of State
New State Building, Rm. 3152
Washington, D. C. (25)

Dear Mr. Weigl:

We are enclosing excerpts on Japan from our latest edition of Moody's Government & Municipal Manual, in the hope that you may be able to forward it to the appropriate authorities, American or Japanese, in Japan with a view toward bringing up to date the information contained therein. In view of the fact that there is widespread investment interest in the dollar bonds of Japan (even though trading therein is "frozen" for the time being), it seems to us that the publication of as much loan, financial, industry and trade data as possible is in the best interest of American investors as well as of Japan.

We are particularly interested in bringing up to date information as to the present number of loans outstanding, particularly the internal ones, as well as on the nation's over-all debt position, the shape of its budget and the extent of such foreign trade as may have been carried out in 1947.

If such agencies as may be interested in the publication of such statistical data desire the insertion of subjects not presently covered, we shall be glad to oblige upon their request. In conclusion, we wish to state that whatever information is addressed to us should reach us not later than August 15, 1948.

We thank you in advance for your assistance in connection with the above.

Very truly yours,

MOODY'S INVESTORS SERVICE

Editor-in-Chief

J. S. Porter:ls
Encl.

DCR- OFD UNIT
Encl. 7 1 7
Enc. 5 887
Cat.
Dest.

MAR 31 1948

FILED
APR - 5 1948

894.51 BONDHOLDERS/3-1248

894.51 Bondholders/3-1248
CS/W

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

MAR 31 1948

In reply refer to
NA

Moody's Investors Service,
65 Broadway,
New York 6, New York.

Sirs:

The receipt is acknowledged of Mr. J. S. Porter's letter of March 12, 1948, together with the excerpts on Japan from the latest edition of Moody's Government & Municipal Manual which he requested be forwarded to the appropriate authorities in Japan for the purpose of bringing up to date the information contained therein.

The excerpts are being forwarded to the Acting United States Political Adviser for Japan, suggesting that arrangements be made for their revision.

Very truly yours,

Richard D. Weigle
Executive Officer
Office of Far Eastern Affairs

FE OFD UNIT
Initials FLH
Ext.
Cat.
Dist.

CR
MAR 29 1948 P.M.

NA:HLory:mp
3-29-48

FE 894.51 3-1248

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

JUL 9 1948

In reply refer to
NA

Moody's Investors Service,
65 Broadway,
New York 6, New York.

Sirs:

With reference to your letter of March 12, 1948, addressed to Mr. Richard D. Weigle, Executive Officer, Office of Far Eastern Affairs, and his reply of March 31, 1948, a communication has now been received from the Acting United States Political Adviser for Japan stating that according to current Army regulations requests for information such as yours should be submitted to the Civil Affairs Division, Department of the Army, Washington 25, D.C. It is believed that the Civil Affairs Division will be able to supply you readily with the necessary information for bringing up to date the passages that pertain to Japan in Moody's Government and Municipal Manual.

It is regretted that there has been this delay in referring you to the appropriate Government agency.

Very truly yours,

Signed

John M. Allison
Chief, Division of
Northeast Asian Affairs

NA:HLory:lt
7-9-48

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JUL 8 1948 P.M.

Bond Orders
3-1-48

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

MAR 31 1948

51

UNCLASSIFIED

[redacted]

To the

Acting United States Political Adviser for Japan,

Tokyo.

The Secretary of State encloses excerpts on Japan from the latest edition of Moody's Government and Municipal Manual and a copy of a letter from Moody's Investors Service, 65 Broadway, New York 6, New York, requesting that these excerpts be forwarded to the appropriate authorities in Japan for the purpose of bringing up to date the information contained therein, and that the new information reach them not later than August 15, 1948.

If the Acting Political Adviser perceives no objection it is suggested that the enclosed excerpts be revised in accordance with the request of Moody's Investors Service.

Enclosure:

Copy of letter of March 12, 1948, from Moody's Investors Service, and enclosures

NA:HLory/pm
3/29/48

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CH

MAR 29 1948 P.M.

A true copy of the signed original

DCR- OFD UNIT

Anal. FLH

By

CS/V

894.51 BONDHOLDERS/3-1248

Bond Protection

3-1248

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

MAY 27 1948

UNCLASSIFIED

No. 110

To the

Officer in Charge of the American Mission,

Ottawa.

The Secretary of State refers to the Department's instruction No. 58 of March 17, 1948 and encloses a copy of a letter dated March 21, 1948, from Mr. Keith M. MacEwan, Flinton, Ontario, Canada, relative to certain Japanese Government dollar bonds which he holds. There is also enclosed the Department's reply to Mr. Mac Ewan's letter. It would be appreciated if this reply could be transmitted to the inquirer, unless the Embassy perceives objection thereto.

Enclosure:
1. Copy of letter from Mr. MacEwan;
2. Department's reply thereto.

CR
MAY 18 1948 P.M.

894.51 Bondholders/3-248

FN:VWJones:rt 5/7/48

CR
MAY 26 1948 P.M.

894.51 BONDHOLDERS/3-2148

CSI A

DCE OFD Unit
Ref
Cat 110
Dist

894.51 Bondholders/3-2148

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

MAY 27 1948

In reply refer to
FN 894.51 Bondholders/
3-248

My dear Mr. Mac Ewan:

Reference is made to your letter of March 21, 1948, relative to your holdings of certain Imperial Japanese Government dollar bonds.

Recommendations made by the Foreign Bondholders Protective Council, Incorporated, described in the Department's letter of March 17, 1948, apply to all defaulted dollar bonds issued or guaranteed by a foreign governmental entity, regardless of the citizenship of the holder.

With regard to the position of this Department, it should be pointed out that the Department can, of course, represent only the interests of citizens of the United States. Citizens of other countries should communicate with their respective governments in order to have their individual interests safeguarded in the negotiations for the Peace Treaty with Japan.

The Department did not mean to imply in its letter to you of March 17, 1948 that repayment of the defaulted Japanese government bonds is in process. As indicated in its letter, the Department is unable to state at the present time what the future status of these bonds may be.

Sincerely yours,

For the Secretary of State:

James C. Corliss, Assistant Chief
Division of Financial Affairs

Mr. Keith M. MacEwan,
Flinton,
Ontario, Canada.

FN:VWJones:rt 5/7/48

894.51 BONDHOLDERS/3-2148

CS/A 3-2148

894.51 Bondholders

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

APR 23 1948

910 W. Oregon St.
Urbana, Illinois
March 30, 1948

DIVISION OF FINANCIAL AFFAIRS
Ans 4/20/48
APR 6 1948
FW- J.C.W. Jones
DEPARTMENT OF STATE

Mr. James C. Corliss
Division of Financial Affairs
U. S. Department of State
Washington, D. C.

Reference to
FN 894.51 Bondholders
/11-2847

Dear Sir:

Thank you for your letter of March 17th regarding my holding of a 7% Ujigawa Electric Power Co., Limited, dollar bond, concerning which I had written on November 28th 1947.

In accordance with your request, I am herewith furnishing the additional information called for:

Bond Acquired July 1947 in the settlement of the estate of my sister, Dorothy M. Brown, deceased.
Face value: $500.00.
Last payment of interest: September 1941.
(Maturity date: March 15, 1945)
American citizenship: by birth, Feb. 26, 1903.

Thanking you for whatever further assistance you may be able to render, I am,

Yours very truly,

Gertrude B. Working

Gertrude B. Working (Mrs. E. J.)

FILED
JUN 12 1951
894.51 BONDHOLDERS/3-3048
FW 894.51 Bondholders
3-3048
CS/A

DOE OFD Unit
Original
Rec'd
Sent
Init.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

APR 23 1948

In reply refer to
FN 894.51 Bondholders
/3/3048

My dear Mrs. Working:

Reference is made to your letter of March 30, 1948, submitting certain information relative to your holding of a 7% Ujigawa Electric Power Company, Limited, dollar bond.

This information will be placed in the Department's records with the other data submitted by you in your letter of November 28, 1947, for such use as may be found to be appropriate, as indicated in the Department's letter to you of March 17, 1948.

Sincerely yours,

For the Acting Secretary of State:

James C. Corliss, Assistant Chief
Division of Financial Affairs

Mrs. E. J. Working,
910 West Oregon Street,
Urbana, Illinois.

APR 22 1948 P.M.

DOF OFD Unit

FN:VWJones:rt 4/20/48

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

W. D. BLACK, M. D.
METROPOLITAN BUILDING
GRAND AND OLIVE
SAINT LOUIS

April 1,1948

Honorable John W. Snyder,
Secretary of the Treasury,
Washington, D. C.

My dear Mr. Snyder:-

I have two Japanese Bonds (1 Tokio and 1 Yokohama), which I purchased many years ago and which Bonds were guaranteed by the Japanese Government, and now since the war have not paid any interest. I would like to know, through your Department, just what is your opinion of their ever paying the principal? I know for the present it will be almost impossible but thought that you would know more about it and would give me better information then I could get anywhere else. I remember, during the war, when we were fighting Japan, the Government asked me to give them the numbers and general outline of these Bonds, I suppose for filing away for future reference,and I have not heard anything since.

I remember you were the gentleman who was appointed receiver, several years ago, in the '29 crash, when the Grand Avenue Bank was put out of business and you made a very good job in distributing the assets, in a satisfactory manner. I was a Depositor in the Bank for many years, in fact, I am right across the Street in the Metropolitan Building.

Hoping you will find time to send me a reply in regards the above mentioned Bonds, I remain.

Sincerely,

WDB:MB

Anal. FLH
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Dist.

894.51 BONDHOLDERS/4-148

FILED
JUN 12 1951

894.51 Bond Holders
4-148

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

FN-

TREASURY DEPARTMENT
WASHINGTON 25

OFFICE OF INTERNATIONAL FINANCE

APR 13 1948

FN Clark 4/15/48
DIVISION OF FINANCIAL AFFAIRS
Answered 6/7/48
APR 14 1948
FN. D.W. Jan
DEPARTMENT OF STATE

Dear Mr. Doherty:

There is transmitted herewith for your consideration and reply a letter addressed to the Secretary of the Treasury from Dr. W. D. Black, Metropolitan Building, Grant and Olive Streets, St. Louis, Missouri. Dr. Black has written requesting information on the possibility of interest being paid on two Japanese Bonds he owns.

A copy of our acknowledgment is enclosed.

Very truly yours,

Frank A. Southard, Jr.
Director, Office of International Finance

Mr. E. W. Doherty
Assistant Chief
Division of Financial Affairs
Room 110, Old State Building
Department of State
Washington 25, D. C.

FW 894.51 Bond Holders/4-1348

FW

Enclosures

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

APR 13 1948

Dear Dr. Black:

Reference is made to your letter of April 1, 1948, addressed to the Secretary of the Treasury, concerning the payment of interest on two Japanese Bonds which you own.

Your letter has been referred to the Division of Financial Affairs, Department of State, Washington, D. C. for attention.

Very truly yours,

(Signed) Frank A. Southard, Jr.

Frank A. Southard, Jr.
Director, Office of International Finance

Dr. W. D. Black
Metropolitan Building
Grand and Olive Streets
Saint Louis, Missouri

MM:B:lmk 4/9/48

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

FN

JUN 17 1948

In reply refer to
FN

My dear Dr. Black:

I have by reference from the Treasury Department your letter dated April 1, 1948, acknowledged by this Department on April 15, 1948, relative to a City of Tokyo bond and a City of Yokohama bond which you hold. It is assumed that you refer to the dollar bonds issued by these cities.

A definitive reply to your inquiry is not now possible, but the following may be helpful to your understanding of the Department's position with respect to such obligations.

The Department considers that investment in foreign bonds is primarily a private transaction into which the purchaser enters after calculation of the risks involved. In case of default on dollar bonds issued by or guaranteed by governmental entities, it is not the practice of the Department to negotiate directly for American holders, but it does endeavor to render such assistance as it properly can to such holders or their representatives. In this connection attention may be called to the Foreign Bondholders Protective Council, Incorporated, 90 Broad Street, New York, New York, which was organized several years ago to serve as a central representative body. Although it was established with the encouragement of the Department, the Council acts on its own responsibility. Some time ago, at the request of the Council, the Department transmitted to the United States Political Adviser to the Supreme Commander for the Allied Powers, at Tokyo, a complete statement regarding the dollar bonds issued or guaranteed by Japanese governmental entities. This statement was sent for the information and use of the Political Adviser and of the appropriate section of the Staff of the Supreme Commander, and for such action as might be considered appropriate in the protection of the American interest involved. The Department believes that the Council is mindful of the interests of American holders of such obligations and that it will, when occasion offers, take such steps as it considers to be

to

Dr. W. D. Black,
Metropolitan Building,
Grand and Olive Streets,
Saint Louis, Missouri.

894.51 BONDHOLDERS/4-1448

CS/A

FN

4-1448

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

to the advantage of the holders. You may wish to write to the Council in connection with the bonds mentioned by you.

It will be appreciated that the Department is not in a position to state now what provisions, if any, affecting such obligations, may be contained in the Peace Treaty with Japan or otherwise, or what provision for claims arising from the war may be made. As you doubtless know, there will be many claims and demands against Japan, and against Japanese municipalities and persons, of which such obligations as those to which you refer will probably constitute but a small part.

Nevertheless, if you are an American citizen, the Department will make a record, for such future consideration as may be found to be appropriate, of the information submitted by you with regard to your holdings. In addition to the data contained in your letter of April 1, 1948, you should also inform the Department of the interest rate of the bonds, the dates of issue and maturity, the face value, the manner and date of acquisition of the bonds, the purchase price, and the manner (whether by birth or naturalization) and date of your acquisition of American citizenship. If citizenship was acquired by naturalization, the name and location of the court granting citizenship, and the number of the relative certificate should also be given. If it should later be found advisable for individual holders to take further steps, due announcement will be made in the public press.

Meanwhile, your attention is called to the fact that the Office of Alien Property is entertaining debt claims of American citizens against certain Japanese assets vested by that office. American holders of bonds of Japanese debtors may wish to file claims thereon with the Office of Alien Property, Department of Justice, Washington, D.C., which will inform claimants whether any assets of particular debtors have been vested. Details relative to the matter may be obtained from the Office of Alien Property or from any United States attorney.

Sincerely yours,

For the Secretary of State:

CH
JUN 16 1948 P.M.

James C. Corliss
Assistant Chief
Division of Financial Affairs

FN:VWJones:ms 6/7/48 OFD

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

FN

JUN 17 1948

In reply refer to
FN 894.51 Bondholders
/10-2347

894.51 BONDHOLDERS/4-248

My dear Mr. Webster:

The receipt is acknowledged of your letter dated April 2, 1948, submitting certain information relative to certain 5% City of Tokyo sterling bonds which you hold.

As indicated in its letter of March 24, 1948, to you, the Department will make a record of the data which you have submitted regarding your holdings, for such future consideration as may be found to be appropriate.

Sincerely yours,

For the Secretary of State:

James C. Corliss
Assistant Chief
Division of Financial Affairs

Mr. Norman E. Webster,
50 Broadway,
New York 4, New York.

CR
JUN 16 1948 P.M.

FN:VWJones:gwe 6/11/48

FLH

CS/A

894.51 Bondholders 4-248

S/S-CR

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

WEBSTER, HORNE & ELSDON
50 BROADWAY, NEW YORK 4, N. Y.

NEW YORK, N.Y. APR 2 830PM 1948

CHURCH ST T

UNITED STATES POSTAGE 3 CENTS 3

Mr. James C. Corliss
Division of Financial Affairs
Department of State
Washington, D.C.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

FA

DC/R

WEBSTER, HORNE & ELSDON
CERTIFIED PUBLIC ACCOUNTANTS
NEW YORK HARTFORD

NORMAN E. WEBSTER
HENRY A. HORNE
PAUL H. ELSDON
LESTER A. KRAHE
RESIDENT PARTNERS
MAURICE L. BLANCHARD
WALLACE W. WILLARD

50 BROADWAY
NEW YORK 4, N. Y.

DIVISION OF FINANCIAL AFFAIRS
Papers drafted 6/11/48
FN: Gomez
APR 5 1948
DEPARTMENT OF STATE

April 2nd, 1948

Mr. James C. Corliss
Division of Financial Affairs
Department of State
Washington, D.C.

Dear Mr. Corliss: Ref: F N 894.51 Bondholders/10-2347

I thank you for your letter of March 24th re my holdings of £ 1000 City of Tokyo 5% Sterling Bonds, Issue of 1912.

Here is the information you requested:

1 - I acquired the Bonds, March 17, 1924 for $3,082.50 by purchase from Paine Webber & Co., 25 Broad Street, New York 4, N.Y.

2 - I acquired American Citizenship, March 26, 1869 by birth, at Decatur, Van Buren County, Michigan and have resided only in Michigan, District of Columbia and New York.

3 - I do not expect better treatment than British holders of these Bonds.

4 - I shall not at present write to the Corporation of Foreign Bondholders, 6/7 King William Street, London, East Center 4, England unless you advise me to do so since I assume that my interests will be taken care of by you and that your influence with it is greater than mine.

Very truly yours,

Norman E. Webster

Norman E. Webster
50 Broadway, New York 4, N.Y.

NEW:ab

DCR OFD
APR 12 1951
894.51 Bond Holders/4-248
CS/A

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

APR 7 1948
DEPT. OF STATE
DC/R

2725 Downing St.,
Jacksonville 5, Fla.,
Apr. 5, 1948.

DIVISION OF FINANCIAL AFFAIRS
Ans 4/20/48
APR 9 1948
FN-D.W. Jones
DEPARTMENT OF STATE

Refer your: FN 894.51 Bondholders
/2-647

The Department of State,
Washington, D. C.

Attention: Mr. James C. Corliss,
Assistant Chief
Division of Financial Affairs

Gentlemen:-

Your letter of Mar. 17th in reply to my letter of Sept. 6th, 1947, received.

Referring to the final paragraph of your letter I am submitting the following information as suggested:

I hold $5,000. total face value of the Gold Debentures of the Oriental Development Co., Ltd(guaranteed principal and interest by the Japanese Imperial Government).

Interest rate - 6%
Date of issue - MAR. 15, 1923
Date of Maturity - Mar. 15, 1953
Manner of acquisition - by purchase through broker on N. Y. Stock Exchange.

Face value	Date of Acquisition	Purchase Price
$1,000.	Nov. 11, 1930	$992.50
$1,000.	"	"
$1,000.	"	"
$1,000.	Nov. 9, 1931.	$718.00
$1,000.	Nov. 7, 1938.	593.00

Last payment of interest - Sept. 15, 1941.

As regards citizenship, I am an American born of American parents(date of birth, June 13, 1880).

Very truly yours,
Ralph B. Everett

Ralph B. Everett.

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Anal. VB JB
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FILED
JUN 12 1951

894.51 BONDHOLDERS/4-548

894.51 Bondholders 4-548

CS/V

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

D

APR 23 1948

In reply refer to
FN 894.51 Bondholders
/4-548

My dear Mr. Everett:

Reference is made to your letter dated April 5, 1948, submitting certain information relative to your holdings of Oriental Development Company, Limited, dollar bonds.

This information will be placed in the Department's records with the other material submitted by you in your letter of September 6, 1947 in connection with your holdings, for such consideration as may be found to be appropriate, as indicated in the Department's letter to you of March 17, 1948.

Sincerely yours,

For the Acting Secretary of State:

James C. Corliss, Assistant Chief
Division of Financial Affairs

Mr. Ralph B. Everett,
2795 Downing Street,
Jacksonville, 5, Florida.

FN:VWJones:rt 4/20/48

894.51 Bondholders/4-548

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND 760050

894.51 BONDHOLDERS/4-748

In reply refer to
FN 894.51 Bondholders
/4-748

MAY 27 1948

Harris Trust and Savings Bank,
115 West Monroe Street,
Chicago 90, Illinois.

Sirs:

Reference is made to your letter of April 7, 1948, referring to a previous letter of November 7, 1947, regarding 6 1/2% bonds of the Nippon Electric Power Company, Limited. It is regretted that the reply to your letters has been so long delayed.

Some time ago, at the request of the Foreign Bondholders Council, Incorporated, the Department transmitted to the Reparations and Restitution Delegation, at Tokyo, a letter from the Council, requesting that the mortgage liens formerly securing the bonds of this issue be reinstated. In forwarding the Council's letter, the Department requested the Delegation to express its views concerning the advisability of reinstating the mortgages. No reply has yet been received, but when one reaches the Department, it will be sent immediately to the Council. You may wish, therefore, to write to the Council at 90 Broad Street, New York, New York, and ask that you be informed when it receives a reply to its letter.

Very truly yours,

For the Secretary of State:

CS/A

CR
MAY 26 1948

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Corr. .....
Init. .....

James C. Corliss
Assistant Chief
Division of Financial Affairs

A true copy of the signed original

FN:JCCorliss:gwe 5/24/48 S/S-CR

894.51 Bondholders/4-748

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

HARRIS TRUST AND SAVINGS BANK

ORGANIZED AS N. W. HARRIS & CO. 1882. INCORPORATED 1907

115 WEST MONROE STREET

TELEPHONE STATE 8200

CHICAGO 90, ILLINOIS

TRUST DEPARTMENT

RECEIVED APR 9 1948 DEPT. OF STATE DC/R

April 7, 1948

Previous 800.51/11-747

XR 894.51 Bondholders FN OE 11/14 LE

The Honorable,
The Secretary of State
Washington
D. C.

Dear Sir:

Re: Nippon Electric Power Company, Ltd.,
First Mortgage 6 1/2% Gold Bonds, due 1953

On November 7, 1947 we addressed a letter to you with regard to bonds of the issue described above for which this bank acts as Authenticating Agent, Paying Agent and Sinking Fund Agent. No reply has been received and we enclose for your information a copy of the letter above referred to.

Within the last few weeks information has reached us that the Japanese Government has indicated its willingness to reinstate mortgage liens which were cancelled by governmental action subsequent to the guarantee by the Japanese Government of the principal and interest on the bonds secured by those liens. We are advised, however, that the Japanese Government is willing to do so only if our Government requests such action. We again request that you give this matter your careful consideration, taking such steps as in the light of the information available to you are calculated to serve the best interest of the United States holders of the Nippon Electric Power Company, Ltd. bonds.

FILED JUN 18 1951

DIVISION OF FINANCIAL AFFAIRS Replied 5/24/48 APR 14 1948 FN: Collins: gwe DEPARTMENT OF STATE

Yours very truly,

Fomann

Assistant Vice President

F. O. Mann
MJT

Enclosure

DCR - CLAIMS UNIT
Anal.
Rev.
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Dist.

894.51 BONDHOLDERS/4-748 CS/A

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

HARRIS TRUST AND SAVINGS BANK

ORGANIZED AS N. W. HARRIS & CO. 1882. INCORPORATED 1907

CHICAGO

COPY

November 7, 1947

The Honorable,
The Secretary of State
Washington, D. C.

Dear Sir:

Re: Nippon Electric Power Company, Ltd.,
First Mortgage 6 1/2% Gold Bonds, due 1953

We refer to previous correspondence which we have had with you, in particular your letter dated February 26, 1947, with respect to our activities as Paying Agent, Sinking Fund Agent and Authenticating Agent of the Nippon Electric Power Company, Ltd. First Mortgage 6 1/2% Gold Bonds due 1953.

In conformity with the suggestion contained in your letter under reference, we communicated with Japan and we have now received a report concerning the status of this issue from the Successor Trustee under the Indenture securing the Bonds and from the Successor Obligor. This report discloses that since the outbreak of war with Japan, action has been taken in violation of the terms of the Indenture which is seriously prejudicial to the interests of bondholders. The purpose of this letter is to advise you of these occurrences and of other aspects of the present status of this issue and to request that you take such action as may be appropriate to protect the interests of the bondholders. Although under the Indenture securing the bonds, this bank is not charged with the duties of a Trustee for the bondholders, such duties having been imposed solely upon the original Trustee thereunder, The Mitsui Bank, Limited, or its lawful successor, we are addressing ourselves to you since, the Trustee being a Japanese institution, there is no corporate trustee in the United States to represent the interests of the bondholders. It is our primary purpose at this time that nothing should be done which might be deemed to constitute acquiescence on the part or in behalf of any holders of bonds of this issue in the violations of the Indenture which have occurred. Since the corporate trustee of this issue is a Japanese institution, it is possible that through force of circumstance or otherwise, it has been unable to discharge its obligations to the bondholders under the Indenture.

The bonds were issued in 1928 under an Indenture between Nippon Electric Power Company, Ltd. and The Mitsui Bank Limited as Trustee and were secured by a first mortgage lien on important public utility properties located in Japan.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

The Honorable
The Secretary of State November 7, 1947

COPY

The principal amount of bonds originally issued was $9,000,000 of which $4,952,000 was outstanding as of October 15, 1941. A substantial part of the property subject to the lien of the Indenture was transferred by Nippon Electric Power Company, Ltd., to Japan Electric Power Generation and Transmission Company, Ltd. in 1939 and 1941. These transfers were effected pursuant to an electric power control law promulgated in Japan as of April 6, 1938 for the purpose of facilitating control of the power industry by the national government. In exchange for its properties, Nippon Electric Power Company, Ltd. received shares of stock of Japan Electric Generation and Transmission Company, Ltd. In connection with the transfers, the Imperial Japanese Government and Japan Electric Power Generation and Transmission Company, Ltd., unconditionally guaranteed the bonds as to principal and interest. The properties transferred continued to be security for the outstanding bonds and subject to the lien of the Indenture. (We understand from the report referred to below that the remaining electric properties of Nippon Electric Power Company, Ltd., were transferred, as of April 1, 1942, to Chubu Electric Supply Company, Ltd., The Kansai Electric Supply Company, Ltd. and The Hokuriku Electric Supply Company, Ltd.) Pursuant to an Order of the Minister of Communications dated August 2, 1941, a Supplemental Indenture was executed as of October 1, 1941 between Nippon Electric Power Company, Ltd., Japan Electric Power Generation and Transmission Company, Ltd., and The Mitsui Bank, Ltd. Under this Supplemental Indenture, Japan Electric Power Generation and Transmission Company, Ltd. succeeded to the interests and obligations of Nippon Electric Power Company, Ltd., under the original Indenture dated January 2, 1928, including the obligation with respect to the payment of principal and interest on the bonds.

The service of the bonds was effected regularly until 1942. Default with respect to interest payment commenced January 1, 1942 and with respect to the sinking fund on October 15, 1942. The bank had no communication with Japan until the receipt of letters dated on August 14, 1947 and September 3, 1947 from The Teikoku Bank, Ltd., as Successor Trustee, with which were enclosed the letters from Japan Electric Power Generation and Transmission Company, Ltd. and other papers, certain of which are enclosed herewith for your records as listed at the end of this letter. These letters report upon developments during the war period which may be summarized as follows:

(a) As of April 1, 1943, The Teikoku Bank, Ltd. succeeded The Mitsui Bank, Ltd. as Trustee under the Indenture dated January 2, 1928.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

(b) The bonds were "converted" into Yen Bonds under Law No. 60 of March 15, 1943 relating to the Treatment of Foreign Bonds, which provided for the conversion into bonds payable in Japanese currency of outstanding dollar and sterling bonds issued by the Imperial Japanese Government or any subdivision thereof and private corporations. The Nippon Electric 6 1/2% Gold Bonds were treated as follows:

$1,968,000 principal amount which had been reacquired by the Company were cancelled on June 26, 1943;

$1,844,000 principal amount of Bonds which were held in Japan were exchanged on September 15, 1943 for new Yen Bonds of Japan Electric Power Generation and Transmission Company, Ltd., which were guaranteed by the Japanese Government, bore interest at the rate of 4.2% per annum and had a 12-year maturity;

$1,140,000 principal amount of Bonds which were held outside of Japan were "assumed" by the Japanese Government in September, 1943, under terms similar to the terms of the new Yen Bonds issued in exchange for the Bonds held in Japan. (Apparently, although we have not been so advised by the Trustee, an additional $8,000 principal amount of Bonds have been paid by the Government since 1943 so that the amount now outstanding and held outside of Japan would be changed to $1,132,000.)

After this "conversion" and "assumption", the mortgage securing the Bonds under the Indenture dated January 2, 1928 was cancelled in the appropriate commercial registry in Japan.

(c) During the war, interest on all or part of the bonds was paid into special blocked accounts in Japan.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

HARRIS TRUST AND SAVINGS BANK

ORGANIZED AS N. W. HARRIS & CO. 1882. INCORPORATED 1907

CHICAGO

The Honorable,
The Secretary of State

COPY

November 7, 1947

It will be seen from the foregoing that there have occurred the following principal defaults under the Indenture: (1) Failure to comply with interest and sinking fund obligations for a period in excess of five year; (2) the unilateral act of the Japanese Government in substituting itself as Obligor on the Bonds and in thereafter making payments with respect to service in Japanese currency; and (3) the purported "cancellation" of the mortgage subsequent to the so-called "conversion" operation. You are hereby advised that we do not recognize as valid such actions on the part of the Japanese Government and we accordingly request that the Department of State do everything which may be appropriate to cause the bondholders to be restored to the enjoyment of their rights under the Indenture. In particular, we request that this problem be considered in connection with the negotiation of a treaty of peace with Japan and that appropriate provision be included therein for the protection of the rights of the holders of Bonds of the issue in question.

We are sending a copy of this letter to the Foreign Bondholders Protective Council, Inc.

Very truly yours,

HOM

Assistant Vice President

F. O. Mann
MJT

Enclosures

Copy of letter dated August [illegible] 1947, from The Teikoku Bank, Ltd. to Harris Trust and Savings Bank, together with the following enclosures:

Extract of Order of Finance Minister with respect to appointment of The Teikoku Bank, Ltd.

Law relating to the treatment of foreign bonds promulgated March 15, 1943 (English translation).

Letter dated September 27, 1946, from Japan Electric Power Generation and Transmission Power Company, Ltd. to Harris Trust and Savings Bank.

Letter dated September 3, 1947 from The Teikoku Bank, Ltd. to Harris Trust and Savings Bank and enclosure thereto, namely letter dated August 27, 1947 from Japan Electric Power Generation and Transmission Power Company, Ltd. to Harris Trust and Savings Bank, all exclusive of enclosures.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

DO NOT FILE

RETURN TO FN

FN

RECEIVED APR 12 DEPT. OF STATE DC/R

1865

FIRST NATIONAL BANK

OF ELGIN

CAPITAL AND SURPLUS $1,000,000.00

ELGIN, ILL.

JAMES M. FLETCHER, CHAIRMAN OF THE BOARD
GEO. W. GLOS, PRESIDENT
LYMAN F. BLAKE, VICE PRESIDENT
A. J. WILKENING, VICE PRES. & TRUST OFFICER
R. N. RAYNER, ASST TRUST OFFICER

MARTIN SEYBOLD, CASHIER
OTTO PARLASCA, ASST CASHIER
E. W. SCHOLER, ASST CASHIER
WILLIAM E. REDEKER, ASST CASHIER
CARLTON C. HOTH, ASST CASHIER

April 10, 1948.

FN Summ ack 4/15/48
DIVISION OF FOREIGN AFFAIRS
Answered 6/8/48
APR 13 1948
FN-320 Jones
DEPARTMENT OF STATE

Department of State,
United States of America,
Washington, D. C.

Dear Sirs:

At the suggestion of the Office of Alien Property, Department of Justice, Washington 25, D. C., we are writing to you with reference to the following listed bond which is owned by The First National Bank of Elgin, Elgin, Illinois, as Executor of the Estate of James W. Lynch, Deceased, who died March 6, 1948, at Elgin, Kane County, Illinois, a citizen of the United States.

Taiwan Electric Power Company, Limited, $1000.00 Forty Year Sinking Fund 5½% Gold Bond, due July 1, 1971, No. 21299, with January 1, 1942 and subsequent coupons attached.

We have filed with the Office of Alien Property, two forms of their Form APC-1C, being under Vesting Order No. 1095, and in accordance with their letter of March 26, 1948. Their reference is JS-RCM-cbc - 034-65.

Kindly advise if any forms should be filed through your department for the collection or payment of this bond.

Yours very truly,

Vice President.

W.

DCB - CLAIMS UNIT
Anal. W
Rev.
Cat. CLS
Dist.

FILED
MAY 2 1951

894.51 BONDHOLDERS/4-1048
CS/A
4-1048
894.51 BONDHOLDERS/4-1048

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

FN

1865

THE FIRST NATIONAL BANK

OF ELGIN

CAPITAL AND SURPLUS $1,000,000.00

ELGIN, ILL.

JAMES M. FLETCHER, CHAIRMAN OF THE BOARD
GEO. W. GLOS, PRESIDENT
LYMAN F. BLAKE, VICE PRESIDENT
A. J. WILKENING, VICE PRES. & TRUST OFFICER
R. N. RAYNER, ASST. TRUST OFFICER

MARTIN SEYBOLD, CASHIER
OTTO PARLASCA, ASST. CASHIER
E. W. SCHOLER, ASST. CASHIER
WILLIAM E. REDEKER, ASST. CASHIER
CARLTON C. HOTH, ASST. CASHIER

RECEIVED
APR 12 1948
DEPT. OF STATE
DC/R

DC/R

April 10, 1948.

JUN 17 1948

FN Harm ack 4/15/48
DIVISION OF FOREIGN AFFAIRS
Answered 6/8/48
APR 13 1948
FN-320 Jans
DEPARTMENT OF STATE

Department of State,
United States of America,
Washington, D. C.

Dear Sirs:

At the suggestion of the Office of Alien Property, Department of Justice, Washington 25, D. C., we are writing to you with reference to the following listed bond which is owned by The First National Bank of Elgin, Elgin, Illinois, as Executor of the Estate of James W. Lynch, Deceased, who died March 6, 1948, at Elgin, Kane County, Illinois, a citizen of the United States.

Taiwan Electric Power Company, Limited, $1000.00 Forty Year Sinking Fund 5½% Gold Bond, due July 1, 1971, No. 21299, with January 1, 1942 and subsequent coupons attached.

We have filed with the Office of Alien Property, two forms of their Form APC-1C, being under Vesting Order No. 1095, and in accordance with their letter of March 26, 1948. Their reference is JS-RCM-cbc - 034-65.

Kindly advise if any forms should be filed through your department for the collection or payment of this bond.

Yours very truly,

Vice President.

W.

DCB - CLAIMS UNIT
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FILED
MAY 2 1951

894.51 BONDHOLDERS/4-1048
CS/A
4-1048
894.51 BONDHOLDERS/4-1048

DECLASSiFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND [redacted]# 760050

After 5 days, return to
FIRST NATIONAL BANK,
6 & 8 Grove Ave.,
ELGIN, ILL.

ELGIN
APR 10
330 PM
1948
ILL.

UNITED STATES POSTAGE
3 CENTS 3

Department of State,
United States of America,
Washington, D. C.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

FN

JUN 17 1948

894.51 BONDHOLDERS/4-1048

In reply refer to
FN 894.51 Bondholders/4-1048

My dear Mr. Wilkening:

Reference is made to your letter dated April 10, 1948, acknowledged by the Department on April 15, 1948, relative to a $1,000.00 Taiwan Electric Power Company, Limited, 5½% bond which the First National Bank of Elgin, Elgin, Illinois, owns as Executor of the Estate of James W. Lynch, deceased.

The Department will make a record, for such future consideration as may be found to be appropriate, of the information submitted by you with regard to this holding, but in order that there might be no misunderstanding of the significance of its acceptance of this data, there is set forth the position of the Department relative to such obligations.

The Department considers that investment in foreign bonds is primarily a private transaction into which the purchaser enters after calculation of the risks involved. In case of default on dollar bonds issued by private entities, it is assumed that the holders will be prepared, if necessary, to avail themselves of the usual methods to exercise any rights they may possess, whenever and wherever resort to such measures is possible. In case of default on dollar bonds issued by or guaranteed by governmental entities, as is the bond mentioned by you, it is not the practice of the Department to negotiate directly for American holders, but it does endeavor to render such assistance as it properly can to such holders or their representatives. In this connection attention may be called to the Foreign Bondholders Protective Council, Incorporated, 90 Broad Street, New York, New York, which was organized several years ago to serve as a central representative body. Although it was established with the encouragement of the Department, the Council acts on its own responsibility. Some time ago, at the request of the Council,

the

Mr. A. J. Wilkening,
Vice President,
The First National Bank of Elgin,
Elgin, Illinois.

DEC CLASSIFIED FCH

894.51 Bondholders/4-1048 CS/V

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

the Department transmitted to the United States Political Adviser to the Supreme Commander for the Allied Powers, at Tokyo, a complete statement regarding the dollar bonds issued or guaranteed by Japanese governmental entities. This statement was sent for the information and use of the Political Adviser and of the appropriate section of the Staff of the Supreme Commander, and for such action as might be considered appropriate in the protection of the American interest involved. Subsequently, the Department transmitted to the Reparations and Restitution Delegation, at Tokyo, a request of the Council that mortgages formerly securing these bonds be reinstated. In forwarding this request to the Delegation, the Department asked that it indicate its views concerning the feasibility and appropriateness of this proposed measure for the protection of the American interest involved. The Department believes that the Council is mindful of the interests of American holders of such obligations and that it will, when occasion offers, take such steps as it considers to be to the advantage of the holders. You may wish to write to the Council in connection with the bond mentioned by you.

It will be appreciated that the Department is not in a position to state now what provisions, if any, affecting such obligations, may be contained in the Peace Treaty with Japan, or what provision for claims arising from the war may be made. As you doubtless know, there will be many claims and demands against Japan, and against Japanese municipalities and persons, of which such obligations as those to which you refer will probably constitute but a small part.

Nevertheless, as indicated above, the Department will make a record of the information submitted by you relative to this holding. It is requested that you also inform the Department of the names, nationalities and addresses of all persons interested in the estate. If it should later be found advisable for individual holders to take further steps, due announcement will be made in the public press.

Sincerely yours,

For the Secretary of State:

James C. Corliss
Assistant Chief
Division of Financial Affairs

CR
JUN 16 1948 P.M.

✓ FN:VWJones:ms 6/8/48

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

DIVISION OF NORTHEAST ASIAN AFFAIRS
MAY 14 1948
DEPARTMENT OF STATE

UNITED STATES POLITICAL ADVISER
FOR JAPAN

No. 250

CONFIDENTIAL

FOR DEPARTMENT'S USE ONLY

Tokyo, April 28, 1948

Subject: Required Economic Reporting.

RECEIVED
DEPARTMENT OF STATE
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1948 MAY 5 PM 4 06
DC/M BRANCH
FACILITIES

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Sir:

I have the honor to refer to the Department's instruction No. 51 of March 31, 1948 regarding the revision of that section of Moody's Government and Municipal Manual dealing with Japan, and in that connection, to comment upon the preparation by this Mission of economic reports requested by the Departments of Commerce, Agriculture, and others, through the Department of State.

In addition to the above-mentioned request submitted by Moody's Investors Service, this Mission has been instructed thus far to comply with the Department of Agriculture's annual reporting schedule, and to submit reports concerning crude drugs and essential oils, rubber products, detergents, newsprint, tea, civil aviation, travel and tourism, the motion picture and plastics industries, as well as to complete Bureau of the Mint Interrogatories and Bureau of Mines Questionnaires. This Mission in turn has endeavored to secure information from the appropriate staff sections of this Headquarters, for example, the Economic and Scientific, Natural Resources, and Civil Information and Education Sections. Although certain information has been received thus far in connection with the several requested reports, referred to above, this Headquarters, in response to our request for information needed to effect a revision of those portions of Moody's Government and Municipal Manual dealing with Japan, has commented as follows:

"Returned without action in view of Staff Memorandum No. 4, (SCAP & FEC), 'Distribution of SCAP Reports' dated 2 Jan 47 and paragraph 2 of War Department letter of transmittal of 'Information Management Group, Background and Functions,' AGAO-C461 (10 Mar 47) WDSCA dated 11 Mar 47 which states:

"'It is the

DIVISION OF OCCUPIED AREAS
ECONOMIC AFFAIRS
JUN 18 1948
DEPARTMENT OF STATE

DEPARTMENT OF STATE
RECEIVED
AUG 1948
OFFICE OF INTELLIGENCE
COLLECTION AND DISSEMINATION

OFD UNIT
CONFIDENTIAL

894.51 BONDHOLDERS/4-2848
SEP 22 1948
Confidential File

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

"'It is the understanding of the War Department that all requests originating in the United States addressed to Commander-in-Chief, Far East, Commanding General, United States Army Forces in Korea, or your headquarters for Civil Affairs/Military Government reports will be referred for action to the Civil Affairs Division.'"

There is enclosed a copy of Staff Memorandum No. 4, referred to above, which indicates that all requests for routine or special reports made directly to a staff section by organizations outside this theater, will be referred to the Department of Army (Civil Affairs Division) in Washington for appropriate action. It appears that this Headquarters will, in the future, refer to Staff Memorandum No. 4 with respect to any request emanating from this Mission for statistical and other information needed to prepare agricultural and commodity type reports. Since this Headquarters has declined to supply information needed to complete reports initiated by Departments of the Government which have not been transmitted through prescribed Department of Army channels, the assistance of the Department is requested in resolving this matter in conjunction with the Department of Army and other interested Government Departments.

740.00 119 Control (Japan) 3-1546

On the other hand, apart from the problem of availability of Mission personnel for economic reporting duties, should this Mission (as the Diplomatic Section) endeavor to prepare economic reports without reference to other staff sections, it clearly exceeds its functions as defined by General Headquarters and indicated in this Mission's despatch No. 310 of March 15, 1946 entitled "Reorganization of Office of the United States Political Adviser as Staff Section, SCAP," and this Mission's secret despatch No. 353 of April 5, 1946 regarding General MacArthur's views on the same subject.

This Mission has made, and plans to continue making, analyses and confidential reports regarding current economic matters of a policy nature which come to its attention. Such reporting does not involve the problem of securing extensive statistical data concerning certain crops or commodities, a part of which, at least, may best be obtained from the Economic and Scientific and Natural Resources Sections. Information with which to prepare such analyses is usually obtained through informal channels, quite often with some difficulty, is not "cleared" with the relevant section, and for that reason is classified and marked "For Use of the Department Only."

In addition, no difficulty has been encountered in securing information on a personal basis, with which to prepare replies to trade letters and specific requests for certain crop or commodity information forwarded to this Mission by the Department and American firms. In this connection, the Economic Liaison Division of this Mission (which consists of two Foreign Service Officers) is endeavoring to establish and maintain personal contact with

American

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American and Japanese businessmen, and the ministries of the Japanese Government concerned with economic matters. An effort is being made to accumulate commodity information independently of other staff sections of this Headquarters. However, in view of the almost complete control exercised over Japan's post-war economy by certain staff sections of this Headquarters, much current information is obtainable only from those sections.

In regard to the preparation of required agricultural and commodity type reports, General Headquarters apparently has no objection to their preparation and dissemination and has indicated that it will prepare, or assist in the preparation of such reports, in so far as it is possible to do so, provided the request is made through Department of the Army channels. It should also be pointed out that the staff sections concerned with economic matters have personnel numbering over a thousand, including commodity specialists, who are, it is believed, prepared to furnish information concerning their respective commodities. However, unless a request for extensive or detailed information is formally directed to the individuals or divisions concerned, it has been our experience that the request receives scant attention and is given no precedence over routine matters.

Under the circumstances, this Mission has concluded that, without the assignment of a staff of sufficient size to permit completely independent preparation of required economic reports, better results might be obtained by having the Department of the Army request this Headquarters to prepare such reports in accordance with stipulated timetables. The views of the Department are therefore requested regarding the course of action to be followed in preparing economic reports in compliance with the Department's instructions.

Respectfully yours,

W. J. Sebald

Enclosure:

Copy, Staff Memorandum No. 4,
General Headquarters, Supreme
Commander for the Allied Powers,
January 2, 1948.

to 10e/RControl 7H 5-648

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CONFIDENTIAL

Enclosure to Despatch No. 250, dated April 28, 1948 from the Office of the Political Adviser for Japan, Tokyo, on the subject, "Required Economic Reporting".

(COPY)

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
AND
FAR EAST COMMAND

AG 461 (2 Jan 47)(AG-OS)

APO 500
2 January 1947

STAFF MEMORANDUM)

No.....4) (SCAP & FEC)

DISTRIBUTION OF SCAP REPORTS

1. All requests for the Monthly Summation of Non-Military Activities for Japan, Korea and the Ryukyus and for routine or special reports, made by individuals or organizations outside this theater direct to headquarters, to a staff section, or to any individual within a section of General Headquarters, will be processed in accordance with the following procedure:

a. Requests addressed to headquarters or to a staff section will be forwarded to the War Department, through channels for consideration.

b. Requests received by individuals will be answered by the individuals concerned advising each inquirer that the report is furnished to the War Department which makes distribution outside this theater.

2. All requests for the Monthly Summation for Japan, Korea and the Ryukyus and for routine or special reports, made by individuals or organizations within this theater direct to headquarters, a staff section or to any individual within a section, will be forwarded to Statistical and Reports Section for necessary action.

BY COMMAND OF GENERAL MacARTHUR:

OFFICIAL:

PAUL J. MUELLER,
Major General, General Staff Corps,
Chief of Staff.

JOHN B. COOLEY,
Colonel, AGD,
Adjutant General.

CONFIDENTIAL

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MAY 5 1948

In reply refer to
FN 894.51 Bondholders
/4-2247

My dear Mr. Leonard:

Examination of the file of correspondence with you relative to the holdings of Japanese dollar bonds does not indicate that a detailed reply has ever been made to your original inquiry of April 22, 1947, although certain information relative to the filing of claims against assets of former Japanese ownership now vested by the Office of Alien Property was transmitted to you with the Department's letter of May 22, 1947. It is regretted that the promised reply has been so long delayed.

A definitive statement regarding the future of these bonds is not now possible, but the following may be helpful to your understanding of the Department's policy with respect to such obligations.

In general, the Department considers that investment in foreign bonds is primarily a private transaction into which the purchaser voluntarily enters after calculation of the risks involved. In case of default on dollar bonds issued by a foreign government, it is not the practice of the Department to negotiate directly for American holders, but it does endeavor to render such assistance as it appropriately can to them or their representatives. In this connection your attention may be called to the Foreign Bondholders Protective Council, Incorporated, 90 Broad Street, New York, New York, which was established several years ago to serve as a central representative body. The Council was organized with the encouragement of the Department, but it acts on its own responsibility. It is understood that the Council is now interesting itself in such obligations as those mentioned by you and you may wish to write

Mr. Clarence S. Leonard,
39 Capitol Street,
Auburn, New York.

894.51 BONDHOLDERS /5-548

DOR OFD Unit CS/V

5-548 Bondholders 894.51

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

to write to it in connection with these bonds. Some time ago, at the request of the Council, the Department transmitted to the United States Political Adviser to the Supreme Commander for the Allied Powers, at Tokyo, a complete statement regarding the dollar bonds issued or guaranteed by Japanese governmental entities. This statement was sent for the information and use of the Political Adviser and of the appropriate section of the Staff of the Supreme Commander, and for such action as might be deemed appropriate in the protection of the American interest involved.

It will be appreciated that the Department cannot state at the present time what provisions, if any, may be inserted in the peace treaty regarding such obligations. You are doubtless aware that there will be many claims and demands against the Japanese Government and against persons and municipalities in that country, of which such bonds as those referred to by you will probably constitute only a small part.

However, the Department will be glad to make a record in its files, for such consideration as may be found appropriate, of the information you have furnished regarding your holdings. If it should later be found advisable for individual American holders to take any further steps in connection with such obligations the Department will endeavor to have due publicity given to the fact.

Sincerely yours,

For the ~~Acting~~ Secretary of State:

James C. Corliss
Assistant Chief
Division of Financial Affairs

CR
MAY 5 1948 P.M.

✓ FN:JCorliss:gve 4/21/48 S/S-CR

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MAY 20 1948

894.51 BONDHOLDERS/5-548

In reply refer to
FN 894.51 Bondholders
/5-548

My dear Mr. Sherwin:

Reference is made to your letter of May 5, 1948, inquiring whether this government will remove the restrictions on trading in Japanese bonds, and whether commercial trading with the Japanese is permitted.

The United States Securities and Exchange Commission, after consultation with the Departments of State and Treasury, prohibited trading in Japanese securities on the organized stock exchanges immediately after the entry of the United States in the war, and requested the cooperation of licensed traders in refraining from facilitating the establishment of a public market in these securities in the United States. The Commission has not modified the position taken at that time and the Department knows of no contemplated action that would permit trading in the near future.

Commercial trading with Japan is permitted under certain conditions which have been established relative to the matter. Full information regarding these conditions may be obtained from the New York Regional Office of the United States Department of Commerce, Empire State Building, New York, New York.

Sincerely yours,

For the Secretary of State:

CS/V

James C. Corliss
Assistant Chief
Division of Financial Affairs

Mr. A. H. Sherwin,
A. H. Sherwin Investment Company,
123 West 57th Street,
New York, New York.

✓FN:JCCorliss:gve 5/13/48 OFD OE S/S-CR

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894.51 BONDHOLDERS/5-548

Return to FN
Rm 108 QV

RECEIVED
MAY 7 1948
DEPT. OF STATE
DC/R

A. H. Sherwin Investment Co.
123 West 57th Street
New York, N. Y.

May 5/48

The Department of State -
Legal adviser -
Washington DC.

Dear Sir: Can you advise me whether the Government will remove the restriction of Japanese bonds and are we allowed to trade with Japanese - I was referred to your department through the office of Alien Property

Resp Yours
A. H. Sherwin

XX 6110 631

CS/V 5-548 Bondholders

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DIVISION OF FINANCIAL AFFAIRS
Reply drafted
MAY 11 1948
FN: Copies: 8
DEPARTMENT OF STATE

FILED
MAY 25 1951
5/13/48

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FN

MAY 7 1948

894.51 BONDHOLDERS/5-748

In reply refer to
FN 894.51 Bondholders
/9-647

My dear Mr. Paull:

Reference is made to your letter of September 6, 1947, and to the Department's acknowledgment of September 19, 1947, relative to two 7% Ujigawa Electric Power Company, Limited, due in 1945 which you hold. It is regretted that the reply to your letter has been so long delayed.

At the request of the United States Securities and Exchange Commission, no transactions in Japanese bonds have been made by brokers or dealers since December 1941. The Department is therefore unable to suggest possible disposition of your holdings at the present time.

A definitive statement regarding the future of these bonds is not now possible, but the following may be helpful to your understanding of the Department's position with respect to such obligations.

The Department considers that investment in foreign bonds is primarily a private transaction into which the purchaser enters after calculation of the risks involved. In case of default on dollar bonds issued by private entities, it is assumed that the holders will be prepared, if necessary, to avail themselves of the usual methods to exercise any rights they may possess, whenever and wherever resort to such measures is possible. In case of default on dollar bonds issued or guaranteed by governmental entities, as are the bonds held by you, it is not the practice of the Department to negotiate directly for American holders, but it does endeavor to render such assistance as it properly can to such holders or their representatives. In this connection, attention may be called to the Foreign Bondholders Protective Council, Incorporated, 90 Broad Street, New York, New York, which was organized

Mr. Edwin J. Paull,
9 West Thomas Road,
Phoenix, Arizona.

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894.51 Bondholders/5-748

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was organized several years ago to serve as a central representative body. Although it was established with the encouragement of the Department, the Council acts on its own responsibility. Some time ago, at the request of the Council, the Department transmitted to the United States Political Adviser to the Supreme Commander for the Allied Powers, at Tokyo, a complete statement regarding the dollar bonds issued or guaranteed by Japanese governmental entities. This statement was sent for the information and use of the Political Adviser and of the appropriate section of the Staff of the Supreme Commander, and for such action as might be considered appropriate in the protection of the American interest involved. The Department believes that the Council is mindful of the interests of American holders of such obligations and that it will, when occasion offers, take such steps as it considers to be to the advantage of the holders. You may wish to write to the Council in connection with the bonds held by you.

It will be appreciated that the Department is not in a position to state now what provisions, if any, affecting such obligations, may be contained in the Peace Treaty with Japan, or what provisions for claims arising from the war will be made. As you doubtless know, there will be many claims and demands against Japan, and against Japanese municipalities and persons, of which such obligations as those to which you refer will probably constitute but a small part.

Nevertheless, if you are an American citizen, the Department will be glad to make a record of your holdings for possible future use. In addition to the information given in your letter of September 6, 1947, it is suggested that you furnish to the Department a statement giving the manner and date of your acquisition of these bonds, the purchase price, the face value, the last payment of interest thereon, and the manner, (whether by birth or naturalization) and date of your acquisition of American citizenship. If citizenship was acquired by naturalization, you should give the name and location of the court granting citizenship, and the number of the

relative

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relative certificate. If it should be found advisable for individual holders to take further steps, due announcement will be made in the public press.

Sincerely yours,

For the Secretary of State:

James C. Corliss, Assistant Chief
Division of Financial Affairs

CR

MAY [illegible] 1948

FN:VWJones:rt 4/28/48

OF DAS

Mr Levy

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

FN 894.51 Bondholders
14-2247 -

"BUEN RETIRO"
STAR ROUTE
MARY ESTHER
FLORIDA

May 25' 48.

DIVISION OF FINANCIAL AFFAIRS
No reply necessary
JUN 1 1948
File
DEPARTMENT OF STATE

My dear Mr. Corliss:

Thanks for very much for your letter of May 17, which reached me at my new address, above.-

It is too bad to have taken so much of your time and one easily realizes the recording of defunct Japanese bonds is a matter of form rather than of finance.-

Very truly

A. B. Blyth

(Mrs.) A. F. Blyth.

FW 894.51 Bondholders/5-1748

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MAY 71948

In reply refer to
FN 894.51 Bondholders
/4-2247

894.51 BONDHOLDERS/5-748

My dear Mrs. Blyth:

In going over my files, I find no record that your letter of April 22, 1947, regarding a $1000.00 Tokyo Electric Light Company, Limited, bond which you hold, has been answered in detail although a preliminary answer was sent to you on May 28, 1947. I regret very much the delay in replying in full to your inquiry.

The Department has made a record, for such use as may be found to be appropriate, of the information you have submitted, but in order that there may be no misunderstanding of the significance of its acceptance of this data, there is set forth a brief statement relative to the Department's position in the matter.

The Department considers that investment in foreign bonds is primarily a private transaction into which the purchaser enters after calculation of the risks involved. In case of default on dollar bonds issued by private entities, it is assumed that the holders will be prepared, if necessary, to avail themselves of the usual methods to exercise any rights they may possess, whenever and wherever resort to such measures is possible. In case of default on dollar bonds issued by or guaranteed by governmental entities, as is the bond mentioned by you, it is not the practice of the Department to negotiate directly for American holders, but it does endeavor to render such assistance as it properly can to such holders or their representatives. In this connection attention may be called to the Foreign Bondholders Protective Council, Incorporated, 90 Broad Street, New York, New York, which was organized several years ago to serve as a central representative body. Although it was established with the encouragement of the Department; the Council acts on its own responsibility. Some time ago, at the request of the

Mrs. A. J. Blyth,
3806 Old Shell Road,
Spring Hill, Alabama.

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MAY 7 1948

In reply refer to
FN 894.51 Bondholders
/4-2247

My dear Mrs. Blyth:

In going over my files, I find no record that your letter of April 22, 1947, regarding a $1000.00 Tokyo Electric Light Company, Limited, bond which you hold, has been answered in detail although a preliminary answer was sent to you on May 28, 1947. I regret very much the delay in replying in full to your inquiry.

The Department has made a record, for such use as may be found to be appropriate, of the information you have submitted, but in order that there may be no misunderstanding of the significance of its acceptance of this data, there is set forth a brief statement relative to the Department's position in the matter.

The Department considers that investment in foreign bonds is primarily a private transaction into which the purchaser enters after calculation of the risks involved. In case of default on dollar bonds issued by private entities, it is assumed that the holders will be prepared, if necessary, to avail themselves of the usual methods to exercise any rights they may possess, whenever and wherever resort to such measures is possible. In case of default on dollar bonds issued by or guaranteed by governmental entities, as is the bond mentioned by you, it is not the practice of the Department to negotiate directly for American holders, but it does endeavor to render such assistance as it properly can to such holders or their representatives. In this connection attention may be called to the Foreign Bondholders Protective Council, Incorporated, 90 Broad Street, New York, New York, which was organized several years ago to serve as a central representative body. Although it was established with the encouragement of the Department; the Council acts on its own responsibility. Some time ago, at the request of the

Mrs. A. J. Blyth,
3806 Old Shell Road,
Spring Hill, Alabama.

894.51 BONDHOLDERS/5-748

CSA 894.51 Bondholders/5-748

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of the Council, the Department transmitted to the United States Political Adviser to the Supreme Commander for the Allied Powers, at Tokyo, a complete statement regarding the dollar bonds issued or guaranteed by Japanese governmental entities. This statement was sent for the information and use of the Political Adviser and of the appropriate section of the Staff of the Supreme Commander, and for such action as might be considered appropriate in the protection of the American interest involved. The Department believes that the Council is mindful of the interests of American holders of such obligations and that it will, when occasion offers, take such steps as it considers to be to the advantage of the holders. You may wish to write to the Council in connection with the bond held by you.

It will be appreciated that the Department is not in a position to state now what provisions, if any, affecting such obligations, may be contained in the Peace Treaty with Japan, or what provision for claims arising from the war may be made. As you doubtless know, there will be many claims and demands against Japan, and against Japanese municipalities and persons, of which such obligations as that to which you refer will probably constitute but a small part.

Nevertheless, as indicated above, the Department has made a record of the information submitted by you relative to your holding. If it should later be found advisable for individual American holders to take further steps, due announcement will be made in the public press.

Sincerely yours,

For the Secretary of State:

James C. Corliss, Assistant Chief
Division of Financial Affairs

MAY 7 1948 P.M.

FN:VWJones:rt 4/28/48 CFD

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

MAY 10 1948

894.51 BONDHOLDERS/5-1048

In reply refer to
FN 894.51 Bondholders
/4-1447

My dear Dr. Hess:

In going over my files, I find no record that your letter of April 14, 1947, relative to dollar bonds of the Nippon Electric Power Company, Limited, has been answered in detail although a preliminary answer was sent to you on May 27, 1947. I regret very much the delay in replying in full to your inquiry.

Since communications of a non-transactional nature can now be sent to Japan, it is suggested that you write directly to the headquarters of the Nippon Electric Power Company, Limited, to ascertain what the present status of the company is.

With regard to the dollar obligations of this company, a definitive statement regarding the future position of such bonds is not now possible, but the following may be helpful to your understanding of the Department's position with respect to such obligations.

The Department considers that investment in foreign bonds is primarily a private transaction into which the purchaser enters after calculation of the risks involved. In case of default on dollar bonds issued by private entities, it is assumed that the holders will be prepared, if necessary, to avail themselves of the usual methods to exercise any rights they may possess, whenever and wherever resort to such measures is possible. In case of default on dollar bonds issued by or guaranteed by governmental entities, as are the bonds mentioned by you, it is not the practice of the Department to negotiate directly for American holders, but it does endeavor to render such assistance as it properly can to such holders or their representatives. In this connection, attention

may be

CS/A 5-1048 894.51 Bondholders

Dr. C. L. Hess,
308 Davidson Building,
Bay City, Michigan.

DOR - OFD Unit

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

may be called to the Foreign Bondholders Protective Council, Incorporated, 90 Broad Street, New York, New York, which was organized several years ago to serve as a central representative body. Although it was established with the encouragement of the Department, the Council acts on its own responsibility. Some time ago, at the request of the Council, the Department transmitted to the United States Political Adviser to the Supreme Commander for the Allied Powers, at Tokyo, a complete statement regarding the dollar bonds issued or guaranteed by Japanese governmental entities. This statement was sent for the information and use of the Political Adviser and of the appropriate section of the Staff of the Supreme Commander, and for such action as might be considered appropriate in the protection of the American interest involved. The Department believes that the Council is mindful of the interests of American holders of such obligations and that it will, when occasion offers, take such steps as it considers to be to the advantage of the holders. You may wish to write to the Council in connection with the bonds mentioned by you.

It will be appreciated that the Department is not in a position to state now what provisions, if any, affecting such obligations may be contained in the Peace Treaty with Japan, or what provision for claims arising from the war may be made. As you doubtless know, there will be many claims and demands against Japan, and against Japanese municipalities and persons, of which such obligations as those to which you refer will probably constitute only a small part.

Nevertheless, the Department is glad to make a record, for such future consideration as may be found to be appropriate, of the information submitted by American citizens with regard to their holdings of such obligations. Such information should include the interest rate of the bonds, the dates of issue and maturity, the face value, the manner and date of acquisition of the bonds, the purchase price, the last payment of interest thereon, and the manner (whether by birth or naturalization) and date of acquisition by the holder of American citizenship. If citizenship was acquired by naturalization, the name and location of the court granting citizenship, and the number of the relative certificate should also

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be given. If it should later be found advisable for individual holders to take further steps, due announcement will be made in the public press.

Sincerely yours,

For the ~~Acting~~ Secretary of State:

James C. Corliss

James C. Corliss, Assistant Chief
Division of Financial Affairs

CR
MAY 10 1948 P.M.

✓FN:VWJONES:rt 4/27/48
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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

MAY 19 1948

In reply refer to F
FN 894.51 Bondholders
/5-1247

My dear Mr. Toribara:

In going over my files, I find no record that your letter of May 9, 1947, relative to Japanese bonds bought through American banking channels, has been answered in detail, although a preliminary answer was sent to you on May 26, 1947. I regret very much the delay in replying in full to your inquiry. It is assumed that the bonds to which you refer are payable in dollars.

A definitive reply to your inquiry is not now possible, but the following may be helpful to your understanding of the Department's position with respect to such obligations.

The Department considers that investment in foreign bonds is primarily a private transaction into which the purchaser enters after calculation of the risks involved. In case of default on dollar bonds issued by private entities, it is assumed that the holders will be prepared, if necessary, to avail themselves of the usual methods to exercise any rights they may possess, whenever and wherever resort to such measures is possible. In case of default on dollar bonds issued by or guaranteed by governmental entities it is not the practice of the Department to negotiate directly for American holders, but it does endeavor to render such assistance as it properly can to such holders or their representatives. In this connection attention may be called to the Foreign Bondholders Protective Council, Incorporated, 90 Broad Street, New York, New York, which was organized several years ago to serve as a central representative body. Although it was established with the encouragement of the Department, the

Council

Mr. Frank Y. Toribara,
363 East Fifth Avenue,
Spokane 10, Washington.

CS/V

894.51 BONDHOLDERS/5-1948

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Council, acts on its own responsibility. Some time ago, at the request of the Council, the Department transmitted to the United States Political Adviser to the Supreme Commander for the Allied Powers, at Tokyo, a complete statement regarding the dollar bonds issued or guaranteed by Japanese governmental entities. This statement was sent for the information and use of the Political Adviser and of the appropriate section of the Staff of the Supreme Commander, and for such action as might be considered appropriate in the protection of the American interest involved. The Department believes that the Council is mindful of the interests of American holders of such obligations and that it will, when occasion offers, take such steps as it considers to be to the advantage of the holders. You may wish to write to the Council in connection with the bonds mentioned by you.

It will be appreciated that the Department is not in a position to state now what provisions, if any, affecting such obligations, may be contained in the Peace Treaty with Japan, or what provision for claims arising from the war may be made. As you doubtless know, there will be many claims and demands against Japan, and against Japanese municipalities and persons, of which such obligations as those to which you refer will probably constitute but a small part.

Nevertheless, the Department is glad to make a record, for such future consideration as may be found to be appropriate, of the information submitted by American citizens with regard to their holdings of such obligations. Such information should include the interest rate of the bonds, the dates of issue and maturity, the face value, the manner and date of acquisition of the bonds, the purchase price, the last payment of interest thereon, and the manner (whether by birth or naturalization) and date of acquisition by the holder of American citizenship. If citizenship was acquired by naturalization, the name and location of the Court granting citizenship, and the number of the relative certificate should also be given. If it should later be found advisable for individual holders to take further steps, due announcement will be made in the public press.

Sincerely yours,

For the Secretary of State:

James C. Corliss
Assistant Chief
Division of Financial Affairs

FN:VWJones:gwe 5/12/48 OFD S/S-CR

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FORM DS-516
5-13-47

DEPARTMENT OF STATE

CHARGE SLIP

FILE NUMBER	DESCRIPTION OF DOCUMENT	CHARGE TO—	DATE OF CHA
894.51 Boundaries 15-2048	Lt to Augusta Friedman	OFD Lewsky	2-29-52

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

DEPARTMENT OF STATE

CHARGE SLIP

FILE NUMBER	DESCRIPTION OF DOCUMENT	CHARGE TO-	DATE OF CHARGE	CLERK'S INITIALS
51 Bond-Baldwin 15-2048	Ltr to Augusta Friedman	OFD Sleasby	2-19-52	DM

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

MAY 20 1948

894.51 BONDHOLDERS/5-2048

In reply refer to
FN 894.51 Bondholders
/10-2447

My dear Miss Friedman:

Reference is made to your letter dated October 24, 1947, acknowledged by the Department on November 3, 1947, relative to German and Japanese bonds which you hold. It is regretted that an answer to your inquiry has been so long delayed.

The information contained in your letter is not sufficient to enable the Department to make satisfactory reply. It is requested that you send to the Department, for each bond, the following data:

(1) the exact name of the obligor, the interest rate, the dates of issue and maturity, the face value, the manner and date of acquisition of the bonds, the purchase price, and the last payment of interest thereon;

(2) the manner (whether by birth or naturalization) and date of your acquisition of American citizenship. If citizenship was acquired by naturalization, the name and location of the court granting citizenship and the number of the relative certificate should also be given.

Upon receipt of the above data, the Department will give further consideration to your inquiry.

Sincerely yours,

For the Secretary of State:

James C. Corliss, Assistant Chief
Division of Financial Affairs.

Miss Augusta Friedman,
2564 Creston Avenue,
Bronx 58, New York.

FN:VWJones:rt 5/17/48

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

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894.51 BONDHOLDERS/5-2448

In reply refer to
FN 894.51 Bondholders/4-1447

JUN 22 1948

My dear Dr. Hess:

Reference is made to your letter of May 24, 1948, inquiring what effect vesting of the assets of the Nippon Electric Power Company by the Office of Alien Property may have upon your position as claimant.

The vesting of the assets of the Nippon Power Company in the United States transfers to the United States Government title to these assets. By filing a claim against them you would become a debt-claimant for a portion of them, instead of a creditor of the Nippon Electric Power Company as such, pursuant to the terms of the indenture under which the bonds were floated.

The Department regrets that it is unable to state now whether or what consideration may be given to the vesting procedure in the Peace Treaty with Japan.

Sincerely yours,

For the Secretary of State:

James C. Corliss
Assistant Chief
Division of Financial Affairs

C. L. Hess, M.D.,
308 Davidson Building,
Bay City, Michigan.

FN:JCCorliss:mw
6/14/48

CR
JUN 21 1948 P.M.

L/E

CS/V

894.51 Bondholders/5-2448

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

C. L. HESS, M. D.
308 DAVIDSON BUILDING
BAY CITY, MICHIGAN

INTERNAL MEDICINE

DIVISION OF FINANCIAL AFFAIRS
Reply Drafted FN
MAY 26 1948
J C Corliss 6/14/48
DEPARTMENT OF STATE

May 24, 1948

James C. Corliss,

Division of Financial Affairs,

Department of State,

Washington, D. C.

RE; FN 894.51 Bondholders
/4 - 1447

Dear Mr. Corliss:

Your letter of 5/10/48 received relative to dollar bonds of the Nippon Electric Power, Limited.

I have a letter from John C. Lehr, United States Attorney in Detroit stating that the assets of the company were vested under order 4280 and giving instruction for our filing a claim with the United States Government on Form APC -1C. May I inquire how such vestment affects our position as claimant.

Yours truly,

C. L. Hess, M.D.

CLH.h

FILED
JUN 12 1951
894.51 BONDHOLDERS/5-2448
CS/A

894.51/5-2448
894.51 Bondholders

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

ACTION
is assigned to
FN

DIVISION OF FINANCIAL
JUN 3
FN:VW Jones
DEPARTMENT

RECEIVED
DEPARTMENT OF STATE
JUN 1 PM 1 30

RECEIVED
JUN 1 1948
DEPT. OF STATE
DC/R

16 West Avenue
Holley, N.Y.
May 25, 1948

Department of State
Attention of the Legal Department
Washington, D.C.

Gentlemen:

Mr. Bazelon, Director of the Office of Alien Property advises me that certain matters discussed in my letter to him are within the jurisdiction of the Department of State. Accordingly, I respectfully ask you to advise me how best to secure payment of interest coupons as described in enclosure.

Please return said enclosure to me.

Sincerely yours,

Frank Colucci

Enclosure

894.51 BONDHOLDERS/5-2548
CS/A
FILED
JUN 12 1951

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

16 West Avenue
Holley, N.Y.
April 21, 1948

Office of Alien Property Custodian
Washington 25, D. C.

Gentlemen:

At the suggestion of a lawyer I should like to request your advice concerning a Japanese bond which I own. It is a $1000 No. M 5267 First Mortgage 6 1/2 % Sinking Fund Bond, due Dec. 1, 1952 issued by Shinyetsu Electric Power Co., Ltd., Japan. Both principal and interest are payable by its Fiscal Agent Dillon, Read & Co., New York, or its successor. Both principal and interest are payable in time of war or peace.

The interest coupons have not been honored since Dec. 1, 1941. The enclosure will clarify this point. Please return this enclosure to me as soon as possible.

Kindly indicate how to secure payment of coupons already due and those which will periodically become due.

Thanking you, I am

Sincerely yours,

Frank Colucci

Veteran World War 1 (enlisted)
U.S. Air Force, Intelligence
Section--active service in France

Enc.