June 11, 1947

Tokyo

Dear Sammy,

I suppose you read the papers today saying trade with Japan will open August 15. While this is limited offering it does mean the big struggle is underway. Nothing will stop trade now from increasing in intensity each month. When I say nothing I am not unmindful of the possible of war with Russia. (Looking today at the map I think the big blowup will come from allied fortified Turkey when she resists Russian domination with gunfire.) But even tho this developed, Japan will assume a position of an ally to use — for while they hate America they disrespect Russia. As an ally she will grow again, even faster than under normal conditions.

Things being such and so, what shall we do? Shall we ride this thing?
then to a nice experience and then put it away on shelf as a memory. Or shall we get into the rat-race, make a fortune and retire?

Well, your choice is not in doubt. What do you need? Three things:

1. Capital
2. An idea
3. Connections

I have no capital, no ideas and so for the third, well, I do have Japanese connections. Enclosed is a news clipping from 'Bokus Shigai'. Mr. Nagai is a friend of mine. I'm sure he will aid me in any way he can. I have no connections in America. Perhaps you can help there. Think it over. If you can get an interview with business concerns that are interested in either selling or buying from Japan you can be certain that it is no false statement that I occupy a unique position here in Nippon.

Have sent you arraignment the bring case. Hope you like it. I sent it this way to avoid customs duty to go on June 36.

P.S. Mr. Nagai, note:
"Bokus Cho" can be translated "Board of Trade".
Mr. Brannon
Now me you. I stay 4th floor
and I want to met you.
but you no not stay at your
room.
I had trouble, and I'm hotel
no more work. I stay my home
every day. I want to meet
you more day. Sometimes I come
here & I will visit your room.
May I visit?
From Hakeemura
Southern Korea Eyes Foreign Trade Opening

SEOUL, June 11 (INS)—South Korea will be opened to an unspecified number of foreign businessmen on July 15. On that date, it was announced here Tuesday, a new establishment to be known as the Korean Exchange Bank will begin operations. Owned by the American Military Government of South Korea, the bank will handle all foreign exchange transactions through the area occupied by the United States army.

Oh Chung Soo, director of the military government's commerce department, warned: "In order to conserve foreign exchange and finance the importation of essential commodities, the government must continue the permit system for exports and imports for some time."

He said export proceeds will be held in the foreign exchange account for six months. If the merchant whose goods produced the credit does not use it within six months for the purpose of purchasing imports, he will be paid in Korean yen and the credit will be made to other importers.

Allied Council Quits After Two Minutes Of Almost Total Silence

By The Associated Press

The Allied Council adjourned today after a two-minute session of almost complete silence.

There were no official topics listed on the agenda; no procedural matters; no discussion.

Neither the Russian, Chinese nor British Commonwealth members uttered a word for the record at the session of the council formed to advise and consult with General MacArthur on occupation affairs.

American Chairman George Atkinson Jr., called the session to order and within two minutes adjourned it.

This marked the second of the council's 34 sessions which adjourned within a few minutes when the delegates had nothing to discuss.
All-Japan Swim Meet

YOKOHAMA, June 11—The All-Japan Swimming Championships were slated to get underway this afternoon at the Olympic Pool in Yokohama, under the auspices of the Eighth Army Special Services office.

Some 14 teams, representing the different units in Japan, are expected to be on hand when the weeding out process gets into gear. The 25th Infantry Division was tabbed as the premeet favorite, with the Eighth Army, 1st Cavalry Division, and the 24th Infantry Division teams slated to give them a hot fight for the crown.

The trials will start at 1 o'clock Wednesday afternoon and continue through Friday afternoon. Finals in four events are slated for 10 o'clock Saturday morning. The remainder will be staged under the lights at 7:30 Saturday night.

Lloyd Mangrum's
269 Wins Nat'l
Capitol Golf Meet

LANDOVER, Md., June 11 (UP)—Lloyd Mangrum, playing the same pulsating brand of golf in the stretch as he did in winning the National Open last year, scored his first major victory since then, yesterday, by taking first prize in the $10,000 National Capitol Open with a 72-hole card of 269.

As it was at Cleveland last summer when he won the National Open, Mangrum, a purple heart hero of the European war, had to finish his round in a downpour of rain.

He posted a six under par 66 for his final 18 holes which gave him the 269 total, 19 under par for the 72 holes.

Mangrum, who will defend his open championship at St. Louis Country Club this week, stepped into the role as one of the strong favorites by his showing here.
Gov't Loan To Japanese Exporters Impending

SCAP Backs Producer Subsidies

By HOWARD HANDLEMAN, INS Correspondent

Early government loans to producers of Japanese export goods appeared to be a logical step today in Japan's efforts to get ready to take advantage of the limited trade relations opening August 15.

SCAP officials said they have long been in favor of a plan in which Boeki Cho, the Japanese government's board of trade, would make advance payments to producers so they could maintain an even production flow.

K. Nagai, president of Boeki Cho, told International News Service he believed some sort of loan or advance payments would be necessary to help Japanese producers meet the increased demands expected to come with the arrival of foreign traders in August.

Nagai pointed out one of the problems Japanese producers will have is that they will have to stock up fairly large supplies of exportable commodities ready for sale.

"Japanese producers do not know what foreign markets will buy," he said. "They have been out of touch with the rest of the world too long.

"There is a natural tendency among them to wait for buyers to arrive before they invest heavily in production of exports."

Nagai said such items as porcelain and chinaware probably will be ready for quick sales.

Nagai said "a rough estimate" of authorized production for export is 50 per cent of capacity at present, but cautioned that such a statement would have to be qualified by a great deal of statistical data as percentages varied with each industry.

SCAP, he said, has authorized production of more than three billion yen worth of goods in four categories for export, he said, but again pointed out the figures were not too accurate a yardstick because they were set last January when the yen was worth more than it is worth now.

The four categories were silk and silk fabrics, sundries and art-goods, chemical, agricultural and aquatic products and light machinery and metals. The figures for authorized exports were for the calendar year of 1947.

SCAP officials said every effort was being made to boost the amount of production for export, but that care had to be taken to insure at least a minimum production for domestic needs.
High Duties On Mailed Items To Begin July 1

By CPL. CHARLES SWIGGART, Staff Writer

High customs duties on silk materials, glassware, gold, jewelry and rayon as well as taxes on other important souvenir items to be imposed on all shipments by Allied personnel after June 30 were revealed today by government officials.

The custom duties, according to Col. C. R. Hutchison, Plans and Policy Branch of G-4, GHQ, are expected to be assessed at San Francisco rather than Japan, pending confirmation by customs officials.

This would mean, Colonel Hutchison said, that packages mailed in Japan before June 30 would not be exempt from customs payment if they arrive in San Francisco after that date.

Each incoming package will probably be opened at San Francisco and the tax assessed there by customs officials, it was explained. The tax will be paid by the recipient of the package upon arrival at its destination.

Practically all items of Japanese origin will be taxed, officials said. Items manufactured in the United States and bought in an Army PX are not allowed by Army regulation to be shipped back to America, they explained.

The announced percentage of duty on import items is as follows: Photo albums, 30%; cloisonne, 45%; cameras, 20%; silk-cloth, 55-65%; silk clothing, 65%; unexposed films, 12 1/2%; field glasses, 35%; furniture, 20-25%; glassware, 60%; gold jewelry, 60%; carved ivory, 35%; lacquerware, 33 1/3%; and linen, 30%.

Leather billfolds, card cases, etc., 17 1/2%; cloth parasols, 40%; pearls, 10%; porcelain, china, etc., 25% to 45%; pewterware, 45%; perfume, 37 1/2%; rayon, 45 cents per lb. plus 35% to 45%; manufacturing silver, 32 1/2%; and cotton tablecloths, 30%.

Wood block prints will be duty free.

The value of items subject to customs tax will probably be decided, not by PX prices, but through evaluation by customs officials in San Francisco, it was opined.

An example was given of a $2.30 cotton damask tablecloth bought in Japan and shipped home by a civilian.

The tablecloth was valued at $15.00 in San Francisco and the recipient of the gift had to pay $6.00 customs tax.
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