

1) K. Kato -

a. Agrees to ship under 3,000 dollars in next shipment but requests that we keep him supplied with adequate L/C balance because warehousing, etc., increases expenses on his side and it consequently eats into his profit. He has a lot of the ZP-6 and ZCP ear-marked for delivery and we instructed him to take it easy on those items so that the money could be allocated for new items you may find for purchase.

b. Purchases you made;

On kitchen wares, Japanese Kimono dolls with voice, bamboo fly swatters, X'mas ornaments (star-lights and paper balls, foil paper), (gift wrap paper, etc. P/O 8-13, 8-12), etc., were received this morning. Our P/O numbers corresponding to these orders you placed are as those enclosed herewith. L/C to be opened for K. Kato will be for these new items you ordered plus some of the old orders still outstanding.

c. Re the bamboo fly swatters we indicated a defect we found with one of the samples he sent us (the bamboo splits where part of the hitting portion of the bamboo ribs are passed through) and K. Kato promised to be careful about it.

d. Samples of the kitchen utensils you ordered will be sent to us.

e. Re the X'mas ornaments which you ordered the shipment will be effected in June while the paper balls and foil papers will be available for delivery in May (beginning of).

f. Re Cotton tape:

Requested information on the cotton tape (sample sent via sea-mail);

(a) Wants to know the difference in import duty rates between the item which is staple fiber (synthetic fiber) and cotton tape.

(Description of the item scanty so at this stage it is very hard to tell - altho mfgs of cotton, nspf., is @20%, cotton fishing nets and cotton fish netting @25%, ladder tapes @15%, labels for garments or other articles, of vegetable fiber 12½%, which could be slightly altered today but generally in this bracket.

As to manufactures of rayon or other man-made (synthetic) textiles; Rayon or other synthetic textile in bands or strips not exceeding 1 inch in width, suitable for manufacture of textiles, @25% (25¢ lb min).

Fabrics of rayon or other synthetic textile (except hat braids), if loom woven and ornamented in weaving, or made by hand, or on a braid, knitting, or lace machine; and articles (not wearing apparel) in part of braids (except hat braids) @45%

Fabrics with fast edges (whether or not jacquard-figured), not over 12 inches wide, and articles made therefrom:

Ribbons....@25¢ lb & 25%

Other fabrics and articles, including garters, suspenders, and braces...@25¢ lb & 20%

Tubings, cords, and tassels...@25¢ lb & 22½%

Gill nets or netting of synthetic textile....25¢ lb & 35%

Other manufactures of synthetic textiles, nes., (specify by name).....25¢ lb & 31½%

At any rate, a sample could be tested by the appraisers once it comes into our hands.

K. Kato further requests that in case the import duty rate on the "tape" declared as "cotton" is lower than the other he will declare it as "staple fiber" on the customs invoice needed for export clearance but will declare it as "cotton" on the Customs Invoice needed to import it here. Therefore, he asks we do not specify the need of a Customs Invoice on this particular item on the L/C. The Customs Invoice will be sent to us directly by him.

(Note: Regarding K. Kato's invoices on Japan Bear which just arrived, K. Kato sent us copies of the commercial invoices in which he showed the value of the items involved on the regular FOB basis, without any indication of the items' ex-factory value.

Since there was not mention in his correspondence that the real Customs Invoice would be written differently from the advance notice, such as by showing the ex-factory and FOB cost which includes his commission of some 10%, I gave the copies to HB Thomas to work on. However, when I received the documents from the bank he had the Customs Invoice written differently, as mentioned already, showing the ex-factory price and the FOB.

Customs duty is figured on the foreign value of the merchandise and in this case they allow the duty to be calculated on the basis of the ex-factory price, provided the shipper is functioning in-between as just a shipper. However, the Customs never allow the presence of two sets of Invoices which do not follow the same line of writing. It will be quite difficult to explain these things once the Customs catch up on you.

I explained the reason why the two invoices was used to HB Thomas saying that one, the one we gave HB to work on, was an advance notice on shipment and meant only for us, while the document from the bank is the real thing. Nevertheless, without our knowing what procedure they are following in each shipment it may be quite embarrassing to us if K. Kato does not try to coordinate his documentations.

I will caution K. Kato but I thought that it would be a good idea for you to check him if and when he gets over-zealous about cutting corners.)

g. Re Christmas ornaments:

Star-lights - green color has been added to the assortment for this year.

K. Kato relays your instructions to us to report the remaining stock or present inventory on the star-lights imported last year, according to size and color.

h. Tooth-picks - K. Kato reports that he sent the assortment (you ~~selected~~ selected 33 pieces from the batch) to the printer and that he will show you the proof.

(Incidentally, I saw a book at Paul Elders which was a very interesting collection of Chinese proverbs, usually very short sentences and very witty, I thought. Price of the book about \$3.50 and it contains hundreds of them.)

k. Your trip to Kansai, Kyushu area - K. Kato reports that you are leaving for a trip down south from tomorrow and that you are expected back in Tokyo on or about the 25th.

- 2) Hashimoto Feathers - shipment of table dusters and ceiling dusters (shipped via MUSASHISAN-MARU, Mitsui Line, O/F @18.75/40' as table dusters (mfrs of bmbo). Requests further orders from us, especially on the ceiling dusters (FD-72) which is completed by this shipment.
- 3) Ichikawa Sangyo - Advises us on the "JapanBear" shipment today when the shipment and related documents were received early last week. This fellow must be sleeping, who ever that is that handles our account. He advises us that the 3rd shipment (240 dz assorted - about \$1,500.00) will be shipped about the middle of this month (he wrote the letter on the 9th) and asks for the L/C. We don't know why he can't be more up-to-date in keeping us posted as to the progress he is making.
Packing and damaged goods - The instructions we gave him earlier to use double-folded corrugated paper inside the box is not observed in the latest shipment. Customers always returning one or two pieces from shipments they receive claiming edges were chipped. We will check the quality here too prior to shipping to establish the guilty party but if you have the chance jump on them.

They have sent us the samples you wanted us to see and so forth and I guess they are doing their best according to their estimates but some how some of these important points we want them to observe goes unheeded. I will keep on repeating the points but I thought that you could talk to the people in the firm who can do something about them while you are there. The L/C for the 3rd shipment will be arranged by Tami sometime today or tomorrow thru Bank of America (International Div.). Japan Bear shipment of CLT-1/t not received yet but it should come in about tomorrow. We will check the packing, etc., and let you know about those points again.

- 4) Nanri Osaka - requests L/C for the grass mats (P/O 8-36)(1st half - 100 grs) which they wish to ship by about the 20th of this month.
We have stock but I guess it should be taken as originally instructed. The 2nd half is available for shipment by the end of May although we asked for early June shipment.
They also wish to have our comment on the various samples they have sent us so far.
 - 5) Tsunoda Trading Co. - Sent us confirmation on the purchase of 300 dozen of "Japanese Festival Doll, 6 styles assorted, (4 girls and 2 boys) @\$1.10 dz. Corresponding P/O No. as per copy enclosed herewith.
 - 6) Kagawa Pref. T & T - Said he was with you almost all the time and that you left for Kansai by the 10:50 AM JAL plane.
Re complaints of ours about the patio parasols (the piece of bamboo stick sticking out long and damaging the paper), Mr. Hirai says he can't understand why a maker with 30 yrs experience would do such a thing but will nevertheless caution them about same.
120 dozen of parasols (out of the 600 dozen) ready for shipment and they want L/C (Note: L/C opened in their favor already, \$500 so that ~~other things~~ the balance of their order could be taken, too, in case you decide on which colors, etc.)
- ** Re Turquoise/green combination (17" swirl design) - the color turns out like the ones we got so far due to the superimposing of one color ~~after the~~. The turquoise color is applied above the basic color. Therefore, Mr. Hirai says that he can eliminate this particular color combination if we cannot accept it and he wants our answer right away.

Mr. Hirai advises us that he received an order for two items out of the many show room samples and he enclosed a P/L (which doubles as a confirmation) to us. Our P/O No. is as the copies enclosed herewith.
Samples of lacquered bowls, wooden bowls, salt and pepper sets, table lighters, etc., will be readied for your ~~viewing~~ inspection after you return from your Kansai trip.

- 7) "Japan Bear" shipments ought to be rec'd by tomorrow afternoon. These will be the LPL-19 and 22 lanterns and wooden trays from John Motoyoshi, CLT lighters from Ichikawa, and K. Kato's shipment of doves, storks, fly swatters and lotus spoons.

enc: P/O 8-54, 55, 56, 57, and 58

P.S. No samples ^{get} from Kato yet on kitchen utensils nor dolls etc.
Busy with fiduciary tax Will write tomorrow.