

CONTROLS URGED FOR PEARL TRADE

Syndicate Suggested for Japan to Halt the Sale of Inferior Products

The supply and the quality of cultured pearls should be controlled at the source in Japan by an organization similar to the Diamond Syndicate, Ernest Heller president of Heller Deltah Company, said in an interview yesterday.

The American market is being flooded with inferior cultured pearls which discourage the wearing of quality gems, he said. Pearls are in demand primarily because they are intrinsically valuable and if the market is saturated with poor quality products the industry will die, Mr. Heller asserted.

"The cultured pearl industry is committing suicide by the importation of inexpensive, inferior quality items," he added. "The price and quality of the gems must be regulated if the industry is to survive."

Many immature cultured pearls are being exported from Japan because the pearl farmers cannot afford to wait the three to four years to grow good pearls, Mr. Heller said.

Japan is the only major source of pearls today because the South Sea supply was disrupted during the war and many of the islands still are being used as naval bases.

The oysters in the Japanese area are small and do not produce the large pearls. There will be a shortage of large culture pearls this spring, Mr. Heller predicted. Their price will increase while the supply of the small gems will rise and their price will decline, he said.

A pearl syndicate probably would have to be established by the Japanese Government, Mr. Heller continued. Under the supervision of such a monopoly, the poor quality items would be destroyed and only the mature gems would be exported.

Mr. Heller, who returned recently from a two-month business trip in Japan, said the first step in the direction of the control of pearls was taken last Spring when a law was passed requiring government inspection of all cultured pearls for export.

The law also establishes two research centers to study the problems of the industry. A possible result of the study might be the financing of the pearl farmers to enable them to wait until the pearls have reached maturity. It would be difficult to induce American dealers to invest in the project because the Japanese Government will not permit the capital investment to be withdrawn in dollars, Mr. Heller continued.