DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 76 0050

894.0031/1-145 -- 12-3146 -47 -48-49

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 76 0050

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Excellency:

I have the honor to refer to your note of December 29, 1945, in which you have presented certain preliminary views concerning the proposals of the United States Government for the disposition of exportable stocks of rubber, tin, and antimony located in Japan.

Eastern Commission discussed on December 6, 1945, the possibility of exporting 50% of the total quantity of each of the three materials to the United States for sale in this country. This proposal was advanced by the United States Government not only because of the urgent need to make at least some part of these scarce materials quickly available, but also because of the necessity of obtaining funds to pay for essential imports into Japan. The figure of 50% has a further explanation in the fact that the

Supreme

His Excellency

Henri Bonnet,

Ambassador of the French Republic.

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Supreme Commander has stated that some portion, as yet undetermined, of each material will require to be retained in Japan for essential uses. Therefore, pending the receipt of replies from the several allied governments to the Department's note of December 5, 1945, and pending a more exact determination of quantities required for retention in Japan, the United States Government proposed that 50% of the aforementioned stocks be immediately shipped to the United States.

I observe that the French Government expresses an interest in ascertaining the legal status of these paw materials inventories.

This Government holds the belief that the subject of restitution, particularly as it applies to raw material stocks, calls for the most thorough study, but in the meantime there is no objection to ascertaining whether any part of the stockpiles was looted. The views of the French Government concerning the types of information which it desires to obtain concerning various raw material stocks are invited.

At the next meeting of the Subcommittee on Trade of the Far
Eastern

Eastern Commission, the United States Government will propose the formation of an Inter-Allied Supply Committee whose function would be to advise on matters relating to Japanese expert and import problems. It is respectfully suggested that recommendations concerning particular commodities or proposals regarding general procedure in the field of Japanese trade might expeditiously be discussed, in consultation with the other interested Governments, through the medium of the proposed Committee.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

William L. Clayton

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PEB 5 1946 PEB 14 346 RECD: Feb. 24,

## INCOMING AIRGRAM

DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH DEPARTMENT OF STATE

> 4146 LOMDON DATED Fobruary 18, 1947

ACTION-ESP

IMPO: DC/R U-E A-H

EUR

DC/L

TMP

OCD

CIG

OFS

FC

FE

Washington

Secretary of State

A-335, February 18, 1947

1. Reference Embassy's airgram A-298, February 12, 1947, and previous on general subject of foreign trade with Japan.

2. Following question and answer on ran materials imported into Japan in 1946 occurred in House of Commons on February 13, 1947:

Mr. Rees-Williams (Labor M.P. for Groydon, South) asked the Secretary of State for Foreign Affairs the tonnage and nature of the raw materials imported by Japan in 1946; and from what country or countries did such rew materials come.

Mr. McNeill: (Minister of State for Foreign Affairs): Japan's principal imports of raw materials from September, 1945, to the end of October, 1946, the latest date to which figures are available, were as follows: .

Raw Cotton from U.S.A. Petroleum products from U.S.A. Salt mainly from China Rock Phosphate from U.S.A., . Morth Africa and China Miscellaneous from U.S. Zone of Germany, U.S.A., Korea and Chine

162,000 metric tons 281,000 201,268

88,215

22,206

GALLMAN

EFDrumright

Copy to Political Advisor,

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