

894.6354/1-145--12-3146-47-48-49

APR 22 1948

In reply refer to
JK

My dear Mr. Johnson:

Approval has been obtained from the Combined Tin Committee to import 4,000 tons of tin into the United States from Japan to be assayed here and allocated by the Committee after fuller information has been obtained about it. The tin is to be imported by the U. S. Commercial Company and transferred to the Office of Metals Reserve.

Other countries wish to know whether the tin was looted by the Japanese from South East Asia. In order to determine this it is necessary to discover whether or not there are any identifying markings on these ingots. The Department of State requests that when this tin is assayed, a record be made of any markings which might later be used to establish the origin of the tin.

Sincerely yours,

Edwin M. Martin, Chief
Division of Japanese and
Korean Economic Affairs.

Mr. Jesse C. Johnson, Deputy Director
Office of Metals Reserve,
Reconstruction Finance Corporation,
811 Vermont Avenue, N. W.,
Washington, D. C.

894.6354/4-2246

CS/VJ

894.6354/4-2246

JK:RHWhitman:aw

4-11-46

IR

JWB
JK

ESP

Recd

APR 19 1948 P.M.
OR
JK

uc/19

JUN 17 1946

In reply refer to
JK

My dear Mr. Johnson:

This is in reference to the tin which is to be imported from Japan to the United States and sold to the Reconstruction Finance Corporation. As indicated in our letter of April 22, we requested that the R.F.C. make a record of markings on the imported tin in order to determine whether any of it should be restituted to original owners. You agreed to make such a record in your reply of April 24.

The Delegations of Great Britain and The Netherlands on the Far Eastern Commission have indicated an interest in having their own inspectors examine the tin for the purpose of checking on possible markings. The Department of State has no objection to such inspection and requests whether the R.F.C. can make arrangements to facilitate it.

If so, would you please inform the Department what instructions should be given to the Governments of the United Kingdom and The Netherlands with regard to the inspection?

Sincerely yours,

Reswell H. Whitman,
Acting Chief
Division of Japanese and
Korean Economic Affairs

Mr. Jesse C. Johnson, Deputy Director
Office of Metals Reserve,
Reconstruction Finance Corporation,
511 Vermont Avenue, N. W.,
Washington, D. C.

JUN 17 1946 P.M.

JK:RHWhitman:lmc

6-13-46

SL
IR

894.6354/6-1746

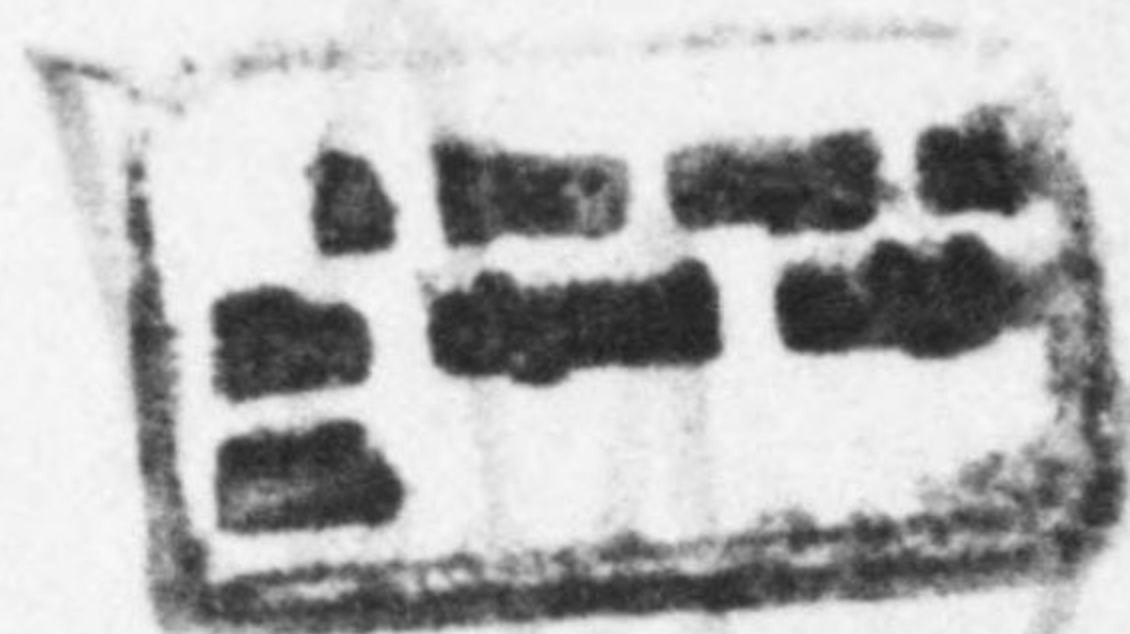
CS/V

894.6354/6-1746

DOE IFF Unit

LDM

JCM



W

RECONSTRUCTION FINANCE CORPORATION
OFFICE OF METALS RESERVE
WASHINGTON 25, D. C.

JUN 28 1946

Mr. Roswell H. Whitman, Acting Chief
Division of Japanese and Korean Economic Affairs
Department of State
Washington 25, D. C.

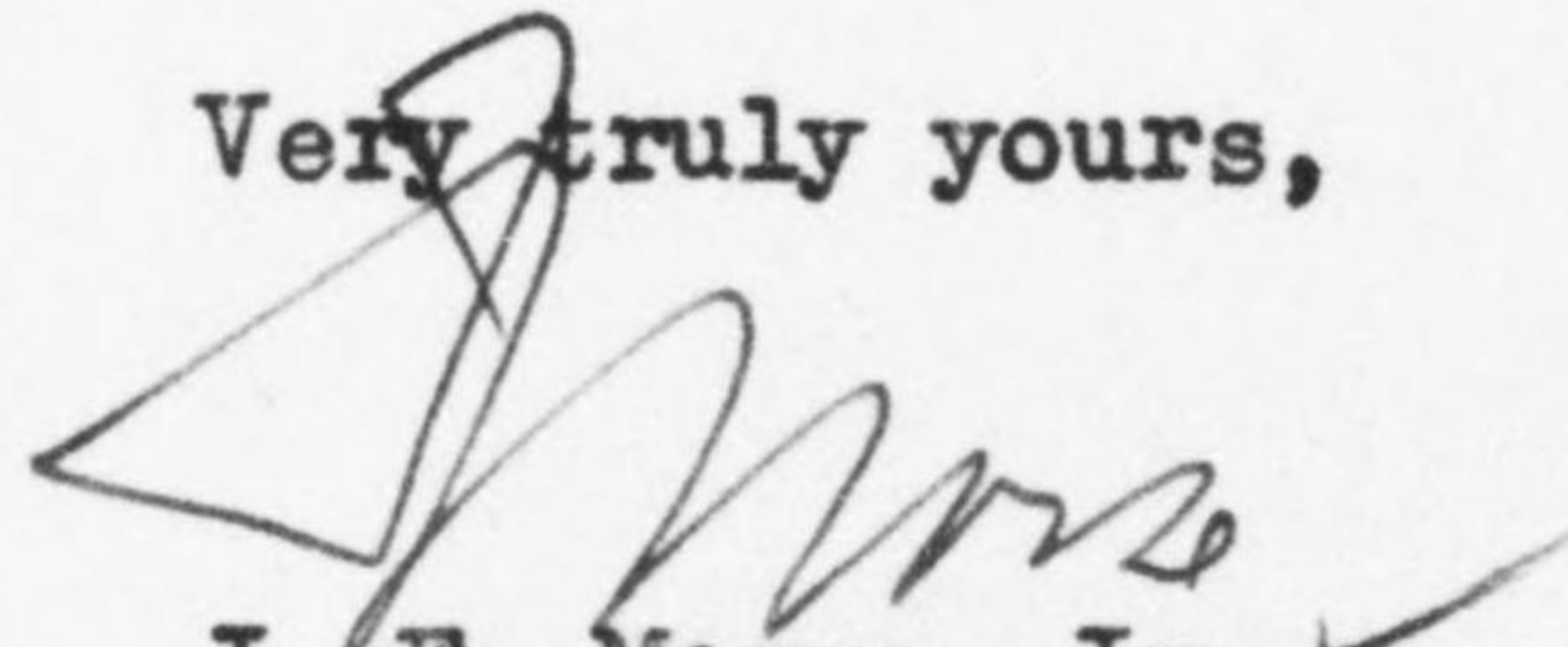
Re: Tin and Lead from Japan
WTJ

Dear Mr. Whitman:

Please refer to the letter dated June 21, 1946 to you from our Mr. Jesse C. Johnson relating to the desires of representatives of the British Government and the Netherlands Government to inspect tin and lead arriving in this country from Japan.

We would greatly appreciate your advising us specifically what agencies of the British Government and Dutch Government will be involved in this question of inspection and with whom in these agencies we should communicate in order to make arrangements for the inspection.

Very truly yours,



J. F. Morse, Jr.
Traffic Manager
Office of Metals Reserve

DCR - ITP Unit	
<i>JB</i>	_____
<i>JB</i>	_____
ccy	_____
dat	_____
dist	_____

DEPARTMENT OF STATE
DIVISION OF JAPANESE AND KOREAN
ECONOMIC AFFAIRS
Drafted reply
JUL - 1 1946
JK 9-10-46
RH Whitman

JUL 15 1946

FILED

894.6354/6-2846

894.6354/6-2846

JUL 12 1945

In reply refer to
JK

My dear Mr. Morse:

This is in reference to your letter of June 28, 1946 regarding inspection of tin and lead from Japan.

We are now informed that the British Government will not wish to have a representative make an independent check or be present at the time the Reconstruction Finance Corporation checks markings and analyses of tin stocks from Japan. They will probably adopt the same attitude toward Japanese lead stocks.

It is possible that the Netherlands Government will also decide not to inspect tin or lead and if so we will inform you immediately. It is suggested that the person with whom you might be able to discuss this matter directly is Dr. Philipse, Commercial Counselor of the Netherlands Embassy.

Sincerely yours,

DCR - ITP Unit
[Handwritten initials]

Roswell H. Whitman
Associate Chief,
Division of Japanese and Korean
Economic Affairs

Mr. J. P. Morse, Jr.,
Traffic Manager,
Office of Metals Reserve,
Reconstruction Finance Corporation,
Washington 25, D. C.

[Handwritten initials]
JK:RHWhitman:emh 7-10-46

[Handwritten initials]
IR

894.6354/6-2846

894.6354/6-2846

JUL 12 1945



COMBINED TIN COMMITTEE
WASHINGTON, D. C.

July 1, 1946

DIVISION OF JAPANESE AND KOREAN
ECONOMIC AFFAIRS
DEPARTMENT OF STATE

JUL 8 1946

Mr. Roswell H. Whitman
Associate Chief
Division of Japanese and
Korean Economic Affairs
State Department
Washington, D. C.

Dear Mr. Whitman:

As I told you this morning, I am enclosing a copy of the letter sent to me by Mr. Campbell about two weeks ago. It makes it clear, I think, that the Government of the United Kingdom will not wish to have a representative either make an independent check or be present at the time RFC checks markings and analyses of tin stocks in Japan. The British have also informed me orally that they are prepared to adopt the same attitude toward the inspection of Japanese lead stocks.

This morning I talked to Dr. Philipse, Commercial Counselor of the Netherlands Embassy telling him of the British stand on inspection and suggesting that the Netherlands Government might like to take a similar view. He said he could not give me an answer immediately but would discuss the matter with the proper authorities and report to me within a few days.

I am sorry that this letter from Mr. Campbell did not reach you sooner. I had forwarded the copy at once to Mr. Trout thinking that would be sufficient.

Sincerely,

Marion Worthing
Marion Worthing

JUL 16 1946

FILED

894.6354/7-146

894.6354/7-146

no answer required

*XR
894.6353*

DCP Unit
JKS
JKS
an

COPY

COMBINED TIN COMMITTEE

WASHINGTON, D. C.

June 14, 1946.

Miss Marion Worthing,
Civilian Production Administration,
Social Security Building,
Washington, D.C.

Dear Miss Worthing:

Japanese Tin

Further to my letter of June 3rd I have now heard from the United Kingdom that they will not wish to be represented at the examination of the 10,000 tons of tin which are being moved from Japan to the United States pending allocation. The United Kingdom will be quite satisfied with full certified details of markings on the ingots, analysis, etc. On receipt of these details the United Kingdom will then consult with Malayan producers and smelters in the United Kingdom.

Yours sincerely,

Douglas Campbell, for
J.A.E. Smart, Secretary.

MEMORANDUM

The Department of State has transmitted to the Reconstruction Finance Corporation the tentative oral request of the Delegation of Great Britain on the Far Eastern Commission to have its own inspectors examine the tin being imported into this country from Japan, for the purpose of checking on possible markings.

The unloading, weighing and sampling, also storage, of such tin imports will be handled by the Traffic Department of the Office of Metals Reserve, Reconstruction Finance Corporation, Mr. J. F. Morse, Jr., Traffic Manager. If the Delegation of Great Britain will contact Mr. Morse, arrangements can be made for the Traffic Department to furnish it information on arrivals of the various boats involved, dates, and locations at which the various cargoes may be inspected.

894.6354/7-146

XR
611,946

DCR - TTP Unit

Department of State,

Washington,

July 1 1946

JK:RHWhitman:lmc

6-25-46

FEYUP

JAC

894.6354/7-146

JUN 27 1946

JUN 28 1946

JK:RHWhitman:lmc

MEMORANDUM

The Department of State has transmitted to the Reconstruction Finance Corporation the oral request of the Delegation of The Netherlands on the Far Eastern Commission to have its own inspectors examine the tin being imported into this country from Japan, for the purpose of checking on possible markings.

The unloading, weighing and sampling, also storage, of such tin imports will be handled by the Traffic Department of the Office of Metals Reserve, Reconstruction Finance Corporation, Mr. J. F. Morse, Jr., Traffic Manager. If the Delegation of The Netherlands will contact Mr. Morse, arrangements can be made for the Traffic Department to furnish it information on arrivals of the various boats involved, dates, and locations at which the various cargoes may be inspected.

X R
6/11/46

894.6354/7-146

DCB ITP Unit

JFB
JPB

Department of State,

Washington, July 1 1946

JUN 27 1946
JUL 28 1946
JUL 1 1946

RAM

JK:RHWhitman:lmc 6-25-46

[Handwritten signature]
[Handwritten signature]
[Handwritten signature]

894.6354/7-146

SEP 18 1946

In reply refer to
JK

My dear Mr. Schieck:

In reply to your recent inquiry regarding the appropriate price to be used in selling Japanese tin to Metals Reserve, I am enclosing for your information a copy of a letter from Mr. Clayton to Mr. Henderson under date of July 17, and a copy of Mr. Henderson's reply dated July 23, 1946.

As this correspondence indicates, we believe that .62 1/2 cents per pound is a fair price for the tin USCC is bringing in from Japan.

Sincerely yours,

Enclosures:

- 1. Copy letter July 17
- 2. Copy letter July 23

Roswell H. Whitman
Associate Chief
Division of Japanese and Korean
Economic Affairs

Mr. DeWitt C. Schieck, President,
U.S. Commercial Company,
Tempe "T" Bldg.,
Washington 25, D.C.

SEP 17 1946

[Handwritten signature]

JK:RMPaige:bc
9/17/46

DGR - ITP Unit

[Handwritten signature]

A true copy of
the signed origi-
nal.

894.6354/7-2346 CS/HH

894.6354/7-2346

C
O
P
Y

In reply refer to
JK

July 17, 1946.

My dear Mr. Henderson:

Please accept my apologies for the delay in answering your letter of June 11, in which you suggested prices to be paid for metals exported from Japan. Specifically, the prices you suggested were: 18.5 cents per pound of antimony metal, 12.25 cents per pound of electrolytic copper, 58 cents per pound of Grade A refined tin, and 7.25 cents per pound of refined common lead.

The Department agrees with your statement that in setting these prices serious consideration should be given to the possible impact of these prices on the active buying programs of this Government. Consideration must, of course, also be given to the impact of such prices on Japan's capacity to pay for the costs of occupation and prices in competing markets. It is understood that this Government is currently offering to pay much higher prices for lead and tin from other sources and is likely to have to pay higher prices for copper purchased abroad. It is suggested, therefore, that prices paid for exports of these commodities from Japan could perhaps be increased to levels more nearly approximating prevailing prices without embarrassment to the Government procurement program.

The following prices at United States ports, somewhat below the current market, are suggested for your consideration:

Copper	14	cents
Lead	8.5	cents
Tin	62.5	cents

The Department would appreciate your views as to whether the prices suggested above would result in undesirable repercussions on the procurement programs of this Government.

Sincerely yours,

/s/ W.L. Clayton
Assistant Secretary

The Honorable
Charles B. Henderson,
Chairman of the Board,
Reconstruction Finance Corporation.

C
O
P
Y

July 23, 1946

My dear Mr. Clayton:

This will acknowledge receipt of your letter of July 17, 1946, relating to the prices to be paid for metals exported from Japan.

We note that, as distinguished from the prices as suggested by us, you have suggested the following prices at United States ports as being appropriate for such sales:

Copper metal	14¢	per pound
Lead metal	8½¢	per pound
Tin metal	62½¢	per pound

In our opinion, the above prices would not result in undesirable repercussions on procurement programs of this Government.

With kind personal regards,

Sincerely yours,

/s/ Charles B. Henderson

Honorable William L. Clayton
Assistant Secretary of State
Washington, D. C.

SEP 5 1946

In reply refer to
JK

My dear Mr. Jewett:

A copy of a letter dated August 9, 1946 from Tuthill & Company, Inc., addressed to you on the subject of tin from Japan has been brought to my attention.

Study of the communication in question indicates that it contains a number of errors with regard to the handling of claims of other countries against tin shipped from Japan to the United States. It is suggested that Tuthill & Company, Inc., be informed of the proper procedures, which are as follows.

Legal ownership of tin shipments from Japan is not a matter for decision by the Far Eastern Commission. In accordance with the policy decision of the Far Eastern Commission of July 16, 1946, and the directive embodying this policy decision sent to the Supreme Commander for the Allied Powers on July 24, 1946, the Supreme Commander is responsible for determining whether countries have a claim for restitution of looted property. It is clear, therefore, that the claim of the Netherlands East Indies to tin shipped to the United States from Japan must be passed on by General MacArthur.

Even if the tin is found to have been looted by the Japanese from the Netherlands East Indies, and therefore subject to restitution, it does not follow that the tin itself should be turned over to the Netherlands Government. The policy of the Far Eastern Commission provides as follows:

"If

Mr. George S. Jewett,
Deputy Director,
Reconstruction Finance Corporation,
Office of Metals Reserve,
Washington 25, D. C.

894,6354
DOB - ITP U
W.S.S.
E.H.A.

894.6354/9-546

CS/V

894,6354/9-546

- 2 -

"If items later found to be subject to restitution should be exported, equitable compensation should be made to that country to which the items exported should have been restored."

It is obvious that this does not provide for a return of the commodity in question. It is presumed that the question of compensation, which might take the form of exports of equal value from Japan to the Netherlands East Indies or a payment of the dollar value of the tin to the Netherlands Government, would be a matter for agreement between the Supreme Commander for the Allied Powers and the Netherlands Government.

It should be pointed out in this connection that tin was shipped to the United States in accordance with the recommendation of the Combined Tin Committee and after inspection will be allocated. The United States Government will request allocation of all the tin to the United States. Thus the question of the final recipient of the tin is not affected by claim of ownership.

As previously requested, the Department of State wishes to have an official statement of the inspection of this tin so that it can be forwarded to the Supreme Commander for the Allied Powers to assist him in determination of the validity of any restitution claim to be filed with him.

A copy of this letter is being forwarded to Miss Werthing of the Civilian Production Administration.

Sincerely yours,

Edwin M. Martin, Chief
Division of Japanese and Korean
Economic Affairs

JK:RHWhitman:emh 8-28-46

JA *[Signature]* IR
[Signature]

SEP 4 1946 F.M.

A true copy of
the signed original

INTERNATIONAL RESOURCES DIVISION
JAN 23 1947
DEPARTMENT OF STATE

Mr. Japan TR

BRITISH EMBASSY,
WASHINGTON 8, D. C.

January 22, 1947.

zh

Mr. S. Lipkowitz,
U. S. Department of State,
Room 812, 1818-H Street, N.W.,
Washington, D.C.

Dear Sam:

With reference to our telephone conversation yesterday regarding the sale price of Japanese stocks of tin allocated for the second half of 1946, I write to confirm that the Ministry of Supply would regard the price of £ 370 per long ton, plus freight and insurance from port of shipment, as a satisfactory price for Grade A tin metal.

You will note that the Ministry's agreement to this price refers only to the quantity of Japanese tin allocated during the second half of 1946. The price applicable to the quantities still to be allocated would probably depend upon the price ruling at the date when this material becomes available for delivery.

Yours sincerely,

C.B. Wilson

C. B. Wilson

894.6354/1-2247

mm

BOR - ITP Unit	
Anal.	<i>je</i>
Rev.	<i>th</i>
Dist.	

CS / V

894.6354/1-2247

IR

NETHERLANDS EMBASSY

WASHINGTON 9, D. C.

Office of

Commissioner for the Netherlands Indies

Temporary Address

3 Dupont Circle

Washington 6, D.C.

Adams 1662

January 28, 1947.

zkr

No. 335.

Mr. S. Lipkowitz,
U.S. Department of State,
Room 812, 1818-H Street, N.W.,
Washington, D.C.

Dear Mr. Lipkowitz:

I refer herewith to our telephone conversation of January 17th in connection with the sale price of Japanese stocks of tin and confirm that the Commissariat for Netherlands Indies Affairs of the Ministry for Overseas Territories agrees to a price on the basis of $\text{L } 370$ per long ton for Grade A tin metal plus freight and insurance from Far Eastern Ocean port of shipment, as discussed at our mid-December meeting.

It is hereby understood that the above mentioned price refers only to the second half of 1946 allocations from the stocks in question and that the sale price for subsequent allocations is subject to further consultation.

Very truly yours,

E. C. Zimmerman

E. C. Zimmerman,
Commissioner for the
Netherlands Indies.

DCR - ITP Unit	
Anal.	<i>FK</i>
Rev.	<i>YR</i>
Col.	<i>th</i>
Dist.	

ECZ:mg

894.6354/1-2847

CS/V

894.6354/1-2847

PM/R

BRITISH EMBASSY,

WASHINGTON 8, D. C.

August 22, 1947

Dear Karl,

Sale Price of Japanese Tin in U.S.A.

With reference to your recent discussion with Murray McDougall regarding the sale price of the Japanese tin which has been declared available by the Combined Tin Committee to meet allocations made this year, the Ministry of Supply in London have now agreed that the sale price should be the equivalent of the U.K. buying price in Malaya, plus allowance for freight and insurance from the Malayan Smelter to New York, the effective date to be that on which the R.F.C. is in a position to pass title to a foreign buyer or domestic consumer. I believe that on this basis, with the Malayan buying price at present £423 per long ton, the equivalent price in U.S. currency is approximately 78.6 cents per pound c.i.f.

Would you please confirm that this proposal is acceptable.

Yours sincerely,

C.B. Wilson

C. B. Wilson

INTERNATIONAL RESOURCES DIVISION
C.B.W.:mc *Reply drafted*
AUG 26 1947 *9/30/47*
DEPARTMENT OF STATE

Mr. Karl Anderson,
Department of State,
Washington, D. C.

DOE - IEP Unit	
Anal.	<i>[Signature]</i>
Rev.	<i>[Signature]</i>
Get.	<i>[Signature]</i>
Dist.	

894.6354/8-2247

CS/V

894.6354/8-2247

NOV 10 1947

OCT 31 1947

894.6354/8-2247

In reply refer to
IR

My dear Mr. Wilson:

In answer to your letter of August 22, 1947, regarding the price for the Japanese tin which has been declared available for allocation during 1947 by the Combined Tin Committee, I am glad to advise you that this Department, with the concurrence of other agencies concerned with tin in this Government, agrees with the Ministry of Supply that the sale price of this tin should be the equivalent of the Ministry of Supply buying price in Malaya which is prevailing at the time that this metal is sold by the United States Commercial Company, acting as agent for the Supreme Commander for the Allied Powers in Tokyo, to a foreign or domestic buyer, plus allowance for freight and insurance from Malaya to New York.

In your letter under reference you specify the effective date on which the prevailing Malayan price would be taken for this purpose to be that on which the RFC is in a position to pass title to a foreign buyer or domestic consumer. I assume, however, that in this connection you were thinking not of the RFC proper, but of the USCC which, while it is a subsidiary of RFC, is acting in this matter in the capacity of agent for SCAP rather than for the RFC. In the case when this Japanese metal is sold to a foreign buyer USCC sells directly to that buyer; hence in these sales the metal never passes through the hands of RFC as such. In such instances therefore the date of sale by the USCC to the foreign buyer is clearly the appropriate date to be taken for purposes of setting the price on the tin. While it is true that when this metal is to be sold in the United States, the USCC sells currently to the RFC proper which

in

CS/V

894.6354/8-2247

Mr. C. B. Wilson,
British Embassy,
Washington 8, D. C.

Asst.
Sov.
Gen.
Dist.

Handwritten initials and marks in the routing slip area.

-2-

in turn resells to domestic buyers, it would be very awkward for the RFC to have to trace the dates on individual sales to domestic buyers in order to find the Malayan buying price ruling on each date. Moreover, the RFC in buying this tin from USCC is in the same position as a foreign buyer where the latter is a government agency as apparently has been the case in all sales to foreign countries to date. It is believed, therefore, that in any case the effective date should be that date on which the metal is sold by USCC.

I would appreciate your letting me know if the above statement as to the basis for setting the price for the Japanese tin is satisfactory.

Sincerely yours,

Karl L. Anderson
Assistant Chief, International
Resources Division

OK
OCT 5 1947 PM

KL Anderson
IR:VKarchere:el

9-30-47



NETHERLANDS EMBASSY
WASHINGTON 9, D. C.

*Office of Commissioner for the Netherlands Indies
Temporary address 3 Dupont Circle -
Washington 6, D.C.
Adams 1662
No. 1273*

R9/R ~~*HR*~~

zk

August 28, 1947

INTERNATIONAL RESOURCES DIVISION

AUG 29 1947

DEPARTMENT OF STATE

894.6354/8-2847

Dear Mr. Anderson:

I have the honor to advise that I have been notified by the Ministry of Overseas Territories in The Hague of its agreement that the sale price of the tin, shipped from Japan to the U.S.A. which has been declared available by the Combined Tin Committee to meet allocations made this year, should be the equivalent of the U. K. buying price in Malaya, currently £423 per long ton, plus allowance for freight and insurance from the Malayan smelter to New York, the effective date to be that on which the Reconstruction Finance Corporation is in a position to pass title to a foreign buyer or domestic consumer.

Very truly yours,

E. C. Zimmerman

E. C. Zimmerman
Resident Commissioner for the
Netherlands Indies.

TO:	ECR HP Unit
BY:	<i>JK</i>
DATE:	<i>8/29</i>
CLASS:	ECZ:mem <i>JK</i>
REMARKS:	

Mr. Karl Anderson
Department of State
Washington 25, D.C.

Office

CS/V

894.6354/8-2847

X

BRITISH EMBASSY
WASHINGTON

October 9, 1947

deh

Ref: I.R.

Dear Mr. Anderson,

Sale Price of Tin from Japan

Thank you for your letter of October 3rd, 1947. On the understanding that the U.S.C.C. will dispose of the balance of the Japanese tin only when inspection is completed and the tin becomes available for delivery to the buyer, we agree that the date of sale by the U.S.C.C. to the R.F.C. or to a foreign purchaser should be the effective date for setting the price for this tin, on the basis already proposed by us and accepted by you.

Yours sincerely,

C.B. Wilson

C. B. Wilson

414 Brit Emb Annex
Wash. D.C.

CBW:mc

Mr. Karl L. Anderson,
Assistant Chief, International
Resources Division,
State Department,
Washington, D.C.

INTERNATIONAL RESOURCES DIVISION

OCT 10 1947
DEPARTMENT OF STATE

Anal	<i>jk</i>
By	<i>epm</i>
Chk	<i>th</i>
Date	

DOD - P Unit

894.6354/10-947

894.6354/10-947
CS/W

1668

OCT 9 1947

In reply refer to
CE

894.6354/7-2346
all

Dear Mr. Wilson:

Enclosed is a copy of each of the weight and assay reports for the tin metal imported from Japan by the United States Commercial Company in the S/S Aberdeen Victory. Inspection reports for all brands other than Banka tin are also enclosed. Additional reports will be forwarded as they are received.

894.6354/10-947

Sincerely yours,

RHW

Roswell H. Whitman
Associate Chief
Division of Occupied Areas Economic Affairs

Enclosures
RFC Reports

Mr. C. B. Wilson
British Embassy
Washington, D. C.

DCR. ITP Unit	<i>as</i>
Anal.	
Rev.	<i>W</i>
Dist.	<i>CE</i>

OCT 9 1947

CE:HLBaker/gp

10/21/47

A true copy of the signed original.

CS/A 894.6354/10-9

47

NETHERLANDS EMBASSY

WASHINGTON 9, D. C.

Office of
Commissioner for the Netherlands Indies
Temporary Address
3 Dupont Circle
Washington 6, D.C.
Adams 1662

No. 1411

October 13, 1947

IR
Ack

INTERNATIONAL RESOURCES DIVISION

OCT 14 1947
DEPARTMENT OF STATE

894.6354/10-1347

Mr. Karl Anderson
Assistant Chief, International
Resources Division
Department of State
Washington 25, D.C.

Dear Mr. Anderson:

I refer to my letter of August 28th re the price of Tin shipped from Japan to the U.S.A. Mr. C. B. Wilson of the British Embassy was kind enough to advise me of his discussions with you about the date of sale that should concern and sent me copy of his letter to you of October 9th in this respect. Please be kind enough to read my letter of August 28th, No. 1273, in conformity with Mr. C. B. Wilson's letter to you of October 9th.

Very truly yours,

E. C. Aimmerman
Resident Commissioner
for the Netherlands Indies

CSW

ECZ:MEM

DCR - ITP Unit	
Mr.	<i>JK</i>
Rev.	<i>SPW</i>
Cat.	<i>th</i>
Dist.	

894.6354/10-1347

NOV 10 1947

In reply refer to
IR

My dear Mr. Spellman:

This is in reference to previous discussions and correspondence on the determination of the appropriate price to be paid for tin received from Japan by the U.S.C.C., for sale either to a domestic or to a foreign buyer. It is the opinion of the Department of State that the appropriate basis to be used in setting the price of this tin is the Ministry of Supply buying price in Malaya which is prevailing at the time of sale of the tin by the U.S.C.C., acting as agent for S.C.A.P. to a foreign buyer or the R.F.C., plus freight and insurance from Malaya to New York.

The question of price for this Japanese tin has been discussed on two separate occasions with the British and the Netherlands Embassies, first as to tin allocated in 1946, and recently for such of this tin as has been or will be allocated in 1947. On both occasions it has been agreed and subsequently confirmed by letter that the appropriate basis for settlement is the Ministry of Supply buying price in Malaya, plus freight and insurance to New York. Copies of the confirming letters of Mr. Wilson of the British Embassy and Mr. Zimmerman of the Netherlands Embassy are attached.

Attached also is a letter dated October 3, 1947, from this Department to Mr. Wilson, which was designed to eliminate a doubtful point regarding the dating of the price and stating the understanding of this Department upon this point. Likewise attached are copies of the reply of October 9 from Mr. Wilson and a letter of October 13 from Mr. Zimmerman indicating their concurrence in our view of the matter.

It

Mr. William C. Spellman,
U. S. Commercial Company,
1625 K Street, N. W.,
Washington, D. C.

894.6354/10-1347

CS/V

894.6354/10-1347

DUR - TFP Unit	
Anal.	<i>JH</i>
Rev.	<i>SP</i>
Col.	<i>th</i>
Dist.	

-2-

It is understood and certainly it is hoped that all of the tin received by the U.S.C.C. from Japan has been allocated by the Combined Tin Committee. However, should there by chance remain any tin from Japan for allocation during 1948, presumably the question of price will need to be discussed again with the British and Netherlands Embassies.

Copies of this letter and the attachments are being sent to Mr. Jesse Johnson of the Office of Metals Reserve for his information and guidance.

Sincerely yours,

Karl L. Anderson
Assistant Chief, International
Resources Division

Enclosures:

- ✓ 1. From G. B. Wilson
January 22, 1947.
- ✓ 2. From E. G. Zimmerman
January 28, 1947.
- ✓ 3. From G. B. Wilson
August 22, 1947.
- ✓ 4. From E. G. Zimmerman
August 28, 1947.
- ✓ 5. To Mr. Wilson
October 3, 1947.
- ✓ 6. From Mr. Wilson
October 9, 1947
- ✓ 7. From E. G. Zimmerman
October 13, 1947.

OH *[Signature]*
NOV 10 1947 P.M.

KLA
IR:VKarchere :el

11-7-47



OCT 5 1948

In reply refer to
IR

My dear Mr. Jarvis:

I refer to your letter of September 17, 1948 addressed to Mr. Karl Anderson and thank you for the information concerning the expenses of the United States Commercial Company in connection with the sale of tin as agent for SCAP.

This information has been transmitted to the Embassy of the Netherlands in accordance with a request by the Embassy under date of September 13, 1948 and in accordance with my telephone discussion with you. Enclosed is a copy of the letter from the Embassy of the Netherlands and a copy of a memorandum in reply.

Sincerely yours,

C. W. Nichols
Assistant Chief, International
Resources Division

Enclosures:

1. Letter from the Embassy of the Netherlands.
2. Memorandum to the Embassy of the Netherlands.

Mr. W. T. Jarvis, Assistant Director,
Reconstruction Finance Corporation,
Office of Metals Reserve,
Washington 25, D.C.

ad
ad
ad
ad
ad

TO: MR. JARVIS

SEP 30 1948

OCT 5 1948

APR. 1948
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC

UW
ITP:IR:CNichols:dil 9/23/48

Clear with:
RBS - R. B. Smith

894.635476-1748

CS N

894.6354/6-1748

~~DC/R~~
DC/R

MEMORANDUM

The Department of State acknowledges the receipt of the memorandum from the Embassy of the Netherlands dated October 18, 1948 concerning tin from Japan which was sold by the United States Commercial Company as agent for the Supreme Commander for the Allied Powers.

894.6354/10-1848

The Embassy's observation regarding an accounting adjustment with respect to the costs of inspecting, weighing and testing is correct. The Supreme Commander is being advised that in prorating the expenses, \$14,185.10, representing the estimated inspection charge for non-Dutch tin, should be deducted from the total expense of inspecting, weighing and testing and should be divided between the British tin and the unclaimed tin.

The Commission charged against the gross proceeds of the tin in favor of the United States Commercial Company, in the view of the Department of State, is proper

894.6354/10-1848
CS/B

DOR - IEP Unit	
Anal.	ODH
Rev.	<i>[Signature]</i>
Est.	<i>[Signature]</i>
Dist.	

- 2 -

proper since the United States Commercial Company did perform a commercial service in connection with the handling of the tin and did incur certain overhead expenses for which the Supreme Commander, as seller, would be responsible under any circumstances.

Regarding the inquiry of the Embassy of the Netherlands as to the meaning of the statement in the Department's Memorandum dated September 30, 1948, "that it will be impractical to allocate any part of these costs to tin of any specific origin" it should be understood that the expenses are not attributable to tin of specific marks or lots. It is contemplated, therefore, that the expenses should be prorated among the British, the Dutch and the Supreme Commander for the Allied Powers in accordance with the percentage that the British tin, Dutch tin, and unclaimed tin bears to the total quantity. These percentages are approximately 51% for the Dutch, 42% for the British and 7% for the Supreme Commander for the Allied Powers. It was on this basis that the Reconstruction Finance

- 3 -

tion Finance Corporation, in its letter to Tuthill and Company, Inc., stated that "\$456,315 is the best present estimate of the expenses attributable to Banka origin tin." Since the final costs have now been computed, it appears that \$450,733.80 (51% of \$897,976.96 less \$14,185.19) is attributable to tin of Dutch origin.

The Department of State regrets that the Government of the United States cannot accept the Embassy's views, also advanced by Tuthill and Company, Inc., that the former owners of the tin recovered in Japan should rightly receive the net proceeds of its sale by the agency of the Government of the United States. In supporting this position, it should be understood that the Supreme Commander for the Allied Powers is not an agency of the Government of the United States but rather is the agent of all the Allied Powers in implementing the Potsdam Declaration and the terms of the Japanese instrument of surrender. In this capacity, the tin was sold to the Government of the United States by the Supreme Commander. It should be recalled that the allocation was by an international agreement that surplus tin in Japan, regardless of ownership

- 4 -

of ownership, should be allocated to the Government of the United States. Thus, it mattered not whether the sale to the United States was by the Supreme Commander or by the owners. Furthermore, once the tin was allocated and sold by the Supreme Commander it became a part of the domestic United States economy, subject to domestic regulations and allocation. Therefore, its ultimate disposition within the United States, whether at a profit or a loss, cannot properly be a matter of concern to the previous owners. In the light of these considerations, the Government of the United States submits that the sole matter of consequence to the previous owners is to assure themselves that the compensation to which they may be entitled is consistent with the price agreement relating to the allocation and sale of the tin.

The price agreement, as the Embassy is aware, stipulated that the 1946 tin allocation should be transferred at the equivalent of £370 per long ton for Grade A tin, FOB Malaya, while subsequent allocations were to be transferred at the equivalent of the United Kingdom Ministry of supply

- 5 -

Of supply buying price in Malaya which was current at the time title to the tin was passed to the agency of the Government of the United States, namely the Reconstruction Finance Corporation. The latter price has been determined to be £423 per long ton. The equivalent in United States dollars per pound (i. e. New York price) of £370 per long ton FOB Malaya is 69¢ Grade A, 68.875¢ Grade B and 68.625¢ Grade C. The equivalent of £423 is 78.70¢ Grade A, 78.55¢ Grade B and 78.25¢ Grade C.

The Department of State is informed that tin was transferred in the quantities and at prices as follows:

Price £370 base	Dutch a/c	British A/c	Unclaimed
Grade A 69.00¢	4,854,664	4,397,926	None
Grade B 68.875¢	1,943,010	44,829	None
Grade C 68.625¢	55,060	None	None
Price £423 base			
Grade A 78.70¢	2,009,053	2,836,225	1,494,147
Grade B 78.55¢	1,246,983	1,626,166	44,671
Grade C 78.25¢	21,092	412,079	10,460

The United

- 6 -

The United States Commercial Company received \$16,109,448.93 plus recoveries for loss and damage of \$4,021.39 which consisted of 7,841 lbs. Dutch tin, \$2,972.07, 589 lbs. British tin, \$338.57, unclaimed tin 2,041 lbs., \$710.75. The United States Commercial Company paid to the account of the Supreme Commander a net of \$15,215,493.36 after deducting expenses of \$897,976.96.

The Supreme Commander has been advised of the foregoing information, regarding the quantity, country of origin, and price of the tin and presumably is now in a position to discuss with the Netherland Representative in Tokyo, the question of compensation for that quantity of tin which is determined to have been looted.

Department of State,

Washington, December 17, 1948.

true copy of
 [Handwritten signature]

DEC 17 1948
 [Handwritten initials]

OFD:EP:Williams:mcm
 12/1/48

IR
 cum.

[Handwritten initials]
 NA

[Handwritten initials]
 NOE

[Handwritten signature]

[Handwritten initials]

[Handwritten initials]

4496

DIVISION OF ECONOMIC PROPERTY
POLICY

3154

ACTION
is assigned to

OCT 27 1948

DEPARTMENT OF STATE

~~EP OFD~~

No.: 5273.

Return to R. Williams
~~EP~~

MEMORANDUM.

The Embassy of the Netherlands acknowledges the receipt of the Memorandum from the Department of State dated September 30, 1948 concerning tin from Japan which was sold by the United States Commercial Company as agent for the Supreme Commander of the Allied Powers.

DC/R file

894.6354/9-348
SEP 15 1948

In the opinion of the Embassy, the principle item of "Ocean-Freight" seems in line for the total tonnage of British and Netherlands tin shipped from Japan to the United States, based upon the then prevailing ocean freight rates.

894.6354/10-1848

That part of the sixth item relating to "Inspection" presumably covers the cost of inspecting and identifying non-Banka tin; estimated to have been \$14,185.19, according to advices received from the Reconstruction Finance Corporation under date of July 15. As for the Banka tin, the

JUN 7 1951
FILED

RECEIVED
DEPARTMENT OF STATE

1948 OCT 26 AM 10 07

DC/M
FACILITIES BRANCH

DCR - ITP Unit	
Anal.	<i>[Signature]</i>
Rev.	<i>[Signature]</i>
Dist.	<i>[Signature]</i>

4496

894.6354/10-1848

-2-

Government of the Netherlands Indies paid for all United States costs of identification and inspection, as already pointed out. An accounting adjustment in this regard seems therefore indicated.

An entirely new factor is the last item; namely, the United States Commercial Company's commission, in the amount of \$322,299.67. This question has never arisen during any of the official discussions or those carried on by Tut-hill & Company, Incorporated, acting on behalf of the Government. It is estimated that the parent company of the United States Commercial Company netted a profit of about \$1,200,000 on the Banka tin alone (to which objections have already been raised), therefore the inclusion of a commission for its subsidiary seems hardly justifiable.

In the penultimate paragraph of the Memorandum of the Department of State, it is stated that it is impractical to allocate any part of these costs to "tin of any specific origin". This is

-3-

not quite clear, in view of letter advices from the Reconstruction Finance Corporation, to Tuthill & Company, Incorporated, dated July 23, 1948 which confirms the estimate of \$456,315 as being "the best present estimate of the expenses attributable to Banka origin tin, in accordance with the division of these expenses we have suggested as being equitable!" Moreover, all of the 11,129,862 lbs. of Banka tin brought to the United States are attested to by weight reports, inspection certificates and assays.

In conclusion the attention of the Department of State is called to the basic point which has already been pointed out by Tuthill & Company, Incorporated, namely, that the former owners of the tin recovered in Japan should rightly receive the net proceeds of its liquidation, less all applicable disbursements, with adjustment for the maldistribution of the first low price transfer.

As - according to advices from the Department of State - on the basis of the information sent from

-4-

the Department, the final decision with respect to computing the amount of compensation for this material rests with the Supreme Commander of the Allied Powers, the Embassy of the Netherlands would suggest that the observations in this memorandum be also included in the communications on this subject from the Department of State to the Supreme Commander of the Allied Powers.

Washington, D.C.

October 18, 1948.

L.B.B

CC-EUR

R.

611,946 **OCT 27 1948**

894.6354/7-1

①

My dear Mr. Wilson:

There is enclosed one inspection report ex SS "Hannibal Victory" which completes the set of tin inspection reports which were handed to you on Monday, October 25, 1948.

XR
611,946

Sincerely yours,

*regarding tin imported
from Japan under Reconstruction
Finance Corporation*

R. Bufr Smith
Chief

Reparation and Property Branch
Division of Economic Property Policy

894.6354/10-2748

3020
26/26

Enclosure:

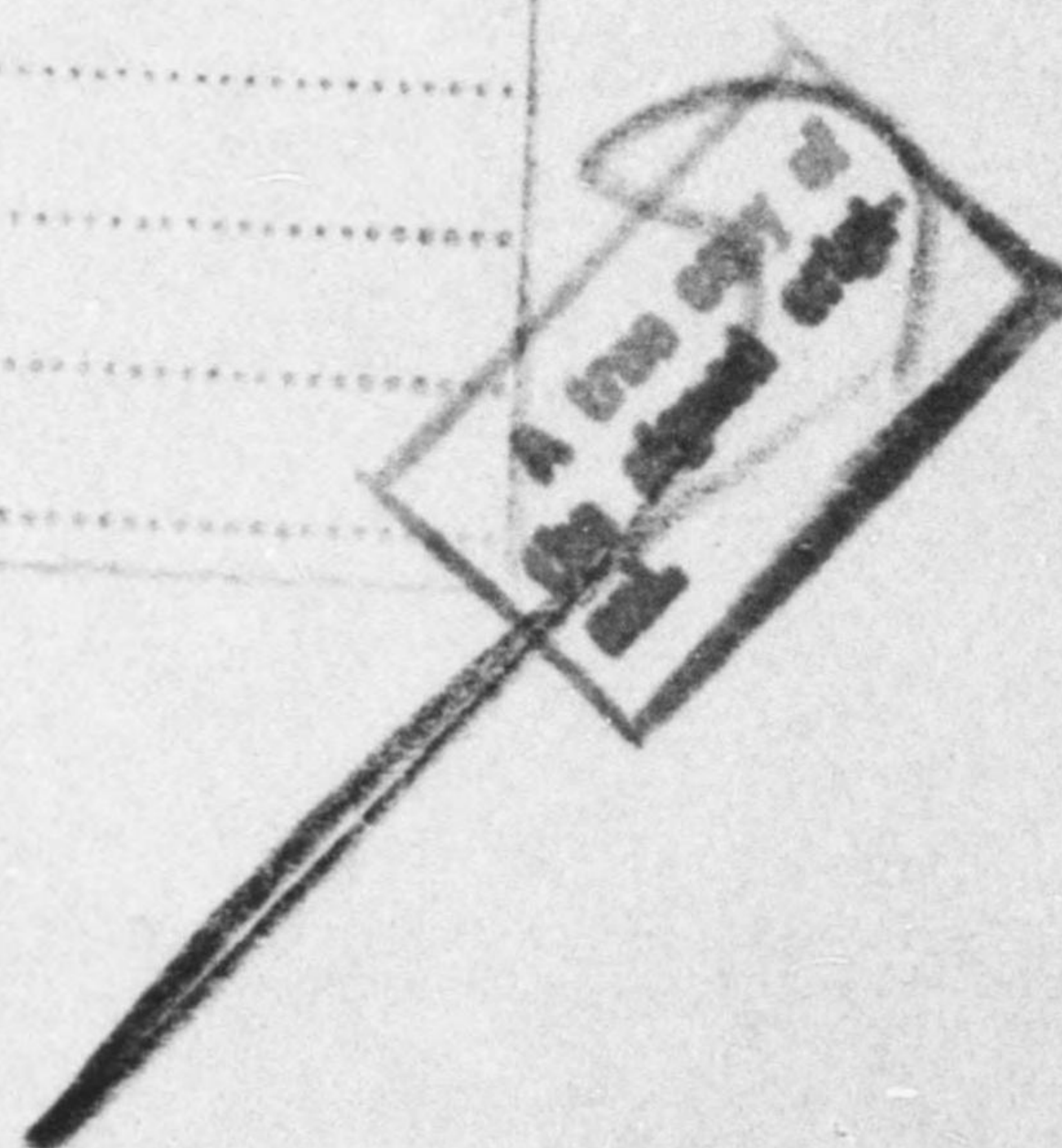
Inspection Report
ex SS "Hannibal Victory"

Mr. C. B. Wilson,
First Secretary,
British Embassy,
Washington, D. C.

DOP - EP Unit	
Anal.	<i>SS</i>
Rev.	<i>SS</i>
Dist.	<i>SS</i>

OCT 27 1948

OFD:EP:RWilliams:mcm
10/26/48



CS/A
894.6354/10-2748

30138

JAN 4 1948

My dear Mr. Wilson:

In accordance with your request there follows a resume of the facts concerning the disposition of tin imported into the United States from Japan, and disposed of to the Reconstruction Finance Corporation for the account of the Supreme Commander for the Allied Powers through the facilities of the United States Commercial Company.

The price agreement, as you are aware, stipulated that the 1946 tin allocation should be transferred at the equivalent of £ 370 per long ton for Grade A tin, FOB Malaya, while subsequent allocations were to be transferred at the United States dollar equivalent of the United Kingdom Ministry of Supply buying price in Malaya which was current at the time title to this tin was passed to an agency of the Government of the United States, namely the Reconstruction Finance Corporation. The latter price has been determined to be £ 423 per long ton. The equivalent in United States Dollars per pound (i.e. New York price) of £ 370 per long ton FOB Malaya is 69¢ Grade A, 68.875¢ Grade B and 68.625¢ Grade C. The equivalent of £ 423 is 78.7¢ Grade A, 78.55¢ Grade B and 78.25¢ Grade C.

The Department of State is informed that tin was transferred in the quantities and at price as follows:

<u>£ 370 base</u>	<u>British a/c</u>	<u>Dutch a/c</u>	<u>Unclaimed</u>
Grade A (69¢)	4,397,926	4,854,664	none
Grade B (68.875¢)	44,829	1,943,010	none
Grade C (68.625¢)	none	55,060	none

Mr. C. B. Wilson,
First Secretary,
British Embassy,
Washington, D. C.

RECEIVED UNIT

Anal. *WSS*

Rev. *fi*

Col.

D. C.

894.6354/1-449

CS/A 894.6354/1-449

- 2 -

<u>b 423 base</u>	<u>British a/e</u>	<u>Dutch a/e</u>	<u>Unclaimed</u>
Grade A (78.70%)	2,836,225	2,009,053	1,494,147
Grade B (78.55%)	1,626,166	1,246,983	44,671
Grade C (78.25%)	412,079	21,092	10,460

The United States Commercial Company received \$16,109,448.93 plus recoveries for loss and damage of \$4,021.39 which consisted of compensation for 589 lbs. of British tin amounting to \$338.57, 7,841 lbs. of Dutch tin amounting to \$2,972.07 and for 2,041 lbs. unclaimed tin amounting to \$710.75. The United States Commercial Company paid to the account of the Supreme Commander for the Allied Powers a net of \$15,215,493.36 after deducting expenses of \$897,976.96.

The expenses were made up of the following items:

Ocean Freight	\$402,769.38
Demurrage	2,577.40
Domestic Freight	26,520.12
Storage	10,282.00
Handling	11,853.60
Inspection, Weighing and Testing	57,868.20
Marine Insurance	28,087.52
War Risk Insurance	30,320.68
Custom Broker's Fees	89.50
Miscellaneous	5,308.89
USCC Commission	322,299.67

It would appear that most equitable division of expenses would be in the same proportion as the amount of tin for which compensation is allowed bears to the total amount, deducting 14,185.19 from item for Inspection, Weighing and Testing which represents estimated inspection charge for non-Dutch tin. Thus, assuming compensation is allowed for all tin identified as Dutch and British, expenses would be borne 51% by Dutch, 42% by British, and 7% by the Supreme Commander for the Allied Powers. Inspection expenses of \$14,185.19 for non-Dutch tin would be borne 86% by British and 14% by the Supreme Commander for the Allied Powers.

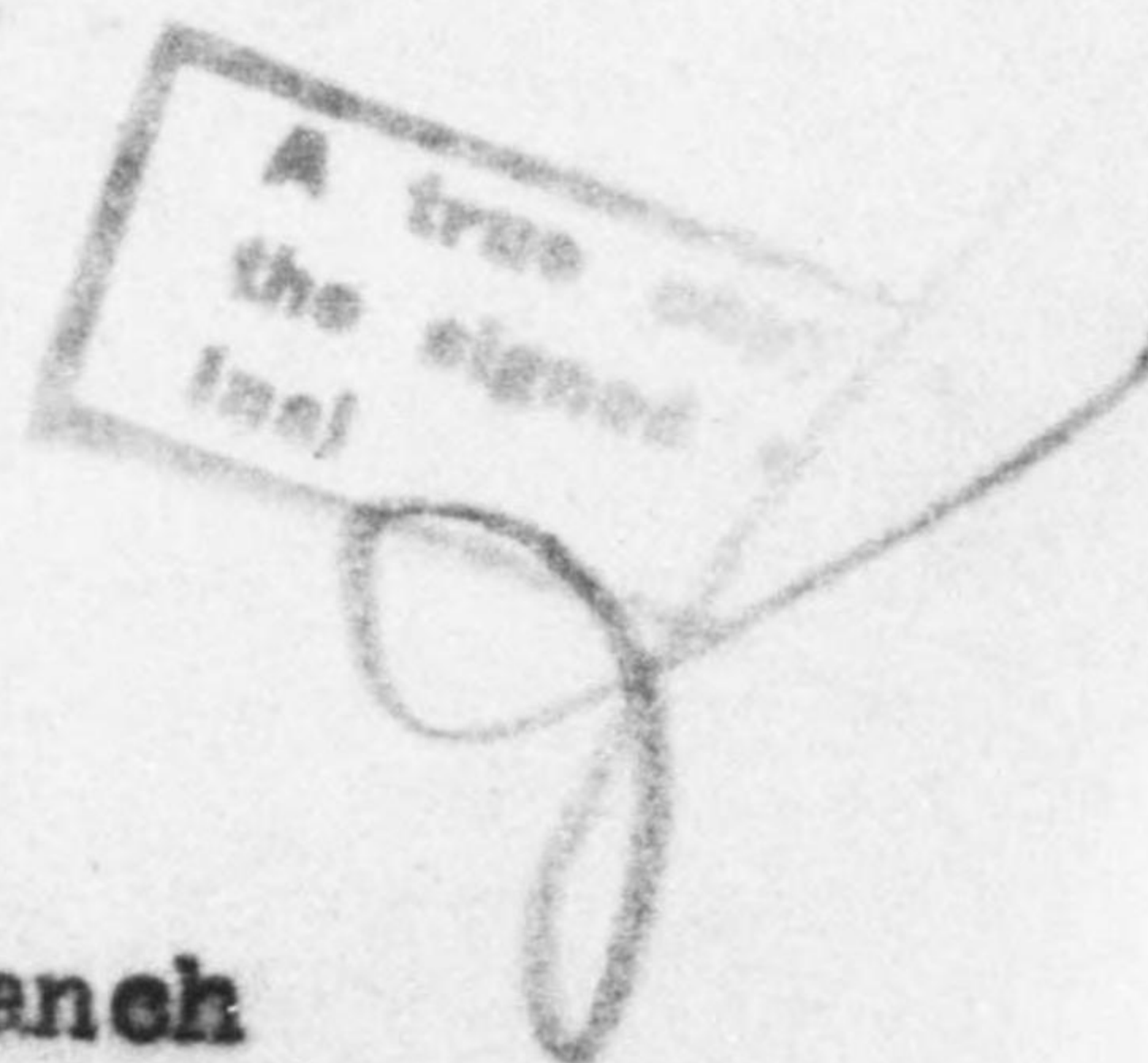
Sincerely yours,

R. Burr Smith
Chief

Reparations and Property Branch
Division of Economic Property Policy

OFD:EP:LRWilliams:mcm 12/22/48

CR
JAN 4 1949



DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

ACTION COPY

DEPARTMENT OF STATE
INCOMING TELEGRAM

14

CONFIDENTIAL

Action: ITP
Info:
E
O
FE
OLI
CIA
OFD
DCR

Control 2247

Rec'd February 5, 1949
3:55 p.m.

FROM: Tokyo
TO: Secretary of State
NO: CX-67627 (Army message)

INTERNATIONAL TRADE POLICY
1949 FEB
FEB 7 - 1949
DEPARTMENT OF STATE
file
Telegram sent
2/8/49
OFFICE OF INTERNATIONAL TRADE POLICY

FOR CSCAD ECON, PASS TO COMMERCE AND ~~STATE~~ DEPARTMENT'S

Subject is tin concentrates.

XR
645.943/

1. REURAD W83492 February 1949. Trade plan as negotiated includes 1500 tons tin concentrates from Burma which represents total estimated availability from this source for Japan during calendar year 1949. Burma representatives stated in conference that conditions affecting production made it improbable that greater quantity could be delivered.

2. Under circumstances outlined URAD, SCAP will not procure tin concentrates in Siam or Indochina but may reopen matter in the light of changed conditions or inability to procure sufficient supplies elsewhere.

3. Tin ore requirements stated our radio C-67241 January 1949, based on assumption that sufficient quantity of tin metal will be made available to Japan. Receipt of allocation of tin metal from combined tin committee in accordance with SCAP letter to you file AG 410.2 (1 December 1949) economics and scientific section, industry division, subject: allocation of tin, dated 5, January 1949, for which Reconstruction Finance Corporation representative Bangkok indicated strong support in principle, will minimize ore requirements.

For information to American Embassy Rangoon.

SMD:ISP

CONFIDENTIAL

IR	ACTION
IR	INFORMATION
ITP	
IP	✓
ULH	
IR	✓
PED	

894.6354/2-549 REC'D

FEB 11 1949

HH

INCOMING AIRGRAM

DEPARTMENT OF STATE DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

421

AIRGRAM

UNCLASSIFIED

FROM: BANGKOK

DATED: FEBRUARY 23, 1949

MAILING DATE: FEBRUARY 24, 1949

RECEIVED:
Mar. 2, 1949 12:21 p.m

3
A
ACTION DC/L
INFO
DC/R
FE
ITP
OLI
CIA
A N

SECRETARY OF STATE,
WASHINGTON.

A-83, February 23, 1949.

Reference Embassy report No. 6 of January 10,
1949.

During January 1949 tin ore shipments to United States totalled 142.46 long tons, having estimated value of \$217,877.80. No shipments of metal were made during same period.

Increasing police activity near Malayan north-
ern border may discourage tin production by small
operators. Mining interests fairly confident, how-
ever, that production will increase steadily as
drainage rehabilitation work progresses.

STANTON

523.5
WOAnderson/ps
Hectograph to Department

894.6354/2-2349

MAR 4 1949

FILED
HH

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

UNCLASSIFIED

file
file
copy
min
see
R 2/23
AB
BTS
JK

MAR 2 3 1949
DEPARTMENT OF STATE
LIAISON OFFICE
DC/R

REGISTERED

MAY 5 1949

895275

In reply refer to
OFD:EP

Mr. W. T. Jarvis,
Assistant Director,
Office of Metals Reserve,
Reconstruction Finance Corp.,
Washington, D. C.

My dear Mr. Jarvis:

There is enclosed a copy of our letter to the
Department of the Army concerning compensation for
Dutch and British tin removed from Japan.

Sincerely yours,

R. Burr Smith
Chief
Reparations and External Assets Branch
Division of Economic Property Policy

Enclosure:

Copy of letter
to Dept of Army.

894.6354/5-549

CS/A

894.6354/5-549

CR
MAY 5 1949 P.M.

OFD:EP:LRWilliams:mck
4/27/49

DOE - DEPT	
Anal	WSS
Rev	WSS
Cat	
Dist	

A true copy of
the signed orig-
inal

CONFIDENTIAL

MAY 5 1949

In reply refer to
OFD:EP

My dear Mr. West:

As you know, the Department of State has been discussing with the Dutch and British Embassies the subject of compensation for tin removed from Japan under international allocation and disposed of in the United States for the account of SCAP through the facilities of the United States Commercial Company. The circumstances surrounding the tin, consisting of 11,129,862 lbs. of Dutch origin and 9,317,225 lbs. of British origin, indicate that it had been looted from occupied areas by the Japanese. The claims for compensation, therefore, arise from the Far Eastern Commission policy on restitution which states that equitable compensation shall be paid in lieu of restitution of looted property which has been exported or liquidated by the Supreme Commander.

The claims, when computed on the basis of the world market prices prevailing at the time of transfer of title of the tin to a subsidiary of the Reconstruction Finance Corporation, less a part of the expenses which the British and Dutch have agreed to absorb, aggregate \$15,626,511.03, made up as follows:

	<u>Total Claims</u>	<u>Less Absorbed Expenses</u>	<u>Net Claims</u>
Dutch A/C	\$7,825,458.66	\$13,652.97	\$7,811,805.69
British A/C	6,666,434.09	23,597.75	6,642,836.34
SCAP A/C (for tin not identified as of Dutch or British origin)	<u>1,175,786.34</u>	<u>3,917.34</u>	<u>1,171,869.00</u>
TOTAL	\$15,667,679.09	\$41,168.06	\$15,626,511.03

Claims have been evaluated on the basis of FOB Malaya prices as required by the pricing agreement with the British and Dutch Governments. However, actual proceeds to SCAP from sale of the tin have been...

Mr. Robert R. West,
Deputy to Assistant Secretary
for Far Eastern Affairs,
Office, Assistant Secretary of the Army,
Department of the Army.

CONFIDENTIAL

894.6354/5-549

CS/A 894.6354/5-549

131. *W/R*
132. *W/R*
133. *W/R*
134. *W/R*
135. *W/R*
136. *W/R*
137. *W/R*
138. *W/R*
139. *W/R*
140. *W/R*

CONFIDENTIAL

-2-

been based on the CIF New York price received by the USCC, less expenses and commissions. SCAP's net proceeds amount to \$15,215,631.39, which is \$410,879.64 less than the total of British, Dutch and SCAP claims. Apparently, this discrepancy is due, in part, to unusually high transportation and marketing expenses at the time of sale, which more than offset the usual spread between FOB Far Eastern and CIF New York prices.

It also appears that the discrepancy is due, in part, to the action of the RFC and the USCC on May 8, 1947, in mistakenly transferring a total of 1,095,489 lbs. of Dutch tin at less than current prevailing prices and in violation of the pricing agreement with the British and Dutch. Specifically, this transaction involved the transfer of 1,040,559 lbs. Grade A tin at 69¢ per lb. rather than at 78.7¢ per lb., and 54,930 lbs. Grade B tin at 68.875¢ per lb. rather than at 78.55¢ per lb. Thus, an additional payment by the RFC of \$106,248.70 in adjustment of the error made in this transfer appears to be in order and would reduce the deficit to \$304,630.94.

If such an adjustment is made, the Department is prepared to advise the British and Dutch Governments that the amount paid in satisfaction of their claims will be reduced in exact ratio to their respective tonnages; i.e., \$154,143.25 for the Dutch, \$129,163.52 for the British, and \$21,324.17 for SCAP. The Department will defend this position on the ground that the term "equitable compensation" as used in the Far Eastern Commission policy referred to above, can involve not more than was received in liquidation, barring bad faith on the part of SCAP. Costs in excess of normal commercial expenses resulted from the extraordinary conditions prevailing in trade with Japan at the time of shipment.

It is suggested, therefore, that the Department of the Army and/or SCAP, as parties to the contract with USCC, request the RFC as successor agency to USCC, to make an additional payment of \$106,248.70 to the appropriate SCAP account. The Department of State will fully support this request to the RFC. Without such an adjustment, the Department's position vis-a-vis the Dutch and British will be severely weakened and may subject SCAP to criticism for the manner in which the tin was liquidated.

A copy of this letter is being sent to Mr. W. T. Jarvis, Assistant Director, Office of Metals Reserve, Reconstruction Finance Corporation.

Sincerely yours,

[Signature]
W. Walton Butterworth
Director for Far Eastern Affairs

A true copy of
the signed orig-
inal

MAY 5 1949

[Signature]
OFD:EP:IRWilliams:mck
4/27/49

OFD

L/P

FE

NH

CONFIDENTIAL