

DECLASSIFIED

E.O. 11652, Sec 3(E) and 5(D) or (E)

NNDG# 760050

894.6349/1-145 -- 12-3147-48-49

891

JAMES F. DULLIGAN  
COUNSELOR AT LAW  
60 EAST 42<sup>ND</sup> STREET  
NEW YORK 17, N. Y.  
MURRAY HILL 2-3144

*White*  
*John*

May 2nd, 1947

Mr. Edwin Martin  
Japanese-Korean Economic  
Affairs Commission  
State Department  
Washington, D. C.

DIVISION OF JAPANESE AND KOREAN  
ECONOMIC AFFAIRS  
DEPARTMENT OF STATE

*Replied 5/13*  
MAY 6 1947  
*Dep file*

894.6349/5-247

Dear Sir:

A client has consulted me regarding the purchase of diamonds and other rare stones seized by the United States Army in Japan.

I would appreciate it if you would advise me when and if this jewelry will be offered for sale to the public. It is my understanding that these precious stones are to be sold.

Thanking you for your attention to this matter, I am

Very truly yours,

*James F. Dulligan*

CS/V

JFD:cf

DOB - ITP US

*mk*  
*W*

*W*

894.6349/5-247

891

MAY 16 1947

894.6349/5-247

In reply refer to  
JK

My dear Mr. Dulligan:

I have your letter of May 2, 1947 concerning the availability of precious stones seized by the occupation authorities in Japan.

The Supreme Commander for the Allied Powers has not yet placed in his export program any of the precious gems or similar items which have been impounded by our forces in Japan. Inasmuch as many of these items may be in the category of property looted from areas formerly occupied by Japan, their disposition will be governed by policies yet to be determined by the Far Eastern Commission. If such policies subsequently provide for the sale of these items in the United States, appropriate publicity will be given to the matter at the time they are offered for sale.

XR  
800,515

CS/V

Sincerely yours,

DOB - ITP U.S.

JK  
W

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

Mr. James F. Dulligan,  
60 East 42nd Street,  
New York 17, New York.

rec  
JK:WSMcCornick:bc  
5/13/47

A true copy of  
the signed copy  
sent.

MAY 15 1947

894.6349/5-247

**SECRET**

1282

WAR DEPARTMENT  
WAR DEPARTMENT SPECIAL STAFF  
CIVIL AFFAIRS DIVISION  
WASHINGTON 25, D. C.

DEPARTMENT OF STATE  
RECEIVED  
JUL 28 1947  
DIVISION OF  
COMMUNICATIONS AND RECORDS

ASSISTANT SECRETARY  
A.M.  
JUL 14 1947  
GENERAL HILLMAN  
DEPARTMENT OF STATE

9 July 1947

Assistant Secretary of State for Occupied Areas  
Department of State  
Washington 25, D. C.

*file*  
DIVISION OF JAPANESE AND KOREAN  
ECONOMIC AFFAIRS  
DEPARTMENT OF STATE  
*Replied by O.S.M.*  
JUL 15 1947 <sup>7/17</sup>

Attention: Mr. W. M. Cameron  
Room 4029 New State Bldg.

894.6349/7-947

Gentlemen:

Transmitted herewith for your comments is a draft letter to SCAP on the subject of the report on Precious Metals in Japan. This report, which was discussed with Mr. McDiarmid recently, would be placed on a quarterly basis; the breakdown of items has been revised to give more complete information as to ownership of the metals reported.

Sincerely yours,

DIVISION OF  
NORTHEAST ASIAN AFFAIRS  
JUL 23 1947  
DEPARTMENT OF STATE

*R. H. Chard*  
R. H. CHARD  
Colonel, GSC  
Executive

OS N

1 incl  
draft ltr to  
SCAP

DOR - ISP Unit	
Anal.	<i>vt</i>
Dev.	<i>vt</i>
Col.	<i>vt</i>
Dist.	<i>vt</i>

JUL 28 1947

894.6349/7-947  
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PROPOSED LETTER TO SCAP

8 July 1947

SUBJECT: ~~Report on Precious Metals in Japan~~ (Reports Control Symbol *WDSC4-5*)

NR  
1. WCL 37391, 29 April 1946, established a monthly reporting procedure for stocks of gold and precious metals held by your command. Reports have been received through the month of April 1947.

2. It is requested that (a) the report be expanded to include a breakdown as to ownership, and to cover metals not in SCAP custody, in accordance with paragraph 3 below, and that (b) following the initial report on this basis, the reports be submitted quarterly, rather than monthly, as of 30 Sep, 31 Dec, 31 Mar and 30 Jun. If the 30 Jun report has been submitted, the first report using the breakdown below should be that for 31 Jul.

3. The following general breakdown is suggested. Within these categories, appropriate subsidiary breakdowns should be developed, with the objective of presenting significant classes of ownership.

A. Metals in SCAP custody

1. Known Japanese-owned

a. Government monetary stocks.

Includes items comprising government monetary stocks held by Japanese governmental fiscal agencies at time taken into SCAP custody.

b. Other stocks

Includes, but not necessarily limited to, government non-monetary stocks, holdings of banks, corporations and partnerships, and individual private holdings.

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## 2. Earmarked for non-Japanese interest.

Includes items tentatively earmarked for disposition to non-Japanese interests, e.g., Vichy French Govt; at time taken into SCAP custody. Specify interests for which earmarked, and indicate in footnote, the first time reported, circumstances re each such holding.

## 3. Unidentified ownership.

Report in this item metals which are not identifiable as to whether owner is Japanese or non-Japanese.

a. Identifiable as to country from which taken

b. Not identifiable as to country of origin

(1) Looted (as shown by available evidence)

(2) Not looted (as shown by available evidence)

B. Metals not in SCAP custody

List by categories of owner. Indicate in footnote first time reported, reason for metal not being in custody of SCAP.

4. Treasury has indicated interest in the problem of assaying the metals, as discussed with members of the SCAP staff during the recent trade mission to Japan. Therefore, pertinent comments on progress on this subject, similar to those accompanying the report for April 1946 (Reference ltr AGO 410.2 (14 May 46) CPC/CD, would be of value.

5. The Control Symbol of this report has been changed to ~~WDSCA-5~~ <sup>have</sup> ~~as indicated in~~ <sup>the new title and reports control symbol</sup> and should appear in that form on future reports. <sup>the subject.</sup>

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Call Mc Cormick  
(CAD)

Non-heap stocks  
should be broken  
down by monetary  
and non-monetary  
and monetary by  
coins and other.  
Coins by principal  
metallic content, face  
value and weight.

DEPARTMENT OF STATE  
ASSISTANT SECRETARY

To JK-  
McDiarmid  
private

Mr. Jespersen  
Pls refer to  
JK - Mr. McDiarmid  
for comment &  
concurrence.

- Conzel

Supers: July 18

5854

JUL 25 1947

In reply refer to  
JK

My dear Colonel Chard:

Reference is made to your letter of July 9, 1947, transmitting for this Department's comments, a draft of a proposed letter to SCAP on the subject of the report on precious metals in Japan.

In view of the consideration now being given to the desirability of utilizing stocks of precious metals in Japan to help finance Japanese foreign trade, it is suggested that in addition to the information requested in the draft letter referred to above, SCAP be requested to report the following information under paragraph 3 B of the proposed letter, headed "Metals not in SCAP Custody":

1. Monetary metals; classified by:

a. Coins; indicating:

- (1) Principal metallic content;
- (2) Country of issue;
- (3) Weight;
- (4) Face value;
- (5) Dollar value;
- (6) Approximate time of issue (if available).

b. Other; indicating:

- (1) Metal;
- (2) Weight;
- (3) Dollar value.

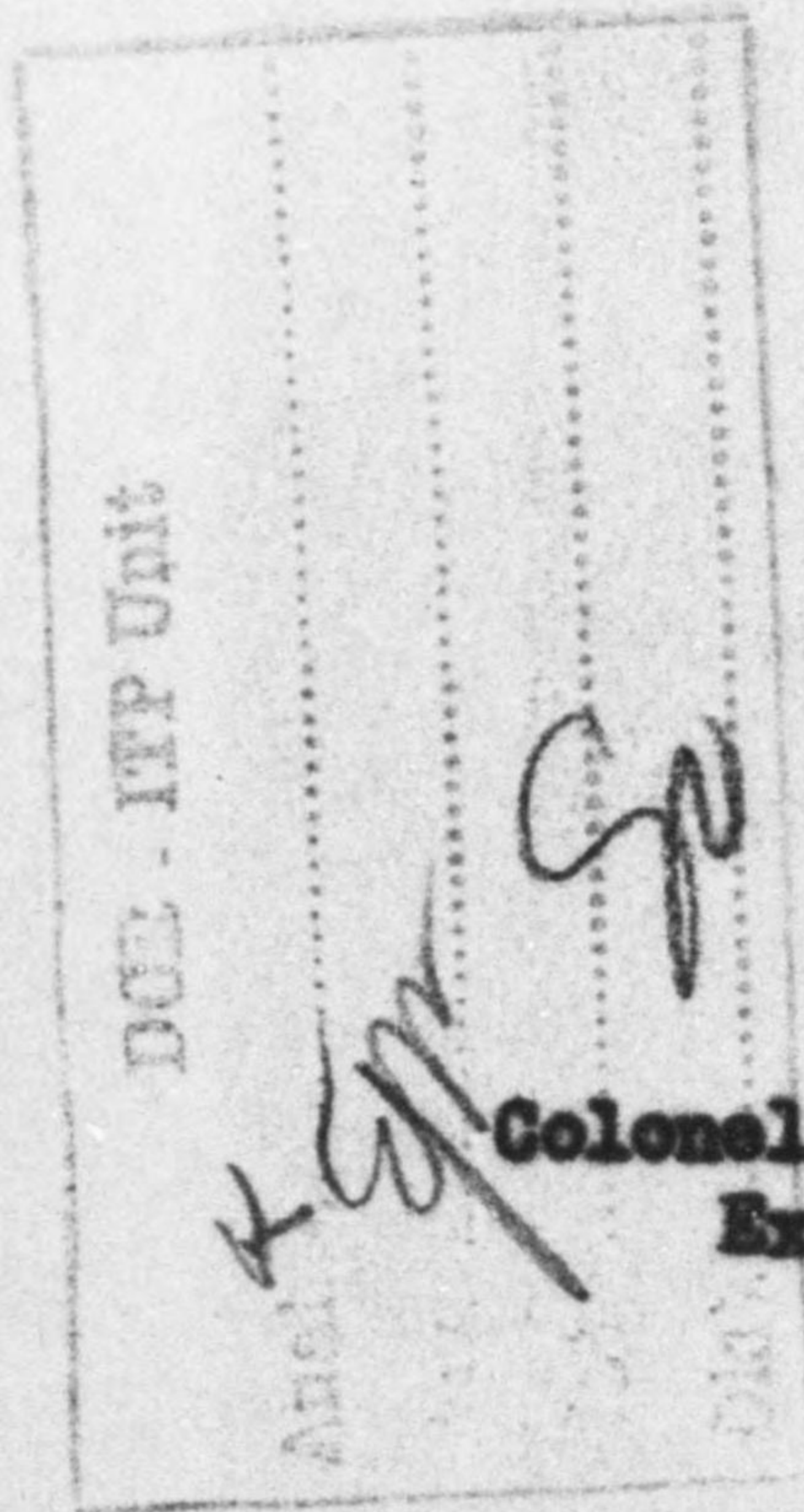
Colonel R. H. Chard,  
Executive, Civil Affairs Division,  
War Department, Pentagon,  
Washington, D. C.

894.6349/7-947

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2. Non-monetary metals; classified by:

a. Metal; indicating:

- (1) Weight;
- (2) Dollar value.

Sincerely yours,

J. H. Hildring  
Assistant Secretary

*[Signature]*  
JK:OJMcDiarnid:mv

7/17/47

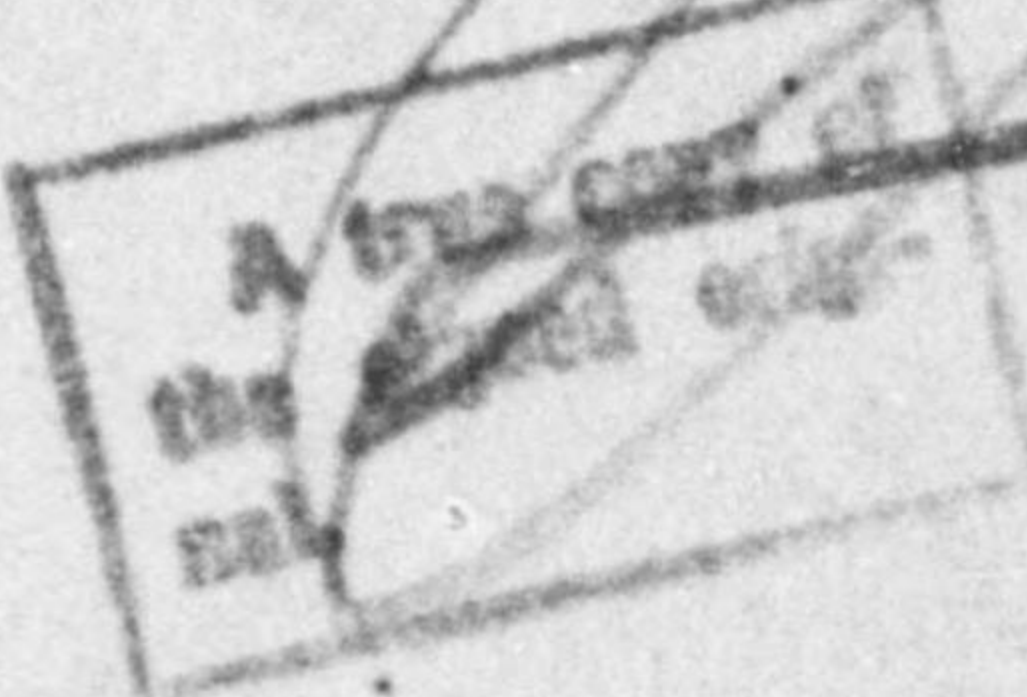
*[Signature]*  
ESP

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PH

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NA

*[Signature]*  
A-H

CR  
JUL 25 1947



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