

FEC-249

Interim Reparations Removals:
Philippine Proposal for Remov
in Japanese Rubber Industry

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INTERIM REPARATIONS REMOVALS:
PHILIPPINE PROPOSAL FOR REMOVALS IN THE JAPANESE RUBBER INDUSTRY
(References: FEC-059 Series; FEC-058/12; C1-001 Series)

Note by the Secretary General

1. Enclosure "A", a policy proposal submitted by the Philippine Delegation concerning the interim level to be established within the Japanese rubber industry for purposes of reparations removal, is circulated herewith for the consideration of the Far Eastern Commission and is referred to COMMITTEE NO. 1: REPARATIONS.

2. Enclosure "B", an explanatory memorandum relative to the proposal mentioned in Enclosure "A", submitted by the Philippine Delegation, is circulated herewith for the consideration of the Far Eastern Commission and is referred to COMMITTEE NO. 1: REPARATIONS.

SAMUEL S. STRATTON
Acting Secretary General

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FEC-RESTRICTEDENCLOSURE "A"INTERIM REPARATIONS REMOVALS:
PHILIPPINE PROPOSAL FOR REMOVALS IN THE JAPANESE RUBBER INDUSTRY

The action specified herein should be taken with respect to facilities identified in the following category of Japanese industry. Such action, under the Interim Reparations Removal Program should be taken without prejudice to further removals that may be ordered under a final reparations program.

1. Rubber Industry

(Definition: "Plants and establishments primarily engaged in the production of rubber goods using crude or reclaimed rubber.")

(a) That portion of Japan's capacity for the production of rubber goods that is in excess of 94.0 million yen (based on 1930 prices) per year, should be made available immediately for claim.

FEC-RESTRICTEDENCLOSURE "B"EXPLANATORY MEMORANDUM

The Philippine Delegation is under instructions from the Government of the Republic of the Philippines to submit for the consideration of the Far Eastern Commission the inclusion of the Rubber Industry in the Interim Reparations Removal Program.

The Philippine rubber manufacturers are deeply interested to secure rubber factories from Japan to replace the plants and facilities which have been destroyed by the Japanese during the occupation. This wanton destruction by the Japanese not only effected great financial losses but also practically eliminated the rubber industry in the Philippines. The Government of the Republic of the Philippines considers the rehabilitation of the rubber industry as a substantial and vital part of the general reconstruction of its war-damaged economy. Also, it considers essential to the speedy rehabilitation of this industry the acquisition of rubber plants from within Japan which are surplus to the production facilities required to meet the peaceful needs of Japan as defined under existing FEC policy.

A study prepared by the United States on the Japanese requirements in the Rubber Industry, FEC-058/12, indicates that assuming a pattern of supply, consumption, and external trade to be similar to the 1930-34 pattern with due allowance being made for population increase, Japan would require in the year 1950 a production of rubber goods valued at 94.0 million yen in 1930 prices. This production capacity represents an annual consumption by Japan of 61,500 m.t. of crude rubber and 2,500 m.t. of reclaimed rubber from locally collected scrap.

Some available information indicate that there exists in Japan capacity in the rubber industry which is in excess of that required for the peaceful needs of Japan as determined in the U.S. study referred to above. For this reason, the Government of the Republic of the Philippines strongly recommends that the excess capacity in the Japanese rubber industry should be made available under the Interim Reparations Removal Program in order that the rubber industries destroyed in the countries formerly occupied by Japan might be rehabilitated at the earliest possible time.