

DECLASSIFIED

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

NNDG#

760050

894.6353/1-145--12-3149

STANDARD FORM NO. 64

*Office Memorandum* • UNITED STATES GOVERNMENT

TO : IR - Mr. Kennedy  
FROM : IR - Mr. Wendel  
SUBJECT: Lead from Japan.

DATE: April 12, 1946

I attended a meeting today in Mr. Whitman's office, (JK) with Miss Worthing of CPA, regarding the shipment of 15,000 tons of lead to this country from Japanese stocks. This quantity represents the first amount to be declared surplus by General MacArthur from the 57,000 tons reported in Japan.

It was agreed that, provided the British are in agreement, a request for immediate shipment should be made and the price left for future negotiation with RFC. Both Miss Worthing and myself stated that it would aid our bargaining position on lead procurement greatly if the price were set at something less than the 7.75 cent figure concluded with the Canadians. Mr. Whitman and Mr. Brown appeared in agreement to such a move. Miss Worthing is advising Mr. Jewett and Mr. Johnston with respect to the above.

894. 6353/4-1246

*ew*  
IR:CAWendel:ewb 4-12-46



REMINGTON ARMS COMPANY, INC.

ARMS-AMMUNITION-TARGETS AND TRAPS

BRIDGEPORT, CONN. #2

CABLE ADDRESS HARTLEY, BRIDGEPORT, CONN. ALL CODES USED

EXECUTIVE OFFICES

June 21, 1946

ASSISTANT SECRETARY

W. L. CLAYTON

7721 ack 6/21/46

JUN 24 1946

grr

A-C

DEPARTMENT OF STATE

Mr. Willard Thorpe, Special Assistant to the Assistant Secretary of State, Department of State, Washington, D. C.

Dear Mr. Thorpe:

We have been advised that a meeting of the CPA Requirements Committee was held on Tuesday, June 18, at which time a 3rd quarter quota for the use of lead in the ammunition industry was established at the level of 9,000 tons of which our company will be permitted to use 4,410 tons.

This amount is materially less than the amount required to sustain our present level of operations, and we took steps immediately to notify several hundred of our employes of layoff.

Through an unexpected occurrence, however, we have been fortunate in securing a small quantity of low antimony lead which we can mix with some of our process inventories of high antimony lead which were procured from scrap sources and which have proven to be difficult to process. By this means we can supplement our supply.

Under these conditions we find it possible to continue the present level of employment, but it will be necessary for us to close down plant operations for several days during July and for approximately two weeks during August. Beyond that time, the outlook is very uncertain.

We are advised that we may appeal for additions to the quota at a later date, if necessary, and that additions may be granted if additional lead is available at that time.

Handwritten notes and stamps: DOR - ITP Unit, Jcc 6/28/46

894.6353/6-2146

CS/V

JUL - 2 1946

FILED

894.6353/6-2146

Mr. Willard Thorpe,  
Page 2

June 21, 1946

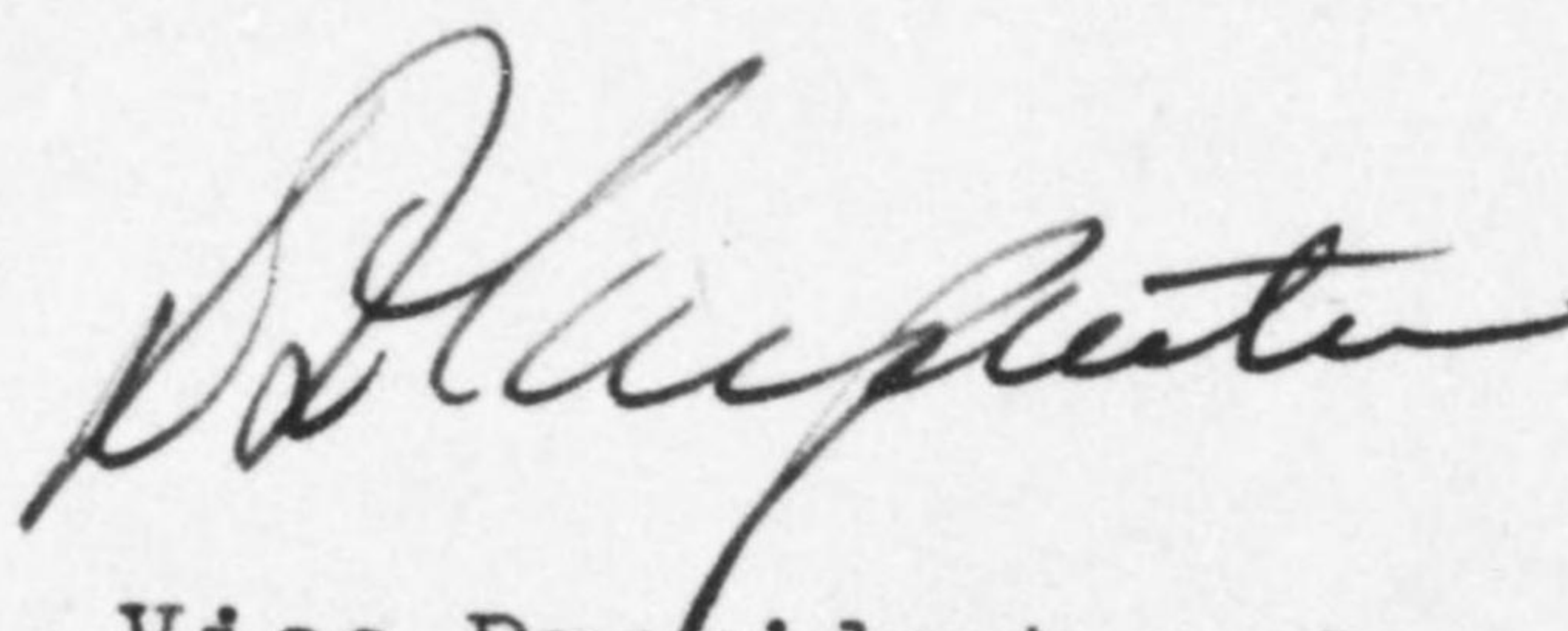
It now appears certain that we will be forced to file such an appeal if we are to avoid drastic curtailment in our operations and injury to our company.

Your past interest in this situation is greatly appreciated, and we urge you to take any steps that you can which will augment the availability of lead.

As we advised you the other day, we firmly believe that the maintenance of our industry in a strong condition is an item of extreme importance to the national defense of our country.

With very kindest personal regards, I am

Sincerely yours,



Vice President and  
Assistant General Manager.

DFCarpenter.LC

Remington  
DU PONT

PETERS  
DU PONT

# REMINGTON ARMS COMPANY, INC.

MANUFACTURERS OF  
SPORTING FIREARMS, AMMUNITION

TRAPS                      TARGETS

ARMS WORKS, ILION, N. Y.  
AMMUNITION WORKS, BRIDGEPORT, CONN.  
BRIMSDOWN, MIDDLESEX, ENG  
CABLE—HARTLEY, BRIDGEPORT—ALL CODES

BRIDGEPORT, CONN.

PETERS CARTRIDGE DIVISION  
WORKS, KINGS MILLS, OHIO  
TRAP AND TARGET WORKS  
FINDLAY, OHIO

#2

June 21, 1946

Mr. Willard Thorpe,  
Special Assistant to the  
Assistant Secretary of State,  
Department of State,  
Washington, D. C.

Dear Mr. Thorpe:

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We are advised that we may appeal for additions to the quota at a later date, if necessary, and that additions may be granted if additional lead is available at that time.



# REMINGTON ARMS COMPANY, INC.



MANUFACTURERS OF  
SPORTING FIREARMS, AMMUNITION

TRAPS                      TARGETS

ARMS WORKS, ILION, N. Y.  
AMMUNITION WORKS, BRIDGEPORT, CONN.  
BRIMSOTON, MIDDLESEX, ENG.  
CABLE - HARTLEY, BRIDGEPORT - ALL CODES

**BRIDGEPORT, CONN.**

PETERS CARTRIDGE DIVISION  
WORKS, KINGS MILLS, OHIO  
TRAP AND TARGET WORKS  
FINNEY, OHIO

June 21, 1946

It now appears certain that we will be forced to file such an appeal if we are to avoid drastic curtailment in our operations and injury to our company.

Your past interest in this situation is greatly appreciated, and we urge you to take any steps that you can which will augment the availability of lead.

As we advised you the other day, we firmly believe that the maintenance of our industry in a strong condition is an item of extreme importance to the national defense of our country.

With very kindest personal regards, I am

Sincerely yours,

Vice President and  
Assistant General Manager.

DFCarpenter.LC

JUN 26 1946

In reply refer to  
A-C

Dear Mr. Carpenter:

I have your letter of June 21 concerning the difficulties you are facing because of the shortage of lead and the desirability of taking steps to increase supplies.

Consideration is being given to this problem and a further communication will be sent you at a later date

Sincerely yours,

Willard L. Thorp  
Deputy to the Assistant Secretary  
for Economic Affairs

Mr. D. F. Carpenter,  
Vice President and Assistant General Manager,  
Remington Arms Company, Inc.,  
Bridgeport 2, Connecticut.

DCR [initials]  
JUN 25 6 P.M.  
JAC 6/28/46

A-C:KWHamilton:gs-6/25/46  
7721 - ITP-Mr. Wilcox

[Handwritten signature]

894.6353/6-2146

CS/W

894.6353/6-2146

JUN 26 1946

In reply refer to  
JK

My dear Mr. Johnson:

This is in reference to the lead which is to be imported from Japan by the U.S. Commercial Company and sold to the Reconstruction Finance Corporation.

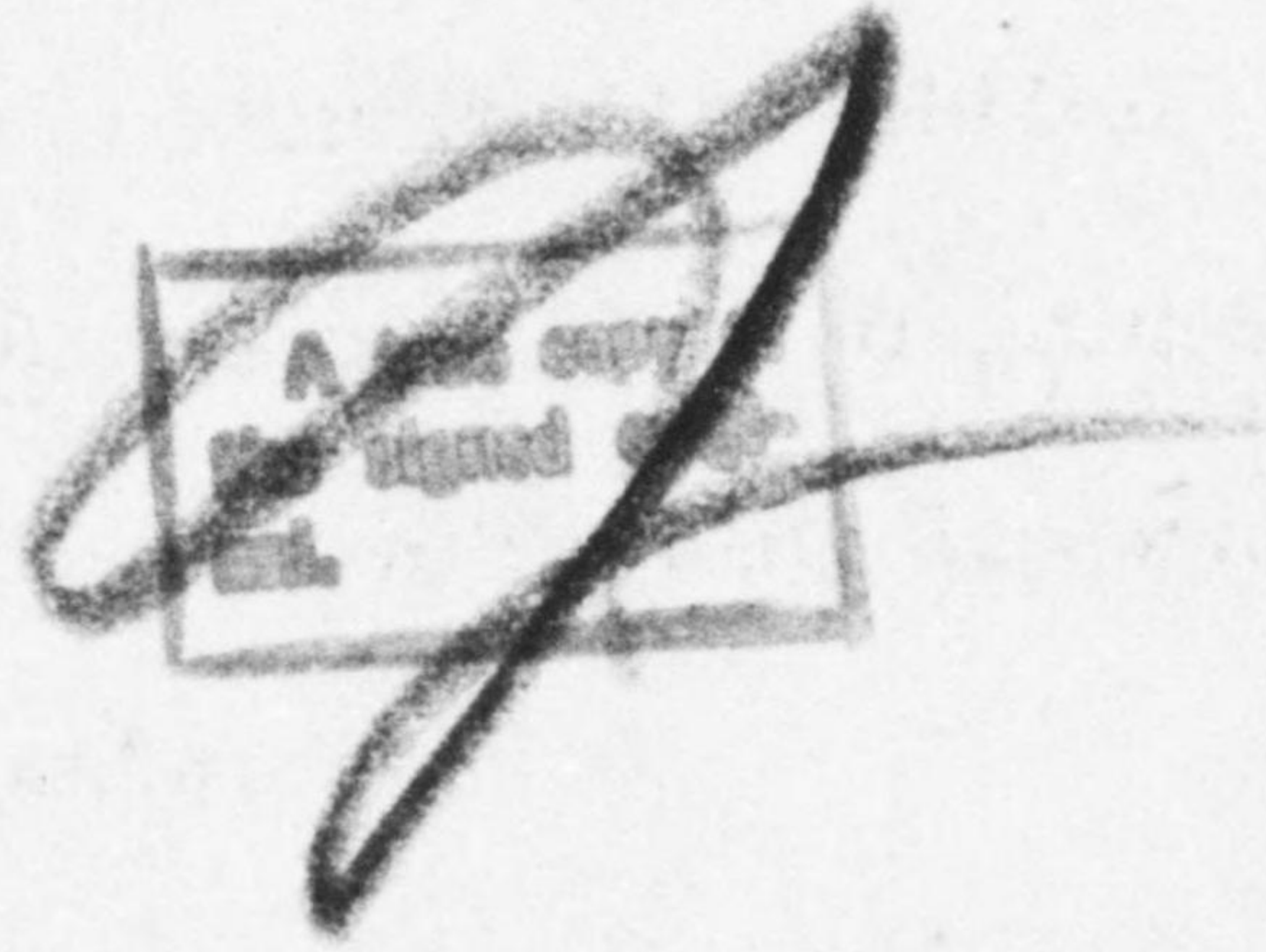
As in the case of tin, other countries wish to know whether the lead was looted by the Japanese from South East Asia. Therefore, the Department of State requests that when this lead is assayed, a record be made of any identifying markings on it to determine whether any of it should be restituted to original owners.

Sincerely yours,

Roswell H. Whitman,  
Acting 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.

*RHW*  
JK:RHWhitman:lmc 6-24-46  
DCE - ITP Unit  
JUN 25 1946  
*JCC 6/28/46*



894.6353/6-2146

CS/B

894.6353/6-2146



*copy to  
Whitman  
with [unclear]*

*[Handwritten signature]*

**BRITISH EMBASSY.**

**WASHINGTON 8, D. C.**

July 18, 1946.

Miss Marion Worthing,  
Civilian Production Administration,  
Room 5326 Social Security Building,  
Washington, D.C.

Dear Miss Worthing: Lead from Japan

As I told you the other day we understand that SCAP is about to ship shortly 5,000 metric tons of refined virgin pig lead from Japan to the U.S.A., of which unascertained amounts are marked **B.M.**

London are pointing out direct to Tokyo that lead marked B. M. Refined or Burma Roll is undoubtedly British owned lead looted by the Japanese from Malaya. There is no need therefore to ship B.M. lead to the U.S.A. for identification, and we have been instructed to point this out to you with the request that you take whatever action you consider appropriate in order to draw this to the attention of the U.S.A. authorities in Japan.

As for what happens to the balance of the Japanese lead once it has reached the U.S.A., we have assumed (as you know) that the U.K. will not take a different position on lead from the position which they have taken on tin and rubber, i.e., that we are content to leave inspection to the appropriate U.S.A. authorities who will doubtless let us have copies of their inspection reports. I have, however, asked London to confirm this immediately.

Yours sincerely,

*[Handwritten signature: J.A.E. Smart]*

J.A.E. Smart.

*I returned  
on hand in 1946  
same as other.*

894. 6353/7-1846

*Saw  
Whitman  
Honey*

*Lead  
OK*

**BRITISH EMBASSY.**

**WASHINGTON 8, D. C.**

August 30, 1946.

Miss Marion Worthing,  
Civilian Production Administration,  
Room 5326 Social Security Building,  
WASHINGTON, D.C.

Dear Miss Worthing: Re: Lead from Japan

Would you please refer to your note of August 5th, a copy of which I sent to the Ministry of Supply in London for comment. I now quote in full London's somewhat informal reply:

" According to the Burma Corporation's staff who were on the spot all through the period of the Japanese occupation, the Japs mined a very small amount only of low grade ore, but nothing was smelted as they never got the smelter to work. All they did was to remelt and cast some of the 1,500/2,000 tons of partly refined lead left in the kettles, the bulk of which has since been discovered in Burma. It follows from the above that any lead in Japan marked B.M. Refined or Burma Roll was produced in Burma before the invasion and is thus British owned lead looted by the Japanese.

You will appreciate that in present circumstances we want lead rather than compensation. The overall agreement referred to seems by hindsight rather one sided, since the only lead in Germany was apparently that in the British zone which has been distributed by E.E.C.E. among the needy European countries (including U.K.) while the lead in Japan turns out to be partly British owned. Incidentally, the German lead we got was all of German manufacture. However, it is clear that looted British lead in Japan does not fall within the terms of the agreement. You will appreciate that there is no prospect of our making any adjustment by taking more lead from other sources if the U.S.A. took any of this lead, so please press for early direct shipment to the U.K. "

*894. 6353 / 8-3046*

*2 for E. Com.*

*Saw copy to Whitman*

*FEC Policy - com. will be made*

*50-69, and*

-2-

In return, I have emphasized to London that if the British lead in question is still in Japan it would be as well to pursue enquiries in Tokyo as well as in Washington. In the circumstances, I should be very grateful for your comments as soon as possible and I should be particularly glad if you could confirm that the British owned lead involved has not been shipped to the U.S.A.

Yours sincerely,

*J.A.E. Smart*

J.A.E. Smart.



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

ACTION  
is assigned to

~~EP~~ OFO

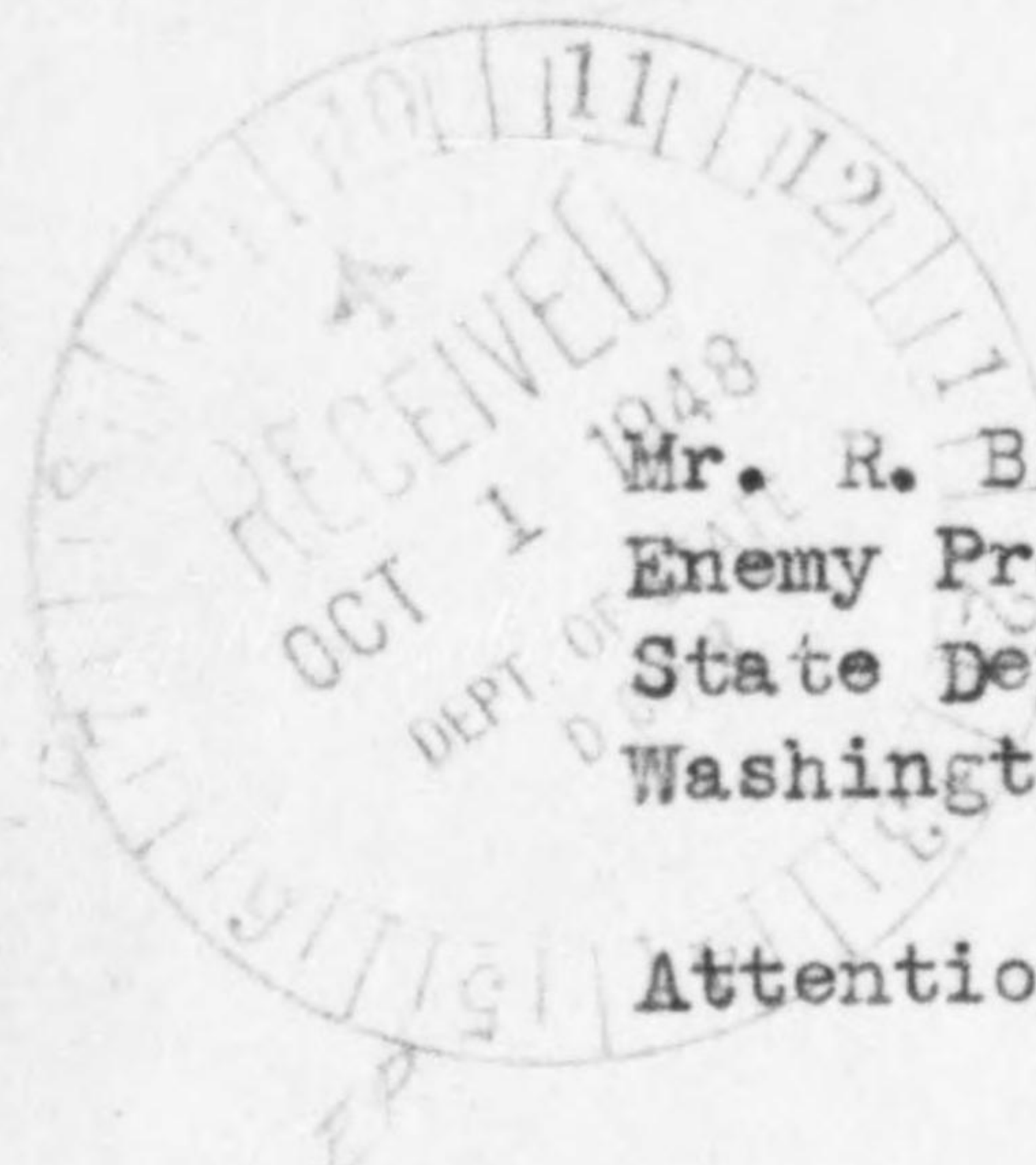
~~TFP~~  
~~FE~~  
~~EUR~~

DC/R  
file

894.6353/9-2948

CS/V

894.6353/9-2948



SEP 29 1948

Mr. R. B. Smith  
Enemy Property Division  
State Department  
Washington D. C.

Attention: Mr. Roger Williams

Re: Lead ex-Japan  
P-5151

Dear Sir:

Following our recent discussions regarding the Lead with Burma markings included as part of Office of Metals Reserve's purchase from U. S. Commercial Company under the above contract, we are furnishing you the additional information you requested to help you in arriving at a settlement of the price to be paid the British for that portion definitely established as having been looted and claimed by them.

Office of Metals Reserve contract dated April 23, 1946, as amended, covered the purchase of approximately 17,000 metric tons of pig lead. The contract was entered into with U. S. Commercial Company acting for the Supreme Commander of the Allied Powers. The price originally was 6.50 cents per pound, and was later amended to 8.50 cents per pound as stated in our letter of April 6, 1948, for all lead analyzing 99.73% Pb (common grade minimum) or better. Material analyzing less than this figure was to be settled at penalties to be agreed upon. However, the lead with Burma markings contained no material subject to penalty or premium. Delivery was to be accomplished on dock or f.o.b. lighters New York or other North Atlantic ports not south of Baltimore. Office of Metals Reserve has paid for all the lead received under the contract and U. S. Commercial Company has made settlement with S.C.A.P. on the basis of the attached schedule.

For your information we attach a revised statement of the Burma marked Lead. You will note that this statement includes no lead ex the S.S. "Flying Arrow" which was mentioned in our letter of July 14, 1948, in the amount of 117,623 pounds corroding grade. U. S. Commercial Company still holds this poundage of Burma marked Lead for account of American Military Government in Korea; Office of Metals

*mm*

DIVISION OF OCCUPIED AREAS  
ECONOMIC AFFAIRS  
OCT 4 1948  
DEPARTMENT OF STATE

Reserve did not buy it. In any event, we understand from you that the British have made no claim for it.

Transfer of title under the contract with U. S. Commercial Company took place as of delivery on dock or lighter by agreement, so that the steamer arrival dates shown in the statement accompanying our letter to you of April 6, 1948, can for practical purposes, be accepted as those of transfer of title. Although there was no provision made in the contract for paying corroding premium, the price paid was .25¢ over the O.P.A. New York maximum; there also was no margin in the purchase price to cover storage or domestic freight costs on resale to domestic buyers. The lead was bought as second quarter 1946 lead and the contract was written before OMR was required to increase its price for foreign lead for that quarter to 7.65 cents per pound C. & F. New York. The various price changes for lead were stated in our letter of April 6, 1948. The prices at which the British Ministry of Supply sold foreign lead delivered Buyer's works during 1946 compared with U. S. selling prices for New York delivery were:

<u>Date</u>	<u>U.S. O.P.A. or Market</u>	<u>B.M.O.S.*</u>
1/1/46	6.50¢ O.P.A.	5.39¢
1/15/46		7.01¢
4/8/46		8.09¢
6/3/46	8.25¢ O.P.A.	
7/1/46		9.88¢
7/2/46	9.50¢ Mkt.	
8/1/46	8.25¢ O.P.A.	
11/12/46	10.50¢ Mkt.	
11/18/46	11.80¢ Mkt.	
12/16/46	12.55¢ Mkt.	
12/31/46	12.55¢ Mkt.	9.88¢

\* B = U.S. \$4.02½

We attach copies of our contract with U. S. Commercial Company and its amendments as well as the agreement dated January 17, 1946 between S.C.A.P. and U. S. Commercial Company.

Any further information you may desire will be furnished upon your request.

Very truly yours,

*W. F. McKinnon*

W. F. McKINNON  
Associate Director  
Office of Metals Reserve

Encls.

P-5151BURMA LEAD EX JAPAN

Proceeds sale to OMR	18,688,993 Lbs.	\$1,588,564.40
Proceeds Loss & Damage Claims	11,048 Lbs.	<u>1,514.60</u>
		\$1,590,079.00

18700041Expenses

Ocean freight	\$202,657.54	
Domestic freight	4,614.06	
Storage	2,159.69	
Handling	2,172.14	
Inspection, Weighing & Testing	19,124.97	
Marine Insurance	3,465.76	
War Risk Insurance	3,894.11	
Customs Brokers' Fees	36.78	
Miscellaneous	1,828.93	
USCC Commissions	<u>47,813.17</u>	<u>287,767.15</u>
Net Proceeds		\$1,302,311.85

P-5151BURMA LEAD EX JAPAN

<u>Vessel</u>	<u>Corroding</u>	<u>Common</u>	<u>Off Grade</u>	<u>Total</u>
<u>Mount Rogers</u>	9,028,611 Lbs	780,616 Lbs	120,201 Lbs (1)	9,929,428 Lbs
<u>Vanderbilt Victory</u>	1,260,929	120,257	168,293 (1)	1,549,479
<u>Aberdeen Victory</u>	2,228,776	240,278	-0-	2,469,054
<u>San Mateo Victory</u>	<u>4,680,987</u>	<u>60,045</u>	<u>-0-</u>	<u>4,741,032</u>
	17,199,303 Lbs	1,201,196 Lbs	288,494 Lbs	18,688,993 Lbs

(1) Paid for at 8.50¢

C  
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January 21, 1947

Mr. D. C. Schieck, President  
U. S. Commercial Company  
2081 Tempo "T" Building  
Washington, D. C.

Re: Inspection of Tin, Lead & Antimony  
Ex Japan  
Contracts - P-5149 - Antimony  
P-5150 - Tin  
P-5151 - Lead

Dear Mr. Schieck:

The distribution and the accounting for metal received ex Japan is being delayed as a result of a lack of understanding as to the type of report required by SCAP and various agencies of interested governments. After discussion with representatives of the Dutch and British Governments and our State Department and consideration of the physical problems involved, we recommend that the matter be handled as follows:

1. We will continue lotting as in the past by brands ex each vessel and any claims filed against SCAP by foreign agencies should be based on the average weight and analysis of the pigs within the respective lots. Banka tin will be subdivided into 25 long ton lots for analysis purposes and will be weighed in 5 long ton lots. All other tin which has not been weighed will be subdivided into 5-ton lots for analysis purposes and will be weighed in 5-ton lots. All lead will be segregated by brands and will be subdivided into 30 short ton lots for analysis purposes and will be weighed in 10 short ton lots.
2. With respect to Banka Tin, all interest parties will accept certificates made by Superintendence Company, or other recognized independent inspectors for the Netherlands Government. We will not recheck any lots inspected by Tuthill and Company, but we will be present at future inspections made by the Tuthill organization.
3. We will employ Superintendence Company, or other recognized



independent inspectors to check all remaining tin and lead and to prepare a tabulation, by lots indicating pertinent markings on individual pieces. In connection with material which has been weighed, it is understood that as the metal is moved from storage the markings will be obtained by a reliable checker to be selected by us. We propose to use Tin Sales Corporation to obtain the markings on tin stored in New York. Approximately 690 tons of "BM Refined" lead has been sold and no numerals will be obtainable on this particular portion of the lead.

4. It is our understanding with respect to the antimony that, excepting the 180 short tons which have been sold for your account for export to Canada and to the Netherlands, there will be no valid claims by other countries and therefore that no inspection of antimony will be required. We plan to handle this material only as may be required for our own purposes in connection with its storage and disposal. Weighing for USCC account.
5. The entire cost of inspection and weighing of the lead and the entire cost of inspection, weighing, sampling, assaying, storage and other handling charges in connection with the tin will be reimbursed to us by U. S. Commercial Company, and will be deducted by U. S. Commercial Company, together with other proper deductions, in its accounting with SCAP.

If the above is agreeable to U. S. Commercial Company, we would appreciate your indicating such agreement by signing the attached copy of this letter and returning it to us."

/s/ A. T. Hobson

Secretary

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June 24, 1947

U. S. Commercial Company  
Washington 25, D. C.

Attention: Mr. DeWitt C. Schieck, President

Re: Refined Lead  
MR P-5151

Gentlemen:

Reference is made to the captioned letter agreement, as amended, dated April 23, 1946, covering the purchase by this Corporation from you of approximately 17,000 metric tons of refined lead from Japan.

As you know, the captioned letter agreement was amended on November 14, 1946, by deleting subparagraphs "(a)" and "(b)" of the third paragraph thereof and substituting in lieu thereof the following:

"(a) For material containing a minimum of 99.73% lead, 8.5¢ per pound; and

"(b) For material not meeting the specification mentioned in subparagraph (a), the aforesaid price, less a penalty to be mutually agreed upon between us."

Please note that in the case of material containing less than 99.73% lead, a penalty to be mutually agreed upon is to be applied to the 8.5¢ per pound price. From the analysis available to date, three lots from the "MOUNT ROGERS" which arrived in U. S. Port July 16, 1946, have less than 99.73% lead.

	<u>Lot No. 591,899</u>	<u>Lot No. 591,898</u>	<u>Lot No. 592,444</u>
Weight	59,934 Lbs.	60,101 Lbs.	59,124 Lbs.
Lead	94,661%	95,101 %	96,634 %
Tin	4,310%	3,900 %	2,550 %

The above material, although low in lead content, has an appreciable amount of tin and should be sold for the lead and tin content. Therefore, this Corporation is willing that settlement for the

three lots be made on the basis of the full price of 8.5¢ per pound of lead content as provided in the captioned contract, as amended, plus 69¢ per pound for the tin content as provided for in the contract P-5259 dated February 18, 1947, between us covering certain purchases of tin from you.

If the foregoing is satisfactory to you, please indicate your confirmation and acceptance thereof by signing and returning the enclosed copy of this letter to us promptly.

Very truly yours,

MORRIS LEVINSON  
Executive Director  
Office of Metals Reserve

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November 14, 1946

U. S. Commercial Company  
Washington 25, D. C.

Attention: Mr. DeWitt C. Schieck, President

Re: Refined Lead  
MR P-5151

Gentlemen:

Reference is made to the captioned letter agreement, as amended, dated April 23, 1946, covering the purchase by this Corporation from you of approximately 17,000 metric tons of refined lead to be loaded aboard ocean vessel destined for the United States at Japanese port as promptly as possible, but in any event no later than December 31, 1946.

You have informed us that the schedule of prices as set forth therein is not in accord with the general pricing policy as to material originating in Japan and it will therefore be necessary to revise the aforesaid schedule of prices to conform with the above mentioned pricing policy.

We therefore suggest that the agreement be amended by deleting all of subparagraphs "(a)" and "(b)" of the third paragraph thereof and substituting in lieu thereof the following:

"(a) For material containing a minimum of 99.73% lead, 8.5¢ per pound; and

"(b) For material not meeting the specification mentioned in subparagraph (a), the aforesaid price, less a penalty to be mutually agreed upon between us."

All other terms and conditions of the captioned agreement, as amended, are to remain unchanged.

If the foregoing amendment is satisfactory, kindly indicate your confirmation on the enclosed copy of this letter and return it to this office.

Sincerely yours,

/s/ Jesse C. Johnson

Jesse C. Johnson  
Deputy Director  
Office of Metals Reserve

July 26, 1946

U. S. Commercial Company  
Washington 25, D. C.

Attention: Mr. DeWitt C. Schieck, President

Re: MR P-5151 (Lead)

Gentlemen:

Reference is made to the captioned letter agreement, dated April 23, 1946, covering the purchase by this Corporation from you of approximately 15,000 metric tons of refined lead, to be loaded aboard ocean vessel, destined for the United States, at Japanese port on or before June 30, 1946. Since not all of the lead was loaded aboard ocean vessel by June 30, 1946, it will be necessary to extend the aforesaid date, and accordingly, we propose that the agreement be amended by striking from the third and fourth lines of the second paragraph thereof the words and figures "on or before June 30, 1946" and substituting in lieu thereof the words and figures "as promptly as possible, but in any event no later than December 31, 1946."

All other terms and conditions of the captioned agreement are to remain unchanged.

If the foregoing amendment is satisfactory, kindly indicate your confirmation on the enclosed copy of this letter and return it to this office.

Sincerely yours,

MORRIS LEVINSON  
Executive Director  
Office of Metals Reserve

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September 6, 1946

U. S. Commercial Company  
Washington 25, D. C.

Attention: Mr. DeWitt C. Schieck, President

Re: Contract MR P-5151 (Lead)

Gentlemen:

Reference is made to the captioned letter agreement, as amended, dated April 23, 1946, covering the purchase by this Corporation from you of approximately 15,000 metric tons of refined lead.

We have been advised that 16,929 metric tons have been shipped and accordingly, it will be necessary to revise the captioned agreement to provide for this increase in tonnage. We therefore suggest that the agreement be amended by substituting for the figure "15,000" where it appears in the second line of the second paragraph thereof the figure "17,000."

All other terms and conditions of the captioned agreement, as amended, are to remain unchanged.

If the foregoing amendment is satisfactory, kindly indicate your confirmation on the enclosed copy of this letter and return it to this office.

Sincerely yours,

Morris Levinson  
Executive Director  
Office of Metals Reserve

May 2, 1946

Reconstruction Finance Corporation  
Office of Metals Reserve  
811 Vermont Avenue, N. W.  
Washington 25, D. C.

Attention: Mr. Morris Levinson,  
Executive Director

Re: Refined Lead  
MR P-5151

Gentlemen:

This will acknowledge receipt of your letter of April 23, 1946 in regard to our sale to you of refined lead from Japan. In accordance with your request we have accepted and return to you herewith the copy of the subject letter.

It is understood that our acceptance is conditioned upon the following:

1. That we shall be obligated to sell to you only such lead from Japan as we may have available for delivery to you.
2. That title and risk shall pass to you upon delivery on lighters or on dock.
3. That any additional expenses that may be incurred by reason of your election to have delivery made on lighters shall be for your account.
4. That the provision contained in your letter that delivery by made "at United States North Atlantic port not south of Baltimore, Maryland" shall be interpreted to be a statement of your preference with which we will attempt to comply. It is understood, however, that we assume no obligation if delivery is made at another port for reasons beyond our control.
5. That the provision that we shall arrange for shipment of material pursuant to your shipping instructions shall be

interpreted to mean that we will lend our best efforts so to do.

6. That you will promptly deliver to us copies in duplicate of certificates of weights and analysis.

We will appreciate your reply that the foregoing meets with your approval.

Sincerely yours,

/s/ DeWitt C. Schieck

DeWitt C. Schieck  
President



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April 23, 1946

U. S. Commercial Company  
Washington 25, D. C.

Attention: Mr. DeWitt C. Schieck  
President

Re: Refined Lead  
MR P-5151

Gentlemen:

You have advised this Corporation that there are available in Japan for shipment to the United States approximately 15,000 metric tons of refined lead.

Reconstruction Finance Corporation will purchase from you approximately 15,000 metric tons of refined lead to be loaded aboard ocean vessel destined for the United States at Japanese port on or before June 30, 1946, and to be delivered on lighters or landed on dock, at this Corporation's option, at United States North Atlantic port not south of Baltimore, Maryland as soon thereafter as possible, at the price hereinafter set forth. You shall arrange for the shipment of the material to the United States, pursuant to the shipping instructions of Reconstruction Finance Corporation, Office of Metals Reserve

We will pay you for such refined lead the following prices:

- (a) For material containing a minimum of 99.73% lead, 6.50¢ per pound less 0.15¢ per pound (representing the average freight cost for delivery of refined lead in the area normally supplied from New York); and
- (b) For material containing less than 99.73% lead, the price we are able to obtain in the resale of the material, less any expense incurred by us in such sale.

All Japanese taxes or charges (national, provincial or local) now or hereafter imposed in respect to the material purchased hereunder or to the production, extraction, sale, exportation, transportation proceeds or value thereof shall be for your account and be paid by you, it being intended that the material purchased hereunder shall be delivered to us as is hereinabove set forth, free of all such taxes or charges, United States import duty, if any, shall be for our account.

The said material shall be weighed and assayed by a certified public weighmaster and analyst to be selected by us, after its arrival in the United States, and these determinations shall govern in settlement, the cost of such weighing and assaying to be for our account. Payment shall be made to you within 20 days after receipt of your invoice, based on the certificates of analysis and weights to be furnished by us.

It will greatly assist us if your communications to us will identify our commitment number above recited.

Kindly indicate your confirmation and acceptance on the enclosed copy of this letter and return it to this office.

Sincerely yours,

Morris Levinson  
Executive Director  
Office of Metals Reserve

## WAR DEPARTMENT

WASHINGTON, D. C.

FEB 27 1946

Mr. Charles B. Henderson  
Chairman of the Board  
Reconstruction Finance Corporation  
Washington, D. C.

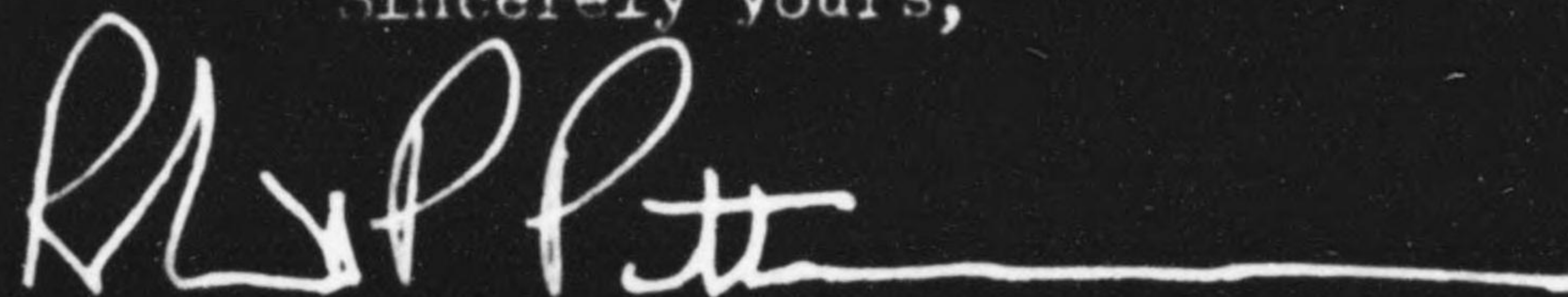
Dear Mr. Henderson:

This is in acknowledgment of your letter to me dated January 17, 1946, concerning the handling of exports from Japan to the United States by the U. S. Commercial Company.

The terms of the revised agreement are acceptable to the War Department, and a signed duplicate copy of your letter is attached hereto. In this regard it is the understanding of the War Department that this January 17, 1946 agreement will not be construed to make available to USCC any War Department appropriated funds to bear possible loss, cost, damage or expense incurred by USCC as a result of this agreement.

There is also attached a copy of a form of Transfer of Title and a form of Endorsement, which the War Department has transmitted to the Commander-in-Chief, U. S. Army Forces Pacific for his comment. It is understood these forms are acceptable to the USCC within the meaning of paragraph 2 of the attached agreement dated January 17, 1946.

Sincerely yours,



Secretary of War

- 2 Incls  
1 Agreement  
2 Transfer of Title

RECEIVED

OFFICE OF THE CHIEF  
R F C

Mar 1 1946 10 17 AM





## RECONSTRUCTION FINANCE CORPORATION

WASHINGTON 25, D. C.

51902

JAN 17 1946

Honorable Robert P. Patterson  
Secretary of War  
Washington, D. C.

Dear Mr. Patterson:

By letter dated December 5, 1945, I wrote you concerning the terms under which the U.S. Commercial Company (hereinafter referred to as USCC) would handle merchandise to be exported from Japan to the United States. Since that date there have been a number of conversations on the subject between representatives of the USCC and the War Department and, as a result, it has been determined to revise the terms set forth in my previous letter.

We now understand that the following terms are satisfactory to the War Department:

1. Prior to the delivery to USCC of any such merchandise, SCAP will cause the Japanese government to take all necessary steps to have title to the merchandise, free and clear of all claims and interests, vested in the Japanese government or an agency thereof.
2. At the time of delivery of the merchandise to USCC, SCAP will cause such title to be transferred by the Japanese government or agency to USCC. The indicia of such transfer of title will be a bill of sale or similar document in form satisfactory to USCC. Such document will set forth the fact that the Japanese government or agency has title to the merchandise therein described, free and clear of all claims and interests, and that it transfers such title to the USCC upon the understanding that USCC will dispose of the merchandise and account for the proceeds thereof in accordance with the direction of the War Department of the United States and will further set forth that the Japanese government or agency will in no event make any claim whatsoever against USCC in

OSR 100.703 Japan (1/17/46)

091.31 (17 Jan 46)



## RECONSTRUCTION FINANCE CORPORATION

WASHINGTON 25, D. C.

connection with such merchandise. Such document will, in the first place, be delivered by the Japanese government or agency to SCAP which will endorse thereon the fact that the property therein described is delivered to USCC for disposition pursuant to agreement between the War Department and USCC. After such endorsement SCAP will deliver the document to USCC.

3. Delivery of the merchandise to USCC shall take place upon issuance of on-board ocean bill of lading at port of embarkation and title shall pass to USCC upon delivery.

4. After delivery of the merchandise to USCC, it will arrange for the care and storage of the merchandise and will sell such merchandise in the United States in such manner as it deems to be to the best interests of all concerned. USCC will credit the War Department with the gross proceeds of all sales less all out-of-pocket expenses incurred and less a three percent charge on the gross receipts to cover administrative expenses. At the War Department's request, delivered in form satisfactory to USCC, USCC will pay such proceeds to the War Department or to its designee.

5. Only such merchandise as USCC shall approve for shipment to the United States shall be shipped. Prior to shipment of such merchandise SCAP will advise USCC directly or through the War Department all pertinent details relative to any merchandise available and approved for shipment to the United States and such merchandise shall be placed aboard a ship destined for such United States port as may be specified by USCC unless shipping conditions or military necessity directs otherwise. SCAP will take all reasonable steps to assure that requests of USCC regarding packing, routing and other normal details of shipping are carried out.

6. At the request of the War Department USCC will arrange for such insurance as shall be indicated by the War Department. Unless requested by the War Department, USCC will not carry insurance. In no event, however, shall USCC be responsible for any losses incurred nor shall it have any other financial obligations whatsoever save to account to the War Department for the gross proceeds received by USCC in connection with the merchandise less all out-of-pocket expenses and less its charge for administrative expenses as hereinabove set forth.

RECONSTRUCTION FINANCE CORPORATION  
- 3 -

WASHINGTON 25, D. C.

7. The War Department will make no claims against USOC and will take all steps within its authority to hold USOC harmless from all loss, cost, damage or expense incurred by USOC arising directly or indirectly under this agreement or under any contract or arrangement entered into with third persons pursuant to this agreement.

8. This agreement shall be subject to reexamination at any time and may be amended as changed circumstances may require.

9. Either USOC or the War Department shall have the right to terminate this agreement at any time on sixty (60) days written notice to the other.

10. This agreement is limited to exports from Japan to the United States and shall be in complete substitution of the agreement set forth in my letter to you dated December 5, 1945.

If the foregoing is acceptable to you will you please so signify by accepting and returning to us the enclosed duplicate copy of this letter.

With kind personal regards,

Sincerely yours,

(Signed) Charles B. Henderson

APPROVED as interpreted in paragraph two (2)  
of attached letter to Mr. Charles B. Henderson  
from the Secretary of War dated 27 Feb 1946

(Signed)

*Robert P. Patterson*

Secretary of War

3

Shipper's Invoice No. 0 - 6Dated: July 15th, 1946.**INVOICE**

of 29,126 pcs. (1,500,000 kgs.) of E S S. Lead Ingots delivered by The Beeki Cho (The Trade Board), for shipment on s/s "Warrior Bilt Victory" from port of Kobe to New York, N.Y., U.S.A. consigned to U.S. Commercial Co., 80 John St., New York, N.Y. covered by application to Deliver for Export SCAP Case No. EX 249-3 validated on 11th July 1946.

<u>Marks, Number and quantity</u>	<u>Manufacturer's Numbers</u>	<u>Weight in Metric tons</u>	<u>Full description of goods</u>
E. S. S. Lot No 172/231 29,126 pcs	E S. S	1 500 000 kgs.	Lead Ingots

The merchandise covered by this invoice has been properly marked, tested and inspected as required by the laws of the country of destination.

We certify that the above invoice is true and correct.

~~For Kansai Trade Office of The Trade Board  
Agency of the Imperial Japanese Government.~~

By: \_\_\_\_\_

*N. Sugimoto*  
N. SUGIMOTO,  
Director.



TRANSFER OF TITLE TO JAPANESE MERCHANDISE

For and in consideration of the undertaking of U.S. Commercial Company, an agency of the United States of America, to dispose of the merchandise hereinafter described pursuant to an agreement entered into between U.S. Commercial Company and the War Department of the United States of America, and in consideration of the benefits to be derived by the undersigned from the performance of the terms of said agreement, the undersigned transfers and delivers the said merchandise and all title and ownership therein to U.S. Commercial Company, free and clear of all claims and interests:

<u>Merchandise</u>	<u>Description of Marking</u>	<u>Quality</u>
Leaf Ingots	29 126 pcs 1,500,000 kgs. Lot No 172/231	E. S. S.

The undersigned warrants that it has sole and exclusive title and ownership to the merchandise above described and that there are no outstanding claims against or interests in said merchandise or any part thereof.

It is understood that U.S. Commercial Company will dispose of the above described merchandise and will account for the proceeds thereof in accordance with the direction of the War Department of the United States of America pursuant to the afore said agreement.

The undersigned agrees that it shall in no event make any claims or demand whatsoever against U.S. Commercial Company or any subsequent recipient of said merchandise in connection with said merchandise or any of the proceeds thereof.

Dated: July 15th, 1946.

For Kansai Trade Office of  
The Trade Board  
An Agency of the Imperial Japanese  
Government.

By: H. Sugimoto  
H. SUGIMOTO,  
Director.

ENDORSEMENT

The merchandise described in the above Transfer of Title is delivered to U.S. Commercial Company for disposition pursuant to agreement heretofore entered into between U.S. Commercial Company and the War Department of the United States of America.

Date: 30 July 1946

GENERAL HEADQUARTERS  
For the Supreme Commander for the Allied  
Powers

By: Lee R. Fleming  
LEE R. FLEMING  
Title: Chief, Foreign Trade Division



The undersigned hereby warrants and guarantees that it has a clear, unencumbered and absolute title to the merchandise described on the attached bill of sale and that there are no claims or interests of any kind or nature to or against the said merchandise and will hold harmless SCAP, United States War Department, U.S. Commercial Company, all foreign government agencies and all other persons who may acquire, attempt to acquire or claim to have an interest in the merchandise.

Five copies of this warranty and guarantee are signed, each to be considered an original.

FOR KANSAS TRADE OFFICE OF  
THE TRADE BOARD.  
Agency of the Imperial Japanese Government

Dated 15th July, 1946.

By

*N. Sugimoto*  
N. SUGIMOTO  
Director.



*copy  
+ Whitman**Lead  
B*

BRITISH EMBASSY,

WASHINGTON 8, D. C.

October 14, 1946.

Miss Marion Worthing,  
Civilian Production Administration,  
Washington, D.C.

Dear Miss Worthing:

You will recall our recent correspondence on the subject of the 15,000 tons of Japanese lead which have been shipped to the U.S.A., on which the U.K. have taken the position that such proportions of the 15,000 tons which are identifiable as U.K. lead should be on-shipped from the U.S.A. to the U.K.

Though we note the position which you have taken, we have been instructed by London to re-open the question. We agree that, in the original deal concerning German and Japanese lead, no reference was made to the question of ownership. We agree further that, under the terms of F.E.C. Paper O11/14 of August 5, 1946, any of the 15,000 tons which proves on inspection to be U.K. lead is only subject to compensation and not restitution, since the material has already left Japan.

On the other hand, the fact remains that, although the original agreement concerning German and Japanese lead was arrived at between the U.S.A. and U.K. with a view to the equitable distribution of supplies from these two sources, the U.S.A. (as matters now stand) will have obtained 15,000 tons from Japan whereas the U.K. will have obtained only 7,000 tons from Germany.

In view of the present U.K. lead position which (as you know) is serious to the point of desperation, we should be grateful if you could see your way to reconsidering the present allocation of Japanese lead to the U.S.A. at least insofar as the U.K. lead involved is concerned. How much of the 15,000 tons is U.K. lead we will not of course know until we have seen the results of the inspection, which I understand to be currently taking place in the U.S.A. and on which I have written you a separate letter.

Yours sincerely,

*J.A.L. Smart*  
J.A.L. Smart.

cc: Mr. Everson

*894. 6353/10-1446*

OCT 31 1946

In reply refer to  
JK

My dear Mr. Johnson:

In my letters of April 22, 1946 regarding tin, and June 26, 1946 regarding lead which the U.S. Commercial Company is bringing in from Japan I asked that the Office of Metals Reserve maintain a record of all identifying marks appearing on the cases or pigs of metal turned over to it.

I would now like to request that your office make available to this division a summary report showing the marks and tonnage by marks of the stocks of lead and tin which have arrived in the U.S. and been turned over to Metals Reserve as of September 30 or some other convenient date.

I also wish to take this opportunity to express our appreciation of your cooperation in this matter.

Sincerely yours,

DCR	Unit
Adm.	AP
Rev.	[Signature]
Cat.	[Signature]
Dist.	

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

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

JK:EMPaige:bc  
10/23/46

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A true copy of  
the signed origi-  
nal.

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OCT 31 1946

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894.6353/6-21

894.6353/10-3146

CS/V

894.6353/10-3146

APR 22 1946

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

JK:RHWhitman:aw

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OCT 31 1946

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DIVISION OF ECONOMIC PROPERTY  
POLICY

BRITISH EMBASSY  
WASHINGTON

OCT 28 1948

October 26, 1948.

DEPARTMENT OF STATE

NOV 16 1948

Dear Mr. Burr Smith,

Burmese lead from Japan

XR  
8450.6353

In our conversation yesterday you explained your view that the appropriate date to which to relate the price of the Burmese lead shipped to the USA from Japan was the date on which it was transferred to the US Economy, that is to say, the date on which the USCC, acting as agents for SCAP, contracted with the RFC to ship this material from Japan. You indicated that the date of that contract was on or about April 23, 1946 at which time the OPA ceiling price for lead was 6.5¢ per lb. f.o.b. New York, that SCAP had received or would receive (I am not quite clear on this point) credit for this lead, based upon that price, and that SCAP would reimburse HM Government on that basis as soon as the British authorities in Tokio presented a claim to SCAP for the amount received by SCAP for this material.

894.6353/10-2648

I suggested later that we might avoid some delay and correspondence if, when sending a note of your proposal for me to transmit to the Ministry of Supply, you were to answer in advance some of the questions or objections likely to be raised when the Ministry consider your proposal. After some further thought on this matter, it seems to me that it might be helpful to give you in writing some indication of what I suppose the Ministry's views to be, as follows.

Mr. R. Burr Smith,  
Chief, Reparation and Property Branch,  
Division of Economic Property Policy,  
Room 711, State Department Annex,  
21st and C Sts.,  
Washington, D.C.

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NOV 24 1948

CS 894.6353/10-2648  
FILED

- 2 -

In expressing the view that "the amount of compensation should be the ~~same~~<sup>sum</sup> which was received by the US Government ~~that~~<sup>when</sup> this lead was sold to domestic consumers, less charges ...", it has, I think, been assumed firstly that since our negotiations are on a government to government basis, we should regard the US Government as a whole and should not concern ourselves with the relationships between separate or associated agencies within the government; secondly, that it would be inappropriate for one government to, as it were, make a profit from its handling of a material owned by another government without passing on to the owners such profit (or indeed loss) as may be disclosed when a final accounting is made; thirdly, that since the owners of this lead - the British Government - have had to agree that it remain in the USA in spite of their wish to regain it physically, it has been the responsibility of the US Government to act as agents for the owners and in that capacity to make an accounting to the owners.

I am not sure to what extent I have correctly presented the Ministry's views but it seems to me that the assumptions described above underlie their view that compensation should be equated with the amount received by the US Government, less charges. Your proposal, as I understand it, is that compensation should be equated with the amount paid by the US Government to SCAP. In presenting <sup>your</sup> ~~their~~ proposal to the Ministry you may wish to show your recognition of the problem as it must appear to the Ministry.

Incidentally, is it true that about 1600 tons of Burmese lead was not put into consumption over the past two years but has been retained by the RFC? Is it also true that it is for SCAP to determine whether any part of this Burmese lead was not looted by the Japanese? The quantity of lead in Burma owned by HM Government and lost when Burma was overrun was in fact very much greater than the quantity shipped to the USA from Japan. The actual figures are doubtless available to SCAP.

Yours sincerely,

*C.B. Wilson*

C.B. WILSON

November <sup>16</sup> 1, 1948

894.6353/9-2948  
OFD TPE EUR

My dear Mr. Wilson:

Reference is made to your letter of October 26, 1948 in which you raised several points bearing on the Burmese lead removed from Japan.

It is true that approximately 1600 tons of this lead have not been put into consumption by the R.F.C. but have been allocated for stockpiling purposes.

It is my impression that the Supreme Commander will pay compensation for that quantity of Burmese lead which is proven to have been looted by the Japanese.

Sincerely yours,

R. Burr Smith  
Chief  
Reparation and Property Branch  
Division of Economic Property Policy

894,6353/10-2648

NOV 16 1948

DOE - EP Unit	
Anal.	<i>[Signature]</i>
Rev.	<i>[Signature]</i>
CR	<i>[Signature]</i>
NOV 15 1948 P.M.	

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

*[Signature]*  
OFD:EP:RWilliams:mck  
11/1/48

A true copy of  
the original origi-  
*[Signature]*

CS/A

894,6353/10-2648