

Clarence Randall and The Control of Sino-Japanese Trade

(クレランス・ランドールと日中貿易)

Sayuri Shimizu*

SUMMARY IN JAPANESE : アイゼンハワー政権において、経済外交政策立案に重要な役割をはたした外交経済政策委員会(Council on Foreign Economic Policy)の議長クレランス・ランドールについての研究は、まだほとんど存在しない。自由貿易主義者であるランドールは、世界貿易の拡大こそがアメリカの長期的利益になるという確固たる信念のもとに、東西貿易の統制解除による共産圏諸国との貿易の拡大を精力的に擁護した。日中貿易に関してもランドールは、当初は東西貿易の拡大という観点から統制解除を支持していたが、外交経済政策委員会の議長に就任したのちは、日米関係の改善という同盟政治の要請上、日中貿易への統制は解除されるべきだと主張するに至った。すなわち、1954年、ソ連・東欧圏に対する貿易統制の一部が緩和されて以来、中華人民共和国に対するより厳しい貿易統制は現実的效果も著しく低下したのみならず、西側同盟国間、特に日本と西欧の間に不公平感を生じるに至った。アイゼンハワー大統領やダレス國務長官は、早くからこの問題が西側同盟の結束に与える悪影響を懸念していたが、1956年にランドールが政策決定の中枢部分に参入すると、対中国貿易統制の緩和への動きは、一段と強まった。アイゼンハワー政権の日中貿易の統制緩和の裏にはもう一人の立役者が存在していたのである。

* 清水さゆり Lecturer of U. S. Diplomatic History, Toyo Eiwa Women's University, Yokohama

It is by now conventional knowledge that the Eisenhower revisionism of the past decade or so provided a useful corrective to the earliest literature on Dwight Eisenhower as President. The spate of revisionist works, for the most part, offered decidedly positive appraisals of Eisenhower's effectiveness as an initiator and advocate of public policy, both domestic and foreign. The new generation of works also emphasize the President's exercise of restraint in military and foreign policy-making and his capacity for balanced long-term strategic thinking and judicious use of the nation's resources for strategic objectives. While some of the interpretative overstatements of Eisenhower revisionism have recently been modified by what may be called Eisenhower post-revisionism, it appears that the major tenets of the revisionist interpretation are here to stay. Similarly, the appraisal of Eisenhower's Secretary of State John Foster Dulles has undergone a revisionist phase, with the result that historians have now come to view U.S. foreign policy during the Eisenhower years in all its complexity and ambiguity. Historians now widely accept the notion that both Eisenhower and Dulles, the President's most trusted foreign policy adviser, had a much more sophisticated view of the world than previously believed, and that these two most important figures in the administration worked closely in tandem.¹

By illuminating different aspects of U.S. foreign economic policy during the Eisenhower era, revisionist accounts also shed light on other administration officials who helped shape U.S. policy in the 1950s. There is, however, a conspicuous absence in the revisionist works of a major policy advocacy role played by Clarence B. Randall, the Special Consultant to the President on foreign economic policy. Aside from his activities as the chairman of the Commission on Foreign Economic Policy (Randall Commission) between 1953 and 1954, Randall hardly appears in most existing accounts of policy making within the Eisenhower administration, and the nature and extent of his influence in the making of U.S. foreign economic policy in the 1950s has received very little scholarly attention.²

Randall's public service had begun when he served as a steel consultant to the Economic Cooperation Administration. After participating in the planning and administration of the Marshall Plan, he became a

member of the Department of Commerce's Business Advisory Council in 1952. Randall publicly demonstrated his credentials as an advocate of freer trade in his numerous public pronouncements and writing between 1952 and 1954. As a staunch believer in freer trade, Randall, on various occasions, argued that expansion of trade, not the continued dispensation of U.S. aid, was the only viable way to restore America's important industrialized allies to economic self-support, which in turn would prove to be in the United States' own long-term strategic interests.³ In the summer of 1953, Randall was appointed to head the special study panel to review the existing U.S. foreign economic policy (Randall Commission), and was instrumental in getting a largely pro-free trade majority report issued by the commission. Randall then stayed on as the Special Consultant to the President on Foreign Economic Policy until he took over the chairmanship of the Council on Foreign Economic Policy (CFEP) from conservative Joseph Dodge in the summer of 1956. He proved himself to be a vigorous and effective bureaucratic in-fighter as CFEP chairman during the last four and a half years of the Eisenhower administration.⁴

As the Chairman of the Council, Randall consistently advocated the elimination of existing barriers to world trade, including trade between Western capitalist nations and the Sino-Soviet bloc. Randall's view on the importance of East-West trade was far ahead of that of most American officials at the time, but he saw eye to eye with Eisenhower on this issue. From early on, the President was forthright in expressing his view, both publicly and privately, that East-West trade would be a great asset to the United States when used as a diplomatic weapon designed to wean the Soviet satellites, including Communist China, away from Moscow. In 1954, he even argued before his cabinet members that "it is an absolute fallacy to say that no free nation can trade with any Red nation."⁵

As early as 1953, Randall was in complete agreement with Eisenhower, and the Special Consultant felt particularly strongly about allowing East-West trade between two key nations in the Far East: Japan and Communist China. Randall believed that the economic intimidation of Communist China in the form of trade controls was "not a logical and rational course of action for the U.S. government

to take, especially given its harmful effects on Japan.”⁶ Randall’s progressive view on East-West trade in general, and Sino-Japanese trade in particular, would be brought to the forefront of policy debates on the relaxation of the multilateral trade controls when he positioned himself close to the President and the Secretary of State after 1956. His advocacy played a major role in the administration’s acquiescence when Western Europe and Japan freed themselves in 1957 of a major portion of the trade restrictions against Communist China, commonly called the China differential. By 1957, Randall even outpaced Eisenhower on the relaxation of East-West trade. Mindful of a potential domestic backlash and some Far Eastern allies’ apprehension, Eisenhower had to caution Randall against too radical a change in the administration’s trade control policy.⁷ During the crucial years of 1956 and 1957, it took Randall, besides Eisenhower and Dulles, to spin the wheel of policy towards the significant breakthrough in U.S. export control policy.

By the time Randall came to the center stage of policy-making in 1956, Eisenhower and even Dulles had become convinced that East-West trade would probably have to be deregulated to a certain degree in order to keep the Western alliance from unravelling. Following the end of the armed conflict in Korea, the Eisenhower administration found itself under constant pressure from its industrial allies in Western Europe and Japan to relax the existing restrictions on trade with Communist states. In the midst of mounting pressures, Eisenhower repeatedly argued that the United States should accommodate the allies’ need to trade with the Communist bloc. He correctly understood that the fundamental question posed there could affect the Western alliance “over the next ten or fifteen years,” not just a short-term problem of intra-alliance squabbling over the definition of what was exportable and what was not. In the spring of 1954, using the example of the U.S. government’s treatment of Indonesia, Eisenhower succinctly raised that fundamental question. While Washington felt that it “should not buy the rubber and tin which formed the basis of the Indonesian economy,” Eisenhower pointed out, the Americans nevertheless insisted that Indonesia continue to act as an ally. That was “completely unreasonable,” and the administration needed to formulate “some kind

of a *modus vivendi*” with its allies in matters concerning East-West trade.⁸

In early 1954, Eisenhower’s strong initiative led to a decision to shift the administration’s general export control policy. The new principle was, however, still more of a shift in tactics than a major restructuring of strategy. In exchange for removing less strategic items from the international embargo lists as then requested by the British and the French, the United States was to try to tighten controls on fewer but more strategic items that were considered to contribute “more directly and significantly to the Soviet bloc’s military capabilities.”⁹

Feeling the rising tide of Western European pressure by early 1954, Dulles had also gradually come to realize that in terms of America’s relations with its European allies, the controls against the Communist nations might be causing the United States more harm than good. In February 1954, the Secretary of State declared that behind the Western European clamor was the Soviet Union’s effort to stir up a fantasy in the Atlantic alliance about the possible benefits of greater economic interaction with the Soviet bloc. According to Dulles, the Soviets “had dangled the bait and prospect of a greatly enhanced East-West trade before the British and the French,” and it undoubtedly represented the Soviets’ “effort to create disunity among us.” Tough negotiations at the Consultative Group meeting in early 1954 crystallized Dulles’ suspicion into conviction. He told a Republican senator opposing East-West trade that the United States now would probably “have to bend to some extent to keep all the dikes from bursting,” if for nothing else, as a measure of expediency. If the United States tried to “hold barriers just (as) high as they are, we may have a revolt among our allies.”¹⁰

Eisenhower and Dulles shared the concern that attraction for increased East-West trade would seep through the cracks of the Atlantic alliance, and they sought to prevent that contingency with the preemptive U.S. move to relax some restrictions. As a result of talks in Paris in the early summer of 1954, the members of the Coordinating Committee of the Consultative Group (COCOM) agreed that only 70 out of the 475 items under review would remain embargoed, as Washington regarded them as strategic. These changes, however,

applied only to the Soviet Union and its East European satellites. The UN embargo on trade with Communist China that had come into effect during the Korean War, and the China Committee (CHINCOM) controls remained intact. The cracking dike may have been patched up, at least temporarily, on the Atlantic side with the 1954 COCOM revision. This, however, ended up widening the gap between the levels of export controls against the European Communist nations and those applied against Communist China. This disparity, commonly referred to as the China differential, began to loom large as a potential problem affecting primarily the Pacific side of the dike. While the administration was considering the proposed COCOM revision, Dulles made the troublesome link between Atlantic and Pacific policies, and how a relaxation of East-West trade in Europe would inevitably have its effects felt on the Pacific alliance. If the United States opened up Western trade with European Communist States, Dulles observed, "We automatically opened it up with Communist China, since the Soviets would undoubtedly resell to China strategic materials which it had itself purchased from the free world countries."¹¹

The prophesy proved to be accurate. After the July 1954 COCOM revision, the Eisenhower administration found itself faced by a disgruntled Japan. Tokyo felt that it was placed at a disadvantage because the 1954 list review mainly benefited the Western Europeans whose primary interest was trade with European Communists rather than Asian Communist states. Now it was time for the Japanese to renew their call for what they wanted: relaxation of the CHINCOM restrictions.¹² When the administration debated whether the continued economic ostracism of Communist China would pay off, it had to come to terms with the growing problem with its Pacific ally, Japan. What kind of specific benefits would the United States and Japan gain from the maintenance of the harsher treatment of Communist China? Conversely, what would be the overall costs of maintaining the existing policy to the United States and this Asian ally? In 1953, with the military confrontation in the Far East yet to be solved, the difficulties inherent in the economic blockade of Communist China were still dormant. After the Korean armistice, they slowly came to the fore. Worse yet, as Ambassador John Allison observed to Dulles from

Tokyo, the increased disparity between the COCOM and the CHINCOM restrictions after the 1954 COCOM revision began to overshadow the support of Japan, whose dependence on the United States had thus far made it a reliable ally in the multilateral Consultative Group forum. State Department officials, including Dulles, even suspected that the Soviet Union might be surreptitiously encouraging the attempts by the Chinese Communist regime to trade with U.S. allies in defiance of the CHINCOM rules and to encourage hesitating Western nations to flout the well-known U.S. position on the issue. Needless to say, Japan was first on the list of "hesitating nations."¹³

One and obvious way to get around this new annoying problem was to give Japan preferential treatment in the CHINCOM controls.¹⁴ As Eisenhower pointed out to his cabinet members, the United States would have to decide how much to do "to help those free world countries which depend on trade such as Japan." The United States was not in a position to subsidize Japan's economy in order to save it from collapse. It made more sense to the President, then, to allow Japan gradually to increase its non-strategic trade with China.¹⁵ If the administration were to give special preference to Japan in the CHINCOM control issue, U.S. officials might expect two major benefits from such a course of action. If Sino-Japanese trade increased after the existing trade restrictions were removed or relaxed, the United States could then resolve two major strategic problems in the Far East at a single stroke. Increased Sino-Japanese trade might effectively help solve Japan's economic problems despite an anticipated drop in U.S. special expenditures in Japan. It might also generate China's dependence on Japan's consumer goods, as Eisenhower hoped, and contribute, albeit as a long-term prospect, to a gradual reorientation of the Communist state's external policy. Even if a removal or reduction of the restrictions on trade with Communist China failed to bring about a significant growth in Sino-Japanese trade, Washington could at least defuse pressure from Japan and eliminate this thorny issue in bilateral relations. Since Communist China simply did not represent in Eisenhower's eyes a nation ready to become a competitive international economic force with a solid industrial base, increased Sino-Japanese trade would, in all likelihood, result in the integration of the two

economies with industrial Japan on top.¹⁶

In April 1955, Eisenhower, insisting that a certain amount of trade in Japanese consumer goods with Communist China might help Japan along the path to economic self-support, ordered the Council on Foreign Economic Policy to study the validity of the view that "such trade between Japan and the Communist states is exclusively bad."¹⁷ Eisenhower ordered such a special study at this point for two reasons. First, Eisenhower was still reluctant to accept wholeheartedly bleak projections being made within his administration about a future growth in Sino-Japanese trade.¹⁸ Besides, if Japan's non-strategic trade with Communist China was not likely to increase on a significant scale in the absence of the CHINCOM controls, Eisenhower believed, then the Japanese should know that it was the Chinese Communists themselves, rather than a U.S.-inspired embargo network, that were responsible for the disappointing results. "The least the United States could do," the President reasoned, "was to make this fact perfectly plain to the Japanese and put the blame where it belonged."¹⁹

The new approach to the problems of Sino-Japanese trade control that was taking shape in Eisenhower's mind struck a sympathetic note with Dulles. His department, Dulles told the President, had done its best "to make it plain that the failure of Japan to achieve a market for its consumers goods in Communist China was primarily caused by Chinese Communist policy, not the American-imposed embargo." Eisenhower, however, was skeptical as to whether his administration had been successful in making this matter clear to the Japanese. He was aware that popular sentiment in Japan almost exclusively blamed the United States for restricting Japan's trade with Communist China, rather than blaming the Communist regime in Beijing for orienting its economic development in a way not conducive to consumer imports from Japan.²⁰

The Council on Foreign Economic Policy, a policy-making group established at the suggestion of the Randall Commission, was then chaired by Joseph Dodge. Formerly Consultant to the Secretary of State on Financial and Economic Problems relating to Japan, and Director of the Bureau of the Budget between 1953 and 1954, Dodge held a distinctly different view about the value of the China trade

controls. He had a keen sense of the innate disadvantage of nations under a free-enterprise system in the game of regulating and directing the nations' economic activities towards achieving specific national priorities and diplomatic objectives. The first CFEP chairman believed that Communist China, like any state-run economy, was not only unreliable as Japan's trade partner, but an extremely dangerous commercial opponent with which to flirt or bargain.²¹ Dodge's deep conviction about the futility or even danger of expecting any predictable and tangible benefits from trade relations with Communist nations projected itself into the CFEP's review of East-West trade that had begun in early 1955. The chief objective of the CFEP study was to assess the impact of the 1954 COCOM revision, including the growing allied pressures for a similar revision of the CHINCOM controls since mid-1954, and adjust U.S. policy accordingly.²²

This CFEP study had the effect of putting the clock of East-West trade decontrol on hold for nearly a year, if not setting it back. Dodge, as CFEP chairman, had a clear idea about how the administration in early 1955 should approach the whole question of East-West trade, and he advanced his view effectively while the CEEP revision was under way. He believed that the change in Soviet leadership in early February 1955, in which Nikita Khrushchev emerged on top of the Kremlin hierarchy, signified a decisive reorientation of the Soviet Union's basic economic policy. The new Soviet administration, judging from the nation's budget, was likely to place the development of a "heavy war-supporting industry" over the need for producing consumer goods available to its populace. The western world's export control policy, Dodge argued, had to be recalibrated to incorporate the effects of such a redirection of Soviet economic management. In his memorandum to Deputy CIA Director Robert Amory, Dodge observed that Soviet leaders would probably use imports from the West to shore up their neglected consumer goods industries, and divert domestic resources for the development of the military-heavy industry. The conclusion Dodge drew was that "any contribution through trade [with the West] to improved living standards, no matter what its nature, becomes a direct contribution to military power and the industrialization that supports it."²³ As a State Department official correctly

observed, Dodge even wanted to widen the multilateral coverage against Communist China precisely at a time when U.S. allies began to increase a drumbeat for a review of the CHINCOM list.²⁴

In March 1955, the CFEP steering committee issued an interim report which recommended that no substantial change be made in the existing export control policy in either the China differential or the COCOM list. The committee believed that the revision of COCOM rules introduced in July 1954 had sufficiently accommodated the principal objections and proposals of the U.S. allies. Now that the United States had done its part to adjust its position to relieve most of the intra-alliance frictions, the report concluded, the administration was relatively free of external pressures to consider a substantial change in its policy towards the multilateral controls.²⁵

This interim report represented a combination of wishful thinking and self-deception on the part of Dodge's CFEP on the issue of Western export controls. The CFEP review committee justified its do-nothing recommendations on the grounds that it was too soon for the United States to consider a change in the multilateral export control guidelines that had only recently been revised. The interim report also noted that the 1954 agreement only required the United States to participate in a multilateral study towards subsequent revision of the export controls and such an obligation, in and of itself, did not require the United States to take initiative in routinely considering specific decontrol possibilities.²⁶

The CFEP's self-deception about the acuteness of allied pressures, whether deliberate or uncontrived, was most evident on the question of the China differential. According to the report, though probably this respite was more temporary in nature, "the pressure for change [in the China differential] on the part of our allies likewise has lessened," and "our China Committee partners seem not disposed to contend with the known strong U.S. view on maintenance of China controls so long as the current circumstances of tension endure." The report went on to say that this alleviation of pressure was "true even of Japan, which for both economic and political reasons, has been recently the industrial country most likely to force a joining of issues on the relaxation of Communist China trade controls."²⁷

In July 1955, Dodge's CFEP adopted the recommendations which largely paralleled those made by the steering committee. In October, the CFEP also issued its final recommendations about guidelines for the U.S. delegation to the October Four Power Foreign Minister's Meeting. The study paper was illustrative of Dodge's conservative approach to the problem of East-West trade which basically went against the thinking of the President. First, the CFEP recommended that the issue of CHINCOM controls should not be even discussed or considered at the Four Power Meeting. As for controls over strategic trade with the European Soviet bloc, the CFEP recommended that any adjustment in the scope of the Western multilateral controls should be linked specifically to substantial Soviet concessions in security matters as well as in trade. Any adjustments in strategic trade controls should be "a matter for determination by the West unilaterally," and not something to be offered to the Soviet Union as basis for negotiations. In other words, the CFEP argued that, for the Soviet bloc, trade with the West was a privilege that had to be earned first, and then, and only then, the United States should make itself available for business talks. The Dodge CFEP was essentially advising the administration not to take initiative in expanding East-West trade.²⁸

Before submitting this final recommendation, Dodge further watered down whatever liberal trade elements the study paper had contained. The CFEP chairman requested that the council weaken the language of its recommendation concerning whether the United States "actively favors" the conduct of peaceful trade and other promotional activities with the Soviet bloc. Moreover, the CFEP was unable to reach consensus over whether the United States should accept bloc currencies for sale of U.S. surplus agricultural goods. As a result, the CFEP deleted any reference to local currency purchases. The CFEP's rather unimaginative position paper was forwarded to Dulles on October 17.²⁹

While the CFEP was carrying out its study on the faulty premise that pressure from U.S. allies, including Japan, had been temporarily brought under control, Dulles had a more realistic idea about the consequences of the 1954 COCOM revision. In August, he told visiting Japanese Foreign Minister Mamoru Shigemitsu that he understood

trade with Communist China was more of a psychological and domestic political issue for the Japanese than a purely economic problem. Japan never had significant trade with China proper independent of its military domination, Dulles observed to Shigemitsu, and even for Korea and Manchuria, it took Japan's political influence and military domination to establish substantial markets. Communist China's economic condition was such that it had very little to export to Japan anyway, and Tokyo would get nothing worthwhile except in return for highly strategic goods for which the Communists are willing to make a sacrifice in exchange.³⁰

What was keeping the administration, then, from modifying the list to conform to the European list was, Dulles continued, the question of timing. It was difficult for the United States to make such a politically-motivated change of policy unless the Chinese modified their action. The Secretary of State told Shigemitsu that Japan should continue to cooperate with the United States and it was, as Dulles claimed, in Japan's interest to do so. In a display of some flexibility, however, Dulles also observed to Shigemitsu that "sooner or later some revision of the export list is inevitable," but the United States had not yet allowed that to happen because "the time has not yet come."³¹ Dulles, however, knew that the 1954 COCOM revision opened Pandora's box. Since then, Japan had begun to demand both equality with America's European allies and an indication from Washington that the U.S. government understood Japan's special needs for trade with Communist China. Shigemitsu's visit to Washington in August 1955 provided an ideal opportunity for the Japanese government to make its case directly with Washington officials. Japanese officials in the Shigemitsu mission made amply clear to the State Department that if there was going to be any change in the level of European controls in the near future, Japan would have to insist upon some change in the China controls.³²

Dulles's own remark to Shigemitsu opened a crack in the Pacific trade dike. On October 5, 1955, Japanese Ambassador Sadao Iguchi pointed out to Assistant Secretary of State Walter Robertson that "U.S. officials" at their meeting with Shigemitsu on August 31 "indicated that they would review any items on the CHINCOM list." Clearly, the

Japanese took a cue from Dulles that the time had not yet come to reconsider the China differential, but the time was at least ripe for preparing themselves for such a reconsideration.³³ Although the Japanese ambassador agreed to Robertson not to rock the boat for the time being, Dulles knew that he had indeed opened the floodgate on his own volition. Feeling the weight of the ever increasing pressure from the British and the French, the Secretary of State observed to Robertson that the Europeans were “trying to pull the plugs on this [the CHINCOM controls],” and the United States must make an effort to convince them that “the time is bad.” Dulles was relieved that, at least, the Japanese had agreed with the U.S. about timing. He was aware that “What Japan is interested in would amount to little in their overall economy,” but at the same time, Japan’s willingness to go along with the United States in the face of European defiance was neither automatic nor unconditional any more. “We ought to give them what they want when we get something we want.”³⁴

Faced with the aggressive move from the European allies, Dulles knew that the United States had little choice in dealing with the Japanese. On December 8, he informed the NSC that the British had just served notice on the United States of their intention of bringing the CHINCOM controls to the same level as the COCOM restrictions. With such a unilateral action by the British, Dulles warned the NSC, “the whole system of multilateral controls established under the COCOM and CHINCOM committees would collapse.” In order to salvage something from the multilateral export control system, the United States would probably have to make some concessions to the British. If a change was going to have to be effected on the China differential, Dulles continued, “They had better be changed by the agreement of the free world nations as a whole rather than as a result of unilateral action by individual free world governments.” Eisenhower supported whole-heartedly the Secretary of State’s proposal, except that he preferred a more incremental and individual approach. The President said he hated to “see the whole CHINCOM list torn to bits,” and instead, he preferred to make requisite concessions 1 on an individual basis by agreeing to decontrol specific items rather than proceeding to decontrol the entire CHINCOM list.³⁵

At this crucial NSC meeting, the problems of Japan loomed large. In his effort to resist the prevailing opinion within the administration, Chairman of the Joint Chiefs of Staff Admiral Arthur Radford raised the question of how Japan should fit into the entire picture. The proposed course of action, Radford argued, "would end by placing Japan right under the control of Communist China, on which Japan would be dependent for coal and coke." Japan's dependence on the Communists, Radford continued, was bound to create "an entirely new situation. . . in the Far East." Dulles knew that the United States no longer had the luxury of using Sino-Japanese trade to suit its own strategic goals. "The pressure on the United States by Japan itself to reduce the CHINCOM list to the same level as the COCOM list," Dulles told Radford, "[is] of such a nature that we [would] not be able to induce the Japanese to maintain the existing level of controls on their trade with Communist China much longer." The President agreed. In his view, U.S. efforts to maintain current export controls towards Communist China had "reached the stage of being divisive vis-à-vis our allies," and the Secretary of State, as his administration's "Chief Salvage Official," should probably focus his attention on making the best deal possible with the British and other allies.³⁶

Before the year was over, Eisenhower and Dulles confirmed to each other what had long since crystallized in their thought: the administration would have to let the China differential go sooner or later, and preferably sooner. In his official admission of the United States' intention to yield to allied demands on the issue, Dulles informed Eisenhower that his mission as "Chief Salvage Official" had failed in his negotiation with the European allies at the Consultative Group meeting in Geneva. The failure on the European front had far-reaching ramifications on the Pacific side. Since "the Japanese had informed us previously that in the absence of an agreement between the United States and Japan concerning a list of items to be dropped from the controls, the Japanese would support whatever position emerged in the Consultative Groups promising the maximum reduction in the differential China controls." In his opinion there was only one way to salvage the sinking COCOM/CHINCOM system. "We must accept a graduated reduction in the China controls to a level which will gain mutual

agreement among countries participating in the Consultative Group," Dulles observed to the President.³⁷

If the two highest-ranking foreign policy makers had agreed by the end of 1955 to accept the inevitable, a changeover of administration officials added a significant impetus to the momentum towards the inevitable. In July 1956, Dodge left the Council on Foreign Economic Policy. An ardent believer in freer international trade including East-West trade, Clarence Randall took over Dodge's position, and the new CFEP chairman joined Eisenhower and Dulles in pushing the administration towards the preferred goal. Upon assuming the CFEP chairmanship, Randall was briefed by the CFEP steering committee which was engaged in a new round of study about the China trade question. The new chairman was informed that the Eisenhower administration was becoming trapped in a serious dilemma. While the major allies, especially Great Britain and Japan, were stepping up demands for relaxing the existing export controls, the administration was under domestic pressure in the election year for the retention and tightening of the embargo system, "as evidenced by critical attention to this subject by Congress, notably as a result of the McClellan Committee hearings, to the 1954 revision of the COCOM controls." Furthermore, the United States had attached "positive importance on political and psychological grounds to the maintenance of the maximum possible multilateral and unilateral controls towards Communist China." The collapse of the multilateral export control system would inevitably involve a zero-sum game between America's loss of prestige and an enhancement of Communist China's. Chairman of the CFEP steering committee Thorsten Kalijarvi informed Randall that the dilemma the administration faced created a no-win situation: "If we do not acquiesce in some substantial relaxation of the control system, we may jeopardize the entire multilateral control system," but "If we do acquiesce in any substantial relaxation, such action may give rise to opposition in this country, particularly in Congress." As for Japan, Randall learned that the NSC decision in early 1956 to offer a list of some 81 items to be subject to a liberal exceptions policy, as a part of a negotiating package, had proved to be generally unacceptable to the Japanese.³⁸

On August 7, Dulles also briefed Randall on the State Department's view of the current status of the administration's policy with respect to the China trade control problem and requested the CFEP's prompt consideration of the department's proposals. In short, Randall, as the new CFEP chairman, confronted the overwhelming evidence that the United States was losing control over Western economic policies dealing with the Sino-Soviet bloc. A report on the CHINCOM controls written by a State Department official stated that the current U.S. policy of offering CG members U.S. non-objection of CHINCOM exceptions procedure as a bargaining chip was simply not working. The British had rejected the proposal for embargo of copper wire and had found the list of 81 items unacceptable as a *quid pro quo* for pledging to limit their use of exceptions procedures as desired by the United States. The Japanese had no problem with an embargo of copper wire but had suggested the addition of 19 items to the list of 81. In view of the positions taken by these two most vocal dissenters, the State Department report said that "it has seemed impractical to approach other participating countries in the same terms." The best way to proceed, the State Department official recommended, was to "seek settlement with the Japanese on the basis of adding to the original U.S. list of 81 items as many as necessary of the 19 additional items they had requested." The United States, in return, should request a Japanese pledge to support Washington's efforts to gain acceptance of this list by other CG participating countries.³⁹

In mid-August, the CFEP adopted the State Department recommendation despite dissent from the Commerce and Treasury departments. Randall lost no time in forwarding the package with a CFEP seal of approval to the NSC.⁴⁰ Three weeks after Randall took over the CFEP chairman, he requested the CFEP's sub-organ, the Economic Defense Advisory Committee to review the existing economic defense policy and submit biweekly progress reports.⁴¹ Randall vigorously took the initiative in moving the administration's policy-making toward greater accommodation of the allies' economic interests. Although the NSC was scheduled to consider the CFEP recommendation on August 30, Randall discussed the proposal directly with Eisenhower on August 17 without waiting for the scheduled NSC meeting.

Randall chose to by-pass the usual channel of policy-making because he sought to obtain a presidential approval of the CFEP's interim policy prior to the CHINCOM meeting scheduled for August 27. He anticipated that the British government would again request abandonment of the entire China differential at the forthcoming CHINCOM meeting, and that other participating countries would probably follow the British lead. Randall informed the President that Dulles hoped to delay multilateral discussion on the removal of the China differential by offering the allies a more flexible U.S. position. The United States would then have time to formulate its new comprehensive economic defense policy on East-West trade by the end of November. He strongly urged the President to approve the conciliatory approach proposed by the State Department/CFEP recommendation. Eisenhower complied with Randall's request with alacrity.⁴²

According to the new directive from the President, the State Department embargoed on discussions with the Japanese Embassy on August 20 on a specific list of items that was to receive liberal exceptions treatment. However, the American Embassy in Tokyo was informed by the Japanese government that even the more conciliatory U.S. position was not acceptable to Japan. Tokyo's diminishing willingness to cooperate with the United States on the China differential issue was apparently caused by European actions. In late July, the British government licensed shipments to Communist China of heavy tractors and Land Rovers over U.S. objections and in defiance of the informal CHINCOM "unanimity rule." Under this informal comity, the participating countries had refrained from making exceptions-procedure shipments to Communist China which one or more of the member nations had opposed. After the British flouted the rule, Germany and Italy began to use the British cases as precedents for similar action. Japan's perennial request to the United States regarding the CHINCOM controls issue was that Washington ensure that Japan would not be put at a disadvantage as a result of its faithful cooperation with the Americans. These signs of vitiating U.S. control over the multilateral embargo system naturally prompted the Japanese to act as a Japanese official had announced to the State Department in April 1956: Japan would settle for nothing less than what the Europeans were getting

away with.⁴³

While this new assertiveness on the part of the Japanese undoubtedly complicated the administration's plans for multilateral negotiations with the Western Europeans, to Randall, it represented a more manageable aspect of the China trade problem. While the EDAC study he had requested was still under way, Randall saw overwhelming evidence that the situation was rapidly deteriorating with regard to the Western European allies' challenge to the CHINCOM controls. CFEF Executive Secretary Paul Cullen reported to Randall in late 1956 that the administration's opposition to the British and French in the Suez crisis would most likely harden these European allies' attitudes towards the CHINCOM controls. Worse yet, it was no longer only Great Britain that was causing trouble; even West Germany had begun to defy the multilateral rules. When its lack of restraint in using exceptions procedures was pointed out, Bonn responded that the United States had failed to call a CG meeting, and consequently, West Germany could not comply with the U.S. call for restraint in use of exceptions procedures. By late 1956, the United States, in Cullen's words was, "virtually standing alone on the CHINCOM controls." With so many European allies openly taking advantage of the loopholes in the multilateral embargo system, the whole institution threatened to become a diplomatic farce. Japan would probably not restrain itself much longer.⁴⁴

It was at this critical juncture that Randall visited the Far East. In December 1956, Randall visited Japan as part of his fact-finding mission for the purpose of overhauling the administration's foreign economic policy towards the Far East. During his stay in Japan, he was profoundly impressed with the degree to which the problem of Japan's trade with Communist China was intertwined with Japan's growing skepticism about the value of its cooperation with the United States. The connection between the two issues had long since been pointed out by various in-house experts on Japan, including Ambassador Allison, and Randall had a clear understanding of the twin problem prior to his Asian trip.⁴⁵ While he was in Tokyo, Randall received a similar opinion advanced by the U.S. Embassy's economic counselor, Frank Waring. The counselor unequivocally identified the

problem of Sino-Japanese trade as “an important political issue,” rather than an economic issue, in Japan. Waring reported to Randall that “The expansion of such trade is supported by the Socialist members of the Diet and a number of Conservatives, as well as leaders in medium and small size business who recall with nostalgia profitable prewar trade.” Many Japanese believe that the Chinese differential served to leave only Japan excluded from gradually expanding East-West trade. Exports of CHINCOM-embargoed items to Communist China by way of trans-shipment through the European Soviet bloc in the last three years amounted to \$170 million, but “Japan is prevented from supplying through the front door what its principal [Western European] competitors are able to supply through the back door,” Waring observed. Japan was essentially demanding equal treatment with its European competitors, and by appearing to oppose such reasonable Japanese proposals, the United States was not endearing itself to this important Pacific ally.⁴⁶

Randall was obviously persuaded by the expert opinion in Tokyo, and he adopted Waring’s assessment and proposals in his final report on the Far Eastern trip, by quoting almost verbatim from the Waring report. After the trip, there was no doubt in Randall’s mind that “trade with Communist China has become an important political issue,” and the widespread resentment in Japan regarding this problem was becoming a political irritant in bilateral relations rather than an economic issue.⁴⁷ By clinging to the increasingly ineffectual device of economic quarantine of Communist China, the United States was hurting itself, rather than its enemy. The growing trans-shipment to Communist China since the 1954 COCOM revision demonstrated that the economic blockade of the Sino-Soviet bloc over the past half-decade had resulted in the consolidation of a Communist bloc economy that could withstand the weight of Western economic warfare.⁴⁸

The EDAC, a composite group of various agencies concerned with the CHINCOM question, however, was still loath to take a bold step in its policy review requested by Randall. While Randall was away on his Asian trip, Chairman of the EDAC Admiral Walter Delany circulated a memorandum proposing that the committee prepare for bilateral discussions with Consultative Group member governments

“with the objective of an overall tightening of multilateral controls.” The United States would offer participation in an early CG meeting if necessary to achieve this objective. When Randall returned from his trip in early January and learned in which direction the EDAC review had been being steered during his absence from Washington, he went after the EDAC with a vengeance. On January 4, Randall sent an exhortatory memorandum to the EDAC Chairman and admonished him for misdirecting the review. The CFEP Chairman reminded Delany that the current EDAC discussions “had for their purpose the re-examination of the question of whether or not the China differential should be reduced, or even perhaps eliminated.” Randall went on to put Delany on notice that he was extremely disturbed at the action taken by the EDAC because “the President has made it quite clear to me, and to members of the National Security Council, that he believes that controls over trade with the Communist countries should be somewhat liberalized rather than tightened.” Randall stressed that it was most urgent, therefore, that “the EDAC proceed promptly to consider the formulation of an over-all economic defense policy, pursuant to the request made earlier by CFEP.”⁴⁹

Randall's admonition bore fruit when the EDAC submitted to his council a proposed new economic defense policy that, for the first time, reflected a significant reorientation of U.S. CHINCOM control policy. The EDAC package maintained that the United States should continue to exercise unilateral export controls because they would still have a significant dampening effect on the growth of the military-industrial base of the Sino-Soviet bloc. But the EDAC openly acknowledged that “the problems posed for our allies by trade controls should be given appropriate weight in determining the controls which the U.S. should advocate that the free world exercise in its economic relations with the Sino-Soviet bloc.” Most significantly, the new EDAC recommendation stated that “at such time as it is judged to be in U.S. interest to do so, the controls toward Communist China should be revised.” The markedly more progressive and liberal EDAC recommendation was forwarded to the CFEP in January 1957.⁵⁰ Although Eisenhower had been proposing such a revision since the first year of his administration, it was nevertheless a major personal victory for Randall as well.

“At long last,” Randall delighted, the CFEP “took action with respect to the tortured question of trade with Communist China:” “I am happy to say,” Randall told Alfred Toner, special assistant to the Staff Secretary, that “I secured consensus in favor of liberalizing or reducing the differential as between the controls exercised toward Russia and those exercised toward China.”⁵¹

The new economic defense policy proposed by Randall’s CFEP was approved as a new NSC policy statement with only minor verbal changes. At an NSC meeting on March 6, 1957, Randall presented his council’s proposed policy and urged the NSC to approve a “substantial liberalization of existing controls on the trade of the Free World with Communist China.” He stated that three reasons had induced the CFEP to recommend this major policy change. The first was “the current extreme tension between the United States and its European allies with respect to this issue and the advanced deterioration in the existing multilateral control structure.” Unless the United States was prepared to move in the direction of liberalizing controls against Communist China, Randall warned, “The whole multilateral control structure might collapse.” The second reason was especially related to the situation in Japan. Randall pointed out that a prime objective of the U.S. government was to see that “Japan’s economic strength and stability increase.” However, Japan bitterly resented the extra controls imposed on its trade with Communist China because of the differential. The third reason for the need for liberalizing controls on China trade was “the general policy of the Eisenhower Administration to reduce barriers all around the world,” Randall added.⁵²

While Eisenhower and Dulles had already concluded that the administration had no choice but eventually to phase out the China differential, Randall undoubtedly introduced an effective new voice which endorsed the two officials’ more liberal approach to trade with Communist China. On this point, Randall was even a step ahead of Eisenhower. While he agreed wholeheartedly with Randall’s proposals, the President admitted that he was “much puzzled as to what we [are] going to say about this remarkable change in our policy on trade controls, both to our own Congress and to our Far Eastern allies.”⁵³ As Eisenhower admitted with a measure of trepidation, the

CFEP proposal, adopted as NSC 5407, was indeed a significant change in U.S. policy towards trade with Communist China — so significant that the administration officials were not sure how best to package and present them to avoid a severe backlash at home and confusion of allies in the Far East.

On March 13, Minister Shigenobu Shima of the Japanese Embassy handed a State Department economic official a note that responded to Eisenhower's proposal made in early January. The proposal had represented the United States' desperate attempt to call on its allies to cooperate in maintaining the sanctity of the multilateral embargo system. In exchange for its participation in a CG meeting, the United States called on its allies to refrain from using CHINCOM exceptions procedures beyond reasonable limits. The Japanese government responded that it would continue to seek a relaxation of the CHINCOM controls, especially abandonment of the China differential. The indication was that although Japan was open to the idea of multilateral discussions on the subject, it indicated that if Washington failed to bring Western Europe back into the fold on the China differential issue, Japan was ready to desert the Americans and join the Europeans.⁵⁴

Randall was extremely sympathetic to Japan's growing irritation. He noted to Under Secretary of State Christian Herter that all Japan asked with regard to the China differential was to "be put on a basis of equality with West Germany, her principal world competitor for many types of manufactured goods." Presently, West Germany was shipping products into China by trans-shipment through Eastern Europe and the Soviet Union, while Japan was not permitted to ship the same goods directly. To Randall, "This is a very hard thing to explain to them."⁵⁵

On May 27, the British announced at the CHINCOM meeting that they had decided to act unilaterally and abolish the China differential. Two days later, British Prime Minister Harold Macmillan made that announcement before the Parliament. Randall saw the train of events as the death knell of the China differential, as he expected other CHINCOM countries to follow the British lead.⁵⁶ On July 16, Japan announced that, effective July 30, it would, after all, follow the British and apply the lower COCOM level of strategic trade controls to

its trade with Communist China.⁵⁷ Japan's policy of pursuing more trade with Communist China while cooperating with the United States on diplomatic questions concerning the communist state made perfect sense to Randall. He took his position a step further and even called for a reconsideration of the United States' own total embargo against Communist China in the aftermath of the China differential denouement. To this proposal, however, Dulles objected. "If the world consisted just of the United States and the USSR, and the United States alone had to deal with the USSR," the Secretary argued before the NSC, he would "find himself in agreement with Mr. Randall's personal views." This was not the case, however, and Dulles believed that the United States had to maintain its lone economic boycott of Communist China. The diplomatic repercussions of doing otherwise would probably be severe among the non-Communist allies in Asia.⁵⁸

Prior to the British unilateral action in early 1957, Dulles had reported to Eisenhower that "from the standpoing [sic] of our Congressional relations and probably from the standpoint of our relations with such anti-Communist allies as Korea, Formosa, Vietnam, Thailand and the Philippines, we would be better to let the British, Japan, etc., 'go it alone'."⁵⁹ Letting the important Western allies "go it alone" on the China trade question was a policy that Eisenhower and Dulles had long advocated as a way to patch up the unravelling alliance. The administration's policy towards Sino-Japanese trade during the crucial 1956-1957 years was clearly motivated by this school of alliance management, and Randall's effective policy advocacy as the CFEP chairman made him one of the most important architects of U.S. policy towards Sino-Japanese trade in the 1950s.

Notes

- 1 For Eisenhower "post-revisionism," see Burton Kaufman, *Trade and Aid* (Baltimore: The Johns Hopkins University Press, 1982); Stephen Rabe, *Eisenhower and Latin America* (Chapel Hill: University of North Carolina Press, 1988); Thomas Soaps, "A Cold Warrior Seeks Peace: Eisenhower's Strategy for Nuclear Disarmament," *Diplomatic History*, Vol. 4 (Winter 1980), pp. 57-71. For the most recent evaluation and

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- reevaluation of Dulles, see Richard Immerman (ed.), *John Foster Dulles and the Diplomacy of the Cold War* (Princeton: Princeton University Press, 1990); Robert Divine, "John Foster Dulles: What You See Is What You Get," *Diplomatic History*, Vol.15 (Spring 1991), pp. 277-285.
- 2 For the role of Clarence Randall in the Randall Commission, see Kaufman, *op. cit.*, pp.19-34,77-78,191-192. For Randall's role in the deliberations on U.S. export control policy by the Council of Foreign Economic Policy, see Philip Funigiello, *American-Soviet Trade in the Cold War* (Chapel Hill: University of North Carolina Press, 1988).
 - 3 See for example, Clarence Randall, *A Creed for Free Enterprise* (Boston: Little, Brown & Co., 1952); *Freedom's Faith* (Boston: Little, Brown & Co., 1953); *A Foreign Economic Policy for the United States* (Chicago: University of Chicago Press, 1954).
 - 4 Kaufman, *op. cit.*, p.19; see also relevant parts in the Journals of Clarence B. Randall on Foreign Economic Policy (hereafter cited as Randall Journals), Seeley Mudd Manuscript Library, Princeton University, New Jersey.
 - 5 James Hagerty's Diary Entry, August 6,1954, James Hagerty Papers, Diary Series, Box 1, Dwight D. Eisenhower Library (hereafter cited as DDEL), Abilene, Kansas.
 - 6 Journal Entry, November 20, 1953, Randall Journals, Box 2.
 - 7 Memorandum of Discussion at the 315th NSC Meeting, March 6, 1957, Papers of Dwight Eisenhower (Ann Whitman File, hereafter AWF), NSC Series, Box 8, DDEL.
 - 8 Memorandum of Discussion at the 188th NSC Meeting, March 11, 1954, AWF, NSC Series, Box 5.
 - 9 Memorandum of the 197th NSC Meeting, May 3, 1954, AWF, NSC Series, Box 5.
 - 10 Telephone Conversation between Dulles and Alexander Smith, April 9, 1954, John Foster Dulles Papers (hereafter JFD), Telephone Calls Series, Box 2, DDEL.
 - 11 Memorandum of Discussion at the 188th NSC Meeting, March 11, 1954, AWF, NSC Series, Box 5.
 - 12 Memorandum of Discussion at the 216th NSC Meeting, October 7, 1954, AWF, NSC Series, Box 6; Memorandum from Douglas Henderson to Ben Thibodeaux, "China Trade Controls," November 2, 1956, Records of the Office of Chinese Affairs, 1954-56 (hereafter OCA), Department of State Lot File, National Archives, Washington D.C. (hereafter DOSLF), 60D171, Box 7; U.S. Position Paper for the Yoshida Visit, "Strategic Trade Controls," October 27, 1954, *ibid.*
 - 13 Telephone Conversation with Allison, November 2, 1954, JFD/DDEL, Telephone Calls Series, Box 3; Guy Hope to Walter McConaughy, February 9, 1955, OCA/54-56, DOSLF, 60D171.
 - 14 Memorandum from Thorsten Kalijarvi to the Acting Secretary, March 8, 1954,

- Records of the Bureau of Far Eastern Affairs (hereafter BFEA), DOSLF, 55D480, Box 2; Memorandum of Discussion at the 226th NSC Meeting, December 1, 1954, AWF, NSC Series, Box 6.
- 15 *ibid.*
- 16 Discussion of the 235th NSC Meeting, February 3, 1955, AWF, NSC Series, Box 6.
- 17 Memorandum of Discussion at the 244th NSC Meeting, April 7, 1955, AWF, NSC Series.
- 18 *ibid.*; for pessimistic views on the future of Sino-Japanese trade, see Memorandum from Drumright to Counselor at the British Embassy (Watson,), May 7, 1954, BFEA, Box 2, DOSLF, 55D480; Memorandum by Sherman Kent of the Board of National Estimates to the Director of Central Intelligence, *Foreign Relations of the United States* (hereafter *FRUS*): 1952-54, XIV, pp.1808-1811; "The Report on The Chinese Five-Year Plan," January 1955, OCA/54-56, Box 2, DOSLF, 60D171.
- 19 Memorandum of Discussion at the 244th NSC Meeting.
- 20 *ibid.*
- 21 *ibid.*
- 22 Minutes of the 3rd, 4th, and 5th CFEP Meetings, January 11, 21, 25, 1955; Memorandum from Paul Cullen to CFEP, March 23, 1955; "Review of Economic Defense Policy and Program," January 20, 1955, Records of the Council on Foreign Economic Policy (hereafter CFEP), Policy Papers Series (hereafter PPS), Box 1, DDEL; From the Chairman of the Steering Committee, Task Force on Economic Defense Policy to CFEP, March 23, 1955, CFEP/PPS, Box 1; Sinclair Weeks and Harold Stassen to Dodge, "Review of Economic Defense Policy and Program-Summary," January 20, 1950, CFEP/PPS, Box 1.
- 23 Memorandum from Dodge to Robert Amory, February 2, 1955, CFEP/PPS, Box 1.
- 24 Memorandum from Hope to Baldwin, February 21, 1955, OCA/54-56, Box 2, DOSLF, 60D171.
- 25 "Interim Report on Review of Economic Defense Policy," March 23, 1955, CFEP/PPS, Box 1.
- 26 *ibid.*, pp.3-4.
- 27 *ibid.*
- 28 Minutes of the 15th CFEP Meeting, April 5, 1955; Thorsten Kalijarvi to CFEP, July 8, 1955; Paul Cullen to CFEP, July 13, 1955; Cullen to Dodge, July 18, 1955; Minutes of the 25th CFEP Meeting, July 26, 1955, CFEP/PPS, Box 2; "Recommendation Concerning U.S. Position on Trade Aspects of Agenda Item on East-West Contacts for Discussion at Forthcoming Four Power Foreign Ministers' Meeting," October 4, 1955, CFEP/PPS, Box 11.
- 29 Cullen to CFEP, October 6, 1955; Minutes of the 28th CFEP Meeting, October 11, 1955; Kalijarvi to CFEP Chairman, October 17, Gabriel Hauge to Dulles, October

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- 30 Memorandum of Conversation between Dulles and Shigemitsu, August 30, 1955, Department of Decim 1 File, National Archives (hereafter DOSDF), 033.9411/8-3155.
- 31 *ibid.*
- 32 Memorandum of Conversation, Morio Yukawa of the Ministry of Foreign Affairs, Shigenobu Shima and Samuel Waugh, Howard Jones and Noel Hemmendinger, August 31, 1955. BFEA/Conferences, Box 1, DOSLF, 55D480.
- 33 Memorandum of Conversation, Sadao Iguchi and Walter Robertson, October 5, 1955. BFEA/Conferences, Box 1, DOSLF, 55 D 480.
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- 35 Memorandum of the 269th NSC Meeting, December 8, 1955, AWF, NSC Series, Box 7.
- 36 *ibid.*
- 37 Memorandum from the Secretary of State to the President, December 12, 1955, White House Office, White House Central Files, Confidential File (hereafter CF/CF), Box 85, DDEL.
- 38 Memorandum from the Chairman of the CFEP Steering Committee to the Chairman of the Council, July 18, 1956, CFEP/PPS, Box 1.
- 39 Memorandum for Randall from Dulles, August 7, 1956; Memorandum for Randall from Herbert Prochnow, attached to *ibid.*, CFEP/PPS, Box 1.
- 40 Memorandum from Cullen to Randall, August 14, 1956; Minutes of the 46th CFEP Meeting, August 14, 1956; Memorandum from Randall to Lay, August 16, 1956, CFEP/PPS, Box 1.
- 41 Memorandum from Cullen to CFEP, September 14, 1956, CFEP/PPS, Box 1.
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- 48 "Controls on Trade with Communist China," National Intelligence Estimate, NIE 100-55, January 11, 1955, *FRUS: 1955-57, X*, pp.205-213; "Political Effects of a Relaxation of Controls on Trade with Communist China," Special National Intelligence Estimate, SNIE 100-56, January 17, 1956, *ibid.*, pp.290-298.
- 49 Memorandum from the Chairman of the Council on Foreign Economic Policy (Randall) to the Chairman of the Economic Defense Advisory Committee (Delany), January 4, 1957, CFEP/PPS, Box 9; for Randall's view, see also, Journal Entry, October 3, 1956, Randall Journals, Box 3.
- 50 Memorandum from EDAC Chairman to CFEP Chairman, January 29, 1957, CFEP/PPS, Box 1; Memorandum from Cullen to CFEP, January 31, 1957, *ibid.*
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- 52 Memorandum of Discussion at the 315th NSC Meeting, March 6, 1957, AWF, NSC Series, Box 8.
- 53 *ibid.*
- 54 Memorandum of Conversation between Minister Shima and Jones, March 1957, DOSDF, 493.009/3-1357.
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