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CONFIDENTIAL

(Working document)

U. S. GRAIN EXPORTS - 1947-48

The attached table is intended to show in approximate terms the distribution of United States exports of grain on the basis of a total U. S. export availability of 12,000,000 tons and alternatively of 14,000,000 tons. Shipments to Germany are placed at 3,800,000 tons (3,600,000 tons product weight) from the United States, 100,000 from the Soviet Zone of Germany, and 300,000 from Argentina. This makes a total of 4,200,000 tons as compared with 3,500,000 which is taken to represent the minimum requirement to maintain a 1550-calorie ration. This last figure is in line with an analysis presented by representatives of the U. S. War Department to the IEFC Cereals Executive Committee on September 5. At that meeting it was stated that the Bizone could maintain the 1550-calorie level and stocks covering five weeks' consumption by import of 3,340,000 tons bread grain flour equivalent, provided that appropriations would permit import of 400,000 tons flour equivalent in other food commodities. It is also assumed in this study that there will be sent to Japan and Korea 120,000 tons from the Argentine and 100,000 from other sources in the East in addition to the indicated programs from the U. S.

A 14,000,000 ton program from the U. S. would leave a deficit of 3,000,000 tons if current rations are to be maintained. The deficit would, of course, be 5,000,000 tons if the U. S. ships only 12,000,000 tons. The deficit for the twelve Marshall Plan countries on the European Continent totals 2,000,000 tons under this latter assumption, and for five of those countries, namely France, Italy, the Netherlands, Greece and Austria, 1,500,000 tons. This deficit will be still larger if the USSR does not ship the 350,000 of grain to France and 300,000 tons for Italy, which are included in the calculations. On the other hand, the table includes a surplus for Germany above the amount needed to maintain a 1550-calorie ration. Hence, it appears that rations will have to be reduced in adjacent countries while they are maintained or increased in the Bizone. Under a 12,000,000 ton program, the deficit is extremely large. This would likely result in a ration level in France below that in Germany.

The suggested programs from the United States include nothing for eastern Europe beyond shipments which already have been made. This is considered to involve no hardship for that area in view of the greatly improved grain supply situation in the USSR as well as in Hungary, Yugoslavia, Rumania and perhaps also Poland.

Present planning also provides for no exports beyond those already programmed to Egypt, Lebanon and the Union of South Africa (see "Other Areas" on table).

In the group designated as "N., W. and S. Europe" it is considered that Finland and Norway might be able to do with almost no further imports from the United States, considering possibilities of imports from elsewhere. The November program

also

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also includes nothing for Switzerland, Sweden and Portugal and considerably reduced quantities as compared with previous months for Austria, Greece, Belgium and the Netherlands, all of which countries, with the exception of Switzerland and Sweden, have very low stocks. Most, if not all, of these may soon be confronted with the necessity of reducing their rations.

With regard to the Western Hemisphere, the proposed programs call for continuation of the policy in Bolivia, Brazil, Peru and Uruguay of making allocations from the United States as small as possible to supplement, where necessary to meet minimum requirements, shipments from the chief historical supplier, Argentina. It is considered very difficult to bring such countries as Mexico and Cuba below the figures indicated, particularly if no steps are taken to limit consumption in the United States. As for the flour markets in Central America, northern South America, the Caribbean and elsewhere, which are embraced in the rubric "Miscellaneous", it does not seem possible for the United States to disclaim its responsibility here, particularly since flour shipments from Canada will this year be almost negligible in view of the reduced Canadian exports. Consideration could be given to the possibility of further reducing the volume of shipments to these areas. No great saving could, however, be realized in this way.

India appears unable to get from other sources anywhere near enough to make up her deficit, and the question appears to be whether it is desirable to reduce shipments to that country from the United States to the low figures given in the table.

IR:LIHighby:jod
9/18/47

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WORKING DOCUMENT

EXPLANATION OF ATTACHED TABLE

Column 2 represents a preliminary IEFC screening of requirements for 1947-48 showing approximate minimum quantities needed to maintain existing rations. This reflects the judgment of the IEFC Secretariat but is not based upon a final formal screening of requirements.

Column 3 represents the judgment of representatives on the operational level of IEFC, the State Department, and the Department of Agriculture as to a proper distribution of U.S. supplies under assumption of availabilities of 12,000,000 and 14,000,000 tons respectively.

Column 4 gives an estimate of shipments considered possible or probable to each country from sources other than the United States, account being taken of amounts shipped during the last crop-year, the rate of shipment during recent months, and such trade agreements and commitments to ship as are known. It should be strongly emphasized that these figures are, for the most part, only informed guesses. The column takes account of the 15,500,000 tons considered available from sources outside the United States by the IEFC. This availability is broken down as follows:

Argentina	5,500,000 tons
Canada	5,650,000
Australia	1,950,000
U.S.S.R.	2,000,000
Others	400,000

The 2,000,000 tons considered exportable from the U.S.S.R. are assigned as follows:

Finland	175,000 tons
Norway	100,000
Rumania	100,000
Bulgaria	100,000
Czechoslovakia	400,000
Poland	300,000
France	350,000
Italy	300,000
Sweden	75,000
Belgium	100,000

The movement indicated from U.S.S.R. to France, Italy, Sweden and Belgium is hypothetical, but it is clear that France and Italy in particular would be in very dire straits without such help from the U.S.S.R. or release to them of some of the U.S. and Argentine grain earmarked for Germany, or both.

Column 5 indicates the deficits which remain, the sum of all imports being deducted from the ration requirement. It will be seen that the deficits total, in round figures, 5,000,000 tons with U.S. total availability at 12,000,000 tons and 3,000,000 with U.S. availability at the 14,000,000-ton level.

IR:LIHigbby:ejh
9/18/47

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U.S. GRAIN EXPORTS - 1947-48 (Hypothetical)

WORK SHEET

(1) Area	(2) Required to Maintain Rations (IEFC Judgment)	(3) Available from U.S. Assuming Total 12,000,000 Tons	(3) Available from U.S. Assuming Total 14,000,000 Tons	(4) Available from Sources Ex U.S.	(5) Deficit Assuming 12,000,000 from U.S.	(5) Deficit Assuming 14,000,000 from U.S.
		(Thousands of Tons)				
United Kingdom	5,400	245	345	4,800	355	255
N., W. and S. Europe						
Austria	600	420	510	0	180	90
Belgium	900	290	410	475	135	15
Denmark	150	45	70	50	55	30
Finland	325	63(53)2/	68(53)2/	225	37	32
+ France (200 gr. ration)	2,100	900	1,050	800	400	250
French N. Africa	500	100	150	200	200	150
Greece	550	420	500	30	100	20
— Ireland	250	90	120	130	30	0
Italy	2,300	930	1,220	850	520	230
Netherlands	1,100	390	510	450	260	140
Norway	325	71(69)2/	71(69)2/	250	4	4
— Portugal	325	100	135	125	100	65
Spain	400 1/	0	0	400	0	0
Sweden	350	63	80	200	87	70
Switzerland	500	145	185	290	65	25
Eastern Europe						
Bulgaria	0	0	0	100		
Czechoslovakia	400 1/	(11)2/	(11)2/	400	(411)	(411)
Hungary	0	0	0			
Poland	250	(67)2/	(67)2/	300	(417)	(417)
Rumania	75	(55)2/	(55)2/	100	(480)	(480)
Yugoslavia	0	0	0			
Military Zones						
U.S./U.K. - Germany	3,500	3,800	3,800	400	(700)	(700)
French Zone - Germany	350	190	245	50	110	55
Japan, Korea, Ryuku	1,900	1,460	1,560	220	220	120
Italy - U.S.	100	100	120	0	0	(420)
Western Hemisphere						
Bolivia	50	20	25	25	5	0
Brazil	800	145	195	600	55	5
Cuba	250	195	235	0	55	15
Mexico	400	320	360	0	80	40
Peru	125	(27)2/	36	80	18	9
Uruguay	150	0	0	130	20	20
Pacific						
China	600	125	180	125	350	295
India	3,000	520	774	1,580	900	646
N. East Indies	100	45	60	50	5	(410)
New Zealand	150	0	0	135	15	15
Philippine Islands	150	85	115	10	55	25
U.K. Areas (Largely Pacific)	1,400	115	145	1,100	185	155
Other Areas						
Egypt	150	(42)2/	(42)2/	100	8	8
Lebanon	50	(12)2/	(12)2/	30	8	8
Union of South Africa	200	(29)2/	(29)2/	150	21	21
Miscellaneous (Largely Western Hemisphere)	1,100	365	410	560	175	130
Total	31,450	12,000	14,000	15,500	4,813	2,963

1/ Probable shipments.
2/ Already shipped or programmed.

IR:LHighby:ejh:bl
9-18-47

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What are the ratios for each county

1. We should get in the market early to buy wheat before fed to cattle.

2. We should fix prices on cattle and hogs at a demanding scale to reduce cattle population — and ration meat and poultry.

3. We should curtail hogs and beef production.

4. US or part of MP buy all surplus foods or wheat against adversities + distribute the food.

5. Milling at higher %.

Of 126, million tons — corn + wheat
26 is used for direct human consumption
14? for alcohol.
remainder in feed + hogs, etc.

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Wants memo object to substantial
a 14.5 million ton program.

Geog. Hines to report in one page
on impact of proposed site on
area and on each county -

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SECRET

September 18, 1947

ITP - Mr. Nitze

IR - Mr. Kennedy

Wheat Export Program

PROBLEM

It is absolutely essential that the U.S. export 14,500,000 tons of grains during the crop year 1947-1948. Decision should be made regarding the program at the meeting of the Cabinet Committee on World Food Programs Monday, September 22. Without positive action, exports will not be above 12,000,000 tons and might be as low as 10,000,000. A maximum program is necessary to enable the United States to fulfill commitments and to meet to as great an extent as possible other minimum needs. It will be difficult to obtain agreement on a tough policy because of the current price situation in wheat and corn and because it is believed that the Department of Agriculture will recommend an export program limited to the amount easily available.

GENERAL RECOMMENDATIONS

A.) An immediate campaign of voluntary conservation should be undertaken. For this purpose the Emergency Famine Committee should be reorganized and membership broadened. It might be renamed the Emergency Food Committee.

B.) C.C.C. procurement of grains should be directed toward obtaining the maximum quantities by December 31, 1947. To improve the rate of procurement, giving the use of tax deferral certificates permitting the declaration of income in 1948 should be considered immediately. Buying methods should also be examined and revised if necessary.

C.) Legislation should be obtained at the earliest possible moment reestablishing allocation controls and obtaining controls over trading margins.

D.) The Department should assign one man with responsibility to expedite and follow through on the program.

The program recommended above is essentially the one followed at the time of the emergency during 1945-1946. The Government did not move, however, until late in the period. It succeeded in enabling us to meet the program. The main difference is the recommendation to begin positive action now. With earlier and more intensive application, it is felt that success can be achieved under the more difficult conditions now existing.

DISCUSSION

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DISCUSSION

The time is ripe for reintroduction of voluntary conservation measures. Immediate use should be made of the spontaneous campaign now developing in certain cities regarding meatless days. The growing concern over the price situation might be coordinated with relief of famine in other countries to develop additional support for conservation.

Voluntary conservation will achieve some results, but will not, of course, make available the total amount of grain that is needed. It is the first possible move, however. Elements in the program of conservation may well include a nation-wide network of local committees related to a national committee, coordination of local movements to control inflation in food prices and development of a broad educational and publicity campaign.

Procurement of grains by the C.C.C. is of course required. Something more is necessary, however, if the total quantity is to be obtained without too great a price increase. One suggestion is the use of certificates to permit deferrment of income declaration until 1948. In 1946, a cash bonus was also paid above the ceiling price. This device may not be applicable in the absence of price ceilings. However, C.C.C. should be prepared to bid up the price immediately. Diversion of grain to the export program must be stimulated. I am informed that the power now exists to permit deferred declaration of income.

The county organization of the Department of Agriculture should be effectively mobilized to acquaint farmers holding grain with the program, the needs of other peoples for food and the benefits to the farmer.

To carry the program through to successful conclusion, legislative authority will be needed. This should be obtained at the earliest moment. Legislation should give the Government broad allocation powers which should be used to increase the extraction rate, to eliminate or reduce the use of grains for brewing and distilling, to control inventories, to control wheat going into feeds and to establish set-asides. If necessary, 100% set-asides might be considered.

The Government should also request legislation providing for powers to control margins to be used on the grain exchanges.

Agriculture will probably propose that much more of our surplus foods be exported. However, now that the War Department has agreed to buy the surplus sugar, there is little of such foods available at reasonable prices, except limited quantities of dried milk and dried fruit. These will be needed as a supplement, not as a substitute, for a maximum grain program. Most surpluses are relatively more expensive in terms of calories. Programs to increase their consumption here where incomes are high, while making more cheap foods available for export, would probably be preferable.

IR:DDKennedy:mlc
9/18/47

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Table 2

ESTIMATED EFFECTS OF ALTERNATIVE U.S. GRAIN EXPORT PROGRAMS ON CEREAL RATIONS OF NON-FARM CONSUMER IN SELECTED EUROPEAN COUNTRIES, 1947/48
(Program A, 12 million long tons; program B, 14 million long tons)

	(1) Estimated[a] imports to maintain 1946/47 cereal rations	(2) Estimated total cereal imports 1947/48[b] (thousands of long tons)		(3) Difference between (1) and (2)		Estimated change in non farm cereal rations, 1947/48 from 1946/47 (calories per capita per day)	
		A	B	A	B	A	B
Austria	600	420	510	-180	- 90	-314	-157
Belgium and Luxembourg	900	765	885	-135	- 15	-152	- 17
France	2,100	1,700	1,850	-400	-250	-110	- 69
Germany (U.S.-U.K.)	4,000	4,200	4,200	+200	+200	+ 45	+ 45
Greece	550	450	530	-100	- 20	-127	- 45
Italy	2,300	1,780	2,070	-520	-230	-164	- 72
Netherlands	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-270	-146
Norway	325	321	321	-4	-4	- 14	- 14

Note: Average extraction rate used = 85% for all countries except Austria and U.S.-U.K. zones of Germany where 90% was used.

a/ Estimated by IEFC
b/ Estimated by IR

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Table 1. ESTIMATED NON-FARM CALORIE CONSUMPTION[1] IN SELECTED EUROPEAN COUNTRIES APRIL-MAY 1947, AND EXPECTED IN 1947/48 UNDER ALTERNATIVE U.S. GRAIN EXPORT PROGRAMS
(Program A: 12 million tons, Program B: 14 million tons)

Country	(April-May, 1947)	1947/48 Preliminary: From indigenous production	From grain imports A	From grain imports B	From other imports[2]	Total consumption A	Total consumption B
	(Calories per non-farm capita per day)						
Austria	1,950	1,000	730	890	100	1,830	1,990
Belgium-Luxembourg	2,400	1,200	850	980	440	2,490	2,620
France	2,200	1,450	450	490	220	2,120	2,160
Germany, US-UK	1,950	1,280[3]	950	950	185[3]	2,415	2,415
Greece	2,100	725	1,025	1,210	200	1,950	2,135
Italy	1,950	1,225	540	625	85	1,850	1,935
Netherlands	2,400	1,400	840	960	400	2,640	2,760
Norway	2,600	1,350	1,120	1,120	280[4]	2,750	2,750

Calorie figures are rounded.

1. Excluding alcoholic beverages which are important in Italy, Greece, and France.
2. Office of Foreign Agricultural Relations, based on ~~tentative first distribution with world grain export of 29 million tons,~~ latest available data on non-grain imports.
3. From Food and Agriculture Requirements for the Combined Zones of Germany, submitted to the Paris Conference on the Marshall Program. Report prepared by Food and Agriculture Group of Combined US-UK Zone shows 1,282 calories to non-farm from indigenous production.
4. After allowing for exports of whale oil equal to 710 calories per capita, non-farm.

IFI - September 18, 1947.

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C

Get to A-S Saltzman

FAR EASTERN COMMISSION
2516 MASSACHUSETTS AVENUE, N.W.
WASHINGTON 8, D. C.

22 October 1947

Dear Mr. Saltzman:

I should like to write you briefly in regard to the amendment, proposed by the Department of the Army, to the pending FEC paper, entitled "Supply of Food for Civilian Consumption in Japan," with which I know you are familiar. I am presenting for your consideration my judgment of the effects which this amendment would have on the Far Eastern Commission, on the leadership of the United States in that organization, and on the principle of international cooperation.

Mr. Whitman has already pointed out in a memorandum to you that this amendment is unnecessary, since the United States has never sent to General MacArthur all of the food which he has requested under the "disease and unrest" formula, and probably will not be able to do so during the coming year. On the other hand the term "objectives of the occupation," if adopted as a limitation on the amount of food which the United States might export to Japan, would constitute practically no limitation at all since the expression is extremely elastic.

I wish, however, to confine my comment to the probable effect of the amendment of the Department of the Army on the Far Eastern Commission, which from its beginning has been under the leadership of the United States, and on the principle of international cooperation which the United States Government has repeatedly advocated and supported. The United States Government, months before the close of the war against Japan, drew up the Terms of Reference for a Far Eastern Advisory Commission. After the war, the Far Eastern Advisory Commission developed under United States leadership into the present Far Eastern Commission.

I have received many letters complimenting the Far Eastern Commission on its record of accomplishment, especially in comparison with other somewhat similar organizations. The Far Eastern Commission has enabled the United States to obtain the cooperation of the other FEC countries instead of their possible opposition, and it has in general given to the U.S. policies for the occupation of Japan the support of the other ten countries interested in the Far East.

The amendment of the Army, in my judgment, would tend to impair the confidence of other Governments in the integrity of the United States, to antagonize the other members of the Far Eastern Commission, to weaken

894.5018/10-2247

The Honorable
Charles E. Saltzman
Assistant Secretary of State

3366

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international cooperation in the Far East, and to lessen the effectiveness of the Commission and the leadership of the United States.

1. The amendment would tend to impair the confidence of other Governments in the integrity of the United States Government.

It would probably have this effect since the U.S. Government has repeatedly informed the Far Eastern Commission during the past year and a half that it approves the principle regarding the supply of food for civilian consumption in Japan, which is embodied in the pending food paper.

The United States gave its approval when its representative voted for the FEC Policy Decision on Food Supply for Japan, April 25, 1946. This policy decision is now binding on the United States as well as on the other states in the FEC.

It gave its approval again in November, 1946, when a new food paper was introduced into the FEC.

It gave its approval finally, in August, 1947, in announcing its support of the pending paper.

The food paper, now before the FEC, omits all the points to which the U.S. Government previously raised objection. If the basic principle of this food paper should now, after a year and a half's support, be repudiated by the U.S. Government, the effect on the other Governments would be serious.

2. It would tend to antagonize the other states on the FEC.

Other FEC states, especially those where there is a serious food shortage, such as India, China, the Philippines, and the United Kingdom on behalf of its dependencies, have been greatly concerned over the food problem. The emotions of their representatives have been more deeply stirred by this issue than by any other before the Far Eastern Commission. They already are apprehensive that the U.S. Government is treating Japan, a former enemy, more generously than it is treating its Allies. They recognize, however, that SCAP is entitled to ask for food to meet the "disease and unrest" formula, even though a similar amount of food is not available for Allied territories in the Far East. But if the United States Government should ask for enough food for Japan to meet the elastic formula, "the objectives of the occupation," they would strongly resent it, and many of them would regard it as evidence that the United States is attempting to build up Japan at the expense of the Allies of the United States.

3. It would tend to weaken international cooperation in the Far East.

The shortage of food is a problem common to most countries represented on the Far Eastern Commission. All of them support "the disease and unrest" formula, including at present the United States. If the U.S. Government should disregard the known position of all of the other Governments and urge a policy which they strongly disapprove, it would naturally make them less inclined to cooperate with the United States on other issues.

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4. It would tend to lessen the effectiveness of the Commission and the leadership of the United States.

The effectiveness of the FEC depends in large measure upon the number of important policy decisions it is able to adopt. In the FEC, as in most international conferences, the normal procedure is: discussion, compromise, agreement. If the United States refuses to make any compromise in its position, especially in regard to a paper deemed of great importance by the other states, they in turn will be less inclined to compromise, and the FEC will approve fewer policy decisions. The leadership of the United States, too, depends in some part on its giving due consideration to the views of its colleagues. In general they have thus far shown a willingness to recognize the lead of the United States, and in considerable measure to follow it.

In conclusion, I believe that the presentation to the FEC of the Army amendment as a new policy of the United States would inflict a needless blow on the Far Eastern Commission, on the leadership of the United States, and on the U.S. policy of international cooperation in the Far East.

Yours sincerely,

Frank McCoy

Frank R. McCoy

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8

DEPARTMENT OF STATE

ASSISTANT SECRETARY

November 4, 1947

U - Mr. Lovett:

Subject: FEC Policy for Japanese Food Imports.

Problem: Action to be taken on Department of the Army request to amend policy statement on "Supply of Food for Civilian Consumption in Japan" now before FEC. The essential policy statement before the FEC (FEC 248 series, Appendix A) with the Department of the Army proposed amendment underscored is as follows:

"During the period of acute world shortages, imports of food for Japan should be the minimum required to attain the objectives of the occupation and to prevent such starvation and widespread disease and civil unrest as would endanger the safety of the occupation forces, and no imports exceeding this minimum should be permitted which would have the effect of giving preferential treatment to the Japanese over the peoples of any Allied Power or liberated area."

Facts: For more than a year and a half other members of the FEC have pressed the United States to agree to a statement of policy regarding supply of food for civilian consumption in Japan. The FEC, with U. S. concurrence, made a policy decision April 25, 1946 (Appendix B) that "except to the extent that the Supreme Commander for the Allied Powers, with the advice of the Allied Council for Japan, determines that imports are essential immediately for the safety of the Occupation Forces, no imports shall be permitted which will have the effect of giving to the Japanese a priority or preferential treatment over the requirements of the peoples of any Allied Power or liberated area". The United States regarded this decision as binding on it but refused to transmit it to SCAP. The FEC requested the United States to submit a policy paper which might be transmitted to SCAP. Such a paper was approved by SWNCC October 31, 1946 in SWNCC 331 and introduced into the FEC. This paper contained essentially the same principle as that quoted above.

Following discussion in FEC, it was necessary to modify parts of the paper, which was done in SWNCC 331/3 in February 1947 (Appendix C), which reaffirmed the essential provision regarding level of feeding. The United States reaffirmed its support of its provision in FEC. In order to provide the United States with the greatest possible latitude for determining the food supply to be allowed Japan, the United States

read

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read into the minutes a statement to be forwarded to SCAP with the policy paper which provided that the United States should determine what level of feeding in addition to that necessary to prevent disease and unrest etc., could be allowed without giving preferential treatment to the Japanese. The paper failed of passage for reasons not material to the present issue.

In order to break the deadlock the UK, in August 1947, proposed FEC 248, now under consideration. After obtaining written concurrence by the Department of the Army, the State Department indicated in FEC that it would support the British compromise paper. It is understood by all concerned that the same statement for the minutes will be accepted in connection with the present paper. On the morning the paper was to be approved at top FEC, the Department of the Army stated that it would object to the US voting for the paper unless it were made to provide that the minimum feeding level should be that which not only would prevent such disease and unrest as would endanger the safety of the Occupation Forces but also as would be sufficient to "attain the objectives of the occupation". The US member of FEC was therefore directed to defer a vote.

The Department of the Army argues (Appendix B) in support of its position that without inserting this language in the body of the policy itself, this Government would be sanctioning an FEC policy which might serve to prevent food importations above disease and unrest levels required in the interests of economic rehabilitation, and it would be embarrassing in the face of our recognition that only through Japanese economic recovery, sufficient to meet her costs of imports, can the present U.S. financial assistance to Japan be eliminated. The Department of the Army states that it believes that present requirements for Japan and Korea are in the neighborhood of 2,500,000 tons (wheat equivalent), that Agriculture has approved only 1,500,000 and that approval of the paper in its present form would seriously jeopardize attainment of the minimum considered essential, and might seriously jeopardize our over-all mission in Japan.

Discussion: This amendment should not be agreed to by the Department of State because

A. It contravenes the long-established US position taken in FEC.

As stated ~~in the facts~~ above, the U.S. has approved the principle objected to by the Department of the Army on three different occasions in the FEC before the introduction of the present paper by the U.K., and has indicated its approval of the current paper in working committees. To suggest, and certainly to insist on, the introduction of the Department of the Army's proposal after this history would tend to impair confidence of the FEC countries in the integrity of the U.S.

B. Substantively it would seriously affect our relations with the other powers on the FEC.

Other countries, especially those with food shortages, have been greatly concerned over the food problem. These countries know and largely

accept

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accept the fact that, under the disease and unrest formula, the Japanese are already being fed at a level higher than some of the people of some of the Allied nations. However, if the U.S. Government should now ask for enough food for Japan to meet the elastic formula "the objectives of the occupation" during a period of acute food shortage as a preference or priority over the needs of the neighboring liberated Allied countries, they would strongly resent it and might regard it as evidence that this Government is attempting to build up Japan at the expense of the Allies of the United States.

General McCoy, U.S. Member of FEC, has urged most strongly the points made here in "A" and "B" (Letter at Appendix E).

C. <u>It is entirely unnecessary in protecting the interests of the United States</u>.

SCAP, who, the FEC agrees, will be a United States Officer, is responsible under the policy statement for estimates of "disease and unrest" requirements, which are flexible. These requirements have always been greater than the shipments permitted by the world supply situation, and will continue to be so in the foreseeable future. The paper is effective only during the period of acute world food shortage, and it is entirely within the power of the U.S. to determine when this condition ends. So long as such condition does in fact exist, it is inconceivable as a practical matter that the U.S. would in fact avowedly give Japan preferential treatment over liberated countries. The provision in the minutes allows the U.S. to determine what level of supply can be provided without giving preferential treatment. Finally, the U.S. can protect its interests in food supply to Japan through the actions of its representatives in the IEFC where, as the principal exporting government to Japan, it will be bound only by allocations its representatives approve.

<u>Note</u>: FEC 248, now under consideration, deleted a number of paragraphs of SWNCC 331/3. In authorizing the U.S. member in FEC to proceed with FEC 248, State, with Department of the Army concurrence, considered that these deletions were not injurious to U.S. interests. Army now argues that the deletion of two of them might be injurious. They are:

1. "The objectives of relief policy are to prevent such starvation and widespread disease and civil unrest as would (1) clearly endanger the occupying forces, and (2) permanently obstruct the ultimate objectives of the occupation."

2. "The Supreme Commander should be responsible for providing imported food supplies only to supplement local resources and only to the extent supplementation is needed to prevent such widespread disease or civil unrest as would endanger the occupying forces or permanently obstruct the ultimate objectives of the occupation."

These

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

These statements were taken from earlier directives to SCAP which were intended to restrict SCAP's and U.S. responsibility for imports to the minimum necessary for Japanese needs. (Note the emphasis on "clearly endanger" and "permanently obstruct".) Furthermore, paragraphs 2 and 3 of SWNCC 331/3, which are in essence the same as FEC 248, clearly embraced these provisions and were intended to be the effective language during acute world food shortage.

D. Insistence on the Army amendment will result in refusal of the FEC to pass the paper and leave the U.S. subject to the FEC policy of April 25, 1946 (Appendix B).

Recommendation: It is recommended that you authorize me to inform the Department of the Army that as a matter of policy and for the reasons set out above, the U.S. member of FEC will be directed to vote for the paper without the Army amendment.

C. E. Saltzman

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

DEPARTMENT OF STATE

ASSISTANT SECRETARY

Not sent

U - Mr. Lovett:

Subject: FEC Policy for Japanese Food Imports.

Problem: Action to be taken on Department of the Army request to amend policy statement on "Supply of Food for Civilian Consumption in Japan" now before FEC. The essential policy statement before the FEC (FEC 248 series, Appendix A) with the Department of the Army proposed amendment underscored is as follows:

> "During the period of acute world shortages, imports of food for Japan should be the minimum required to attain the objectives of the occupation and to prevent such starvation and widespread disease and civil unrest as would endanger the safety of the occupation forces, and no imports exceeding this minimum should be permitted which would have the effect of giving preferential treatment to the Japanese over the peoples of any Allied Power or liberated area."

Facts: 1. On three separate occasions in the last 18 months in the FEC the U. S. has approved the principle that during the period of acute world food shortage Japan's food requirements should not have preference over the requirements of our Allies except as needed to prevent disease and unrest. It is this principle which the Department of the Army now wishes to amend.

2. The Department of the Army (Appendix B) argues that approval of the policy statement would jeopardize our program for economic recovery in Japan and the obtaining of immediately needed food imports.

3. The Department of Army was offered, as a compromise, an amendment which would limit the policy statement to the present Japanese crop year (Nov. 1, 1947 to Oct. 31, 1948). This offer was rejected.

Discussion: 1. Nations on which we count for support in the Far East: The U.K., Australia, New Zealand, India, and the Philippines feel very strongly on this issue. We are attempting to arrange a Peace Conference and build support for our position at such conference. We are also attempting to obtain the cooperation of all Far East countries in an expansion of Japanese trade. To repudiate now an accepted U. S. position and publicly state preference for the Japanese over these same countries

would

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would clearly jeopardize obtaining their cooperation in other vital matters. General McCoy states this position most emphatically in his attached letter (Appendix C).

2. The Army amendment is unnecessary to protect the immediate interests of the U. S. since SCAP's "disease and unrest" requirements are higher than the amount of food that can be shipped to Japan under present supply conditions. Only shipments above that level are open to challenge under the policy. A statement of prospective food deliveries is set out in Appendix D).

3. The long-run interests of the U. S. would not be adversely affected by agreeing to the statement now before the Commission and in any case it is completely clear that there is no possibility of any adverse effect if the proposed time limit is placed on the policy.

Recommendation: It is recommended that you authorize me to inform the Department of the Army that as a matter of policy and for the reasons set forth above the U.S. member of FEC will be directed to vote for the paper modified to provide for a termination of the policy at the end of the current Japanese crop year, but without the Army amendment and with an appropriate ~~amendment~~ statement by the U.S. representative.

Problem: Action to be taken on Department of the Army request to amend policy statement on "Supply of Food for Civilian Consumption in Japan" now before FEC. The essential policy statement before the FEC (FEC 248 series, Appendix A) with the Department of the Army proposed amendment underscored is as follows:

> "During the present period (Japanese crop year, November 1, 1947 - October 31, 1948) of acute world shortages, imports of food for Japan should be the minimum required to prevent such starvation and widespread disease and civil unrest as would endanger the safety of the occupation forces, and no imports exceeding this minimum should be permitted which would have the effect of giving preferential treatment to the Japanese over the peoples of any Allied Power or liberated area."

Concurrences: This has been concurred in by A-S (Mr. Saltzman), A-T (Mr. Thorp), FE (Mr. Butterworth), OE (Mr. Whitman), NA (Mr. Allison), and IR (Mr. Highby).

Frank G. Wisner
Deputy to the Assistant Secretary
for Occupied Areas

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

FOOD SUPPLY FOR JAPAN FOR 1947-1948

In support of the statement that the world food supply for the next 12 months does not permit supplying Japan with its "disease and unrest" requirements, the following evidence is offered. The statistics cover Korea and the Ryukus, as well as Japan, but Japan is by far the larger part of the total.

Year Ending June 30, 1948

"Disease & Unrest Requirements as estimated by theater..... 2,400,000 tons of wheat equivalent

Minimum "disease & Unrest" requirements as estimated by Army, 2,000,000 "

Shipments projected by Dept. of Agriculture on assumption maximum export goal of 15,000,000 tons is reached..... 1,500,000

For period subsequent to June 30, 1948, supply and requirement estimates are less exact. U. S. crop prospects, however, are poor and exports will probably be lower than 15,000,000 tons. The Army Department has stated that "disease and unrest" considerations require raising the ration by 200 calories a day. This would require an additional 1,000,000 tons for Japan per year. In view of our Marshall Plan committments and probable export potential, such additional shipments during 1948-1949 seem out of the question.

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STANDARD FORM NO. 64

A-3 files

Office Memorandum · UNITED STATES GOVERNMENT

894.5 6.311

DATE: 11/10/47

TO : Mr. Saltzman

FROM : Mr. Keyes DK 894

SUBJECT: Preshipment of Grain to Japan and Korea.

Pursuant to Mr. Voorhees' request that we support the Army in asking for preshipment of grain to Japan and Korea, there is attached for your signature a letter to USDA and one to Mr. Voorhees.

Preshipment within certain limits is desirable, and the proposition has been cleared with OE (Whitman), IR (Linville), NA (Allison) and UE (Stillwell). Bowman 1

The qualifications stated in the letter arise because the current year's grain allocation are still somewhat tentative and we would not wish the preshipment to effect the ultimate determination of final grain allocations either to Japan or Europe. Within these limits, Mr. Highby of IR will support Mr. Voorhees request at meetings with USDA. He advises that the latter has already agreed to increase January allocations over the 51,000 tons mentioned by MacArthur.

AS-3420

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

NOV 12 1947

Dear Mr. Gilmer:

By letter to you of 28 October 1947, Tracy S. Voorhees, Army Good Administrator for Occupied Areas, requested preshipment of the current cereals program for Pacific occupied areas. He stated that if this were effected the Army Department would inform the Theatre Commanders in Japan and Korea that the increased shipments were preshipments against the total established program and that the supplies should therefore be conserved.

Preshipment of grain from the West Coast to Japan seems to us to be desirable for the reasons given by Mr. Voorhees. We would, however, wish to be assured that such preshipment did not involve quantities which would prejudice determination of the total to move to Japan or result in curtailment of shipments to European countries.

Yours sincerely,

(signed) CHARLES E. SALTZMAN

Charles E. Saltzman
Assistant Secretary

894.5018 9357
18-2847

Mr. Jesse Gilmer, Administrator,
Production & Marketing Administration,
Department of Agriculture,
Washington 25, D. C.

A true copy of the signed original. a SM W

AS:ALKeyes:mds 11/10/47
cc: Mr. Voorhees

OE (Mr. Whitman & Mr. Bowman) per
IR (Mr. Linville) per
UE (Mr. Stillwell) per
NA (Mr. Allison) per

AS-3420

All cleared by telephone per

Ltr. 5X

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

NOV 12 1947

Dear Tracy:

In your letter of 28 October 1947 you asked whether we could support your request to USDA for preshipment of grain to Japan and Korea within the existing overall program.

We agree to the desirability of such preshipment within certain limits. Accordingly I have written to USDA and enclose a copy of my letter.

Yours sincerely,

Charles E. Saltzman
Assistant Secretary

Enclosure:

Copy of letter to USDA.

Mr. Tracy S. Voorhees,
Food Administrator for the Occupied Areas,
Department of the Army,
Washington 25, D. C.

AS:ALKeyes:mds 11/10/47

~~OE~~ (Mr. Whitman & Mr. Bowman) IR (Mr. Kinville) ~~NA~~ UE (Mr. Stillwell)

~~NA~~ (Mr. Allison)

CONFIDENTIAL 10-2847

3425

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

DEPARTMENT OF STATE

ASSISTANT SECRETARY

Ask him to call me when he can without fail. 5 Nov 47

1. Whitman
2. Linville
3. Stillwell ✓
4. Ltr. signed Lovett ☆ Sgd

Mr. Lewis

If there is anything this department can do appropriately to help this project, please arrange. If you have questions, please take up with me.

C.M.S.

Suspense: Nov. 10

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CONFIDENTIAL

Mrs Lewis

Department of the Army
WAR DEPARTMENT
WASHINGTON, D. C.

Army Dept. From

28 October 1947

ASSISTANT SECRETARY
A-S
OCT 29 1947
MR. SALTZMAN
DEPARTMENT OF STATE

Honorable Charles E. Saltzman A-S
Assistant Secretary of State for Occupied Areas
New State Building
21st and Virginia Avenue
Washington 25, D.C.

Dear Charlie:

X a
894.6131
895.5018
895.6131

We are having great difficulty in getting reasonable amounts of grain shipped to Japan and Korea. USDA has cut this schedule down to a figure which we cannot stand. The annexed cable from General MacArthur is so important and shows such a serious condition that I thought you should see it. Actually the condition as to shipments, while very bad, is not quite as bad as the cable indicates because we are obtaining some preshipments.

I am presently negotiating with USDA (Mr. Gilmer), and General Draper has asked Mr. Anderson to step up the shipments, without at the present time asking that the total tentative target for aggregate shipments in the fiscal year 1948 be changed. Undoubtedly USDA, like the rest of us, cannot see enough ahead to feel sure of what will be available over the whole year. But the point is that shipments could be made now, accompanied by information to General MacArthur that these are preshipments against the limited target and should be conserved accordingly until the picture becomes clearer. My letter to Mr. Gilmer, copy annexed, explains the situation more fully. We need State Department's full support in this.

894.5018
10-2847

Sincerely yours,

TRACY S. VOORHEES
Department of the Army
Food Administrator for the
Occupied Areas

2 Incls.
#1. Cable CM IN 4093
#2. Copy ltr of 28 Oct to Mr. Jesse Gilmer

FOR VICTORY
BUY UNITED STATES WAR BONDS AND STAMPS

P.S. I believe that Secretary Royall will transmit copies of General MacArthur's cable to the members of the Cabinet Committee on World Food Programs with a request for action to relieve the situation.

TSV

CONFIDENTIAL FILE

3420

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WAR DEPARTMENT
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PRIORITY

PARAPHRASE NOT REQUIRED. HANDLE AS CONFIDENTIAL CORRESPONDENCE PER PARAS 51i and 60a (4) AR 380-5

From: GHQ SCAP Tokyo Japan

To: Dept of Army (CSCAD RS)

Nr: C 56240 21 October 1947

Subject is food import requirements for Pacific areas. Reurad WX 88128 dated 12th October 1947 replies to your paras 3, 4, and 5 being forwarded separately. This rad in 3 parts.

Part 1. Department of Agriculture tentative allocations of 51,000 tons of grain monthly for Pacific areas in December, January and February are totally inadequate. Korean requirements alone total 40,000 for December and a sound scheduling of food shipments calls for total shipments to the Pacific areas of approximately 160,000 tons per month for the balance of this fiscal year.

Reduction of grain shipments to 51,000 tons monthly for these three months would result in consumption of indigenous supplies at an unduly rapid rate causing the depletion of food stocks to such a point that serious curtailment in ration distribution would be inevitable. A similar reduction in food shipments in December, January, February 47 fiscal year resulted in an inadequate carryover into the spring and summer months and, as a consequence, ration delay and curtailment was necessitated despite the record shipments to the Pacific areas beginning in June 1947.

The most efficient utilization of imported supplies requires the scheduling of food shipments as evenly as possible throughout the year. Concentration of shipments in late spring and summer months results in unbalanced consumption of indigenous rice during the post harvest period and of indigenous summer grains and imported cereals during the months prior to fall

CM IN 4093 (22 Oct 47)

OSA 42

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PRIORITY

From: GHQ SCAP Tokyo Japan

Nr: C 56240

21 October 1947

rice harvest. This overburdens local milling capacity and storage facilities, encourages blackmarketing of rice, and increases difficulties in utilization of grains relatively unfamiliar to predominantly rice eating population.

Part 2. The critical world food situation and the pressure of exports on domestic agricultural and food prices in the United States are fully appreciated here. Vigorous action has been taken to ensure the maximum availability of indigenous food supplies to hold food import requirements to a minimum. Steps to achieve these objectives have included:

A. The present staple ration of 1,246 calories for normal consumers is being prolonged even though it is inadequate. Any reduction in this ration level is completely infeasible. A reduction would have immediate and substantial repercussions on health conditions, would retard industrial production and negate existing programs to stabilize wages and prices.

B. Grain allocations for livestock feed have been reduced by 375,000 metric tons. This step was taken as an emergency food conservation measure in spite of the further danger to the present critically depleted draft animal population.

C. A planned increase in rations for the vulnerable age categories of 0-2, 3-5, and 6-10 years has been cancelled. This will result in a reduction in ration requirements of roughly 150,000 tons but at the expense of retaining present low rations (562,772, 1018 for the 0-2, 3-5, and 6-10 age categories) despite recommendations of the Harrison Food Mission to the contrary.

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42

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From: GHQ SCAP Tokyo Japan

Nr: C 56240 21 October 1947

D. Cumulative delayed rations have been written off as of 1st November 47 (beginning of 48 rice year) and the requested quantity of imports for 48 fiscal year has been reduced by the amount of unmet rations during summer of 47.

E. Positive action is continuing to insure maximum crop production and collection. It is anticipated that this year's rice crop may be somewhat smaller than last, but never-the-less the Japanese Government has been required to establish a collection quota 5% higher than last year's actual collections. Prefectral Mil Govt teams are giving priority attention to full collection of this quota before there is opportunity for extensive dissipation to the black market. Information programs and rural tours are planned and the Japanese Government is supporting the recent series of SCAP press releases on world and Japan food outlook. Continued emphasis is being placed on link and incentive distribution of commodities to farmers to insure maximum crop collection. A coordinated and continuing nation anti-black market program is now in operation.

Part 3. It may emphasized that import requirements submitted are the minimum quantities required for the maintenance of the present ration level which is below a minimum subsistence diet. Failure to receive requested food imports will result in curtailment in actual ration distribution by the amount of the short fall in food import arrivals, even with full collection of crop quotas. The delay, uncertainty and curtailment in ration distribution in 1946 and 1947 have been major factors aggravating the Japanese inflation and hampering efforts to increase general industrial production and the manufacture of

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PRIORITY

From: GHQ SCAP Tokyo Japan

Nr: C 56240 21 October 1947

commodities for export. The Japanese economy is in such a critical state (with an official price level 60-65 times a 1934-36 base and present industrial production at slightly over 40% of prewar) that a repetition of the food crises of the past two years would have dire consequences on the economic, social and political situation, which must not be ignored. Curtailment of food imports might well further aggravate the inflation to the point that the long range political and social objectives of the occupation would be endangered.

A. Vigorous effort to maximize food shipments to Japan during the balance of this fiscal year is urgently needed to prevent widespread social and political unrest with resultant serious damage to past accomplishments and to basic reforms now in process of achievement.

End

ACTION: CAD

INFO : SSP, OSA(Mr Voorhees)

CM IN 4093 (22 Oct 47) DTG 211031Z sej

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42

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CONFIDENTIAL

DEPARTMENT OF THE ARMY
XXXXXXXXXXXXXXXXXXXX

28 October 1947

Mr. Jesse Gilmer, Administrator
Production & Marketing Administration
Department of Agriculture
Washington 25, D. C.

Dear Mr. Gilmer:

Confirming our conversation of 22 October 1947 and pursuant to Under Secretary Draper's earlier request to Secretary Anderson, we are very greatly concerned about the small current shipments of cereals to Japan and Korea, and earnestly ask the assistance of the Department of Agriculture in this matter. I inclose a cable from General MacArthur which speaks for itself.

We recognize that under existing unsettled conditions it serves no useful purpose to discuss the present target which the Department of Agriculture has tentatively fixed for shipment of cereals to the Pacific occupied areas during the fiscal year 1948. We do believe, however, that it is desirable from every viewpoint, yours as well as ours, to ship as large a part of this total target at as early a date as possible. We ask that this be done on the understanding that we will inform the theater commands in Japan and Korea that such amounts are merely pre-shipments against the target of which they have already been informed, and that there is no assurance, therefore, that these shipments will increase the total amounts of cereal imports from the United States during the fiscal year; that on this basis the supplies so pre-shipped should be conserved and that the ration not be increased based upon such pre-shipments.

Further, we understand that such pre-shipments would be made without any change in allocations and merely as advance shipments against prospective future allocations.

We urge that there are great advantages in this course:

1. It would maintain a more regular flow of supply which would enable us to manage our shipping problems. Otherwise, ships now on this run will be lost and difficulties in replacing them at a later time are likely, especially when the Marshall Plan goes into effect and creates a large demand for ships.

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2. At the present time, there is grain available in the northwest which can be shipped from the West Coast at a much lower shipping cost to us and in shorter time. This will obviate later long and expensive shipments of corresponding amounts from the Gulf. This is a sounder policy than to ship West Coast grain to France as has recently been done at times.

3. This would not increase the total obligation of the Department of Agriculture later in the year because the supply so pre-shipped would remain under the control of the American military government. There is a great difference between such shipments to the occupied areas on the one hand and shipments to other countries. In the latter, control of the use is lost upon arrival, as a result of which the grain may be consumed and the demand renewed later.

4. The shipments can be made as pre-shipments without any alteration in the over-all policies as to total monthly allocation.

5. The shipment of grain at this time will reduce the danger of a situation occurring next Spring, in which famine conditions in Japan and Korea may create demands for large shipments to those areas at a time when the Marshall Plan countries and other friendly nations are acutely in need of food and when it would be awkward to increase the shipments for our occupied areas. We should not repeat our mistake of last year in this regard.

6. Such shipments will permit a mixing of imported grains with rice in a way to get the maximum utilization from both as the annexed cable points out.

Sincerely yours,

(Signed) TRACY S. VOORHEES

Tracy S. Voorhees
Department of the Army Food Administrator
for the Occupied Areas

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

File
Br

October 29, 1947

Dear Mr. Draper:

I understand that the Department of the Army wishes to have paragraph 3 of FEC 248/4 - Supply of Food for Civilian Consumption in Japan, amended to provide that imports of food for Japan should be the minimum required to attain the "objectives of the occupation", as well as prevent disease and civil unrest. The Department of State feels that the suggested amendment is unacceptable for the following reasons.

1. The amendment is unnecessary for protection of United States interests in Japan. This question was considered by the Departments over many months and it was agreed that while the addition of the "objectives of the occupation" might have some merit, the disease and unrest formula was adequate. SWNCC confirmed this position at least twice in action on the SWNCC 331 series. SCAP's estimates of disease and unrest requirements are flexible and have always been greater than the shipments permitted by the world supply situation, and will continue to be so in the foreseeable future. Furthermore, the United States can protect its interests in Japan through the actions of its representative in the IEFC where, as you know, exporting governments are bound only by allocations their representatives approve.

894.50/10-1847

2. The proposed amendment would have serious consequences for continued international cooperation in the Far East. Introduction of the amendment would tend to impair confidence of other governments in the United States since the United States has repeatedly stated it approved the paper with the present wording and is, in fact, committed to it by FEC action on April 25, 1946. Other countries know, and largely accept the fact, that already Japan is receiving under the disease and unrest formula more food than some Allied nations. But if the United States Government should now ask for enough food for Japan to meet the elastic formula, "the objectives of the occupation" as a priority over their own needs, they would strongly resent it and might regard it as evidence that this Government is attempting to build up Japan at the expense of the

Allies

The Honorable
William H. Draper, Jr.
Under Secretary of the Army,
Department of the Army.

File Draper, William H.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND [redacted] 760050

Allies of the United States. An attempt by the United States to repudiate its previous commitments and to urge a position which is known to be strongly disapproved by other governments, would gravely increase the problem of obtaining their cooperation in other important matters.

For these reasons it would be appreciated if the Department of the Army withdrew their proposed amendment to FEC 242/4.

Charles E. Saltzman

A-S:PPClaxton;hjh 10/29/47

IR
(cleared with Linville)

NA
(cleared with Mr. Fearey)

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

STANDARD FORM NO. 64

Office Memorandum · UNITED STATES GOVERNMENT

DATE: 10-28-47

TO : A-S - Mr. Claxton

FROM : OE - Mr. Whitman

SUBJECT: FEC 248/4

AHW

Mr. Linville also suggests adding the following to point (1) of the attached letter. If you approve it would be inserted after the penultimate sentence. "On the other hand the 'objectives of the occupation' is usually interpreted so broadly as to justify a level of imports into Japan which clearly cannot be provided under the present world supply situation."

Please obtain NA clearance as required.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

ASSISTANT SECRETARY OF STATE

WASHINGTON

October 29, 1947

Dear Mr. Draper:

I understand that the Department of the Army wishes to have paragraph 3 of FEC 248/4 - Supply of Food for Civilian Consumption in Japan, amended to provide that imports of food for Japan should be the minimum required to attain the "objectives of the occupation", as well as prevent disease and civil unrest. The Department of State feels that the suggested amendment is unacceptable for the following reasons.

1. The amendment is unnecessary for protection of United States interests in Japan. This question was considered by the Departments over many months and it was agreed that while the addition of the "objectives of the occupation" might have some merit, the disease and unrest formula was adequate. SWNCC confirmed this position at least twice in action on the SWNCC 331 series. SCAP's estimates of disease and unrest requirements are flexible and have always been greater than the shipments permitted by the world supply situation, and will continue to be so in the foreseeable future. Furthermore, the United States can protect its interests in Japan through the actions of its representative in the IEFC where, as you know, exporting governments are bound only by allocations their representatives approve.

2. The proposed amendment would have serious consequences for continued international cooperation in the Far East. Introduction of the amendment would tend to impair confidence of other governments in the United States since the United States has repeatedly stated it approved the paper with the present wording and is, in fact, committed to it by FEC action on April 25, 1946. Other countries know, and largely accept the fact, that already Japan is receiving under the disease and unrest formula more food than some Allied nations. But if the United States Government should now ask for enough food for Japan to meet the elastic formula, "the objectives of the occupation" as a priority over their own needs, they would strongly resent it and might regard it as evidence that this Government is attempting to build up Japan at the expense of the

Allies

The Honorable
William H. Draper, Jr.
Under Secretary of the Army,
Department of the Army.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Allies of the United States. An attempt by the United States to repudiate its previous commitments and to urge a position which is known to be strongly disapproved by other governments, would gravely increase the problem of obtaining their cooperation in other important matters.

For these reasons it would be appreciated if the Department of the Army withdrew their proposed amendment to FEC 248/4.

Charles E. Saltzman

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

DEPARTMENT OF THE ARMY
OFFICE OF THE UNDER SECRETARY
WASHINGTON, D. C.

ASSISTANT SECRETARY
A-S
NOV 3

NOV 3 - 1947

Honorable Charles E. Saltzman
Assistant Secretary of State
Department of State

Dear Mr. Saltzman:

The Department of the Army has given careful consideration to FEC-248/4, dated 23 September 1947, a proposed FEC policy decision concerning the supply of food for civilian consumption in Japan.

Paragraph 3 of this paper reads "During the period of acute food shortage, imports of food should be the minimum required to prevent such starvation and widespread disease and civil unrest as would endanger the safety of the occupation forces, and no imports exceeding this minimum should be permitted which would have the effect of giving preferential treatment to the Japanese over the peoples of any Allied Power or liberated area."

The Department of the Army is willing to give its concurrence provided the words "to attain the objectives of the occupation and" are inserted after the words "should be the minimum required".

Without this insertion, in the body of the policy itself, this Government would be sanctioning an FEC policy which might serve to prevent food importations, above disease and unrest levels, required in the interests of economic rehabilitation. Acceptance of FEC-248/4, in its present form could be most embarrassing in the face of our recognition -- that only through Japanese e conomic recovery, sufficient to meet her costs of imports, can the present U. S. financial assistance to Japan be eliminated.

Also, it is noted, neither the proposed policy nor the U. S. statement for the minutes, define clearly what the ration level is. Since food deficiencies for Japan are being met from U. S. sources, paid for by U. S. funds, it is considered most undesirable that we place ourselves in the position where SCAP determinations on food requirements may be subject to question by other governments.

Present requirements for Japan and Korea are in the neighborhood of 2,500,000 tons (wheat equivalent). The Department of the Army is convinced that at least 2,000,000 tons is required as a very

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minimum in wheat and/or flour. Allocations thus far approved by the U. S. Department of Agriculture have been only 1,500,000. We believe approval of this paper in its present form would seriously jeopardize attainment of the minimum considered essential and would probably lead to criticism by FEC members of even the present entirely inadequate allocations. At this particular time approval of this policy might seriously jeopardize our over-all mission in Japan.

We fully recognize the difficulties which this paper presents from the point of view of the State Department and the Far Eastern Commission in view of the paper's past history. However, at a time when the Congress is expecting that the program in all of the occupied areas will be directed toward the development of self-supporting economies in countries receiving American aid, we believe that it would be unwise to give approval to policy which might well prevent the attainment of this objective.

William H. Draper, Jr.

William H. Draper, Jr.
Under Secretary of the Army

SWNCC 391/3

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

NOV 3 - 1947

Honorable Charles E. Saltzman
Assistant Secretary of State
Department of State

Dear Mr. Saltzman:

The Department of the Army has given careful consideration to FEC-248/4, dated 23 September 1947, a proposed FEC policy decision concerning the supply of food for civilian consumption in Japan.

Paragraph 3 of this paper reads "During the period of acute food shortage, imports of food should be the minimum required to prevent such starvation and widespread disease and civil unrest as would endanger the safety of the occupation forces, and no imports exceeding this minimum should be permitted which would have the effect of giving preferential treatment to the Japanese over the peoples of any Allied Power or liberated area."

The Department of the Army is willing to give its concurrence provided the words "to attain the objectives of the occupation and" are inserted after the words "should be the minimum required".

Without this insertion, in the body of the policy itself, this Government would be sanctioning an FEC policy which might serve to prevent food importations, above disease and unrest levels, required in the interests of economic rehabilitation. Acceptance of FEC-248/4, in its present form could be most embarrassing in the face of our recognition -- that only through Japanese e conomic recovery, sufficient to meet her costs of imports, can the present U. S. financial assistance to Japan be eliminated.

Also, it is noted, neither the proposed policy nor the U. S. statement for the minutes, define clearly what the ration level is. Since food deficiencies for Japan are being met from U. S. sources, paid for by U. S. funds, it is considered most undesirable that we place ourselves in the position where SCAP determinations on food requirements may be subject to question by other governments.

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(Signed) William H. Draper, Jr.

William H. Draper, Jr.
Under Secretary of the Army

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

To: A-S - Mr. Saltzman

From: OE - Mr. Whitman

Subject: FEC policy for Japanese food imports.

The FEC is about to act on a policy statement on the "Supply of Food for Civilian Consumption in Japan". (FEC 248/4, attached as Enclosure "A") The Department of the Army has requested the statement be amended as follows:

> "During the period of acute world shortages, imports of food for Japan should be the minimum required to attain the objectives of the occupation and to prevent such starvation and widespread disease and civil unrest as would endanger the safety of the occupation forces, and no imports exceeding this minimum should be permitted which would have the effect of giving preferential treatment to the Japanese over the peoples of any Allied Power or liberated area."

This amendment is not acceptable because; (a) it is unnecessary for the protection of U.S. interests; (b) it contravenes a long established U.S. position; and (c) it would seriously affect our relations with other powers on the FEC.

U.S. interests are amply protected without the amendment since SCAP is responsible for estimates of "disease and unrest" requirements which are flexible, have always been greater than the shipments permitted by the world supply situation, and will continue to be so in the foreseeable future. Furthermore, the paper is effective only during the period of acute world food shortage and it is entirely within the power of the U.S. to determine when this condition exists. So long as such a condition does in fact exist, it is inconceivable that as a practical matter the U.S. would in fact avowedly give Japan preferential treatment over liberated countries. Finally, the U.S. can protect its interest in Japan in any case through the actions of its representatives in the IEFC where exporting governments are bound only by allocations their representatives approve.

The U.S. is committed to the unamended position. It approved the principle therein on April 25, 1946 when it voted for a previous FEC policy statement on Food Supply for Japan. On October 31, 1946 SWNCC again approved the principle and a paper incorporating it was introduced into the FEC. SWNCC affirmed this position in SWNCC 331/3 in February 1947 (Enclosure "B") and reaffirmed its position in FEC. Finally, the U.S. again indicated its approval of the principle in FEC in August 1947 when, after receiving Department of the Army concurrence, it announced its support of the pending FEC paper. A repudiation of a basic principle supported for 18 months would be serious. The SWNCC 331 series contained two statements which are deleted in the present FEC 284. They are:

1. "The objectives of relief policy are to prevent such starvation and widespread disease and civil unrest as would (1) clearly endanger the occupying forces, and (2) permanently obstruct the ultimate objectives of the occupation."

2. "The Supreme Commander should be responsible for providing imported food supplies only to supplement local resources and only to the extent supplementation is needed to prevent such

widespread

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

widespread disease or civil unrest as would endanger the occupying forces or permanently obstruct the ultimate objectives of the occupation."

These statements were deleted along with other language, parts of which were contrary to U.S. interests. The omission of these two statements is not material. The first, limiting feeding, as it does, to the prevention of disease and unrest which would clearly endanger the Occupying Forces, is less to the War Department's interest than the final language which the War Department wishes to modify. The omission of the phrase "permanently obstruct" is, if anything, favorable to U.S. interests. The second provision is only a statement of SCAP responsibility and in no way affects the privilege of the U.S. to provide for feeding at an early level than to prevent disease and unrest should it wish to do so.

The proposed amendment would seriously affect continued international cooperation in the Far East. Other countries, especially where there is a serious food shortage, have been greatly concerned over the food problem. These countries know, and largely accept the fact, that already Japan is receiving under the disease and unrest formula more food than some Allied nations. But if the U.S. Government should now ask for enough food for Japan to meet the elastic formula, "the objectives of the occupation" as a priority over their own needs, they would strongly resent it and might regard it as evidence that this government is attempting to build up Japan at the expense of the Allies of the U.S. An attempt by the U.S. to repudiate its previous commitments and to urge a position which is known to be strongly disapproved by other governments would gravely increase the problem of obtaining their cooperation in other important matters.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

To: A-S - Mr. Saltzman

From: OE - Mr. Whitman

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U.S. interests are amply protected without the amendment since SCAP is responsible for estimates of "disease and unrest" requirements which are flexible, have always been greater than the shipments permitted by the world supply situation, and will continue to be so in the foreseeable future. Furthermore, the paper is effective only during the period of acute world food shortage and it is entirely within the power of the U.S. to determine when this condition exists. So long as such a condition does in fact exist, it is inconceivable that as a practical matter the U.S. would in fact avowedly give Japan preferential treatment over liberated countries. Finally, the U.S. can protect its interest in Japan in any case through the actions of its representatives in the IEFC where exporting governments are bound only by allocations their representatives approve.

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DEPARTMENT OF STATE

ASSISTANT SECRETARY

Nov. 17
1310

~~Mr. Feary - NA~~
Mr. Penfield - FE

This is the FSC post paper which I mentioned on the phone to-day. Trini is of the opinion since we must be able to give occ by the go-ahead on Wednesday afternoon. This means we have to tell Draper Tuesday to give him a channel to go higher if necessary.

Phil Clayton

See note inside

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) · NND # 760050

DEPARTMENT OF STATE

ASSISTANT SECRETARY

25 October 47

Mr. Clayton

Please have Mr. Whitman see me as soon as possible; preferably Monday 27 Oct with a prepared letter to Under Secretary Draper for me to sign presenting the case briefly, but fully as to essentials, for not amending this food paper. Letter should deal with two main points, in order 1) Needlessness of amendment due to stated safeguards considered adequate to insure reasonably high ration to sustain economic recovery (2) F.E.C. considerations. (See Gen. McCoy's letter 22 Oct (attached) | over)

ATES GOVERNMENT

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In August 1947 the U. K. submitted another paper (FEC 248) which eliminated all reference to the

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1. As you have suggested to us - unterlike previously.
2. Have talked with Ray will agree only in event U.S.
3. Not authorized by higher ups.

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STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : A-S - Mr. Saltzman DATE:

FROM : OE - Mr. Whitman

SUBJECT: Supply of Food for Civilian Consumption in Japan - FEC 248/4

The Department of the Army proposes to amend FEC 248/4 Supply of Food for Civilian Consumption in Japan as follows:

> "3. During the period of acute world shortage, imports of food for Japan should be the minimum required to prevent such starvation and widespread disease and civil unrest as would endanger the safety of the occupation forces or jeopardize attaining the objectives of the occupation, and no imports exceeding this minimum should be permitted which would have the effect of giving preferential treatment to the Japanese over the peoples of any Allied Power or liberated area."

The history of the attempts of the FEC to develop a satisfactory policy on import of food for civilian consumption in Japan is long and difficult. The first part of this history is detailed in Appendix "B" of SWNCC 331, to which I suggest you refer. You should also note items 7, 8 and 9 in Appendix "A" of SWNCC 331 which indicate the degree to which the United States is committed to a policy statement containing the language of FEC 248/4.

Subsequent to the history outlined in SWNCC 331, SWNCC approved a new policy statement on food which was submitted to the FEC on November 12. After a very extensive discussion the paper was amended by the FEC. SWNCC approved, with amendments, the revised policy statement. However, no agreement was reached in the Commission because of a relatively minor last minute issue involving a requirement for publicity to the alleged fact that Japan was being better fed than many countries which had suffered from Japanese aggression. Accordingly the proposed paper was tabled by the FEC in March 1947.

In August 1947 the U. K. submitted another paper (FEC 248) which eliminated all reference to the controversal

1. As per our last agreement with WS - material from Mr. Hoover.
2. Have talked with Mr. Hoover will agree only as a U.S.
3. Not authorized by Country etc.

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controversal features in the previous paper which had caused its non-acceptance by the FEC. After consideration of the revised paper it was determined that the U. S. could accept it. The War Department approval is given in a memorandum which I quote in full:

"MEMORANDUM FOR MR. NOEL HEMMENDINGER, DEPARTMENT OF STATE

"Subject: Supply of Food for Civilian Relief in Japan - FEC-248

"1. Per your request of this morning and in accordance with my telephonic advice to you 26 August, War Department has no objection to FEC-248."

Accordingly it was indicated in the Steering Committee of September 23, and the Commission meeting of October 2, that the U. S. could approve the British paper as amended (FEC-248/4).

I would like now to comment briefly on the specific proposal made by Mr. Draper.

1. If the interests of the U. S. are conceived as insuring achievement of our objectives in Japan regardless of other U. S. policies and considerations, the Draper amendment has some merit since the term "objectives of the occupation" can be interpreted quite elastically. Under such a policy the U. S. could ship any amount of food to Japan that we determined was proper without being subject to effective challenge by any other party.

2. This question of the status of the "objectives of the occupation" in a food paper has been discussed with the Department of the Army over the past eighteen months and it has been agreed that the protection given by the Draper formula is not essential to protect the interests of the U. S. Under the "disease and unrest" formula MacArthur has great latitude in determining the minimum imports to be sent to Japan. As a matter of fact MacArthur has never received the amount of imports

which

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which he has claimed are essential on the "disease and unrest" basis, and with the current food situation probably will not in the immediate future.

3. The U. S. has agreed to the formulation of the policy statement without "objectives of the occupation" in a whole series of documents going back to the original policy decision by the FEC approved on April 25, 1946. There is considerable demerit in now attempting to repudiate a previous U. S. position.

4. A proposal to amend the FEC paper by the addition of the Draper phrase would be strongly resented by our colleagues since it openly states that "objectives of the occupation" in Japan as interpreted by SCAP (and incidentally, of course, the U. S.) take precedent over requirements of our Allies. Our Marshall Plan efforts would be affected and new ammunition would be provided to the propaganda campaign which is charging that the U. S. wishes to build up Germany and Japan at the expense of our Allies.

5. Other countries feel so deeply on this issue that I do not believe the Department of State should even submit the Draper amendment for Commission consideration. If the U. S. must repudiate its previous position it should merely take the position that no agreement on the food paper is possible and not attempt to debate the issue.

Our action on this question partly depends on an appraisal of the effects in the FEC of failure to agree on a food policy statement. I have discussed this matter with General McCoy who believes that it would have a serious effect upon efforts to maintain international cooperation in the Commission. He will probably indicate the same to you in a separate memorandum. OE supports him in this position. We believe that the "disease and unrest" formula amply protects our Japanese interests and that there are considerable political risks in the FEC and in Europe from refusing to agree to a food policy paper.

I see no other alternative but to recommend that the attempt by the Department of the Army to amend the

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

which he has claimed are essential on the "disease and unrest" basis, and with the current food situation probably will not in the immediate future.

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I see no other alternative but to recommend that the attempt by the Department of the Army to amend the

previous

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

previous U. S. position on priority of food for Japan be resisted vigorously and effectively repudiated.

If you agree in this recommendation I would like the opportunity of taking up another memorandum or conversation on the question of the tactics to be employed.

OE:RHWhitman:emh 10-20-47 NA FE

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My dear Mr. Draper:

I understand that the Department of the Army wishes to have paragraph 3 of FEC 248/4 - Supply of Food for Civilian Consumption in Japan, amended to provide that imports of food for Japan should be the minimum required to attain the "objectives of the occupation", as well as prevent disease and civil unrest. The Department of State feels that the suggested amendment is unacceptable for the following reasons.

1. The amendment is unnecessary for protection of United States interests in Japan. This question was considered by the Departments over many months and it was agreed that while the addition of the "objectives of the occupation" might have some merit, the disease and unrest formula was adequate. SWNCC confirmed this position at least twice in action on the SWNCC 331 series. SCAP's estimates of disease and unrest requirements are flexible and have always been greater than the shipments permitted by the world supply situation, and will continue to be so in the foreseeable future. Furthermore, the United States can protect its interests in Japan through the actions of its representative in the IEFC where, as you know, exporting governments are bound only by allocations

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their representatives approve.

2. The proposed amendment would have serious consequences for continued international cooperation in the Far East. Introduction of the amendment would tend to impair confidence of other governments in the United States since the United States has repeatedly stated it approved the paper with the present wording and is, in fact, committed to it by FEC action on April 25, 1946. Other countries know, and largely accept the fact, that already Japan is receiving under the disease and unrest formula more food than some Allied nations. But if the United States Government should now ask for enough food for Japan to meet the elastic formula, "the objectives of the occupation" as a priority over their own needs, they would strongly resent it and might regard it as evidence that this government is attempting to build up Japan at the expense of the Allies of the United States. An attempt by the United States to repudiate its previous commitments and to urge a position which is known to be strongly disapproved by other governments, would gravely increase the problem of obtaining their cooperation in other important matters.

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For these reasons it would be appreciated if the Department of the Army withdrew their proposed amendment to FEC 248/4.

Charles E. Saltzman

(Routings) IR NA A-S

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STANDARD FORM NO. 64

Office Memorandum · UNITED STATES GOVERNMENT

DATE: 10-30-47

TO : A-S - Mr. Claxton

FROM : OE - Mr. Whitman RJW

SUBJECT: Draft memorandum on Food imports.

Mr. Saltzman asked me to determine whether SWNCC 331 went to the theater. It did, on November 7. No official SCAP comments were ever received.

You asked about the SWNCC 331 series. SWNCC 331/3, approved February 19, 1947 has the paragraph in approximately the form in FEC 248/4.

ASSISTANT SECRETARY
A-S
30 1947
MR. SALTZMAN
DEPARTMENT OF STATE

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 760050

To: ~~U - Mr. Bovett~~ Mr. A. D. Saltzman
OE - M. Whitman

From: ~~A-S - Mr.~~ Saltzman

Subject: FEC policy for Japanese food imports.

The FEC is about to act on a policy statement on the "Supply of Food for Civilian Consumption in Japan". (FEC 248/4, attached as Enclosure "A")
The Department of the Army has requested the statement be amended as follows:

"During the period of acute world shortages, imports of food for Japan should be the minimum required to attain the objectives of the occupation and to prevent such starvation and widespread disease and civil unrest as would endanger the safety of the occupation forces, and no imports exceeding this minimum should be permitted which would have the effect of giving preferential treatment to the Japanese over the peoples of any Allied Power or liberated area."

This amendment is not acceptable because; (a) it is unnecessary for the protection of U. S. interests; (b) it contravenes a long established U. S. position; and (c) it would seriously affect our relations with other powers on the FEC.

5436

U. S. interests

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sentatives approve.

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for a previous FEC/policy statement on Food Supply for Japan.

On October 31, 1946 SWNCC again approved the principle

and a paper incorporating it was introduced into the FEC. SWNCC affirmed this position in SWNCC 331/3 in February 1947 reaffirmed its position in FEC.

Finally, the U. S. ~~approved the principle~~ again indicated its approval of the principle in FEC in August 1947

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For these reasons I ask your concurrence in acceptance of the FEC paper without amendment.

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APPENDIX B

FOOD SUPPLY FOR JAPAN

(FEC Policy Decision, April 25, 1946)

In view of the world food shortage, which will be at its most critical stage over the next three months, and in view of the conditions prevailing in the territories of the Allied Powers, the Far Eastern Commission:

(1) decides as a matter of policy that, except to the extent that the Supreme Commander for the Allied Powers, with the advice of the Allied Council for Japan, determines that imports are essential immediately for the safety of the Occupation Forces, no imports shall be permitted which will have the effect of giving to the Japanese a priority or preferential treatment over the requirements of the peoples of any Allied Power or liberated area; and

(2) requests the United States Government, in the light of the policy set out above, immediately to review the food import program for Japan in consultation with the United Nations Relief and Rehabilitation Administration, the Combined Food Board, and other allocating authorities.

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FOOD SUPPLY FOR JAPAN FOR 1947-1948

In support of the statement that the world food supply for the next 12 months does not permit supplying Japan with its "disease and unrest" requirements, the following evidence is offered. The statistics cover Korea and the Ryukus, as well as Japan, but Japan is by far the larger part of the total.

Year Ending June 30, 1948

"Disease & Unrest Requirements as estimated by theater..... 2,400,000 tons of wheat equivalent

Minimum "disease & Unrest" requirements as estimated by Army, 2,000,000 "

Shipments projected by Dept. of Agriculture on assumption maximum export goal of 15,000,000 tons is reached..... 1,500,000

For period subsequent to June 30, 1948, supply and requirement estimates are less exact. U. S. crop prospects, however, are poor and exports will probably be lower than 15,000,000 tons. The Army Department has stated that "disease and unrest" considerations require raising the ration by 200 calories a day. This would require an additional 1,000,000 tons for Japan per year. In view of our Marshall Plan committments and probable export potential, such additional shipments during 1948-1949 seem out of the question.

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DEPARTMENT OF STATE

ASSISTANT SECRETARY

November 15, 1947

U - Mr. Lovett:

Subject: FEC Policy for Japanese Food Imports.

Problem: Action to be taken on Department of the Army request to amend the policy statement on "Supply of Food for Civilian Consumption in Japan" during the period of acute world food shortage which is now before the FEC so as to give an absolute priority to objectives of the occupation in Japan over the needs of our Allies (FEC 248 series, Appendix A).

Facts: 1. On three separate occasions in the last 18 months in the FEC the U.S. has approved the principle that during the period of acute world food shortage Japan's food requirements should not have preference over the requirements of our Allies except as needed to prevent disease and unrest. It is this principle which the Department of the Army now wishes to amend.

2. The Department of the Army (Appendix B) argues that approval of the policy statement would jeopardize our program for economic recovery in Japan and the obtaining of immediately needed food imports.

3. The Department of Army was offered, as a compromise, an amendment which would limit the policy statement to the present Japanese crop year (Nov. 1, 1947 to Oct. 31, 1948). This offer was rejected.

Discussion: 1. Nations on which we count for support in the Far East: The U.K., Australia, New Zealand, India, and the Philippines feel very strongly on this issue. We are attempting to arrange a Peace Conference and build support for our position at such conference. We are also attempting to obtain the cooperation of all Far East countries in an expansion of Japanese trade. To repudiate now an accepted U.S. position and publicly state preference for the Japanese over these same countries would clearly jeopardize obtaining their cooperation in other vital matters. General McCoy states this position most emphatically in his attached letter (Appendix C).

2. The Army amendment is unnecessary to protect the immediate interests of the U. S. since SCAP's "disease and unrest" requirements are higher than the amount of food that can be shipped to Japan under present supply conditions. Only shipments above that level are open to challenge under the policy. A statement of prospective food deliveries is set out in Appendix D.)

3. The long-run interests of the U. S. would not be adversely affected by agreeing to the statement now before the Commission and in any

case

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case it is completely clear that there is no possibility of any adverse effect if the proposed time limit is placed on the policy.

Recommendation: It is recommended that you authorize me to inform the Department of the Army that as a matter of policy and for the reasons set forth above the U.S. member of FEC will be directed to vote for the paper modified to provide for a termination of the policy at the end of the current Japanese crop year, but without the Army amendment, and with an appropriate statement by the US Representative.

C. E. Saltzman

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ANNEX

Additional Background Material on the Issue of an FEC Policy for Japanese Food Imports

A. Previous History: For more than a year and a half other members of the FEC have pressed the United States to agree to a statement of policy regarding supply of food for civilian consumption in Japan. The FEC, with U.S. concurrence, made a policy decision April 25, 1946 (Appendix D) that "except to the extent that the Supreme Commander for the Allied Powers, with the advice of the Allied Council for Japan, determines that imports are essential immediately for the safety of the Occupation Forces, no imports shall be permitted which will have the effect of giving to the Japanese a priority or preferential treatment over the requirements of the peoples of any Allied Power or liberated area". The United States regarded this decision as binding on it but refused to transmit it to SCAP. The FEC requested the United States to submit a policy paper which might be transmitted to SCAP. Such a paper was approved by SWNCC October 31, 1946 in SWNCC 331 and introduced into the FEC. This paper contained essentially the same principle as that quoted above.

Following discussion in FEC, it was necessary to modify parts of the paper, which was done in SWNCC 331/3 in February 1947 (Appendix E), which reaffirmed the essential provision regarding level of feeding. The United States reaffirmed its support of its provision in FEC. In order to provide the United States with the greatest possible latitude for determining the food supply to be allowed Japan, the United States read into the minutes a statement to be forwarded to SCAP with the policy paper which provided that the United States should determine what level of feeding in addition to that necessary to prevent disease and unrest etc., could be allowed without giving preferential treatment to the Japanese. The paper failed of passage for reasons not material to the present issue.

In order to break the deadlock the UK, in August 1947, proposed FEC 248, now under consideration. After obtaining written concurrence by the Department of the Army, the State Department indicated in FEC that it would support the British compromise paper. It is understood by all concerned that the same statement for the minutes will be accepted in connection with the present paper. On the morning the paper was to be approved at top FEC, the Department of the Army stated that it would object to the US voting for the paper unless it were made to provide that the minimum feeding level should be that which not only would prevent such disease and unrest as would endanger the safety of the Occupation Forces but also as would be sufficient to "attain the objectives of the occupation". The US member of FEC was therefore directed to defer a vote.

B. Department of Army Arguments: 1. The policy would jeopardize obtaining immediately needed imports. The Department of the Army states that it

believes

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believes that present requirements for Japan and Korea are in the neighborhood of 2,500,000 tons (wheat equivalent), that Agriculture has approved only 1,500,000 and that approval of the paper in its present form would seriously jeopardize attainment of the minimum considered essential, and might seriously jeopardize our over-all mission in Japan.

The requirement of 2,500,000 tons is based on SCAP's disease and unrest request. As the Department of the Army indicates, it will be impossible to meet this figure. The problem however is the short world supply, competing demands, and the toughness of the Department of Agriculture. These factors will not be affected by any FEC action.

2. The policy would hold back economic rehabilitation in Japan. The Department of the Army argues (Appendix B) in support of its position that without inserting this language in the body of the policy itself, this Government would be sanctioning an FEC policy which might serve to prevent food importations above disease and unrest levels required in the interests of economic rehabilitation, and it would be embarrassing in the face of our recognition that only through Japanese economic recovery, sufficient to meet her costs of imports, can the present U.S. financial assistance to Japan be eliminated.

The Department of State does not dispute the need of larger food imports to obtain full economic recovery in Japan. But it also sees the need for food imports to obtain full economic recovery in other key parts of the world. When we are seeking a world economic recovery there is no inconsistency in stating that Japan's share of scarce imports must be determined in the light of other requirements. In fact, it would be inconsistent to be seeking food and financing for food imports for France, Netherlands, etc. and at the same time announcing that Japan's requirements had preference over these countries.

C. <u>FEC Considerations</u>: The importance of the action of FEC countries to the Army amendment must be judged in light of our general world objectives, the negotiation on the Peace Treaty problem and the need for international co-operation if Japan is to be rehabilitated. There is no question as to the violence of the FEC reaction, as indicated in General McCoy's letter (Appendix C). He particularly stresses two points: 1. The amendment contravenes the the long-established U.S. position taken in FEC. As stated above the U.S. has approved the principle objected to by the Department of the Army on three different occasions in the FEC before the introduction of the present paper by the U.K., and has indicated its approval of the current paper in working committees. To suggest, and certainly to insist on, the introduction of the Department

of the

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of the Army's proposal after this history would tend to impair confidence of the FEC countries in the integrity of the U.S.

2. The substance of the amendment is offensive to the FEC. Other countries, especially those with food shortages, have been greatly concerned over the food problem. These countries know and largely accept the fact that, under the disease and unrest formula, the Japanese are already being fed at a level higher than some of the people of some of the Allied nations. However, if the U.S. Government should now ask for enough food for Japan to meet the elastic formula "the objectives of the occupation" during a period of acute food shortage as a preference or priority over the needs of the neighboring liberated Allied countries, they would strongly resent it and might regard it as evidence that this Government is attempting to build up Japan at the expense of the Allies of the United States.

D. Terminal Date for the Policy: The Department of State has never considered it necessary to have a terminal date on the policy for the following reason. SCAP, who, the FEC agrees, will be a United States Officer, is responsible under the policy statement for estimates of "disease and unrest" requirements, which are flexible. These requirements have always been greater than the shipments permitted by the world supply situation, and will continue to be so in the foreseeable future. The paper is effective only during the period of acute world food shortage, and it is entirely within the power of the U.S. to determine when this condition ends. So long as such condition does in fact exist, it is inconceivable as a practical matter that the U.S. would in fact avowedly give Japan preferential treatment. Finally, the U.S. can protect its interests in food supply to Japan through the actions of its representatives in the IEFC where, as the principal exporting government to Japan, it will be bound only by allocations its representatives approve.

Nonetheless the Department in an effort to meet the Department of the Army part way, and to make absolutely sure our long-run interests are not injured, offered to accept the policy ~~only~~ with a terminal date. While this too might make for serious argument at the FEC, General McCoy ultimately has agreed to propose it. The position of the Department of the Army in refusing this compromise is difficult to understand.

E. Relation to Previous Policy Proposals on Same Subject: FEC 248, now under consideration, deleted a number of paragraphs of SWNCC 331/3. In authorizing the U.S. member in FEC to proceed with FEC 248, State, with Department of the Army concurrence, considered that these deletions were not injurious to U.S. interests. Army now argues that the deletion of two of them might be injurious. They are:

1. "The objectives of relief policy are to prevent such starvation and widespread disease and civil unrest as would (1)

clearly

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clearly endanger the occupying forces, and (2) permanently obstruct the ultimate objectives of the occupation."

2. "The Supreme Commander should be responsible for providing imported food supplies only to supplement local resources and only to the extent supplementation is needed to prevent such widespread disease or civil unrest as would endagner the occupying forces or permanently obstruct the ultimate objectives of the occupation."

These statements were taken from earlier directives to SCAP which were intended to restrict SCAP's and U.S. <u>responsibility</u> for imports to the minimum necessary for Japanese needs. (Note the emphasis on "clearly endanger" and "permanently obstruct".) Furthermore, paragraphs 2 and 3 of SWNCC 331/3, which are in essence the same as FEC 248, clearly embraced these provisions and were intended to be the effective language during acute world food shortage.

C. E. Saltzman

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DEPARTMENT OF STATE

ASSISTANT SECRETARY

See R. thinks this would be a most unfortunate thing to come out at this time. Would damage Good policy.

If our people are strong in favor + mention 1500 in minutes, he'd go along reluctantly.

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DEPARTMENT OF THE ARMY
OFFICE OF THE UNDER SECRETARY
WASHINGTON, D. C.

ASSISTANT SECRETARY
A-S
DEC 1 1947
IRA B. SALTZMAN
DEPARTMENT OF STATE

25 November 1947

Mr. Frank G. Wisner, Deputy to
The Assistant Secretary for Occupied Areas
Department of State
Washington 25, D. C.

Dear Mr. Wisner:

I have your letter of 20 November 1947, concerning the acceptance by the Department of the Army of the proposed changes in the Japanese food paper, FEC 248/4.

The statement which was made by General McCoy at the meeting of the Far Eastern Commission on Thursday, 20 November 1947, had previously been cleared with me and is acceptable to the Department of the Army.

The Department of the Army hereby withdraws its objection to the agreement by the United States to FEC 248/4, subject to the assurances contained in the first paragraph of your 20 November letter and to the official statement made to the Far Eastern Commission by General McCoy on 20 November.

Sincerely yours,

William H. Draper, Jr.

William H. Draper, Jr.
Under Secretary of the Army

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Sincerely yours,

(Signed) William H. Draper, Jr.

William H. Draper, Jr.
Under Secretary of the Army

3715

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

STATEMENT BY GENERAL McCOY
to the
Far Eastern Commission, November 20, 1947

I am now able to state the position of my Government on the pending paper, "Supply of Food for Civilian Consumption in Japan" (FEC-248/4). My Government has authorized me to approve the paper as it stands, provided a time limit is placed on the period during which it will be in effect. My Government therefore proposes that the paper be amended as follows: in line one of paragraph 3, before the word "period" insert the word "present", and after the word "period", insert in brackets the clause "(Japanese crop year, November 1, 1947 - October 31, 1948)." The first line will then read: "During the present period (Japanese crop year, November 1, 1947 - October 31, 1948) of acute world shortage, imports of...."

It has been the policy of the United States Government from the beginning of the occupation, during which period there has been acute world food shortage, that the food imported into Japan should be limited to the amount necessary "to prevent such starvation and widespread disease and civil unrest as would endanger the safety of the occupation forces." My Government is willing to approve and enforce this policy for another year.

In view, however, of the impossibility of forecasting the conditions which will exist in Japan and in other Far Eastern countries a year from now or the obligations which changed conditions may place upon the Government of the United States, my Government is unwilling to commit itself to any particular policy for a longer period than that proposed.

If the U. S. amendment should be adopted, the U. S. Government, as the time approaches when this paper will cease to be in effect, will be pleased to consider with other interested Governments the policy regarding food relief for Japan which might then be adopted for a further period.

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STATEMENT BY GENERAL McCOY
to the
Far Eastern Commission, November 20, 1947

I am now able to state the position of my Government on the pending paper, "Supply of Food for Civilian Consumption in Japan" (FEC-240/4). My Government has authorized me to approve the paper as it stands, provided a time limit is placed on the period during which it will be in effect. My Government therefore proposes that the paper be amended as follows: in line one of paragraph 3, before the word "period" insert the word "present", and after the word "period", insert in brackets the clause "(Japanese crop year, November 1, 1947 - October 31, 1948)." The first line will then read: "During the present period (Japanese crop year, November 1, 1947 - October 31, 1948) of acute world shortage, imports of...."

It has been the policy of the United States Government from the beginning of the occupation, during which period there has been acute world food shortage, that the food imported into Japan should be limited to the amount necessary "to prevent such starvation and widespread disease and civil unrest as would endanger the safety of the occupation forces." My Government is willing to approve and enforce this policy for another year.

In view, however, of the impossibility of forecasting the conditions which will exist in Japan and in other Far Eastern countries a year from now or the obligations which changed conditions may place upon the Government of the United States, my Government is unwilling to commit itself to any particular policy for a longer period than that proposed.

If the U. S. amendment should be adopted, the U. S. Government, as the time approaches when this paper will cease to be in effect, will be pleased to consider with other interested Governments the policy regarding food relief for Japan which might then be adopted for a further period.

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to not mean the amount recommended by SCAP but only what is found to be

In view, however, of the impossibility of forecasting the conditions which will exist in Japan and in other Far Eastern countries a year from now or the obligations which changed conditions may place upon the Government of the United States, my Government is unwilling to commit itself to any particular policy for a longer period than that proposed.

If the U. S. amendment should be adopted, the U. S. Government, as the time approaches when this paper will cease to be in effect, will be pleased to consider with other interested Governments the policy regarding food relief for Japan which might then be adopted for a further period.

The shortage in world food supply has ~~it~~ import thus far made it impossible to provide a ration which will fully meet this minimum.

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DEPARTMENT OF STATE

ASSISTANT SECRETARY

October 29, 1947

PROCEDURE FOR GENERAL MCCOY TO FOLLOW IN FEC REGARDING FEC 248/4 - "Supply of Food for Civilian Consumption in Japan".

1. Postpone until next meeting if General McCoy wishes.

2. Add language suggested by General Draper: "endanger the safety of the occupation forces or jeopardize the objectives of the occupation".

3. Revise Para. 3 to read: "During the present period(1947-1948 crop year) of acute world food shortage", and read in record that it is the contemplation of the United States that the policy applicable to the supply of food for civilian consumption in Japan in succeeding years will be considered in the light of the then existing world food situation.

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RCIR

SCANNED & RECEIVED
SANACC Dec 18 47

In reply refer to
NA

CONFIDENTIAL

MEMORANDUM FOR THE SECRETARY, SANACC

Subject: Draft Directive Regarding the Supply of Food for Civilian Consumption in Japan.

1/ There is enclosed a draft directive prepared on the basis of a policy decision approved at the eighty-third meeting of the Far Eastern Commission on December 11, 1947, under the provisions of paragraph II, A, 1, of its terms of reference.

It is requested that the enclosed directive be forwarded to the Joint Chiefs of Staff for transmission to General MacArthur for his guidance in accordance with paragraph III, 1, of the terms of reference of the Far Eastern Commission. It is assumed that if the Joint Chiefs of Staff have any question regarding the draft directive they will refer the matter to the Department of State for clarification before transmitting a directive on the subject.

2/ It is also requested that the statement of the U. S. representative on November 20, 1947, and the statements
3,4/ of the U. S., Chinese, and New Zealand representatives at the time of the adoption of the policy decision, December 11, 1947, be transmitted to the Supreme Commander for his information.

The Secretary-General of the Far Eastern Commission has requested that the Joint Chiefs of Staff, in transmitting the enclosed draft directive to the Supreme Commander for the Allied Powers, inform him that in adopting

the policy

CONFIDENTIAL
FEC-180/12-11-47
SWNCC 294/5
12-18-47

Dept. ...
Div. Close Sheet Work
Dist. ...

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the policy decision regarding the supply of food for civilian consumption in Japan the Commission agreed that it should be released to the press after being received by the Supreme Commander. Therefore, in accordance with normal procedure, acknowledgement of the receipt of the directive is requested.

Frank G. Wisner
Deputy to the Assistant Secretary
for Occupied Areas

Enclosures:

1. Draft Directive Regarding Supply of Food for Civilian Consumption in Japan.
2. Statement of the U.S. representative on November 20, 1947.
3. Statements of United States and Chinese representatives on December 11, 1947.
4. Statement of the New Zealand representative on December 11, 1947.

DEC 17 1947 P.M

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ENCLOSURE No. 1

DRAFT DIRECTIVE REGARDING SUPPLY OF FOOD FOR CIVILIAN CONSUMPTION IN JAPAN

The following directive prepared by the Department of State to implement the policy adopted by the Far Eastern Commission on July 24, 1947, under the provisions of paragraph II, A, 1, of its terms of reference has been received from the State, War and Navy Departments for transmission to you for your guidance in accordance with paragraph III, 1, of those terms of reference:

1. The Far Eastern Commission, having considered the question of the supply of food for civilian consumption in Japan in the light of

(a) The measures already taken by the Supreme Commander since the beginning of the occupation to improve Japan's production and distribution of indigenous food; and

(b) the acute shortage o food which is not confined to Japan, but is causing serious hardship in countries which suffered as a result of Japanese aggression

hereby adopts the following policies with respect to this matter.

2. The Supreme Commander should ensure, by all practicable means, that the Japanese Government take the necessary measures

(a) to attain themaximum production of indigenous food; and

(b) to ensure equitable distribution of indigenous food supplies by maintaining and improving the system of collection, rationing, and price control.

3. In view of the acute world shortage, imports of food for Japan during the present crop year (November 1, 1947 - October 31, 1948) should be the minimum required to prevent such starvation and widespread disease and civil unrest as would endanger the safety of the occupation forces, and no imports exceeding this minimum should be permitted which would have the effect of giving preferential treatment to the Japanese over the peoples of any Allied Power or liberated area.

4. The Far Eastern Commission recommends to its member governments that they take all steps within their power to assist the implementation of this policy.

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ENCLOSURE No. 2

STATEMENT OF THE U.S. REPRESENTATIVE
ON NOVEMBER 20, 1947

"I am now able to state the position of my Government on the pending paper, "Supply of Food for Civilian Consumption in Japan" (FEC 248/4).

"My Government has authorized me to approve the paper as it stands, provided a time limit is placed on the period during which it will be in effect.

"My Government therefore proposes that the paper be amended as follows: in line 1 of paragraph 3, before the word 'period' insert the word 'present', and after the word 'period', insert in brackets the clause '(Japanese crop year, November 1, 1947 - October 31, 1948)'. The first line will then read: 'During the present period (Japanese crop year, November 1, 1947 - October 31, 1948) of acute world shortage, imports of ..."

"It has been the policy of the United States Government from the beginning of the occupation, during which period there has been acute world food shortage, that the food imported into Japan should be limited to not more than the amount recommended by SCAP and approved by my Government to be the amount necessary 'to prevent such starvation and wide-spread disease and civil unrest as would endanger the safety of the occupation forces'. In the view of SCAP and my Government's medical authorities, no less than 1500 calories for the normal consumer are needed to meet this standard. However, as members of the Far Eastern Commission are aware, the shortage in world food supply has, in fact, thus far made it entirely impossible to provide a ration which will fully meet even this minimum standard. My Government is willing to approve and enforce this policy for another year, fulfilling Japan's minimum requirements as fully as the food situation will allow.

"In view, however, of the impossibility of forecasting the conditions which will exist in Japan and in other Far Eastern countries a year from now, or theobligations which changed conditions may place upon the Government of the United States, my Government is unwilling to commit itself to any particular policy for a longer period than that proposed.

"If the United States amendment should be adopted, the United States Government, as the time approaches when this paper will cease to be in effect, will be pleased to consider with other interested governments the policy regarding food relief for Japan which might then be adopted for a further period."

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ENCLOSURE No. 3

STATEMENTS OF UNITED STATES AND CHINESE REPRESENTATIVES ON DECEMBER 11, 1947

The United States representative asked that the following statement be recorded in the minutes of the Commission at the time of adoption of this policy.

"The United States approves the policy statement on food contained in FEC 248/4 on the understanding that:

1. As a first step in implementation of paragraph 3 of this policy the Supreme Commander will present his requirements for food imports to the United States Government as requested by current directives classified separately as to:

a. Requirements essential to the safety of the occupation forces.

b. Additional requirements necessary to meet the objectives of the occupation.

2. In order to make it possible for the United States Government to 'take all steps within its power to assist this policy to be carried into effect' the Supreme Commander for the Allied Powers will forward to the United States Government all necessary data as to Japanese indigenous resources, measures being taken to increase production and provide equitable distribution of such resources, dietary standards necessary to prevent disease and unrest such as would endanger the safety of the occupation forces and other required information.

3. The United States Government will determine, on the basis of information submitted by the Supreme Commander for the Allied Powers and other information available to it, and after consultation with appropriate international bodies, the imports other than those needed for the safety of the occupation forces which would not have the effect of giving preferential treatment to the Japanese.

4. The United States Government will then inform the Supreme Commander of its views as to the maximum imports which would not provide preferential treatment for the Japanese."

The Chinese representative made the following statement of understanding which he asked be recorded in the minutes.

"It is the understanding of the Chinese Delegation that paragraph 2a should not be interpreted to prevent

removal

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removal as reparations of Japanese fertilizer plants and facilities, or to predetermine the ultimate capacity of such industry to be retained in Japan."

In reference to the above Chinese statement, the United States representative asked that the following statement of understanding also be recorded in the minutes.

"The United States Government does not acquiesce in any statement which implies that fertilizer plants may be used for reparations."

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ENCLOSURE No. 4

STATEMENT OF THE NEW ZEALAND REPRESENTATIVE ON DECEMBER 11, 1947

"Mr. Chairman, may I be permitted to make some statements on the general aspect of this paper now that it is going to be passed? This is not the first occasion on which the Far Eastern Commission has been called upon to consider the question of food supplies for Japan. The Commission will recall the very keen interest which my Government, and particularly my Minister, Sir Carl Berendsen, has taken in the matter in its earlier stages, and I don't have any desire at all to recapitulate any part of the difficult and prolonged discussions which we have had on this paper extending almost for over a year -- well over a year.

"I am instructed by my Government to support the present paper as being the best obtainable under the circumstances, but I should like to comment on one or two of the general aspects involved.

"Of course, we realize that it is entirely natural and understandable that an occupying power holding such a predominant place in Japan as does the United States should earnestly desire to avoid any unnecessary complication of its difficult and delicate task. It is also true that it is difficult to build a democratic country out of a hungry people. These things are plain and undeniable.

"But there is another principle involved. If there is to be hardship, and if at a time like this when there is not food enough to go around, anyone has to go short, then clearly, as we see it, the shortage and the suffering should fall upon the aggressors and not upon their victims. There does not seem to be any reason whatever, in logic or in equity, why, for example, the people of China, or Malaya or the Philippines or India or Burma, or, indeed, any of the peoples of the world who are suffering from hunger as a direct result of Japanese aggression, should be allowed to go short of food in a time of desperate need while the Japanese, the substantial cause of their miseries, are supplied with food in greater proportion. The paper before us acknowledges this general principle, the validity of which, of course, is unquestionable, but the paper provides an important exception, in that the Japanese may be permitted to receive more food than their former victims if such extra food is necessary to prevent such starvation and widespread disease and civil unrest as will endanger the safety of the occupation forces. This is an exception, sir, which may become both unjust and dangerous .

"It may become unjust because it can lead to a violation of that general principle I have referred to, andit may become dangerous because it leaves the way open for the Japanese,

by deliberately

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by deliberately fomenting internal disorder, to induce SCAP and the United States Government to allow more food. But, of course, in the proper discharge of the Commission's responsibilities, it is clear to all of us that such an exception must be inserted in the policy paper. In the circumstances we couldn't possibly do otherwise, but I do suggest that we should act with our eyes open. It is, therefore, obviously the duty of all concerned to minimize both the possibility of injustice and of danger, and to take all necessary steps to insure that the amount of actual food required by this exception is as small as possible. The Japanese food problem is only one part of a world-wide problem, as is recognized in the statement of the United States Member in the document recently filed, FEC 248/4, and the more the Japanese can be got to see it in this light, and together with their own part in the history of its development, the less is there likely to be unrest and the more cooperative will the Japanese become and the lower will the level of food required to prevent danger to the occupation forces also be. In a previous food paper before the Commission, that is, FEC 026/12, there was a very significant paragraph which doesn't appear in the present paper, and I should like, with your permission, sir, to quote that paragraph. The paragraph reads as follows:

> 'The Supreme Commander should make it clear to the Japanese people that:
>
> '(1) Many countries are suffering from a dire shortage of foodstuffs largely due to Japanese aggression and in many of the countries devastated by the Japanese the diet of the people is inferior to that of the Japanese.
>
> '(2) The Supreme Commander assumes no obligations to maintain, or to have maintained, any particular standard of living in Japan, and
>
> '(3) The Supreme Commander assumes no responsibility <u>to the Japanese people</u> to import foodstuffs to meet any deficit arising from the failure of the Japanese Government and people to assure the just and impartial distribution of their indigenous foodstuffs.
>
> '(4) The standard of living will depend upon the thoroughness with which Japan rids itself of all militaristic ambitions, redirects the use of its human and natural resources wholly and solely for purposes of peaceful living, administers adequate economic and financial controls and cooperates with the occupying forces and the governments they represent.'

"Now, sir, in the course of the food discussion, which, of course, were very prolonged in the Commission and in the committee, the New Zealand Delegation fully understood the

Reasons

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reasons for most of the arguments which were adduced by the United States, although, of course, on occasions we contested their validity, but we never did understand the reason for the flat United States rejection of subparagraph (1) in the abstract of the paragraph which I have just read. That is the subparagraph which suggests that the Supreme Commander should make it clear to the Japanese people that many countries are suffering from shortage of foodstuffs largely due to Japanese aggression. The remainder of the paragraph that I quoted was fully accepted by the United States Delegation. Now my Government attaches great importance to this matter being understood in its correct perspective, and being so understood by the Japanese, and it has at times felt doubtful whether this was the situation or even whether SCAP was doing what could be done in this respect. And the attitude of the United States upon that subparagraph (1) I have referred to didn't help very much to remove the doubts. But it does not appear that comparatively recently something has been done to put the matter to the Japanese in the proper light. I refer to the two papers that have been filed in the Commission -- FEC 248/5 and 248/6 -- and I refer also to a press report to the effect that the Japanese miners have been informed that they were getting twice as much food as the European miners but that they were only producing one-fourth as much coal. Now that is the sort of thing which ought to be told to the Japanese, but here again in the statements that were made by SCAP officers at their press conference, the two statements that are filed as of record in the Commission, I note that the SCAP officers gave a reasonably good picture of the world food situation but there was no significant mention of the one big fact which must be brought home to the Japanese -- that their own carrier of wanton aggression throughout the food-producing lands of Southeast Asia has been and still is a major cause of the world shortage of rice. We should like to see this fact hammered home to the Japanese until every man, woman and child in Japan had at least some appreciation of the grave extent of Japan's own responsibility in this matter. I repeat that the information at our disposal may not be complete, but in any case I would suggest to the United States Representative that possibly his Government might profitably look again at the whole paragraph that I have referred to, that is, the paragraph that was in the previous document, and carefully consider the advisability of implementing it so as to attain the two objectives:

a. The maximum possible cooperation from the Japanese, and

b. The reduction in the amount food required to keep safe the occupation forces."

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Dc/R
files

January 12, 1948

In reply refer to
NA 894.5018/1-548

CONFIDENTIAL

MEMORANDUM FOR THE SECRETARY GENERAL
FAR EASTERN COMMISSION

In accordance with a memorandum dated January 5, 1948, from the State-Army-Navy-Air Force Coordinating Committee, there is enclosed a certified copy of Directive, Serial No. 88, to the Supreme Commander for the Allied Powers regarding Supply of Food for Civilian Consumption in Japan, to be filed with the Far Eastern Commission under the provisions of paragraph III, 4, of its Terms of Reference.

C. V. HULICK

for Charles E. Saltzman
Assistant Secretary

Enclosure:

✓Copy No. 1 (certified)
of Directive to SCAP,
Serial No. 88.

NA:ALDunning/ggg
1/9/48

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JAN 12 1948

JAN 12 1948 P.M

A true copy of the signed original. CR/21C

894.5018/1-548

A/FR Jan 9 1948

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CONFIDENTIAL

THE STATE-ARMY-NAVY-AIR FORCE COORDINATING COMMITTEE
Washington, D. C.

SANA-5876
5 January 1948

MEMORANDUM FOR THE SECRETARY OF STATE:
(Attention: Mr. J. K. Penfield, FE)

Subject: Directive Transmitted to SCAP by the Joint Chiefs of Staff.

Enclosed are four copies of Directive, Serial No. 88, transmitted to SCAP by the Joint Chiefs of Staff. Copy No. 1 is for transmittal to the Far Eastern Commission, and Copies Nos. 2, 3, and 4 are for the files of the State Department.

For the State-Army-Navy-Air Force Coordinating Committee:

W. A. SCHULGEN,
Acting Secretary

Enclosure:
Directive Serial No. 88,
Copies Nos. 1, 2, 3, & 4.

DIVISION OF
NORTHEAST ASIAN AFFAIRS
JAN - 8 1948
DEPARTMENT OF STATE

Reply drafted
1/8/48 ALD

FILED
JAN 10 1948

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SS/A

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CONFIDENTIAL

COPY NO. 4

Serial No. 88

19 December 1947

DIRECTIVE TO THE SUPREME COMMANDER FOR THE ALLIED POWERS

SUPPLY OF FOOD FOR CIVILIAN CONSUMPTION IN JAPAN

The following directive, Serial Number 88, prepared by the Department of State to implement the policy adopted by the Far Eastern Commission on December 11, 1947, under the provisions of paragraph II, A, 1, of its terms of reference has been received from the State, Army, Navy, and Air Force Departments for transmission to you for your guidance in accordance with paragraph III, 1, of those terms of reference:

"1. The Far Eastern Commission, having considered the question of the supply of food for civilian consumption in Japan in the light of:

(a) The measures already taken by the Supreme Commander since the beginning of the occupation to improve Japan's production and distribution of indigenous food; and

(b) The acute shortage of food which is not confined to Japan, but is causing serious hardship in countries which suffered as a result of Japanese aggression hereby adopts the following policies with respect to this matter.

"2. The Supreme Commander should ensure, by all practicable means, that the Japanese Government take the necessary measures:

(a) To attain the maximum production of indigenous food; and

(b) To ensure equitable distribution of indigenous food supplies by maintaining and improving the system of collection, rationing, and price control.

"3. In view of the acute world shortage, imports of food for Japan during the present crop year (November 1, 1947-October 31, 1948) should be the minimum required to prevent

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such starvation and widespread disease and civil unrest as would endanger the safety of the occupation forces, and no imports exceeding this minimum should be permitted which would have the effect of giving preferential treatment to the Japanese over the peoples of any Allied power or liberated area.

"4. The Far Eastern Commission recommends to its member governments that they take all steps within their power to assist the implementation of this policy."

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ACTION
is assigned to

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

UNITED STATES POLITICAL ADVISER
FOR JAPAN

DIVISION OF
FAR EASTERN AFFAIRS
AUG 10 1948
DEPARTMENT OF STATE

No. 403

Tokyo, July 1, 1948

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(For Use of Department Only)

RECEIVED
DEPARTMENT OF STATE
1948 JUL 8 AM 7:
ACHESON

Subject: Present Food Situation in Japan.

The Honorable
The Secretary of State,
Washington.

Sir:

1/ I have the honor to enclose five copies of a press conference statement of June 21, 1948, issued by Mr. H. F. Alber, Chief, Price and Distribution Division, Economic and Scientific Section of this Headquarters, on the food situation in Japan.

XR
894.5017

The Department's attention is invited to the statement that the food outlook of the next four months is more promising than for any summer since the surrender. It is expected that there will be no "skipped" ration days, although there may be delays due to the need for processing of indigenous and imported grain. Mr. Alber points out that 40,000 tons of Egyptian rice will be imported into Japan this summer in exchange for Argentine corn to be shipped to Egypt. It is stated that sugar will continue to be substituted for rice at the rate of about four days per month, but after November 1 such substitution will decrease sharply. (While the Japanese were at first pleased at having sugar in place of the rice to which their ration cards entitled them, this substitution has become a very unpopular measure.)

The improvement in the food situation assures the Japanese people a more stable living, and according to Mr. Alber will no longer make necessary a major dependence on the black market. Mr. Alber makes it clear, however, that meeting the full staple ration depends on a successful collection of staple foods, the outlook for which is also good. The distribution of miso (soy bean soup) and shoyu (soy bean sauce), which are important in the Japanese diet as sources of protein especially, will be increased and a regular monthly ration of edible oil initiated.

Mr. Alber sums up food imports to Japan as approximately twenty-five percent of the total staple food ration requirement and, over the past

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past two and one-half years, as having amounted to 3,800,000 tons of food costing approximately $500,000,000. He emphasizes that so far the United States has been meeting the entire cost of these imports, but that the American people expect that Japan will assume an increasing share of the cost of necessary food imports. Cognizance is taken by Mr. Alber of the discussion in recent months concerning the possibility of an increase in food rations. However, he makes it clear that there is no possibility of this occurring until at least November 1 and that at that time any action to that effect will depend on the availability of an increased food supply. It is hoped that this potential increase will bring the food ration to a total of 1440 calories as against the present level of about 1300 calories. The determining factors, Mr. Alber states, will be the success of the present program to increase Japanese food production by ten per cent this year and the successful collection of the pre-planting quotas which have been established.

Mr. Alber's statement mentions that the fish and vegetable ration program is continuing to operate successfully. In this connection the Supreme Commander has recently directed (SCAPIN 1910 of June 16, 1948, forwarded with this Mission's despatch No. 368 of June 23, 1948) the Japanese Government to continue and to increase the effectiveness of price and distribution controls on these items. Five copies of a press release of June 16, 1948 on the subject of this directive are enclosed.

2/

This press release indicates that the Economic and Scientific Section believes the program which started December 16, 1947 against the black market has achieved impressive results. It goes on to say that the Japanese Cabinet has approved the Economic Stabilization Board plan to continue and improve emergency control measures, adopted in December 1947, through the present fiscal year. The new plan of the Board is claimed to tighten up weaknesses in enforcement measures, new features including:

1. Improved fish preservation measures.

2. Improved incentive goods distribution.

3. Establishment of specific goals of 535 million kan (2,211,000 short tons) of fish and 620 million kan (2,563,000 short tons) of vegetables.

4. Establishment of model stores.

While it is recognized in the press release that control of fish and vegetables has been and is unpopular, the following benefits are claimed to have resulted:

1. The proportion of fish sold through official channels increased from thirty to seventy per cent and vegetables from five to seventy per cent.

2. Total supplies of fish increased two times and vegetables three times in major cities.

3. Prices were reduced about twenty-five to fifty per cent.

Comment:

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Comment:

We feel that the statement concerning the food situation in Japan is definitely encouraging and should have a favorable reaction among Japanese. The fact that officials of this Headquarters have expressed confidence that the ration of staple goods will be fully met during the summer months and the ration of non-staple goods will be improved during that time will, it is believed, help ease the anxieties of the Japanese public. However, even when the standard ration is met the supply is insufficient. It is obvious that people cannot sustain themselves adequately when a considerable part of the fixed ration is given in substitutes. Thus the people are augmenting their diet on black market foods at fantastic prices to eke out a precarious livelihood.

The suggestion that after November 1 there may be an increase in the ration of staple foods may stimulate the Japanese to work harder in order to be able to afford an increased ration. That the increase is needed is indicated by the statement in this Headquarters 1948 Annual Report for Japan to Food and Agriculture Organization that since May 1946 surveys show that about twenty-five per cent of the population have had symptoms related to nutritional deficiencies. (Copies of the report were forwarded to the Department with this Mission's despatch No. 344 of June 11, 1948.) In this connection, it is noted that Mr. Alber states that the determining factor will be the success of the present programs to increase Japanese food production by ten per cent this year and the successful collection of the pre-planting quotas. The success of last year's collection augurs well for this year's quotas being met.

We are more skeptical of the possibility of a ten per cent increase in Japanese food production this year. One reason for scepticism is the fact that some of this ten per cent increase is expected to be derived from an extension of arable acreage. As the Department is aware, however, the Natural Resources Section of this Headquarters thinks the Japanese Government program for the increase of food production by expansion of arable acreage is overly optimistic, as can be judged by the following quotation from the recent report Outlook for Japanese Agriculture prepared by that section (Preliminary Study No. 25 of May 6, 1948, forwarded to the Department without covering despatch in pouch No. 2457 on May 11, 1948):

> "In summary, (a) most of the desirable land is already in use, (b) most of the reclaimable land left is inferior to the land now in cultivation, (c) the cost of reclamation on some land is prohibitive, and (d) land which is not suitable for reclamation has been included in the program (of the Japanese Government)."

Respectfully yours,

W. J. Sebald

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Enclosures: att. att 55

1. Press statement by Mr. H. F. Alber, June 21, 1948. (five copies)

2. Press release issued June 16, 1948, on the food situation in Japan. (five copies)

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PRESS CONFERENCE

STATEMENT BY

H. F. AIBER, CHIEF, PRICE AND DISTRIBUTION DIVISION

ECONOMIC AND SCIENTIFIC SECTION, GHQ, SCAP

ON

FOOD SITUATION IN JAPAN

TOKYO 21 June 1948

The food outlook over the next four months is more promising than for any summer since the surrender. The basic staple ration of 2.5 go and existing supplemental rations will be met in full until the harvest next autumn. Local ration delays arising out of low stock levels, transportation shortages and milling "bottle-necks" can be expected to continue. However, such delays will be brief and the full ration will be made up quickly. There will be no "skipped" ration days so people need not become alarmed over the temporary delay which may occur from time-to-time.

Rice will be imported into Japan this summer for the first time since the war. Arrangements have recently been completed to ship Argentine corn to Egypt in exchange for 40,000 tons (265,000 koku) of Egyptian rice. The first ship load of 8,500 tons is scheduled to arrive in Yokohama late in July. World supplies of rice are only about half of pre-war levels and deficit countries must secure allocations from the Rice Committee of the International Emergency Food Committee. The Rice Committee, which consist of representatives from most of the rice producing and importing countries of the world, has felt that since the Japanese war was largely responsible for the decreased production of rice in Asia, the victims of Japan's aggression should receive their rice requirements before any was sent to Japan. The present rice imports have been approved only as an emergency measure to prevent ration curtailment in the coming food deficit period and do not establish any guarantee that Japan will receive further rice imports.

To avoid rationing delays this year it has been necessary to issue sugar in place of staple grains, and the substitution of sugar for rice will continue through October at the rate of about 4 days per month. After 1 November the distribution of sugar as a staple food substitute will decrease sharply. It is recognized that sugar has many shortcomings as a staple food, but in the absence of sufficient quantities of grain to meet the full ration it has been necessary to either substitute sugar as an emergency measure or to "skip" 3 to 4 ration days a month which could not be made up with other foods.

A principle reason for local ration delays is the time-lag required to process indigenous and imported grain caused by the limited flour milling facilities available in Japan. To minimize this "bottle-neck" a major portion of food imports over the next several months will consist of American flour which will avoid the loss of time required for further processing of whole grain imports and will reduce the load on Japanese mills.

The food situation this year shows a great improvement over last year when by the end of June, 15 to 25 "skipped" ration days were not uncommon. As a result of this improvement, the Japanese people are assured a more stable living and there is no cause for the major dependence on the black-market that existed last year nor for the high food prices which developed as a result of the food shortage.

However, it should be clearly understood that meeting the full staple ration depends on a successful collection of the wheat, barley and potato crops which are now being harvested and upon arrival of food imports on schedule.

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The outlook for non-staple foods is also good. The actual distribution of miso will be increased gradually from the present rate of about 130 momme per month to the full ration of 180 momme (for central Japan) by November. The actual distribution of shoyu will be increased about 20 % above present levels during this same period and a regular ration of about 0.4 go of edible oil per person per month will be initiated in the near future. The fish and vegetable rationing program is continuing to operate effectively and steps are being taken to reduce hot weather spoilage of these perishable foods.

The successful accomplishment of both staple and non-staple food rationing programs depends on unrelenting action against the blackmarket and requires effective performance of all possible measures to maximize Japan's own food supplies. Furthermore, these steps must be pushed as a condition for the receipt of imported foods.

Since the end of the war, food imports to Japan have equalled approximately 25 % of the total staple food ration requirement. Over the past 2½ years a total of approximately 3,800,000 tons of foods have been imported at a cost of approximately $500,000,000. Since December 1947 approximately 950,000 tons of imported foods have been released and from July through October of this year an additional 825,000 tons will be released in order to meet the full staple ration. So far the United States has been meeting the entire cost of these imports, and the American people expect that after this year the Japanese will assume an increasing share of the cost of necessary food imports. In order to meet this obligation, Japanese workers must maximize production for export and all consumers must expect to restrict their consumption of goods so that larger supplies will be available for sale abroad.

There has been a great deal of discussion in recent months about the possibility of an increase in food rations. It should be clearly understood that until at least 1 November no staple ration increase will be possible. Any later action will depend on the availability of increased food supplies to meet the requirements of a higher ration so at this time no assurances can be given that the ration will be raised. An increased food ration level for Japan totalling 1440 calories per day (as against the present level of about 1300 calories) is being considered for effectuation 1 November 1948. This ration would consist of 2.7 go of staples plus about 90 calories per day of sugar, edible oil and soya products. Substantial dollar funds will be required to finance the imports necessary to meet this ration and also food allocations must be secured. Even if approved, such imports alone will not be sufficient to permit the ration increase. The determining factor will be the success of present programs to increase Japanese food production by 10 % this year and successful collection of the pre-planting quotas which have already been established.

The Supreme Commander for the Allied Powers is continuing to take all possible measures to assure essential food supplies for Japan, but it is the responsibility of the Japanese people to maximize food production and to ration indigenous supplies efficiently and equitably.

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PRESS CONFERENCE

STATEMENT BY

H. F. ALBER, CHIEF, PRICE AND DISTRIBUTION DIVISION

ECONOMIC AND SCIENTIFIC SECTION, GHQ, SCAP

ON

FOOD SITUATION IN JAPAN

TOKYO 21 June 1948

The food outlook over the next four months is more promising than for any summer since the surrender. The basic staple ration of 2.5 go and existing supplemental rations will be met in full until the harvest next autumn. Local ration delays arising out of low stock levels, transportation shortages and milling "bottle-necks" can be expected to continue. However, such delays will be brief and the full ration will be made up quickly. There will be no "skipped" ration days so people need not become alarmed over the temporary delay which may occur from time-to-time.

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There has been a great deal of discussion in recent months about the possibility of an increase in food rations. It should be clearly understood that until at least 1 November no staple ration increase will be possible. Any later action will depend on the availability of increased food supplies to meet the requirements of a higher ration so at this time no assurances can be given that the ration will be raised. An increased food ration level for Japan totalling 1440 calories per day (as against the present level of about 1300 calories) is being considered for effectuation 1 November 1948. This ration would consist of 2.7 go of staples plus about 90 calories per day of sugar, edible oil and soya products. Substantial dollar funds will be required to finance the imports necessary to meet this ration and also food allocations must be secured. Even if approved, such imports alone will not be sufficient to permit the ration increase. The determining factor will be the success of present programs to increase Japanese food production by 10 % this year and successful collection of the pre-planting quotas which have already been established.

The Supreme Commander for the Allied Powers is continuing to take all possible measures to assure essential food supplies for Japan, but it is the responsibility of the Japanese people to maximize food production and to ration indigenous supplies efficiently and equitably.

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PRESS CONFERENCE

STATEMENT BY

H. F. ALBER, CHIEF, PRICE AND DISTRIBUTION DIVISION

ECONOMIC AND SCIENTIFIC SECTION, GHQ, SCAP

ON

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TOKYO 21 June 1948

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Rice will be imported into Japan this summer for the first time since the war. Arrangements have recently been completed to ship Argentine corn to Egypt in exchange for 40,000 tons (265,000 koku) of Egyptian rice. The first ship load of 8,500 tons is scheduled to arrive in Yokohama late in July. World supplies of rice are only about half of pre-war levels and deficit countries must secure allocations from the Rice Committee of the International Emergency Food Committee. The Rice Committee, which consist of representatives from most of the rice producing and importing countries of the world, has felt that since the Japanese war was largely responsible for the decreased production of rice in Asia, the victims of Japan's aggression should receive their rice requirements before any was sent to Japan. The present rice imports have been approved only as an emergency measure to prevent ration curtailment in the coming food deficit period and do not establish any guarantee that Japan will receive further rice imports.

To avoid rationing delays this year it has been necessary to issue sugar in place of staple grains, and the substitution of sugar for rice will continue through October at the rate of about 4 days per month. After 1 November the distribution of sugar as a staple food substitute will decrease sharply. It is recognized that sugar has many shortcomings as a staple food, but in the absence of sufficient quantities of grain to meet the full ration it has been necessary to either substitute sugar as an emergency measure or to "skip" 3 to 4 ration days a month which could not be made up with other foods.

A principle reason for local ration delays is the time-lag required to process indigenous and imported grain caused by the limited flour milling facilities available in Japan. To minimize this "bottle-neck" a major portion of food imports over the next several months will consist of American flour which will avoid the loss of time required for further processing of whole grain imports and will reduce the load on Japanese mills.

The food situation this year shows a great improvement over last year when by the end of June, 15 to 25 "skipped" ration days were not uncommon. As a result of this improvement, the Japanese people are assured a more stable living and there is no cause for the major dependence on the black-market that existed last year nor for the high food prices which developed as a result of the food shortage.

However, it should be clearly understood that meeting the full staple ration depends on a successful collection of the wheat, barley and potato crops which are now being harvested and upon arrival of food imports on schedule.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

The outlook for non-staple foods is also good. The actual distribution of miso will be increased gradually from the present rate of about 130 momme per month to the full ration of 180 momme (for central Japan) by November. The actual distribution of shoyu will be increased about 20 % above present levels during this same period and a regular ration of about 0.4 go of edible oil per person per month will be initiated in the near future. The fish and vegetable rationing program is continuing to operate effectively and steps are being taken to reduce hot weather spoilage of these perishable foods.

The successful accomplishment of both staple and non-staple food rationing programs depends on unrelenting action against the blackmarket and requires effective performance of all possible measures to maximize Japan's own food supplies. Furthermore, these steps must be pushed as a condition for the receipt of imported foods.

Since the end of the war, food imports to Japan have equalled approximately 25 % of the total staple food ration requirement. Over the past 2½ years a total of approximately 3,800,000 tons of foods have been imported at a cost of approximately $500,000,000. Since December 1947 approximately 950,000 tons of imported foods have been released and from July through October of this year an additional 825,000 tons will be released in order to meet the full staple ration. So far the United States has been meeting the entire cost of these imports, and the American people expect that after this year the Japanese will assume an increasing share of the cost of necessary food imports. In order to meet this obligation, Japanese workers must maximize production for export and all consumers must expect to restrict their consumption of goods so that larger supplies will be available for sale abroad.

There has been a great deal of discussion in recent months about the possibility of an increase in food rations. It should be clearly understood that until at least 1 November no staple ration increase will be possible. Any later action will depend on the availability of increased food supplies to meet the requirements of a higher ration so at this time no assurances can be given that the ration will be raised. An increased food ration level for Japan totalling 1440 calories per day (as against the present level of about 1300 calories) is being considered for effectuation 1 November 1948. This ration would consist of 2.7 go of staples plus about 90 calories per day of sugar, edible oil and soya products. Substantial dollar funds will be required to finance the imports necessary to meet this ration and also food allocations must be secured. Even if approved, such imports alone will not be sufficient to permit the ration increase. The determining factor will be the success of present programs to increase Japanese food production by 10 % this year and successful collection of the pre-planting quotas which have already been established.

The Supreme Commander for the Allied Powers is continuing to take all possible measures to assure essential food supplies for Japan, but it is the responsibility of the Japanese people to maximize food production and to ration indigenous supplies efficiently and equitably.

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PRESS CONFERENCE

STATEMENT BY

H. F. ALBER, CHIEF, PRICE AND DISTRIBUTION DIVISION

ECONOMIC AND SCIENTIFIC SECTION, GHQ, SCAP

ON

FOOD SITUATION IN JAPAN

TOKYO 21 June 1948

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