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DESP. 1195 FROM TOKYO

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MAR 11 1948

UNITED STATES POLITICAL ADVISER  
FOR JAPAN

*DC/IR*

AUG 19 1947

Tokyo, July 28, 1947

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Aug 8, 1947

No. 1195

ACTION  
ITP-enc.

INFO:  
OCD-enc.  
FR  
DCR  
WAR  
CIG  
COM-enc.  
AGR-enc.

SUBJECT: Transmitting Report on 1947 Summer Grain  
Collection and Related Problems.

M-O-O-O

The Political Adviser for Japan has the honor to forward herewith five copies of Preliminary Study No. 13, entitled "1947 Summer Grain Collection and Related Problems" prepared by the Natural Resources Section of this Headquarters and released under date of July 19, 1947.

Enclosures: (5 copies only)

Preliminary Study No. 13  
of Natural Resources  
Section, July 19, 1947.

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DEPARTMENT OF STATE  
OFFICE  
~~BUREAU~~ OF EUROPEAN AFFAIRS

February 26, 1946.

A-C

Mr. Clayton:

I have heard that a further meeting is to be held this afternoon with regard to the wheat situation, this one being particularly in relation to the Army request for 1,500,000 tons for Japan. As I understand it, it will be necessary to cut the countries of Europe (including Germany) in order to make this Japanese program possible.

I appreciate that the lack of wheat in any area is going to present serious political problems. The fact remains, however, that there is not enough wheat for everyone and that starvation is bound to exist in some areas before the 1946 crops can come in.

Our position with regard to Europe is, first, that the present Italian ration must be maintained; second, that shipments to France must not be cut below the level which would make the 300 gram ration impossible. We are of course prepared to see Germany much more severely rationed than the other countries of Europe. However, we feel that it is not in our political interest to starve the people in the three western zones. If a few hundred thousand tons are taken away from Europe we face the prospect of some starvation in Europe and certainly considerable political unrest. Those few hundred thousand tons added to the Japanese program will, as I understand it, make very little difference in the actual starvation situation in Japan. If I am correct in this assumption, I think we are confronted with the problem of balancing the importance of two political difficulties. I naturally lean toward a solution which would alleviate the problem in Europe.



H. Freeman Matthews

894. 61311/2-26 44

STANDARD FORM NO. 64

# Office Memorandum



DATE: March 11, 1946

TO : U - Mr. Acheson

FROM : IR - Mr. Stillwell

SUBJECT: CABINET SUBCOMMITTEE MEETING 4:30 P.M. MONDAY, MARCH 11.

The Cabinet Subcommittee Meeting Monday has been called to give further consideration to the requirements recently submitted by General MacArthur. We have had two previous meetings with this group and at the last meeting General Hilldring and Howard Peterson presented the Army's case. At that meeting the Cabinet Subcommittee informed the Army officials that we could not increase the shipments to Japan in the month of March, that we had only 400,000 tons scheduled and that our total shipments for the month of March to all areas would not exceed 600,000 tons. It is obviously impossible to ship the total of 500,000 tons to Japan which General MacArthur requested for March.

It was agreed at this meeting that we do not have adequate information on the total Japanese situation and that General MacArthur is not fully aware of the seriousness of the world food crisis. It was, therefore, agreed that we should send a mission to Japan by special plane to both secure information and dispense information. This mission left on Tuesday, March 5, 1946. It was headed by Colonel Harrison of Agriculture. He was accompanied by two technicians, Mr. Rossiter of Agriculture and Mr. Shohan of State. It is hoped that resulting from this mission General MacArthur will immediately enforce more drastic collection of indigenous food stocks and impose a greatly reduced ration. We in the Department contend, however, that we must face the necessity of making available additional quantities of grain to General MacArthur that will provide a diet just above the level of starvation. It is estimated that such a diet cannot be lower than 850 calories a day. To take any other position will require the decision of the Cabinet and the President.

At the last meeting both Mr. Clayton and Secretary Wallace insisted that our only alternative is to further increase the supply of grains from the United States. We had proposed at a previous meeting that a nation-wide conservation campaign should be immediately inaugurated and that campaign is now under way under the direction of Herbert Hoover and Chester Davis. I feel that it should be pointed out, however, that we should not allow this campaign to lull us into inactivity or to consider it as a buffer to both public and congressional criticism. Mr. Clayton and I continued to insist even in the first meeting with Mr. Hoover that the voluntary method will not produce the results and that we should, therefore, further control the use of wheat and wheat products in the United States by at least twenty-five per cent. This can be quickly and easily done by placing

the restriction

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the restriction on the millers. Secretary Wallace agrees with this approach but Secretary Anderson is afraid of the pressure that might result.

There is one other conservation measure which has been discussed on many previous occasions on which no specific action has been taken. That is the unfreezing of our domestic corn stocks.. You will remember that we have previously discussed a subsidy of twenty five cents a bushel on corn.

There is adequate proof that the present black market on the sale of corn is twenty cents a bushel above the ceiling price. It would, therefore, seem logical that the only way we can force corn into the market is by placing a subsidy of twenty five cents a bushel on it. I suggest that the Cabinet Subcommittee should definitely consider such a subsidy and call in Chester Bowles and perhaps Paul Porter to discuss the problems involved. It is quite apparent that the increasing world requirements demand far greater effort on the part of this country than has been heretofore anticipated. We should secure a public announcement by the President setting our goal at shipping in excess of seven million tons of grain by the end of June. Both Mr. Wallace and Mr. Clayton have insisted on this at the previous meetings but we have never received a specific answer from Secretary Anderson. We must continue to press for such a commitment.

IR:JASillwell:bmd  
3/11/46

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT



TO : U - Mr. Acheson

DATE: March 12, 1946

FROM : IR - Mr. Stillwell *JAS*

SUBJECT: ALLOCATION OF WHEAT TO JAPAN FOR THE MONTHS OF MARCH AND APRIL.

Because of the extreme emergency that General MacArthur claims now exists in Japan, I am convinced that we must commit this Government to the loading of at least 150,000 tons of wheat for Japan during the month of March. This will be an increase of 110,000 tons over the previous allocation.

In addition we should immediately commit this Government to the loading of 200,000 tons of wheat for Japan for the month of April.

Under General MacArthur's analysis as well as the independent analysis made by the technical experts in the Department of State, these quantities will permit a caloric consumption of just under 900 calories per person per day. Unless we are prepared to commit deliveries to this extent, we should immediately secure the approval of the President to commit the Japanese population to certain starvation.

It should be remembered that the original allocation of 40,000 tons for Japan for March loadings was based on the assumption that only 627,000 tons will be exported from the United States during that period. We have long since learned that if we allow the Department of Agriculture to operate on such low commitments they will never achieve more than that. I am quite certain that if this commitment is raised to the 150,000 tons for March above mentioned, with the assistance we will receive from the Army Transportation Corps, we will achieve an export of at least 150,000 tons of wheat during the month of March. At any rate, we should not jeopardize General MacArthur's position by the indefiniteness of unstated allocations. We must either tell him that we will or we will not produce a quantity of wheat required to maintain a stated level of caloric consumption.

The recommendations herein have been approved throughout the Department up to your level. I suggest that they be discussed with the Secretary and that the Cabinet Subcommittee on food be notified of our position.

IR:JASstillwell:bmd  
3/12/46

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