RECEBIDO
19 JUL. 1944
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DELEGAÇÃO DOS ESTADOS UNIDOS DO BRASIL

S. DE E. DOS NEGÓCIOS ESTRANGEIROS
SERVIÇO DE COMUNICAÇÕES
19 JUL 1944
Nº 09806

CPC
DEC

Nº 6/148

8a. e 9a. reuniões
da U. N. R. R. A.

954.(00)

Ao Senhor Ministro de Estado das Relações Exteriores o Representante do Brasil junto ao Comité de Suprimentos da Administração de Assistência e Rehabilitação das Nações Unidas apresenta respeitosos cumprimentos e tem a honra de lhe enviar, em duplicata, cópia das atas da 8a. e 9a. reuniões do mesmo Comité.

Washington, em 6 de Julho de 1944.

anexo ao oficio nº 6

Committee on Supplies
Minutes/8

CS(44) 22
CONFIDENTIAL

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

COMMITTEE ON SUPPLIES

Minutes of the Eighth Meeting

10:30 A.M., Tuesday, 25 April 1944
Room 525, Dupont Circle Building
Washington, D. C.

1. PRESENT

Members and Officers of the Committee

Chairman: L. B. Pearson

AUSTRALIA	James B. Brigden
BELGIUM	Joseph Jennen
BRAZIL	Caio de Mello Franco
CANADA	L. B. Pearson
CHINA	S. H. Tan
FRENCH COMMITTEE OF NATIONAL LIBERATION	R. Marjolin
NETHERLANDS	D. Crena de Iongh
NEW ZEALAND	ABSENT
UNION OF SOVIET SOCIALIST REPUBLICS	V. A. Klentsov
UNITED KINGDOM	Ben Smith
UNITED STATES OF AMERICA	Rupert Emerson

Secretary: David Weintraub
Assistant Secretary: Peyton Kerr

Deputy Directors General: Roy F. Hendrickson, M. A. Menshikov, H. P. van Gelder

Alternates and Advisers: A. Domingues (Brazil), L. A. H. Peters, (Netherlands), R. W. Jackling (UK), P. M. Malakhin (USSR), W. M. Cohen, W. Jackson, J. A. Stillwell (USA)

Secretariat: L. Eliot, L. Gulick, E. Harrell

Bureau of Supply: A. Bonnell, K. Borders, A. Cairns, W. A. Chudson, I. Church, S. M. Keeny, H. Miles, J. L. Smith

Other Members of the Staff of the Director General: A. Fried, K. Louchheim, C. Richards, W. Sokolowski, V. Tereshtenko, R. Williams

2. MESSAGE OF CONDOLENCE TO THE DIRECTOR GENERAL

Before proceeding with its formal business, the Committee expressed through the Chairman their great sympathy to the Director General for the loss of his son, Lt. Peter G. Lehman, in line of duty overseas.

3. MINUTES

The Minutes of the Seventh Meeting were adopted without correction.

4. AGENDA

The Provisional Agenda circulated before the meeting was as follows:

I. Report of the Bureau of Supply

II. Letter from Mr. F. Nemec, Czechoslovak Ministry of Industry and Commerce

III. Other Business

This agenda was adopted.

5. REPORT OF THE BUREAU OF SUPPLY

(a) Mr. Hendrickson, Deputy Director General in Charge of the Bureau of Supply, read the Report of the Bureau of Supply. (See CS(44) 21 attached.)

(b) Discussion Postponed: At the Chairman's suggestion, it was agreed that, in view of the fact that the members had not had an opportunity to study the report before the meeting, any comments concerning it would be in order at the next meeting. Mr. Marjolin (French Committee) indicated that he would like to make a statement at that time, especially in connection with Item 3 of the report dealing with "Procurement Procedure". More particularly, he indicated that he saw no need for official negotiations with the Bureau of Supply concerning a government's ability to pay for relief and rehabilitation supplies in instances where a government can state that it will pay. He agreed, however, that informal discussions concerning the "elaboration" of programs submitted directly to the Combined Boards by such governments would be helpful.

6. LETTER FROM MR. F. NEMEC

(a) Questions Raised: The Committee had before it the following documents: (1) A letter dated 29 February 1944 addressed by Mr. F. Nemec, Czechoslovak Ministry of Industry and Commerce, to Sir Frederick Leith-Ross, Deputy Director General at the London Regional Office; (2) Sir Frederick Leith-Ross' reply to Mr. Nemec, dated 21 March 1944; (3) An excerpt from the draft Minutes of the Third Meeting of the Committee of the Council for Europe held on Tuesday, 28 March 1944. ("Item 4, Consideration of letter from Czechoslovak Representative."); and (4) A memorandum prepared by the Secretariat covering the questions raised by Mr. Nemec, and submitted for consideration by the Committee on Supplies and for possible use in a reply to Mr. Nemec to be sent by the Director General. The following questions were raised in the letter from Mr. Nemec:

"1. How far will the materials needed for the recovery of a country, be designed as relief and rehabilitation goods, and how far can these materials, under consideration of their fair distribution among the various areas, be procured in connection with the activities of U.N.R.R.A., the financial means for which are very large but limited?

"2. Are the Allied Governments free to buy commodities which are not at all covered by the activity of U.N.R.R.A. or would this be in contradiction to the resolution at St. James's Palace?

"3. How will the Allied Governments proceed to secure their full needs in regard to such commodities which are connected with the activities of U.N.R.R.A. but which will be covered through their activities only to a limited amount? (The Allied Imports Programme is already a restricted programme.) I have in mind particularly, crude or simply transformed materials for the manufacture of highly qualified goods (e.g., textile raw materials, non-ferrous metals, petroleum and its products, steel, coal, etc.) which are required to restore normal life as soon as possible and which also means the resumption to some extent, of normal export trade of such finished goods. They are, therefore, of the highest importance for the recovery of each country. Further, what provision can be made to prevent a scramble at the end of the war for

these commodities, the purchase of which remains restricted during the war, but which are necessary to provide employment immediately afterwards?"

(b) Nature of the Problem: The Chairman stated that the questions asked by Mr. Nemec involved matters of the highest policy and required careful consideration. Mr. Emerson (U.S.) expressed the view that the questions raised by Mr. Nemec could not be resolved until the requirements of all occupied countries have been submitted, not only for relief and rehabilitation but also for reconstruction, and until the availability of goods and shipping has been determined. He therefore suggested that decisions on the questions be deferred to a future meeting. Mr. Smith (U.K.), concurred in this view and suggested that, after discussions with members of the Committee, the Director General prepare a reply and present it for consideration by the Committee. Mr. Klentsov (U.S.S.R.) agreed with Mr. Smith's suggestion but pointed out that it is very difficult for some governments to compute their relief requirements and that their difficulties would be increased if they also had to include their reconstruction requirements. Mr. Marjolin (French Committee) stated that it seemed clear to him that member governments are free to seek to procure, on credit or otherwise, such supplies as are beyond the scope of UNRRA's operations to the extent that such procurement does not prejudice the availability of relief supplies to other member governments. The Chairman and Mr. Smith (U.K.) agreed, with the qualification that any such procurement would be done only with the knowledge of the Combined Boards and, in the case of supplies under allocation by the Combined Boards, only after allocation by them.

(c) Discussion Postponed: Further discussion was postponed until the next meeting.

7. OTHER BUSINESS

(a) Second Session of the Council: The Chairman pointed out that Item IV.B. on the Provisional Agenda for the Second Session of the Council (Policy Aspects of Supply) concerns the work of the Committee on Supplies and suggested that this item be considered at a future meeting of the Committee, after discussions with the Director General and Mr. Hendrickson.

(b) Appointment of a Permanent Secretary: The Chairman proposed that Mr. Weintraub, who had heretofore been serving as "Secretary Pro Tem", be designated as the Committee's permanent

Secretary and that Mr. Peyton Kerr be designated as "Assistant Secretary". These proposals had been previously accepted by the Administration. The Committee agreed.

8. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:15 a.m.

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

COMMITTEE ON SUPPLIES

Report of the Bureau of Supply
Eighth Meeting of the Committee on Supplies
25 April 1944

1. Action of the Committee of the Council for Europe

At its second and third meetings, the Committee of the Council for Europe took up matters of interest to this Committee and to the Bureau of Supply. At its second meeting on March 14, the Committee for Europe had before it a cable from the Director General (Attachment A) which outlined what he believed to be the framework within which the Committee for Europe should consider the problem of bases and policies for the computation of requirements. At its third meeting on March 28, the Committee for Europe had before it a copy of the Bureau of Supply report which had been submitted to this Committee at its seventh meeting. The Committee for Europe approved the policies and procedures described in both of these documents. At its third meeting, the Committee also adopted a resolution (Attachment B) setting forth a procedure for determining recommendations to the Council regarding the bases for preparing estimates of requirements. The last paragraph of this resolution states that "nothing in the present resolution shall be allowed to hold up in any way the procurement of essential supplies."

2. Requests for Allocations

Accordingly, we have proceeded with the computation and presentation to the Combined Boards of preliminary requests for allocations of relief and rehabilitation supplies. As you were informed at the last meeting of this Committee, we had by that time submitted requests for allocations of textiles, foodstuffs, soap, and rock phosphate. Since then, the following additional requests for allocations have been submitted:

On 27 February 1944 the Combined Food Board was requested to make an allocation of 208,500 tons of potash for use during the ensuing crop year — 10 percent for fall use in 1944 and the balance for use in the spring of 1945.

On 30 March 1944 the Combined Production and Resources Board was requested to make an allocation of footwear and related materials for distribution during the first and second quarters of 1945. This request includes finished shoes, material for the manufacture of shoes, and repair materials.

The estimates submitted are based on alternative assumptions respecting the use of substitute materials. Assuming that no leather substitutes are employed, the requested allocation amounts to 114,877 tons.

On 11 April 1944 the Combined Food Board was requested to make an allocation of 185,000 tons of nitrogen for use during the ensuing crop year — 5 percent for fall use in 1944 and the balance for use in the spring of 1945.

On 17 April 1944 the Combined Production and Resources Board was requested to make an allocation of medical and sanitation supplies for use during the first and second quarters of 1945. The request lists several thousand individual commodity items. The technical character of the items and of the uses to which they will be put made it necessary to supply a rather elaborate documentation of the program in a series of appendices.

Requests will be submitted in the very near future for seeds, pyrites, pesticides, fire-fighting equipment, construction hand tools, agricultural hand tools, and food-processing machinery.

In preparing these requests for allocations, we are making as much use as possible of the work of the Inter-Allied Committee and we are submitting them with the clear understanding that they are to be supplemented and amended to take into account the areas that are not covered and to bring them into accord with bases and policies to be determined by the Council after recommendations by the Regional Committees.

3. Procurement Procedure

For the most part, both our requests and the allocations received will be in rather general terms, specifying broad categories of commodities. As soon as allocations are made by the Combined Boards we shall therefore have to take steps in the supplying countries that are indicated by the Combined Boards to translate these allocations into actual goods.

It is our plan to request the several member governments whose territories have been occupied by the enemy to designate representatives who will be fully authorized to act finally in the following negotiations with the Bureau of Supply in Washington:

Immediately after an overall allocation has been made by the Combined Boards, and in order to assure that the supplies to be made available under this allocation will conform as closely as possible to the needs of the individual liberated areas, such representatives will be asked to begin negotiations with the Bureau of Supply regarding

(i) specifications of the supplies which they seek to obtain, and (ii) the ability of their government to make payment for such supplies in suitable means of foreign exchange, in accordance with Sections 16 and 17 of the Financial Plan. This last problem will of course, whenever necessary, be brought to the attention of a sub-committee of the Committee on Supplies in accordance with Resolution No. 23.

We are, of course, aware that representatives of the governments of occupied countries can and will present their own programs of requirements directly to the Combined Boards, after informing the Director General, and that they can proceed to arrange for the procurement of the goods allocated to them. Some of these governments have already started their procurement. It was, in fact, the purpose of the policy statement adopted at the last meeting of this Committee to provide an orderly procedure for such advance procurement. You will be interested to know that this procedure is now being followed by the purchasing governments and that the following proposals for advance purchases have been handled since the last meeting of this Committee:

(a) A proposal by the Norwegian Government to purchase 80,000 tons of rye and 20,000 tons of wheat in Argentina.

(b) A proposal by the French Committee of National Liberation to purchase 2,000 tons of canned tuna fish in Spain and 2,000 tons of tobacco in Turkey.

(c) A proposal by the Netherlands Government to purchase fish liver oils in Iceland.

We expect that the Combined Boards will continue to consult with us when they receive an allocation request from an individual government, whether the request involves a single purchase or a complete purchase program for a designated period. When we are consulted by the Combined Boards regarding allocations requested by individual governments, we expect to agree to such deductions from previously made overall allocations as are consistent with an equitable distribution of available relief and rehabilitation supplies among the various liberated areas. In determining what constitutes an equitable deduction in such cases, we shall of course take into account the stocks that are available in the country in question as well as the stocks acquired as a result of advance purchases.

4. Development of Production; Allocation of Sources of Supply

When allocations for liberated areas are made by the Combined Boards, the most stringent aspects of the supply situation will be revealed and it will be possible to determine with greater accuracy the

respects in which we are threatened with the prospect that supplies will not be available in amounts that are adequate to meet urgent relief needs. This information will, of course, have a direct bearing on the need for supplying countries to retain programs designed to maintain or increase the supply of such goods. At this time, we expect to come to the Committee on Supplies for advice and assistance in efforts to increase production of items in short supply, in accordance with Resolution No. 22, paragraphs 3 and 4, which provide that the functions of the Committee on Supplies shall include the following:

"3. To cooperate with the Director General and the established intergovernmental supply and shipping agencies regarding supply policies and, when necessary, make recommendations to supplement the actions of such agencies and to assure the availability of required supplies.

"4. To cooperate with the Director General and the established intergovernmental and governmental agencies in efforts to increase production and the availability of supplies."

This is one aspect of our relationship with the Combined Boards regarding the allocation of sources of supply. Another aspect is related to UNRRA's efforts to make effective the contributions of its members under the Financial Plan. It is this latter aspect which we had in mind when, in the Bureau's last report to this Committee, reference was made to a request "that those supplying countries who are already in a position to participate in the work of this Administration transmit to us their suggestions as to the commodities in which they could most easily make their contributions toward the work of UNRRA."

The statement just quoted prompted the following letter from the Executive Officers of the Combined Boards:

"At a recent meeting of the Committee of the Executive Officers of the Combined Boards attention was drawn to the progress report submitted by the UNRRA Bureau of Supplies to the Seventh Meeting of the UNRRA Committee on Supplies, and in particular to Item 2 in that report headed 'Contributions for Participation in the Work of this Administration'.

"It was noted that supplying countries are requested to transmit to your Administration their suggestions as to the commodities in which they might prefer to make their contributions toward the work of UNRRA. The Committee of the Executive Officers took note of the statement made in paragraph 2 of your progress report to the effect that 'The allocation of sources of supply is in its final analysis in the hands of the Combined Boards', a statement which is, of course, in line

with the Atlantic City resolutions of the UNRRA Council. In the light of this statement and of the further statements made in the same paragraph, the Committee assumed that such enquiries as your Administration will address to supplying countries will be directed to ascertaining any special conditions regarding contributions in kind which participating countries may wish to attach and any preference that they may wish to express, in addition, of course, to any obligations regarding such contributions in kind which member governments may have undertaken prior to the formation of UNRRA, e.g., in regard to wheat.

"The Executive Officers of the Combined Boards would be very grateful if your Administration would transmit to them such replies as you may receive to this request indicating the preferences which supplying countries may have in regard to the commodities they may wish to contribute; also, in making requests for such information to member countries, if your Administration would indicate that their replies will be brought to the attention of the Combined Boards."

Our reply stated that:

"We will gladly comply with your request that we transmit to the Combined Boards such replies to this request as we may receive 'indicating the preferences which supplying countries may have in regard to the commodities they may wish to contribute.' We shall also be glad to comply with your desire that in making requests for such information we indicate that the replies will be brought to the attention of the Boards.

"We appreciate fully the spirit of cooperation which has motivated your request and are counting on it in the difficult problem of maximizing the contributions of the supplying countries. The total of the resources available to UNRRA to meet the very large problem it faces depends upon its ability to utilize to the maximum the contributions in kind of the many supplying countries, large and small. It is essential that the pattern of allocations of sources of supply shall be meshed with the pattern of sources of contributions. To assist the Boards it is our plan to keep you fully informed with respect to the contributions of supplying countries both as to what they inform us they intend to contribute in amount and their wishes as to the nature of the contribution. I am sure this will be helpful and that in turn the Boards will continue to bring promptly to our attention any matter touching the interests of this Administration."

5. Internal Organization

You will be interested to know that Mr. N. I. Feonov is proceeding with the organization of the Regional Bureau of Supply in London. While details of the relationship between the Washington Bureau and the Regional Bureau have not yet been worked out, certain essential aspects of this relationship are clear. Action on supply matters at the allocation level will be concentrated in Washington. Since the Combined Boards are located in Washington, basic relationships between the Administration and the Boards will be established here and all dealings with these agencies will be carried on through the Washington Office of the Bureau of Supply. Proposals for advance purchases by occupied countries will be forwarded to Washington since such proposals will be considered by the Director General before they are presented to the Combined Boards.

Arrangements have been made to keep the Regional Bureau constantly informed in detail regarding policies, negotiations, and progress made in obtaining supplies and to improve the two-way flow of information between Washington and London. In view of the distances involved and the cumbersome nature of existing communication facilities, periodic personal visits between supply officials in both offices are being planned.

You will also be interested to know that your Secretary, Mr. David Weintraub, is now serving as Assistant Chief of the Bureau of Supply and as such will be in a position to keep the Bureau continually aware of the needs of the Committee on Supplies and also to keep the Members of this Committee as intimately informed as they might feel necessary on matters concerning the Bureau of Supply.

Attachment "A"

Cable from Lehman to Leith-Ross

The Committee should be keenly aware of the following circumstances:

1. To insure the best possibility of supplies the Director General must submit to the combined boards at the earliest possible moment comprehensive requirements for the first six months of the period following the period of Army responsibility.

2. In view of the scarcity of many essential supplies it may be anticipated that the Intergovernmental and National allocating agencies will scrutinize requirements very closely and will be unsympathetic to requirements which appear to them to go beyond the most urgent needs.

3. Since the submission of requirements to the allocating agencies is of the greatest urgency Headquarters is preparing the best provisional estimates it can without waiting for the recommendations of the Regional Committee as to bases and policies with the intention of later substituting requirements prepared on the basis of policies approved by the Council in accordance with the Atlantic City Resolution. In view of the foregoing the following suggestions are made:

a. The Committee for Europe and the Regional Technical Subcommittees working with it would achieve greatest effectiveness if they concentrated on recommendations as to bases and policies and rely on the Staff of the Administration for the actual computation of requirements which computation the Staff of the Administration will have to perform in any case.

b. With respect to the bases it is recommended that the Committee concentrate on recommendations as to the levels of sufficiency in connection with those types of supplies to which such levels can be reasonably applied, for example Food and Clothing.

c. With respect to policies it is suggested that the Committee make recommendations as to priorities in the event of scarcity of transport.

In the preparation of provisional estimates mentioned under Paragraph 3 above the Headquarters Staff will so far as possible utilize any recommendations as to bases and policies received from the Committee.

Attachment "B"

Resolution by Mr. J.G. Winant (U.S.A.) Adopted at the Third Meeting of the Committee for Europe

WHEREAS

(1) In accordance with paragraph 1 of Section A 1 of Atlantic City Resolution No. 17 the Committee of the Council for Europe have the duty of recommending from time to time as policies to be adopted by the Council whatever basis or bases the Committee think appropriate for the whole or parts of its area.

(2) In accordance with the final sentence of paragraph 5 of Article 3 (iii) of the UNRRA Agreement the Committee of the Council for Europe have now replaced the Inter-Allied Committee of European Post-War Relief established in London on September 24th, 1941. The records of the latter have been made available to it.

(3) The Committee of the Council for Europe have now received from the Deputy Director General for Europe in his capacity of ex-Chairman of the Inter-Allied Committee, a statement summarising the principles adopted by the Inter-Allied Committee to serve as a basis for the estimates of requirements of the nine European Allied countries represented on that Committee. This statement embodies the agreed recommendations of the Inter-Allied Committee on the bases and principles upon which the requirements of the countries concerned should be calculated.

(4) The Committee of the Council for Europe have been impressed by the amount of thought and care which has been devoted by the representatives of the countries concerned to the elaboration of these bases and principles. They understand that the recommendations embodied in the statement represent a unanimous agreement and have been made as a result of lengthy discussion and negotiation. They have no reason to doubt that in the light of the data and information available at the time these recommendations represent a reasonable view of the basic principles involved.

(5) On the other hand, the Committee of the Council for Europe have not been able to review independently and in detail the principles adopted by the Inter-Allied Committee and summarised in the document which they had received from the Deputy Director General.

They note that these principles were adopted before the conclusion of the UNRRA Agreement and before the adoption by the Council of the Atlantic City resolutions. They appreciate moreover, that since they were adopted further relevant data may have become available and that the fact that the Inter-Allied Committee was unable to deal with the requirements of the Soviet Union may involve modifications even in certain of the general principles on which its work was based. It may be, therefore, that the bases summarised in the document referred to above will require modification.

(6) It is understood that information may be received in the near future by UNRRA on the estimates of requirements being used by the British and American Military Authorities in respect of supplies to be made available by them for Relief in the first six months.

BE IT RESOLVED -

(1) That the Committee of the Council for Europe should address themselves to the task of approving bases of requirements for the twelve months succeeding the six months Military period.

(2) That to this end the technical sub-committees on Health, Agricultural Rehabilitation and Industrial Rehabilitation together with special ad hoc sub-committees on Food and Textile Requirements, should examine the bases adopted by the Inter-Allied Committee and recommend to the Committee of the Council for Europe how far these bases need modification, before eventual submission to the Council, in the light of

(a) The resolutions adopted by the Council at Atlantic City;

(b) The estimates of requirements employed by the Military Authorities for the first six months;

(c) Other information available since the bases were originally agreed.

They note that these principles were adopted before the conclusion of the UNRRA Agreement and before the adoption by the Council of the Atlantic City resolutions. They appreciate moreover, that since they were adopted further relevant data may have become available and that the fact that the Inter-Allied Committee was unable to deal with the requirements of the Soviet Union may involve modifications even in certain of the general principles on which its work was based. It may be, therefore, that the bases summarised in the document referred to above will require modification.

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(a) The resolutions adopted by the Council at Atlantic City;

(b) The estimates of requirements employed by the Military Authorities for the first six months;

(c) Other information available since the bases were originally agreed.

(3) That in considering the bases the sub-committees should have regard to any information which the Director General may be able to supply arising out of the examination by the Supply Authorities of the provisional requirements which he has already submitted.

(4) That in the meantime the Committee should forward to the Director General for his information the statement of principles and bases in paper C.C.E. (44)3.

(5) That nothing in the present resolution shall be allowed to hold up in any way the procurement of essential supplies.

Anexo ao Oficio no. 6

Committee on Supplies
AGENDA /9

CS(44)23
CONFIDENTIAL

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

COMMITTEE ON SUPPLIES

Ninth Meeting

10:30 a.m., Thursday, 22 June 1944
Room 525, Dupont Circle Building
1344 Connecticut Avenue, N. W.
Washington, D. C.

I. Call to Order by Chairman

II. Roll Call

III. Approval of Provisional Agenda

IV. Review of Minutes of Last Meeting

V. Report of the Bureau of Supply

VI. Draft Reply to letter from Mr. F. Nemec (Czechoslovakia) (CS(44)24) (Letter from Mr. Nemec attached as Document No. CS(44)20)

VII. Other Business

VIII. Time and Place of Next Meeting

IX. Adjournment

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Czechoslovak Ministry
of
Industry & Commerce

35 Fursecroft,
George Street, Brown Street,
London, W. 1.

AMBassador 1612-18

No. 921/44

29th February, 1944.

Dear Sir Frederick:

Under the resolution adopted at the meeting held at St. James's Palace on 24th September 1941, the Allied Governments agreed that it is their common aim to ensure that supplies of food, raw materials and articles of prime necessity should be made available for the post-war needs of the countries liberated from Nazi oppression, and that while each of the Allied Governments and authorities will be primarily responsible for making provision for the economic needs of its own peoples, their respective plans should be co-ordinated.

In the report of the Inter-Allied Committee of June 1943, it is stated that the Allied Governments recognise that independent purchases should not be undertaken in such a way as to prejudice the immediate needs of the war effort, that in most cases the supply position is such that the reservation now for post-war relief of stocks of such goods would be contrary to the needs of the war effort, and that in such cases the Allied Governments have refrained from purchasing.

I am now studying how far the Agreement of the United Nations Relief and Rehabilitation Administration and the Resolutions and Reports adopted by the Council at its first session, can bring assurance to the governments of liberated countries that their most urgent economic needs will be fulfilled.

Supplies, the provision of which the Administration will seek to ensure for relief purposes, according to those Reports, are those essential consumer goods which are required to meet immediate needs, such as food, fuel, clothing, shelter and medical supplies, and for rehabilitation purposes are those materials such as seeds, fertilisers, raw materials, fishing equipment, machinery and spare parts which are needed to enable a recipient country to produce and transport relief supplies for its own and other liberated areas.

But the immediate post-war requirements of a liberated country will not only demand the delivery of such supplies, they will also include the urgent need for some materials required in order to provide employment and restore normal life in the industrial areas of

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the liberated territories as early as possible, thus avoiding the grave risk of social disorder and civil disturbance. Therefore, in its Report the Inter-Allied Committee regards employment as an essential part of any relief action.

Consequently I arrive at the following questions:-

1. How far will the materials needed for the recovery of a country, be designed as relief and rehabilitation goods, and how far can these materials, under consideration of their fair distribution among the various areas, be procured in connection with the activities of U.N.R.R.A., the financial means for which are very large but limited?

2. Are the Allied Governments free to buy commodities which are not at all covered by the activity of U.N.R.R.A. or would this be in contradiction to the resolution at St. James's Palace?

3. How will the Allied Governments proceed to secure their full needs in regard to such commodities which are connected with the activities of U.N.R.R.A. but which will be covered through their activities only to a limited amount? (The Allied Imports Programme is already a restricted programme). I have in mind particularly, crude or simply transformed materials for the manufacture of highly qualified goods (e.g. textile raw materials, non-ferrous metals, petroleum and its products, steel, coal, etc.) which are required to restore normal life as soon as possible and which also means the resumption to some extent, of normal export trade of such finished goods. They are, therefore, of the highest importance for the recovery of each country. Further, what provision can be made to prevent a scramble at the end of the war for these commodities, the purchase of which remains restricted during the war, but which are necessary to provide employment immediately afterwards?

It was stated in Atlantic City that the Administration cannot be called upon to help restore continuous employment in the world, but I believe that the Administration can give tremendous help, by promoting appropriate inter-governmental action on the part of member governments, for the distribution of vital commodities after the war in order to provide equitable employment, and that according to the Resolution made at St. James's Palace, the Allied Governments should also co-ordinate their plans in this direction for their economic needs.

May I remind you that the Inter-Allied Committee in its report of June 1943, and the Delegation on Economic Depression

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of the League of Nations, in its report 'Transition from War to Peace Economy', have already mentioned that it appears to be in the common interest of the United Nations to establish an international control of some vital commodities which will be in short supply, in order to restore more stable economic conditions after the war. In this connection I sent you a note on post-war distribution of essential commodities in Continental Europe, on 8th July last.

I hope that the Committee of the Council for Europe will discuss this matter as it becomes within its power to deal with relief and rehabilitation policies in Europe, and the question of distribution of essential materials (also the distribution of those materials produced in Continental Europe) in their relation to providing employment cannot be excluded from these policies.

Sincerely yours,

(Sgd) F. Nemec.

Sir Frederick W. Leith-Ross,
Allied Post-war Requirements Bureau,
1/11, Hay Hill
Berkeley Square, W.1.

VG/EFG

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

Draft Reply to Letter from Mr. F. Nemec

1. Your letter of 29 February has been very carefully considered in the light of the Agreement, the policies adopted by the Council, and the financial resources likely to become available to UNRRA. It has also been discussed at the eighth and ninth meetings of the Committee on Supplies, and this Committee is associating itself with me in this reply.

2. Resolution No. 1, adopted at Atlantic City, defines in a general way the supplies and services which fall within the range of the Administration's responsibilities. Several other resolutions, such as Nos. 8, 9, 10, 11, 12 and 13, and the sub-committee reports underlying the above resolutions describe the relief and rehabilitation services to be provided by the Administration in somewhat greater detail. The Administration will attempt to meet its responsibilities as defined in the above-mentioned resolutions and reports and as further defined by the bases and policies which will be adopted by the Council at the recommendations of the Regional Committees of the Council. In the best circumstances, however, the Administration will have to confine itself to meeting only the most urgent needs because of the scarcity of many of the supplies that will be needed for relief and rehabilitation and because of the limited funds that will be available to the Administration.

3. The Administration is anxious that nothing in its own procedures and programs shall delay member governments in arranging for the procurement of supplies that are either beyond the scope of the Administration's activities or beyond its ability to finance. It is therefore suggested that, in order to obtain sufficiently accurate answers to your questions for your Government to plan the procurement of supplies which the Administration cannot procure, your Government should prepare and present to the Administration its program of imports from outside Continental Europe covering the first and second six-months periods following the interval of military responsibility for civilian relief. Since many commodities will be needed for recovery and reconstruction as well as for relief and rehabilitation, your Government may wish to prepare and present to the Director General and the Combined Boards a program which will include both the items needed for recovery and reconstruction and those needed for relief and rehabilitation.

4. Since the Committee of the Council for Europe has not yet been able to recommend bases and policies for the computation of relief and rehabilitation requirements, it is suggested that your Government indicate what it believes to be included by the term "relief and rehabilitation supplies" within the meaning of the Agreement and the Resolutions

adopted by the Council, and taking into account the current deliberations of the Committee of the Council for Europe and its sub-committees.

5. On the basis of the information referred to in paragraphs 3 and 4 above, the Administration expects to consult with your Government regarding the extent to which the Administration's financial assistance is required and to determine (1) the items and quantities which the Administration will be able to finance with that portion of its limited funds which can equitably be used to meet urgent needs in your country, and (2) the items and quantities for which your Government may have to seek other financial arrangements.

6. In the event that (1) the Administration's financial assistance is required, and (2) the Administration's financial resources prove to be sufficient to cover only a part of your country's relief and rehabilitation needs, as finally determined in accordance with the bases adopted by the Council, the Administration is prepared to support your Government before the intergovernmental allocating agencies in efforts to obtain the highest equitable priorities for all or any part of the remainder for which your Government is able to make other financial arrangements. The Administration's interest in types and quantities of supplies that are beyond the scope of relief and rehabilitation will be chiefly to seek to insure that their procurement shall not interfere with the distribution of relief and rehabilitation supplies among all liberated areas in accordance with the urgency of need.

7. You also refer in your letter to the desirability of intergovernmental action to promote an equitable distribution of vital commodities after the war. The Administration is fully prepared to cooperate with the Regional Committees of the Council in promoting appropriate national and intergovernmental action on the part of member governments to secure the maximum production and interchange of any surplus supplies which can be made available within each region, in accordance with Resolution No. 20, paragraph 2. Wherever possible, the Administration will assist and support whatever steps may be taken toward the accomplishment of this objective.

8. Mr. Roy F. Hendrickson, Deputy Director General in charge of the Bureau of Supply in the Headquarters Office, expects to visit London very shortly and, in the event that your Government desires additional information, Mr. Hendrickson will be prepared to discuss these matters with you.

Sincerely yours,

Herbert H. Lehman
Director General

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