

I. Establishment of Needs and Requirements

PART THREE

The Supply Operation

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I. Establishment of Bases of Requirements

1. *THE SUPPLY OPERATION*

THE DEVELOPMENT and fulfillment of the UNRRA supply operation passed through two phases. The first began in November 1943 and continued until August 1945. During this period no one could tell the extent to which the occupied countries would need UNRRA assistance. There could be no certainty about what resources UNRRA would have since the recommendations of the Financial Plan could only be carried out by legislative action by the member governments. Military needs for supplies and shipping had to take priority, and there could be no certainty, in the flux of war conditions, what volume of supplies and shipping could ultimately be made available to UNRRA. During this preparatory period the bases of relief requirements for Europe were agreed upon, and policies for the procurement of relief and rehabilitation supplies were worked out with the supplying governments. Toward its end, operations were begun in the five European countries then accessible to, and eligible for, UNRRA aid.

The second phase began in August 1945 and continued through September 1948. With the end of the war, the former uncertainties were resolved. The needs of the countries UNRRA was to aid were determined, and the resources made available to UNRRA were divided among them in accordance with a carefully developed broad program of operations. By the end of the period, despite difficulties and crises of many kinds, UNRRA's full-scale supply responsibilities for ten countries and smaller programs for seven countries had been fulfilled to more than 90 per cent of the deliveries planned in the program of operations.

2. *POLICIES RELATING TO PROCEDURES FOR ESTIMATING AND MEETING IMPORT REQUIREMENTS*

Various estimates of postwar import needs of the occupied countries had been prepared, or were in course of preparation, by both the civil and military authorities in the United States and the United Kingdom at the time UNRRA was formed; as many different sets of conclusions on these needs were developed as there were groups calculating them.¹ Of the estimates prepared, those contained in the *Report of the Inter-Allied Committee on Post-War Requirements to the Allied Governments* (commonly known as the Leith-Ross Report) were the most comprehensive, covering in detail the import requirements of nine European countries.² This Report was presented to the First Council Session by Sir Frederick Leith-Ross, chairman of the Inter-Allied Committee and alternate United Kingdom delegate to the Council.³ The Report was not, however, formally discussed. Under the UNRRA Agreement the Inter-Allied Committee was replaced by the Committee of the Council for Europe and the records of the Inter-Allied Committee were to be made available to it.⁴ Thus the Leith-Ross Report automatically passed to the successor Committee. The recommendations made in the Leith-Ross Report were used extensively in the calculation of the UNRRA bases of relief and rehabilitation requirements, but no recommendation was made at Atlantic City to this effect.⁵

At the First Council Session it was agreed that the procedures for estimating and meeting import requirements of liberated territories fell

¹ For example, Inter-Allied Committee on Post-War Requirements, established in London, following the St. James's Palace Conference in September 1941; estimates prepared by the Interdepartmental Committee on Relief and Rehabilitation, organized by the United States Department of State, October 1942; Young-Sinclair estimates, prepared by United Kingdom civil and military authorities, 1942-1943; "Plan A," "Plan B," etc., in course of preparation by United States military authorities; Office of Foreign Relief and Rehabilitation Operations (OFRRO), 1943 estimates; Foreign Economic Administration (FEA) estimates, 1943-1944 (FEA inherited the functions of OFRRO in so far as relief and rehabilitation planning affected United States supplies); estimates of Combined Supply Committee, set up in autumn of 1943 within the State Department, to facilitate reconciliation of requirements estimates prepared in London and Washington and to coördinate with the Combined Civil Affairs Committee (CCAC).

² Belgium, Czechoslovakia, France, Greece, Luxembourg, the Netherlands, Norway, Poland, and Yugoslavia.

³ *Journal*, First Council, pp. 24-26.

⁴ Agreement, Article III, 5.

⁵ See discussions in Committee III (Finance and Supplies), Subcommittee 2, Secretary's notes, 17, 18 November 1943.

into four successive stages: ⁶ (1) agreement by the Committee of the Council for Europe and the Far East on the bases or standards of relief for their respective areas; (2) submission of these recommendations to the Council; (3) compilation by the Administration of over-all estimates of requirements for all areas in conformity with the bases approved by the Council; (4) presentation of these estimates to the Combined Boards in order that they might be considered together with those from other sources. It appeared logical that the establishment of bases of requirements should precede the submission of requests for allocation founded on them.⁷ The Director General was, however, in the same resolution, required to "consider it one of his first and most important tasks to arrange for necessary allocations and procurement of supplies."⁸ Because the establishment of bases took time, it became necessary, therefore, for the Director General to submit to the Combined Boards preliminary bids for supplies, based on the best information available, before bases of requirements were agreed.⁹ An amended procedure was, therefore, adopted at the Second Council Session.¹⁰

The exact function of the Committee of the Council for Europe and for the Far East¹¹ in regard to the establishment of bases of requirements was defined: "With the advice of such technical or special subcommittees as may be created, to recommend . . . whatever basis or bases for overall requirements the committees think appropriate for the whole or part of their respective areas."¹²

At preliminary meetings of the regional committees, held during the First Council Session,¹³ resolutions were adopted, requesting the Standing Technical Committees on Agriculture, Health, and Industrial Rehabilitation to appoint subcommittees to advise the regional committees on technical matters connected with the establishment of bases of requirements.¹⁴

The first problem of the Committee of the Council for Europe, as

⁶ Resolution 17, A, I.

⁷ See discussion in Committee III, Subcommittee 2, 17 November 1943.

⁸ Resolution 17, A, III.

⁹ See Part Three, Chapter II, Section 1.

¹⁰ Resolution 42.

¹¹ For further discussion of the regional committees, see Part One, Chapter III, Sections 6, 7.

¹² Resolution 20, paragraph 1.

¹³ Committee of the Council for Europe (CCE) (43)1, minutes 1st meeting, 30 November 1943; Committee of the Council for the Far East (CCFE) (43)2, minutes 1st meeting, 30 November 1943.

¹⁴ See Resolutions 27, 29, 30.

described by the chairman, was connected with the Leith-Ross Report: did the Committee wish to accept the principles adopted by the Inter-Allied Committee and its technical subcommittees and panels, or to revise them?¹⁵

The United States representative, John G. Winant, Ambassador to the United Kingdom, proposed the second alternative.¹⁶ He argued: (1) that further information on conditions in liberated areas might have become available since the Report was drawn up; (2) that, because the Inter-Allied Committee had been unable to deal with the needs of the Soviet Union, modifications in some of the general principles on which the work of the Inter-Allied Committee had been based might prove necessary; (3) that the Report had been drawn up before the First Council Session had defined the scope of UNRRA; (4) that, according to word received by the Committee from the Director General,¹⁷ the United States and British military authorities were expecting shortly to advise the Administration on the supplies which they would make available during the military period of responsibility, and this information was likely to influence the Committee's own recommendations. Winant's resolution provided:¹⁸ "that the Committee of the Council for Europe should approve bases of requirements for the twelve months' period succeeding the six months' military period"; and for the establishment of two further technical subcommittees: an *Ad Hoc* Food Subcommittee and an *Ad Hoc* Textile Subcommittee. These two subcommittees, together with the three technical subcommittees, which had already been created, were to:

examine the bases adopted by the Inter-Allied Committee and recommend . . . how far these bases need modification . . . in light of:

- (a) the resolutions adopted . . . 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, [including anything that the Director General might] be able to supply arising out of the provisional requirements which he has already submitted.¹⁹

¹⁵ CCE(44)5, minutes 2d meeting, 14 March 1944.

¹⁶ CCE(44)10, minutes 3d meeting, 28 March 1944, Appendix B.

¹⁷ CCE(44)5, minutes 2d meeting, 14 March 1944, Appendix B.

¹⁸ CCE(44)10, minutes 3d meeting, 28 March 1944.

¹⁹ *Ibid.*

The resolution was seconded by the Canadian and supported by the United Kingdom and Soviet representatives. Many of the Continental European representatives, however (especially those for France, the Netherlands, Norway, and Poland), would have preferred to adopt the Leith-Ross estimates, at least provisionally. To this Winant was not prepared to agree, and the resolution was passed without alteration.²⁰

The five technical subcommittees began work in May 1944. Their recommendations were completed by July.

Two of the arguments in support of the revision of the Leith-Ross estimates, which had been valid when advanced by Winant, proved, in the light of events, groundless. The needs of the Soviet Union were never particularly mentioned in the subcommittees' discussions, and no information regarding the military supply programs was made available to the subcommittees while they were preparing their recommendations.²¹ Moreover, such "other information" as the Director General was able to supply was confined to a statement that supplies were likely to be short.²²

The task resolved itself, therefore, into a re-examination of the bases previously recommended by the Inter-Allied Committee in order to limit them strictly to the scope of relief and rehabilitation as defined by the Council resolutions. The Director General requested that the subcommittees confine themselves to recommendations on general principles rather than that they should draw up detailed estimates of the bases on which requirements should be assessed, since the changing supply availabilities and lack of accurate information on conditions in the Allied European countries would make any rigid estimate unrealistic and hampering in his negotiations with the Combined Boards.²³ He further requested that the subcommittees should suggest alternatives and substitutes in case particular supplies were unobtainable.²⁴

²⁰ *Ibid.*

²¹ CCE(44)24, "Bases of Food Requirements," 29 June 1944; *Ad Hoc* Textile Subcommittee for Europe (*Ad Hoc* T/E) (44)27, "Report of the *Ad Hoc* Textile Subcommittee for Europe," 5 July 1944.

²² CCE(44)18, "Procedure for Settlement of Requirements and Allocation of Supplies," 18 May 1944; CCE(44)23, minutes 5th meeting, 9 June 1944.

²³ CCE(44)18, "Procedure for Settlement of Requirements and Allocation of Supplies," 18 May 1944; CCE(44)19, "Preparation of Programmes for Relief and Rehabilitation," 31 May 1944.

²⁴ CCE(44)23, minutes 5th meeting, 9 June 1944.

3. BASES OF REQUIREMENTS FOR FOOD

In considering bases of requirements for food for Europe,²⁵ the *Ad Hoc* Food Subcommittee was concerned with the three principal dietary zones of Europe: (1) Northwestern Europe and Scandinavia—in this zone Belgium, the Netherlands, and Norway were large importers of food, but France was almost self-sufficient; (2) Central Europe—here, Czechoslovakia and Poland were normally able to provide enough food for themselves and also to export it; (3) Southeastern Europe—here, Yugoslavia was normally self-sufficient, though the standard was low, and was able to export food, whereas Greece customarily imported most of its main food requirements, including more than one third of the total cereals, 100 per cent of sugar, and 15 per cent of meat.²⁶

One of the main difficulties which faced the *Ad Hoc* Food Subcommittee was how to formulate bases which could be applied to countries in which, even under peace conditions, food consumption and living standards differed widely. The main discussion turned on whether an attempt should be made to raise the liberated countries to a uniform minimum level, or to their various prewar levels. A compromise was adopted, and the Subcommittee recommended both the bases on which requirements should be estimated and the principles to be used in allocating supplies if the bases could not be fully met.²⁷

The basis adopted by the Subcommittee was 2,650 calories per capita per day, with a supplementary provision for special groups (children, pregnant and nursing mothers, the sick and aged) and others in dire need. This calorie level was the same as that adopted by the Inter-Allied Committee in its "Minimum Imports Programme" and was related to current wartime British consumption. The average per capita calorie requirement for each Allied country was estimated by applying the British calorie scale for each sex, age, and occupation group to the number of persons in each such group in the population of the Allied country concerned. It was considered that the commodities to make up the 2,650-calorie level could be reached in consultation with individual

²⁵ For text of agreed bases, see Appendix Four, Section II, attachments to Resolution 55.

²⁶ Monograph, R. Walder, "The Work of the *Ad Hoc* Food Subcommittee of the Committee of the Council for Europe."

²⁷ CCE(44)24, "Bases of Food Requirements."

governments; also it was feared that if minimum nutrient levels were included they might, in practice, become maximum levels.

In allocating the supplies available, it was recommended that if a 2,650-calorie level (including 75 grams of fat and 60 grams of protein) could not be obtained immediately,

Relief supplies should be directed so that the areas which are already at, above or slightly below those levels of calories and nutrients would receive a minor part of the total relief supplies available if the allocation to them of more than this quantity would prevent others from being brought up to these levels.²⁸

Meticulous care was taken in the wording of this recommendation to ensure that, though the Eastern and Southeastern European countries, which were likely to be most short of food, would get the major allocations, the Western European countries would not be denied the possibility of improving their existing diet.²⁹

The Subcommittee observed that such information as was available on food conditions in occupied countries revealed that at times even rationed foods had not been obtainable. There was, moreover, an almost total lack of unrationed foods in the open market since increased consumption in the rural districts and German requisitions had tended to force these items and surpluses of rationed food into illegal channels. To combat this tendency and to induce hoarders to unload their stocks, the Subcommittee stressed the importance of effective administrative machinery (including a rationing system) which should be maintained by the reinstated national authorities, or established where it did not exist.³⁰

4. BASES OF REQUIREMENTS FOR CLOTHING, TEXTILES, AND FOOTWEAR

The recommendations of the *Ad Hoc* Textile Subcommittee³¹ were also based on the current British rationing system. The Subcommittee recognized that the import requirements of different countries would vary, both in extent and in nature (i.e., raw materials or finished products), but it considered that the minimum standard to which all countries should, if possible, be raised and at which they should be maintained should broadly be the same.

²⁸ *Ibid.*

²⁹ *Ibid.*

³⁰ *Ibid.*

³¹ See Appendix Four, Section II, attachments to Resolution 55.

The standard proposed was "the minimum required for health, warmth and working efficiency."³² Expressed in British clothing coupons it was as follows:

TABLE 9
BASE FOR CLOTHING^a (IN BRITISH COUPON UNITS)

	Adult (14 Years and Over)	Child (1-13 Years)	Infant (under 1 Year)
For clothing	61	34	29
For household textiles	14	8	8

^a *Ad Hoc* T/E(44)27, "Report of the *Ad Hoc* Textile Subcommittee for Europe."

Sample minimum wardrobe lists were compiled, showing the coupon value of individual articles.³³ It was recommended that the Administration, in consultation with expert representatives of each of the Allied countries, should assess each country's needs of imported supplies by reference to the recommended standards. For maintenance, a level of 42 coupons per adult per year was adopted. This figure was equivalent to the British clothing ration under the 1941-1942 rationing scheme, and was agreed on the argument that, although British experience was not directly applicable to relief conditions under which it was reasonable to expect the maximum wear and tear to be extracted from each garment before it was discarded, the British ration (of about one-half prewar consumption) was not sufficient to cover wear and tear, and wardrobes were gradually deteriorating either in quality or quantity. The recommendation had unexpected results. By the time the clothing program was being carried out, the British clothing ration had been reduced, and the UNRRA standards were higher than those current in the United Kingdom, which was not only receiving no relief, but was contributing substantial amounts of raw materials and finished clothing to UNRRA.³⁴

For footwear the standard was similar to that for other clothing. The minimum required for health, warmth, and working efficiency was modestly estimated as one pair of wearable shoes or boots per person. The footwear requirements could be expressed in numbers of pairs of

³² *Ad Hoc* T/E(44)27, "Report of the *Ad Hoc* Textile Subcommittee for Europe."

³³ For example, *Man*: overcoat, 18 coupons; pair of trousers and jacket, 21; 2 shirts, 10; 2 vests, 8; 2 pants, 8; 2 pairs of socks, 4; total, 69.

³⁴ See Part Three, Chapter VI, Section 3.

footwear, or in leather or substitute materials, or in raw materials, according to the needs of the individual country as agreed with the Administration. The basis for replacement needs was the amount of footwear and raw materials necessary to maintain the standard of one wearable pair of shoes or boots per person.³⁵

In drawing its recommendations in broad terms, providing for the import of raw materials rather than finished products, if more appropriate to the needs of individual countries, the Subcommittee was helping to carry into effect the Council's policy of rehabilitating industries engaged in the production of relief supplies.³⁶ The carrying out of this policy was to have an important bearing on the import programs of, for example, Czechoslovakia,³⁷ and to contribute substantially to industrial recovery.

Finally, the Subcommittee recommended that a general clothing and footwear reserve be established to enable the Administration to alleviate quickly the most acute needs.

5. BASES OF REQUIREMENTS FOR MEDICAL SUPPLIES

The Technical Subcommittee on Health confined its recommendations³⁸ to the method by which requirements of medical supplies should be estimated³⁹ and did not recommend "bases of requirements." The method proposed was in principle identical to that used by the Inter-Allied Committee: Lists of medical requirements were to be compiled covering the essential medical needs for an average population of 100,000 persons living in a temperate climate. The requirements of these population units were then to be adjusted for individual countries,⁴⁰ taking into account the population, the prewar medical standard, and the degree of destitution of the country concerned.

The gauge used in the Inter-Allied Committee to measure the prewar medical standards of individual countries was the number of hospital beds per 1,000 of the population.⁴¹ In the Subcommittee on Health,

³⁵ *Ad Hoc* T/E(44)27, "Report of the *Ad Hoc* Textile Subcommittee for Europe."

³⁶ See below, Section 7.

³⁷ See Part Five, Chapter V, Section 6.

³⁸ Technical Subcommittee on Health for Europe (THE/E)(44)NC/4; see *infra*, Appendix Four, Section II, attachments to Resolution 55.

³⁹ THE/E(44)20, "Statement on Method of Calculating Medical Requirements," 26 June 1944.

⁴⁰ THE/E(44)5, "Medical Requirements."

⁴¹ For Belgium and Luxembourg the figure was 4.5, Czechoslovakia 6, France 3, Greece 2, Netherlands 7.5, Norway 8.5, Poland 2, Yugoslavia 2, Report of the Medical Advisory Committee to the Inter-Allied Committee.

however, some of the representatives considered that, although this gauge might have the virtue of simplicity, it was too restricted in its application to be accurate in the case of countries where prophylactic treatment played an important part in medical practice.⁴² The Subcommittee, therefore, agreed that in assessing a country's level of medical development the number of doctors, polyclinics, dispensaries, and institutes of preventive medicine, as well as the number of hospital beds, should be taken into account. This recommendation was rather more flexible than the proposals made by the Inter-Allied Committee which had included special provisions for Greece, Poland, and Yugoslavia (the countries most likely to be affected) allowing a 20 per cent increase in the estimated number of hospitals.⁴³

Requirements for the control of epidemics were to be considered separately, according to the individual needs of the countries affected, but with allowance for a pool of supplies to be held for distribution as required.⁴⁴

6. BASES OF REQUIREMENTS FOR AGRICULTURAL REHABILITATION SUPPLIES

At the request of the Committee of the Council for Europe,⁴⁵ the Technical Subcommittee on Agriculture went to work on a revision of the bases used in the Inter-Allied Committee. It covered a wider sphere than recommendations on bases, however, and included advice and general information on agriculture in Europe.⁴⁶ Expert Panels were appointed to make recommendations on specific groups of commodities: crops (including seeds, fertilizers, and pesticides); agricultural machinery installations and food processing plants; livestock (including feeding stuffs and veterinary supplies); fisheries.⁴⁷ The Panels drew extensively from the Inter-Allied Committee recommendations which formed the foundation of their own reports and of the final

⁴² In Yugoslavia, for instance, it was estimated that about two million people were treated annually in preventive institutions, THE/E(44)17, minutes 4th meeting, 26 May 1944.

⁴³ Report of the Inter-Allied Committee: "Minimum Import Programme."

⁴⁴ THE/E(44)20, "Statement on Method of Calculating Medical Requirements."

⁴⁵ Technical Subcommittee on Agriculture for Europe (TAG/E)(44)4, minutes 1st meeting, 12 May 1944.

⁴⁶ TAG/E(44)8, minutes 2d meeting, 18 May 1944.

⁴⁷ TAG/E(44)30, "Bases of Agricultural Requirements," revised 10 June 1944.

report of the Technical Subcommittee on Agriculture to the Committee of the Council for Europe.

The guiding principle in the report to the Committee was that "the basis of requirements of all supplies of materials for the rehabilitation of agriculture and fisheries in the first year of relief is the fulfillment of a programme of optimum food production."⁴⁸ It was proposed that this should be achieved (1) by the provision of agricultural materials, such as seeds, fertilizers, machinery, feeding stuffs, breeding and utility livestock; (2) by counteracting hoarding and illegal trading among farmers by offering them sufficient equipment and supplies in return for produce already held in reserve by them.⁴⁹

The recommendations of the Expert Panels were all directed toward the fulfillment of the program of food production. In their efforts to achieve this relief purpose, not only rehabilitation was involved, but—in some fields of production—reconstruction, if reconstruction can be defined as activities which tend to change the economy rather than to bring it to the level at which it formerly stood. This tendency could be discerned in numerous cases, including the substitution of tractor for animal power; the introduction of artificial insemination methods into countries where they were not customary, and the use of chemical fertilizers in countries which had been accustomed to depending on animal manures.⁵⁰

The basis of requirements for the production of crops was a "cultivation program adapted to the nutritional needs of Europe and the necessity of helping liberated countries to feed themselves and so reduce their abnormal dependence on imported food." The program proposed by the Expert Panel on Crops included the full maintenance of cereal, potato, sugar beet, and vegetable cultivation; reseeded worn-out pastures, and sowing fresh areas necessary to maintain and gradually increase milk production.⁵¹

For seeds, the basis was the fulfillment of the proposed cropping program. Although Europe is, as a whole, normally self-supporting in seeds (though there is a considerable movement between different climatic zones), the Panel considered it probable that, as a result of military

⁴⁸ *Ibid.*, p. 1; see *infra*, Appendix Four, Section II, attachments to Resolution 55.

⁴⁹ *Ibid.*

⁵⁰ See Part Three, Chapter VIII, Section 8.

⁵¹ TAG/E(44)30, pp. 1-2.

operations, the destruction of crops and stocks, interruption of agricultural work, and the consumption of seeds as food, there would be severe and widespread local deficiencies which would have to be made good by imports.⁵²

The supply of fertilizers was also to be based on the fulfillment of a program of maximum food production, taking into consideration soil deterioration due to excessive cropping and insufficient supplies of fertilizers during the war years. The Panel considered it necessary, however, in a short-term relief program, that fertilizers should be sent in larger quantities to those countries in which farmers were accustomed to them. It was, therefore, recommended that the basis for estimating requirements of fertilizers should be the levels of consumption of the three main fertilizer groups (nitrogenous, phosphatic, and potassic) in 1935-1937, calculated in terms of chemical content. A higher consumption level was provided for Greece and Yugoslavia on account of the very low prewar consumption, and the need to promote the maximum yield of food crops.⁵³

The prewar utilization of pesticides was recommended as the standard, but, in addition, it was advised that a pool of lead or lime arsenate should be created to be ready in case of outbreak of Colorado potato beetle in any of the liberated countries.⁵⁴

For agricultural machinery, implements, and tools, and accessories such as fuel, lubricants, and binder twine, machine tools, and raw materials for the production of such agricultural machinery and implements, the basis recommended by the Expert Panel on Agricultural Machinery Installations and Food Processing Plants was "the efficient execution of a programme of optimum food production and the transfer of such food to the consumer in its most convenient and wholesome form."⁵⁵ In calculating the imports of agricultural machinery, the Panel recommended that among the factors to be taken into consideration should be depreciation, including that resulting through excessive use and lack of materials for repair; facilities for proper utilization, such as, for example, the adequacy of trained drivers, mechanics, and engineers; and the need for replacement by tractors of draft animals lost during the war.⁵⁶

In making recommendations on livestock, the Expert Panel on Live-

⁵² *Ibid.*, pp. 2-3.

⁵⁵ *Ibid.*, p. 7.

⁵³ *Ibid.*, pp. 4-5.

⁵⁶ *Ibid.*, pp. 7-12.

⁵⁴ *Ibid.*, pp. 5-6.

stock recognized that the bases for estimating needs for live animals must be related more closely to supply and shipping conditions than to real need,⁵⁷ since the losses of draft and milch animals were so large that no attempt to make them good would be possible.⁵⁸ The basis recommended for imports of breeding stock was the provision of such numbers as could be handled efficiently and used to the best advantage in rebuilding dairy herds. The maximum use of artificial insemination was recommended. For imports of utility stock, the basis recommended was the replacement during the first year of approximately 10 per cent of the estimated losses of dairy and draft cattle; of these, 80 per cent were to be allocated for the provision of milk supplies and 20 per cent to meet the needs of Eastern European countries for draft beasts. Needs of veterinary products were based on the number of animals to be treated, and the number of veterinary surgeons available.⁵⁹

For estimating quantitative requirements of feeding stuffs, the Panel recommended that the basis should be such quantities of oil cake and offals as, when added to home production, would bring consumption up to 75 per cent of the prewar level.⁶⁰

The Expert Panel on Fisheries recommended that requirements for the rehabilitation of fisheries be the supplies needed to enable the fishing fleets to secure the largest possible catches of fish during the first year of relief when proteins and edible oil in other forms would be in restricted supply. To this end, the Panel recommended that imports of capital equipment and consumable stores should be based on the numbers, size, and class of vessels assumed to be available to the country concerned.⁶¹

7. BASES OF REQUIREMENTS FOR INDUSTRIAL REHABILITATION SUPPLIES

In formulating bases of requirements,⁶² the Subcommittee on Industrial Rehabilitation adopted no objective consumption criterion such

⁵⁷ *Ibid.*, pp. 12-15. The Subcommittee did not, of course, take price into consideration. Shipping costs later became a serious limiting factor on the inclusion of livestock in country programs, as, for example, in the program for Poland.

⁵⁸ According to estimates of livestock population in 1943, the fall in numbers, as compared with the prewar population, was: cattle, 16 per cent; horses, 29 per cent; pigs, 38 per cent; poultry, 48 per cent; TAG/E(44)30, p. 14.

⁵⁹ TAG/E(44)30, pp. 15-16. ⁶⁰ *Ibid.*, pp. 12-14. ⁶¹ *Ibid.*, pp. 16-17.

⁶² Technical Subcommittee on Industrial Rehabilitation for Europe (TIR/E) (44)20; see *infra*, Appendix Four, Section II, attachments to Resolution 55.

as the calorie basis used for food, or the maximum food production program to which bases of requirements for agricultural rehabilitation could be related. The possible range in demand for materials and equipment was, moreover, on account of varying degrees of devastation, probably wider than in any other field.

Numerous unsuccessful attempts were made in the early meetings of the Subcommittee to interpret the scope of industrial rehabilitation as defined in the First Council Session.⁶³ The United States and United Kingdom representatives leaned toward a narrow interpretation, such as "the repair of existing basic industries and not the reconstruction of undertakings whose production had ceased as a result of war conditions."⁶⁴ At the request of the Subcommittee the Administration stated its own views. It divided UNRRA's responsibilities in this field into two main classes:⁶⁵

(1) "Industries . . . producing goods of a kind needed for relief—i.e. food, fuel, clothing, medical supplies, shelter and other basic industries, medical and other essential services," including ancillary industries—for example, raw materials production. The objective should be to enable these "to produce goods in the quantities needed to satisfy the various relief levels established by UNRRA."

(2) Industries "concerned with the provision of public services—i.e. water, sanitation, electricity, gas, transportation, communications," including those producing necessary raw materials for such services. For this group, UNRRA's responsibility was "limited to repair and restoration to meet immediate basic needs and" did "not involve new construction or reconstruction work." Transportation services included the restoration of facilities "to make possible the proper distribution of relief goods or equipment for industries producing relief goods."

The statement was a disappointment to some members of the Subcommittee, who considered that the scope of industrial rehabilitation had been too narrowly interpreted by the Administration and that in practice it would be impossible to isolate the production of minimum relief goods from production carried out to meet the national reconstruction programs.⁶⁶

The Subcommittee, unlike the Technical Subcommittee on Agri-

⁶³ Resolutions 1, 12, 13.

⁶⁴ TIR/E(44)6, minutes 1st meeting, 26 May 1944.

⁶⁵ TIR/E(44)5 (revised), 30 June 1944.

⁶⁶ TIR/E(44)13, minutes 3d meeting, 14 June 1944.

culture, decided that to constitute technical panels and await their recommendations would take too long. The Director General had, moreover, expressed a preference for broad, general recommendations. It was, in addition, feared that the recommendation of specific bases, such as had been made by the Inter-Allied Committee, would result in too rigid a program. The Subcommittee accordingly decided to adopt a general statement of principles within the framework of which the actual calculation of requirements could be undertaken by the Administration in consultation with the governments.⁶⁷

The Subcommittee recommended that first priority should be given to the restoration of inland transport and communications, to public utilities, and to services essential for general industrial maintenance and repair.⁶⁸ For these activities the estimates of requirements were to be based on: (1) the prevention of further deterioration by the provision of the necessary maintenance; (2) the repair of damage to the extent necessary to enable the transport systems and public utilities and services to meet the urgent needs of the relief period.⁶⁹

Second priority was accorded to consumer goods industries and to capital goods industries engaged in producing raw materials, equipment, and other supplies necessary for the production of essential goods, fuels, and services. Raw materials and equipment were to be provided for the production of such consumer goods as clothing, shoes, soap, medical and health supplies, and materials for emergency shelter, essential building repair, and basic household equipment. Capital goods industries were to be assisted to the extent that they contributed to the over-all relief level.⁷⁰

The recommendations of this Subcommittee were unique in one respect. It was here alone that members saw the problem with which they were concerned as affecting Europe as a unit, transcending national interests. The Subcommittee recommended that UNRRA should normally treat the problem of industrial rehabilitation as one large problem of the combined liberated territories. It was recognized that certain exceptions to this approach might be desirable if decentralization appeared to offer advantages, but "the interest of the family of United Nations should always over-ride the national interest."⁷¹ This recom-

⁶⁷ TIR/E(44)17, minutes 4th meeting, 23 June 1944; TIR/E(44)20, "Statement on Bases of Requirements for Industrial Rehabilitation."

⁶⁸ TIR/E(44)20, p. 5.

⁶⁹ *Ibid.*, pp. 8-9.

⁷⁰ *Ibid.*, pp. 6-7.

⁷¹ TIR/E(44)21, Appendix A.

mentation—proposed, incidentally, by the Canadian⁷² and not by a European member of the Subcommittee—was included in the Subcommittee's report, and accepted without comment by the Committee of the Council for Europe and by the Council. Buried in Resolution 55, it was never heard of again, and each individual country program, for industrial rehabilitation supplies as well as for other supplies, was drawn up and vigorously defended on a strictly national basis.

8. ADOPTION OF BASES OF REQUIREMENTS FOR EUROPE

The Committee of the Council for Europe accepted the technical recommendations in the reports of its Subcommittees on Agriculture, Health, and Industrial Rehabilitation, and of the *Ad Hoc* Food and Textile Subcommittees,⁷³ and they were approved by the Council in its Second Session in September 1944.⁷⁴

In addition to the technical recommendations, the subcommittees' reports contained a proposal that:

It is recognised that UNRRA's primary responsibility is to secure relief supplies in the first place for the liberated territories of the United Nations, and that in judging the degree of urgency of the needs of particular countries (as provided in resolution No. 17) priority and most considerable relief should be given to the countries whose populations suffered to the greatest extent from enemy occupation, and who actively participated in fighting and resisting the enemy.

In each of the technical subcommittees a recommendation to the above effect had been proposed by the Soviet representative.⁷⁵ The reactions of the subcommittees to this resolution varied; in some it was accepted and included as an integral part of the subcommittees' recommendations;⁷⁶ in some, notably in the Subcommittee on Industrial Rehabilitation, where the subject achieved some prominence, numerous arguments were made against the inclusion of a "political" resolution in a technical report.⁷⁷ Some representatives considered the point al-

⁷² TIR/E(44)21, minutes 5th meeting, 7 July 1944.

⁷³ CCE(44)33, minutes 6th meeting, 14 July 1944.

⁷⁴ Resolution 55.

⁷⁵ For example, TIR/E(44)12, "Bases for Estimating Requirements for Industrial Rehabilitation," 12 June 1944.

⁷⁶ For example, Report of the Subcommittee on Health for Europe (THE/E)(44)20 and the *Ad Hoc* Textile Subcommittee for Europe (*Ad Hoc* T/E)(44)27.

⁷⁷ TIR/E(44)21, minutes 5th meeting, 7 July 1944.

ready sufficiently covered in Council resolutions, some that it went beyond the subcommittees' competence, some that it would be a mistake to put forward a resolution which was impracticable inasmuch as need could be calculated in quantitative terms, but merit and the degree to which countries were deserving of help were incalculable.

In the Committee of the Council for Europe it was decided that the principle involved should be put before the Council as a separate issue, though the United States representative, on instructions from his Government, dissociated himself from it.⁷⁸ It came before the Second Council on the resolution of Vasili A. Sergeev, the Soviet representative, who proposed

that special weight and urgency shall be given to the needs of those countries in which the extent of devastation and of the sufferings of the people in a part of their respective areas is greater and has resulted from hostilities and occupation by the enemy and active resistance in the struggle against the enemy.⁷⁹

Richard Law, the British representative, seconded it, and the United States representative supported him. The resolution was carried,⁸⁰ members of the Council evincing considerably less interest than had been shown by any of the committees.⁸¹ It was subsequently frequently invoked by representatives of receiving countries, and the Director General stated that he had considered it in drawing up the program of operations for the Third Council Session,⁸² but there is no substantial evidence that it ever influenced programs.

9. BASES OF REQUIREMENTS FOR THE FAR EAST

At the second meeting of the Committee of the Council for the Far East it was agreed that, although the common purpose of the Committees of the Council for Europe and for the Far East was to satisfy the absolute necessities of the peoples coming within their respective spheres, it would be useless to try to achieve complete uniformity in the method of carrying out this function.⁸³ In London, the Committee

⁷⁸ CCE(44)33, minutes 6th meeting, 14 July 1944.

⁷⁹ Council II Document 257, *Ad Hoc* Committee on Policy (*Ad Hoc*/GP) 31, minutes 7th meeting, 24 September 1944.

⁸⁰ Resolution 56.

⁸¹ Council II Document 254, *Ad Hoc*/GP 29, minutes 5th meeting, 22 September 1944.

⁸² Council III Document 5, C(45)4, p. 29.

⁸³ CCFE(43)4, minutes 2d meeting, 10 December 1943.

of the Council for Europe had the benefit of the work and experience of the Inter-Allied Committee and its advisory panels; the Committee of the Council for the Far East had no such accumulation of statistical and economic data covering the countries within its region, and would probably of necessity have to use more empirical methods than could be adopted in the European Committee. It was doubtful, moreover, whether, in view of the wide variation in conditions in the countries in the Far Eastern region, it would be possible to develop or apply common bases of requirements. In these circumstances, the Committee of the Council for the Far East postponed for the time being the question of bases and recommended that individual member governments should submit to the Director General statements setting forth estimated relief and rehabilitation needs of their respective countries.⁸⁴ In this the Administration concurred, despite the fact that it had urged the Committee of the Council for Europe to confine itself to recommendations on bases and leave to the Administration the function of estimating the requirements which would follow from them.⁸⁵

At the Second Council Session no resolution was proposed on bases of requirements for the Far East. The Chinese representative, T. F. Tsiang, suggested, however, the addition of the following paragraph to the resolution on bases for Europe: "The Council authorizes the Committee of the Council for the Far East to adopt similar bases of supply which, while varying the kind of supplies to suit local habits of living and consumption, should have the same standards."⁸⁶ His purpose was to avoid creating the impression that UNRRA was adopting one standard for Europe and another for the Far East rather than, for example, adopting a world-wide calorie level which would be met with varying foods appropriate to the diet of different regions.⁸⁷

To this it was objected that the amendment would put the Council in the position of proposing to the Committee of the Council for the Far East what bases it should adopt, whereas the Council had previously empowered the regional committees to recommend the bases for their areas.⁸⁸ The Norwegian delegate further pointed out that a

⁸⁴ *Ibid.*

⁸⁵ CCE(44)18, "Procedure for Settlement of Requirements and Allocation of Supplies," 18 May 1944; CCE(44)19, "Preparation of Programmes for Relief and Rehabilitation," 31 May 1944.

⁸⁶ Council II Document 254, *Ad Hoc*/GP 29, minutes 5th meeting, 22 September 1944.

⁸⁷ *Ibid.*

⁸⁸ Resolution 20.

common standard for all regions was, in fact, impracticable since to put a Chinese on as large a diet as, for instance, that customary for a Canadian would kill him. This example served to impress on the Committee the dangers of meddling with technical matters, and the Chinese delegate withdrew his motion on assurance that relief for the Far East would not be delayed because bases of requirements had not been formulated.⁸⁹

Estimates of needs for Far Eastern countries, including Australian New Guinea and Papua, British Borneo, British Malaya, Burma, China, French Indo-China, Hong Kong, Netherlands East Indies, and the Philippine Islands, were drawn up by their Governments and submitted to the Administration.⁹⁰ The Administration, in commenting on them, pointed out that, even if bases were not established for the Far East, some general uniformity of approach would have to be provided for certain classes of supplies.⁹¹ The problem was considered by the Committee of the Council for the Far East and its subcommittees, and it was agreed that the establishment of uniform bases was impracticable for the Far Eastern countries; that the principles upon which the individual governments had based their programs should be accepted for each country; but that, in order to arrive at an equitable allocation, an attempt might have to be made to correlate the standards adopted by the various countries for items in critically short supply.⁹² These recommendations were adopted by the Council at its Third Session in August 1945.⁹³

10. EVALUATION OF BASES OF REQUIREMENTS

Thus, after lengthy and careful deliberations, the member governments through their representatives on the subcommittees of the Committee of the Council for Europe determined the bases according to which the supply requirements of the European receiving countries were to be formulated. The bases were at the most targets. Although they had been at first regarded as defining the minimums essential for

⁸⁹ Council II Document 254, *Ad Hoc*/GP 29, minutes 5th meeting, 22 September 1944.

⁹⁰ Council III Document 5, C(45)4, "Program of Operations," p. 12. In the end, however, UNRRA undertook programs only for China and the Philippines.

⁹¹ CCFE(44)7, minutes 5th meeting, 5 May 1944.

⁹² CCFE(45)5, minutes 7th meeting, 15 February 1945, p. 29, Appendix 9.

⁹³ Resolution 65.

relief and rehabilitation, they were, in the face of grim realities, seldom achieved. The resources of UNRRA were too limited and the amounts of supplies available, for example, of food, were too small. As a result, the country requirements had to be planned to meet a lower level. The bases, however, provided a standard against which equitable reductions could be made. The discussions which had led up to their formulation had done much to clarify for the Administration and the member governments the scope and nature of the task UNRRA was to perform, and these discussions, with the bases themselves, served as a useful guide, not only in the preparation of the program of operations, but in the determination of the types and quantities of supplies to be provided.

II. Development and Fulfillment of Supply Programs

1. EARLY ATTEMPTS TO ASCERTAIN IMPORT REQUIREMENTS

ONE OF the first tasks of the newly formed Headquarters Bureau of Supply was to prepare for the Committee on Supplies a rough appraisal comparing the resources prospectively available to the Administration and the requirements for relief and rehabilitation supplies that would have to be met.¹ Such a statement, however tentative, would, it was agreed, be useful in providing the supplying governments with an idea of the types of supplies in which they could most usefully make their contributions available and in helping them to understand the size and nature of the relief and rehabilitation supply program.

The estimates which were presented to the Committee on Supplies on 27 January 1944 covered the needs for imports and selected staple commodities from outside Continental Europe into nine Allied and nine other European countries—Belgium, Czechoslovakia, France, Greece, Luxembourg, the Netherlands, Norway, Poland, and Yugoslavia; Albania, Austria, Bulgaria, Denmark, Finland, Germany, Hungary, Italy, and Rumania—during three successive periods of six months.² The figures were based on the work of various United States, United Kingdom and inter-Allied technical committees and staffs,³ to which the UNRRA staff were permitted access. In preparing this statement, the Bureau of Supply gained its first experience in estimating conditions in the receiving countries which would affect the degree of need for UNRRA supplies—the amount of indigenous production and stocks, the efficiency of rationing and distribution controls, the effectiveness of European transport services, and the degree of destruction wrought

¹ Committee on Supplies (CS) (43)4, minutes 2d meeting, 10 December 1943.

² CS(44)7, "Estimate of Selected Relief and Rehabilitation Imports into Seventeen European Countries from Outside Continental Europe," 20 January 1944. Belgium and Luxembourg were treated as a unit.

³ See Part Three, Chapter I, footnote 1.

through enemy action.⁴ No attempt was made at this time to estimate the financial aspects of the supply problem, since, as the Director General pointed out to the Committee on Supplies, most of the questions bearing on the ability of liberated countries to pay for their supplies could not yet be answered, and moreover, the cost of operations among displaced persons and in other fields of the Administration's activities was still subject to "the wildest kind of guessing."⁵

Although the Director General expressed his conviction that the needs of the receiving countries would be of such magnitude as to strain to the utmost the supply resources of the world and the financial potentialities of UNRRA, the document reflects the optimism which prevailed at that time. It was assumed, for instance, that trade within each country would have revived substantially by the close of the first six months' period covered by the Bureau's estimate and that trade between countries would be relatively restricted for "perhaps a year longer."⁶ Regarding specific commodities, it was expected that, for example, some two million tons of fertilizers would be transported from surplus to deficit areas within Europe during the eighteen months' period. In fact, this tonnage was almost twice what UNRRA was able to provide⁷ throughout its operation, and the great bulk of it had to be procured in areas outside Continental Europe.

Figures based on these estimates were submitted to the Combined Boards as preliminary bids for liberated areas for specified periods of 1944-1945, qualified by the statement that they represented partial requests which would be sufficient only to begin relief and rehabilitation operations.

2. INFLUENCE OF PAYING COUNTRIES ON THE UNRRA SUPPLY OPERATION

Among the countries covered in the preliminary statement of requirements were the six Northwestern European paying countries—Belgium, Denmark, France, Luxembourg, the Netherlands, and Norway.⁸ Early in 1944, however, the governments of these countries began to submit to the Combined Boards on their own account estimates of supplies they would require on liberation, and it became clear that

⁴ CS(44)7, 20 January 1944.

⁵ CS(44)9, minutes 5th meeting, 27 January 1944.

⁶ CS(44)7, 20 January 1944.

⁷ Total UNRRA shipments amounted to 1,266,881 long tons of fertilizer.

⁸ See Part One, Chapter IV, Section 3.

they would not call upon UNRRA for financial help.⁹ Their needs gradually ceased to concern the Administration directly, although UNRRA made available to them a share of over-all allocations—including footwear, fertilizers, trucks and farm machinery—recommended by the Combined Boards for use in all liberated areas.¹⁰

In one respect, however, it turned out that the Northwest European countries influenced the pattern of the UNRRA supply operation. In February 1945, shortly after the Ardennes offensive, application was made to UNRRA on behalf of all these countries, except Denmark, for assistance in meeting immediate relief needs. The Director General was authorized, under a resolution passed by the Central Committee, to make limited grants of supplies and services “although the government of the area concerned had not applied to be adjudged unable to pay under the provisions of Resolution 14 of the Council.”¹¹ This resolution served as the basis upon which emergency programs were carried out, not only in Northwest Europe, but subsequently in Finland,¹² Hungary,¹³ Korea¹⁴ and the Philippines.¹⁵ The effect of the resolution was that, as the program of operations reached a developed form, there were two types of country programs: major relief and rehabilitation programs calculated in most cases in accordance with the UNRRA bases on behalf of countries which had been adjudged “unable to pay,” and minor *ad hoc* programs for the provision of particular supplies and services. In the end the Central Committee approved the recommendation of the Director General that payment for the supplies to Northwest Europe should be made in local currencies and that no attempt should be made to obtain payment for the emergency programs carried out elsewhere.¹⁶

3. FIRST ATTEMPTS TO ASSESS INDIVIDUAL COUNTRIES' NEEDS

In July 1944 the Director General invited European member governments to submit to the Administration, in a prescribed form, an estimate

⁹ See Part Three, Chapter III, Section 1.

¹⁰ See Part One, Chapter V, Section 6; Part Three, Chapter VI, Section 4; Chapter VIII, Section 2.

¹¹ See Part Five, Chapter XII.

¹² See Part Five, Chapter XIII.

¹³ See Part Five, Chapter XIV.

¹⁴ See Part Six, Chapter IV, Section 2.

¹⁵ See Part Six, Chapter IV, Section 1.

¹⁶ Central Committee (CC) (47) 29, “Payment for Emergency Programs under Central Committee Resolution of 26 February 1945,” 20 February 1947; CC(47)46, minutes 50th meeting, 12 March 1947.

of essential relief and rehabilitation imports for the six months following the period of military responsibility, and to indicate the extent to which they would require UNRRA's financial help in the procurement and shipment of these essential supplies. As the bases of requirements for UNRRA supplies had not been adopted at this time, the governments were asked to take into account, in estimating their requirements, the relevant Council resolutions and the current work of the Committee of the Council for Europe on bases. The invitation, known as the "2A Questionnaire," was addressed to all the member governments of Continental Europe.¹⁷ Four of the governments—those of Czechoslovakia, Greece, Poland, and Yugoslavia—indicated that they would need very substantial assistance from UNRRA. Requirements during the six months for these countries alone were estimated to be about \$2,400 million in terms of landed cost.¹⁸ The total estimated resources of UNRRA for all purposes were less than that figure by some \$600 million.¹⁹ The programs as submitted were obviously not a satisfactory basis for operations.

In spite of the potential deficiency in funds, at its Second Session the Council accepted two additional responsibilities: the first provided for limited relief operations in Italy;²⁰ the second provided that the "benefits of the Administration should be extended to the inhabitants of the Dodecanese."²¹ Financially, however, the increase in supply responsibilities was comparatively small: the program for Italy was limited to \$50 million, and the total programs authorized for the Dodecanese, by the end of the UNRRA operation, amounted to no more than \$3,900,400.

In the light of the bases and policies for the calculation of import requirements adopted at the Second Council Session,²² the Administration was able to review the estimates submitted by European governments in response to the 2A Questionnaire. The adjustment of the estimates to the UNRRA bases had the effect of reducing them by approximately 46 per cent in terms of dollars and nearly 50 per cent in terms of tonnage.²³

¹⁷ Memo, Lehman to the member governments of Continental Europe, [July 1944].

¹⁸ Memo, Norman Leon Gold (Bureau of Supply) to Hendrickson, 6 September 1944.

¹⁹ *Report of the Director General to the Second Session of the Council (DGR)* 1, p. 8.

²⁰ Resolution 58.

²¹ Resolution 59.

²² Resolutions 55, 56.

²³ Letter, Hendrickson to N. I. Feonov (Deputy Director General and Chief of Supply Department, European Regional Office), 14 November 1944.

The next stage was the development of country budgets based on a definite program of expenditure. Member governments had been pressing for information on what they might expect from UNRRA so that they could plan their own national policies for the postliberation period. The Administration was reluctant to make any commitment at this time, since lack of precise information on conditions in Europe meant that any estimates must be crude, and subject to many changes. It was decided, however, that the member governments' need for information more than offset the risks inherent in providing it.²⁴

A tentative allocation of resources based on a \$1,000 million budget was drawn up, 75 per cent of which was to be disclosed to member governments in terms of quantities of supplies, and the balance held in a contingency reserve.²⁵ The tentative allocations were as follows:

TABLE 10

TENTATIVE ALLOCATION OF UNRRA'S RESOURCES, NOVEMBER 1944^a

<i>Country</i>	<i>Amount</i>
Albania	\$ 13,000,000
Czechoslovakia	149,000,000
Greece	160,000,000
Italy	25,000,000
Poland	214,000,000
Yugoslavia	214,000,000
Unallocated	225,000,000
Total	\$1,000,000,000

^a Letter, Hendrickson to Lehman, 9 November 1944.

No provision was made for China at this time, since the representatives of the Chinese Government thought it unlikely that any considerable operation in China would be possible before the latter part of 1945.²⁶ The figure of \$25,000,000 tentatively proposed for Italy was arbitrary. The budgets for Albania, Czechoslovakia, Greece, Poland, and Yugoslavia were achieved by the application of the "equalization of deficiencies" technique,²⁷ further refined in the autumn of 1945

²⁴ *Ibid.*

²⁵ Letter, Hendrickson to Sir William Matthews (Chief, Balkan Mission), 15 November 1944.

²⁶ Letter, Hendrickson to Feonov, 14 November 1944.

²⁷ Memo, Gold to Hendrickson, 3 November 1944.

when the first broad program of operations covering the whole UNRRA period was drawn up.²⁸

Since it was obvious that UNRRA lacked the resources necessary to bring all the receiving countries to the level of the bases adopted by the Council, the essential purpose of the "equalization of deficiencies" technique was to bring each country to approximately the same level of deficit. The first component of a country's budget was the amount required in addition to its indigenous supplies to equalize its per capita deficiency in each major commodity with that of the country having the least deficiency.²⁹ Once the budgets of the five countries were equalized, remaining supplies were distributed on a per capita basis.

In preparing the tentative commodity budgets for each country priorities were established in the following order: medical and sanitation supplies, food, agricultural rehabilitation, clothing and footwear, and industrial rehabilitation. Preferences indicated by the governments in their lists of requirements were also taken into consideration so that priorities varied somewhat in each country budget.³⁰

The distribution of the \$1,000 million budget among the receiving countries according to these principles was not intended as a fixed allocation, nor did it result in equal financial assistance per capita to each country: it was simply an attempt to appraise the relative need for relief and rehabilitation supplies.

The tentative programs for the first six months' period were conveyed to the receiving governments through Mission Guides to Import Requirements which were developed early in 1945.³¹ These represented an embryonic stage in the formulation of a program of operations in which the receiving governments began to have an active share. The Guides explained that UNRRA intended to base future programming (that is, requests for allocations, filing of requests to supply, purchasing of supplies, and forwarding to shipside) upon statements from the receiving governments. The Administration had, however, been obliged to anticipate various categories of need for all liberated countries requiring financial assistance and to develop procurement schedules in order to ensure an adequate flow of supplies when UNRRA took over supply responsibility from the military authorities. Finally, the

²⁸ See below, Section 7.

²⁹ Airgram, Washington to London A-8, 20 January 1945.

³⁰ *Ibid.*

³¹ For example, "Mission Guide to Import Requirements and Priorities for Czechoslovakia" (February 1945); also for Albania, Greece, Poland, and Yugoslavia.

Guides explained, \$750 million had been budgeted tentatively for immediate relief and rehabilitation supplies. Attached to the Mission Guides was a tentative detailed schedule of supplies which would be available for shipment and subsequent delivery during the first three months of UNRRA responsibility, and a list of the basic tonnage and composition of supplies which would be available during succeeding months.

Missions were asked to advise the governments on the form, time, and necessary justification of requirements, to review these in regard to the bases, and to request the governments to screen the proposed program of shipments, indicate any changes necessary, and inform the Administration regarding comparative priorities. In addition, they were requested to obtain from the governments a statement of detailed requirements for the six months' period beginning July 1945. As had been expected, the policies set out in the Mission Guides required amendment as time went on;³² but the part which the missions were to take in regard to the supply operation remained substantially constant, though the influence exercised by an individual mission was either greater or less according to whether the government to which it was accredited was weak or strong.³³

4. FIRST SHIPMENTS TO RECEIVING COUNTRIES

Early in 1945 UNRRA advanced from the preparatory phase to the beginning of the operational work of relief and rehabilitation for which it had been created. Under arrangements with the Anglo-American military authorities, negotiated on behalf of the Administration by Roy F. Hendrickson, Deputy Director General, Bureau of Supply, Headquarters, the military authorities relinquished responsibility for relief supplies on 1 April 1945 in Greece,³⁴ and on 15 April 1945 in Yugoslavia.³⁵ The basic Agreement between Czechoslovakia and UNRRA was concluded on 26 February 1945.³⁶ In March shipments for the Czechoslovak Government and the Polish Provisional Government began through the Black Sea port of Constanza.³⁷

³² For example, "Instruction for Preparation of SS-34 Form," issued to missions in May-June 1945.

³³ See, for example, Part Five, Chapters II, V.

³⁴ See Part Five, Chapter II, Section 2.

³⁵ See Part Five, Chapter III, Section 2. ³⁶ See Part Five, Chapter V, Section 1.

³⁷ See Part Five, Chapter V, Section 3; Chapter VI, Section 2.

In sending relief supplies as the various receiving countries were opened up, the Administration adopted the policy of utilizing its available resources, as long as they should last, to meet as far as possible the needs of the liberated areas to which supplies could be shipped.³⁸ For example, since the war in Europe was won earlier than the war in the Far East, UNRRA was able to begin shipments of substantial amounts of essential supplies to European liberated areas and to Italy, while it was able to send only small quantities of emergency supplies to China. So long as pressing needs existed in the areas first liberated, it appeared unwise to hold in idleness reserves of UNRRA resources to meet requirements of areas still to be liberated. The factors which in the early operations determined the distribution of supplies were in part a reflection of the fortunes of war and in part a reflection of other circumstances outside UNRRA's control.³⁹ UNRRA's assumption of responsibility in Greece, for example, involved not the initiation of operations, but the continuance and expansion of the already sizable Military Liaison procurement and shipping operation, carried on since the liberation of the country in October 1944. The Greek ports could receive upward of 200,000 tons of cargo per month.⁴⁰ On the other hand, at UNRRA's assumption of supply responsibilities, only two ports in Yugoslavia were open for ocean shipping with an estimated combined monthly capacity of 65,000-95,000 tons. Inland clearance was, however, the most important limiting factor in the handling of supplies.⁴¹ The Black Sea port of Constanza, furthermore, was geographically far from ideal for shipments to Czechoslovakia and Poland, and, in addition, its berthing and storage capacities were inadequate. The amount of supplies which could reach these two countries prior to the opening of the Baltic ports was thereby severely limited.⁴²

By the end of May 1945, shipments to European receiving countries, for which UNRRA was responsible, amounted to 262,653 tons, distributed as follows:

³⁸ Council III Document 5, C(45)4, "Program of Operations Presented by the Director General to the Third Session of the Council," pp. 21, 26.

³⁹ CS(45)16, "Report of the Bureau of Supply," 21 June 1945.

⁴⁰ See Part Five, Chapter II, Section 2.

⁴¹ See Part Five, Chapter III, Section 5.

⁴² See Part Five, Chapter V, Section 4; Chapter VI, Section 6.

TABLE II
 GOODS SUPPLIED BY UNRRA ^a
 (PERIOD ENDING 31 MAY 1945)

<i>Receiving Country</i>	<i>Tons</i>
Albania	..
Czechoslovakia	32,833
Greece	119,861
Italy	57,454
Poland	36,322
Yugoslavia	16,133
Total	<hr/> 262,653

^a Committee of the Council for Europe (CCE) (45)73, "UNRRA Operations in the European Region during May," 14 June 1945.

The circumstances which had caused this disparity in UNRRA shipments were given little recognition by the Committee of the Council for Europe, and the discrepancies were much resented by the representatives of those governments which had received only a small share of the total. The Committee member for Yugoslavia proposed in July 1945 what amounted to a vote of censure on the Administration for political discrimination in favor of Greece,⁴³ and charged the Administration with failing to observe the provisions of the resolution regarding fair and equitable distribution.⁴⁴ On a second presentation in a milder form, the resolution was lost by five votes to three: the Soviet, Yugoslav, and Czechoslovak members of the Committee supporting it.⁴⁵ There is no doubt that the Yugoslav representative was incorrect in his allegations that the Administration was seeking to send supplies to Greece to the detriment of other areas. But there is also no doubt that in the Central Committee the United Kingdom and United States representatives were anxious that, when UNRRA took over the responsibility for relief supplies for Greece, every effort should be made to augment, as far as possible, the austere level of supplies which the military authorities had already procured for shipment to Greece during the period between 1 April and 1 June.⁴⁶ Certainly, the food deficiency

⁴³ CCE (45)84, minutes 17th meeting, 26 June 1945.

⁴⁴ Resolution 7.

⁴⁵ CCE (45)86, minutes 18th meeting, 2 July 1945.

⁴⁶ CC (45)14, minutes 13th meeting, 27 March 1945 (Compilation of the Documents of the Central Committee of the Council [CC Docs.], I, 131-132).

in Greece was comparatively higher than in any other of the liberated countries, and the great bulk of the early shipments to Greece was in the form of food.⁴⁷

5. THE PROGRAM OF OPERATIONS AND THE THIRD COUNCIL SESSION

At the Third Council Session the Director General presented a program of operations covering the proposed activities of the Administration to 31 December 1945,⁴⁸ planned on the basis of the most effective use of the available resources in accordance with the requirements of the member governments adjusted to the bases adopted by the Council.⁴⁹ Its main objective was to enable the Council to look at the work which lay ahead. Its main message was that UNRRA's ability to continue toward the completion of the relief and rehabilitation task depended on whether it was given additional funds.

Briefly, the program of operations revealed that the expected contributions available for operations up to 31 December 1945 would amount to \$1,819,106,815, after deducting administrative allocations for 1944 and 1945. Against this amount, the estimated total of expenditures and obligations to 31 December 1945 came to \$1,643,854,000. If the program of the Administration was to be carried out according to this plan, therefore, there would remain at the end of 1945 a balance of \$175,252,815.

The question, then, was whether the completion of that program would bring the Administration within sight of the ultimate goal which the member governments wished UNRRA to reach. The answer was clearly that large needs would continue in 1946 in Europe, and in the Far East as soon as China should be liberated.

Provisional estimates of additional resources which would be necessary for operations in 1946 totaled about \$1,500 million. This amount included an estimate of over \$800 million for China for the first six months of 1946 and a program for Europe for the first half year based on the same rate of expenditure as for the second half of 1945. For the

⁴⁷ Out of a total in value of \$56,800,000 shipped to Greece through May 1945, \$39,200,000 was food, Council III Document 5, C(45)4, "Program of Operations," Table 6, p. 22.

⁴⁸ Letter of Transmittal to the Members of the Council, 19 July 1945, Council III Document 5, C(45)4, p. v.

⁴⁹ Council III Document 5, C(45)4, p. 11.

latter part of 1946 it was expected that food requirements of most of the European countries would be met from their own resources; that the revival of the textile and leatherworking industries would result in a further substitution of raw materials for the more expensive finished and semifinished goods; and that the rehabilitation of essential industries and of agriculture would have progressed sufficiently to reduce these requirements substantially. If these objectives were realized—and no sure prophecy could be made in view of changing conditions—the end of 1946 should bring the Administration close to its goal.

The alternative, if additional funds were not forthcoming, was a substantial change in the program of operations for 1945, since a large proportion of the remaining resources would have to be diverted from Europe for operations in the Far East. This would inevitably result in a drastic lessening of assistance to Europe although UNRRA's aid to China would still be grossly inadequate.⁵⁰ The need for decision was driven home during the Council Session by the sudden ending of the war in the Far East.

The result of the resolutions passed at the Third Council Session was, in fact, a compromise between the alternatives. The approximate termination date of UNRRA was forecast by the provision that shipments to Europe should cease by 31 December 1946 and to the Far East by 31 March 1947. The recommendation of a second contribution, equal in amount to the first,⁵¹ was coupled with the imposition of further supply responsibilities, including a program for Italy "adequate to meet the urgent needs of the Italian population,"⁵² a program for Austria,⁵³ and for Korea and Formosa "should they make application for assistance,"⁵⁴ and programs of \$189 million and \$61 million for the Ukrainian and Byelorussian SSR.⁵⁵

6. THE CREATION OF THE PROGRAM SUBCOMMITTEE

The resentment of the Slavic group, ventilated earlier in the Committee of the Council for Europe, over what they considered to be discrimination against them in the distribution of supplies, was carried aggressively into the discussions at the Third Council Session.⁵⁶ The

⁵⁰ *Ibid.*, p. 46.

⁵¹ Resolution 80.

⁵² Resolution 73.

⁵³ Resolution 74.

⁵⁴ Resolution 76.

⁵⁵ See Part One, Chapter IV, Section 4; Part Five, Chapter VII, Section 2.

⁵⁶ For example, *Journal*, Third Council, remarks by member for Poland, p. 44; remarks by member for Yugoslavia, p. 45.

Council's decisions to extend the membership of the Committee on Supplies to include receiving countries,⁵⁷ and to give the Committee authority to "discuss with the Director General broad programs . . . for securing the equitable distribution of supplies,"⁵⁸ appeared to meet in some measure the wishes of the receiving countries to influence the distribution of UNRRA supplies. The Council had, however, also included in Resolution 80 a reference to "the broad programs of operations of the Director General as approved from time to time by the Central Committee." The Central Committee, at first undecided as to the mechanism to be employed for review of the programs, eventually adopted⁵⁹ the proposal of its United States member⁶⁰ for the establishment of a Program Subcommittee of the Central Committee, with the understanding that the Canadian chairman of the Committee on Supplies interpreted his Committee's reviewing role as minor and advisory.⁶¹ The new Subcommittee was to be responsible "for the review of projected country programs submitted by UNRRA and for making recommendations to the Central Committee as to their acceptance or revision, consulting the Committee on Supplies and the Resolution 23 Committees whenever desirable, in making such recommendations."⁶² Since the country representation on the Program Subcommittee was the same as that on the Central Committee, control over the allocation of UNRRA supplies was maintained by the supplying countries, and the ambitions of the receiving countries were largely negated.⁶³

A secondary effect of the creation of the Program Subcommittee was that it weakened potentially the executive powers of the Administration over the allocation of UNRRA supplies.⁶⁴ In practice, however—owing largely to the forcefulness and personality of David Weintraub (Deputy Chief, Bureau of Supply),⁶⁵ who represented the Director General on the Program Subcommittee—the influence of the Sub-

⁵⁷ Resolution 68.

⁵⁸ Resolution 69.

⁵⁹ CC(45)38, minutes 18th meeting, 29 November 1945 (CC Docs., II, 40-42).

⁶⁰ CC(45)36, letter, W. L. Clayton to Roger Makins (United Kingdom Member of Central Committee), and attachment (CC Docs., II, 36-39).

⁶¹ CS(45)35, "Memorandum Submitted by the Chairman as a Basis for the Discussion of Possible Changes in Procedures or Organization Required to Implement Council Resolution No. 69," 23 October 1945 (CC Docs., II, 5).

⁶² CC(45)38, minutes 18th meeting, 29 November 1945 (CC Docs., II, 44-45), see *infra*, Appendix Four, Section III, Document 2.

⁶³ Monograph, Addison Brandon, "History of the Program Subcommittee of the Central Committee," p. 18.

⁶⁴ *Ibid.*, p. 98.

⁶⁵ *Ibid.*, pp. 98-99.

committee was not so strong as it might have been, and its recommendations and decisions ran counter to those of the administration with comparative infrequency.⁶⁶

7. DEVELOPMENT OF THE FIRST BROAD PROGRAM OF OPERATIONS

As a result of the decisions at the Third Council Session, the Administration was able in the autumn of 1945 to develop for the first time a long-range program of operations. Many of the uncertainties which had made it impossible to do so earlier had been removed. UNRRA's geographic area of responsibility had been defined. The total financial resources were ascertainable. The duration of the operation was measurable.

The distinguishing feature between this period of the supply operation and the period which preceded it was that it was now possible to make estimates and inform each country of the total value of supplies, within each of the five commodity groups, which it could hope to receive.⁶⁷ The recipient countries were anxious for such an allocation to be made, so that they could plan the best use of the funds available to them and could know in advance which of their import requirements would be met by UNRRA and which would have to be obtained from other sources. From the Administration's point of view the allocation was helpful because the various commodity divisions could plan their procurement with greater precision. Also, from the standpoint of the restoration of normal trading relationships between countries, it was advantageous that the size and character of UNRRA's supply program for each country should be established.⁶⁸

The following procedure was proposed by the Administration and approved by the Central Committee for submission of a program of operations to the Committee, as required under Resolution 80:

The Administration will prepare a draft of its broad program of operations. This program will show the amount of its total resources which it proposes to devote to relief and rehabilitation operations in each country. It will be predicated on an additional 1% contribution. It will be in the form of physical quantities of generally specified commodities, presented by country of

⁶⁶ *Ibid.*, p. 98.

⁶⁷ For standard form of program of operations see Appendix Ten, Section III.

⁶⁸ Memo, Weintraub to chiefs of missions in receiving countries, 12 November 1945.

destination and by time periods of delivery. These quantities will be based on the best information available to the Administration on the needs of each country for relief and rehabilitation commodities as defined by Council Resolutions, on the extent to which each country is herself able to meet those needs, and on the extent of the Administration's resources. The broad programs will be accompanied by the best estimates of the US dollar values of each country program that the Administration is able to prepare.⁶⁹

During the period of four months which elapsed between the adoption of this procedure and the approval by the Central Committee of the program of operations there was no interruption in the flow of UNRRA supplies to the receiving countries. By the end of December 1945 nearly four million long tons of supplies, valued at \$681,500,000, had been delivered;⁷⁰ by the end of March 1946 this amount was increased to a total of more than eight million long tons valued at \$1,140,500,000.⁷¹

UNRRA's operating income was estimated at \$3,766,600,000, on the assumption that each country which had authorized an initial contribution to UNRRA's operating fund would make that contribution available and would, in addition, make a second contribution of the same amount. From this, deductions were made for administrative expenses, mission operating costs, displaced persons operations, and shipping expenses, leaving an estimated balance of \$2,998,200,000 for relief and rehabilitation supplies in liberated areas.⁷²

Since the value of requirements substantially exceeded available resources, the Administration had, therefore, to draw up country budgets on a very much lower level.⁷³ In constructing the budgets, indigenous production of relief and rehabilitation goods was subtracted from the minimum consumption needs estimated under the UNRRA bases. The possibility that a country might be able to pay for part of its relief and rehabilitation supplies was not taken into consideration since this would still further curtail the admittedly inadequate supplies which UNRRA was able to provide.⁷⁴

⁶⁹ CC(45)34, memo, Director General to Central Committee, "Procedure to be Adopted under Resolution 80 in Submitting Broad Programs of Operations by the Administration to the Central Committee," 2 November 1945 (CC Docs., II, 3-4).

⁷⁰ DGR 7, Table 1, p. 14. Tonnage includes contributed clothing for which no value was assigned.

⁷¹ DGR 8, p. 6.

⁷² Memo, Weintraub to chiefs of missions in receiving countries, 12 November 1945.

⁷³ *Ibid.*

⁷⁴ First Supply Conference, minutes general meeting, "Scope and Objectives of Program of Operations," 6 November 1945.

The program of operations was constructed at Headquarters, in consultation with representatives of the missions assembled for the First Supply Conference, by first determining the amount to be programmed for those countries which the Council had specifically considered when it made its recommendations for the second contribution: Austria, China, Italy, Korea, and Formosa, the two Soviet Republics. The remainder of the resources was then divided among those countries in which relief and rehabilitation operations were already in progress, taking into account the value of goods already delivered as well as those which the Administration proposed to supply.⁷⁵

Tentative allocations to individual countries were reached as follows:

The proposed UNRRA program for Italy, which had been developed by United States military and civilian agencies, was reduced by eliminating items outside the scope of UNRRA and reducing low-priority items. The final figure of \$409 million, exclusive of ocean shipping, represented a scaling down of requirements which, if calculated according to UNRRA bases, would have amounted to over \$1,000 million.⁷⁶

A figure of \$75 million was tentatively budgeted for Austria. This was relatively arbitrary, since only very crude estimates of needs were available.⁷⁷

Allocations of \$50 million and \$158 million were made to the Byelorussian and Ukrainian Republics, representing the agreed amounts for these countries minus ocean shipping costs.⁷⁸

Since the Council had not established bases for the Far East, the Administration screened the requirements submitted by the Chinese Government on the basis of analyses made by the China Office and Headquarters.⁷⁹ The requirements originally submitted by the Chinese National Government amounted to some \$945 million.⁸⁰ Later, this figure was revised upward to slightly more than \$1,000 million. The re-

⁷⁵ Memo, Weintraub to chiefs of missions in receiving countries, 12 November 1945.

⁷⁶ Program Subcommittee of the Central Committee (CC/P) (45)12, 14 December 1945.

⁷⁷ *Ibid.*

⁷⁸ Memo, Weintraub to chiefs of missions in receiving countries, 12 November 1945.

⁷⁹ CC/P(45)9, minutes 3d meeting, 10 December 1945.

⁸⁰ Memo, Abraham S. Boykoff (Director, Country Programs Division) to heads of divisions, Bureau of Supply, 18 April 1946.

quirements included in this total were reduced to \$562,500,000,⁸¹ by eliminating certain items not admissible under the Council resolutions; by substituting raw cotton for cotton textiles; and by reducing items premised on a greater degree of destruction than had taken place. A supervening consideration in reducing this program was the uncertainty that the reception capacity of Chinese ports and inland clearance facilities would be adequate to enable a larger program to be handled within the time limit of 31 March 1947 imposed by Council resolution for the completion of the China program.⁸²

When the sum of the amounts allocated to Austria, China, Italy, and the Byelorussian and Ukrainian Republics was deducted from the total resources available to the Administration there remained—after deducting further amounts for special and emergency programs—\$1,539 million for distribution among the European countries in which the Administration was already conducting full-scale operations: Albania, Czechoslovakia, Greece, Poland, and Yugoslavia.⁸³ In allocating the available funds among these countries, the Administration applied the “equalization of deficiencies” technique which had been partially developed earlier in the year.

The first factor taken into account was that these countries had become accessible to UNRRA supplies at different times, the flow of a substantial volume of supplies to Albania, Czechoslovakia, and Poland having started considerably later than to Greece and Yugoslavia. The Administration adopted the principle that requirements for consumable supplies were not cumulative. The fact that people in one country were hungry and cold during the period when UNRRA supplies could not reach them did not increase the quantities of food and fuel necessary to keep them fed and warm during the subsequent period. Similarly, the fact that people of another country were accessible to UNRRA shipments of food and fuel during the earlier period did not reduce their needs for these commodities for the subsequent period.

In keeping with this policy, a common time-period—1 October 1945—31 December 1946—was used in measuring the requirements of the various countries for expendable goods such as food, fertilizers, pesticides, and fuel, and in these calculations, previous shipments of

⁸¹ Memo, Weintraub to chiefs of missions in receiving countries, 12 November 1945.

⁸² CC/P(45)9, minutes 3d meeting, 10 December 1945, Annex I.

⁸³ Memo, Weintraub to chiefs of missions in receiving countries, 12 November 1945.

expendable goods, or accumulated deficits in shipments, were not included.⁸⁴ Nonexpendable goods, such as railway rolling stock, steel rails, bridging equipment, trucks, agricultural equipment, hospital equipment, tools, and clothing shipped before 1 October 1945 were, however, considered as meeting part of the total requirements of each receiving country.⁸⁵ In reducing the total value of requirements for these five countries the total value of expendable goods shipped to each country before 1 October 1945 was subtracted from the sum available for distribution. After each country's share of the remainder was calculated, the value of previous shipments of expendable goods was added to the calculated share in arriving at the total budget allocation for each country.

The amount spent on expendable supplies to 1 October 1945 was carried temporarily in the Administration's books at \$143 million. The final figure was to be decided by Canada, the United Kingdom, and the United States which had provided the supplies from the Balkan Stockpile in the Middle East, and the budgets of the countries concerned were to be adjusted accordingly when the final figure was determined.⁸⁶

When the \$143 million estimated for expendable goods was deducted from the funds available, there remained \$1,395,832,000 to meet the needs of these five countries for the period following 1 October 1945. The reduced budgets, compared with those calculated to meet their deficiencies under the UNRRA bases, were as follows:

TABLE 12
REQUIREMENTS OF RECEIVING COUNTRIES, DECEMBER 1945

Country	Total Requirements Calculated According to Bases of Requirements ^a	Total Requirements Calculated According to Funds Available ^b
Albania	\$ 51,179,000	\$ 26,109,000
Czechoslovakia	492,342,000	256,163,000
Greece	476,756,000	291,325,000
Poland	888,066,000	416,372,000
Yugoslavia	764,517,000	405,863,000
Total	\$2,673,060,000	\$1,395,832,000

^a CC/P(45)12, 14 December 1945, Annex 2, Table 1.

^b *Ibid.*, Table 2.

⁸⁴ *Ibid.*

⁸⁵ *Ibid.*

⁸⁶ See below, Section 12.

The total funds available for these five countries were sufficient to meet 52 per cent of the total value of the requirements for all commodity groups.

In reducing the requirements to conform to the funds available, the Administration distinguished between food and other categories. For nonfood requirements, for which in the main the bases as adopted by the Council did not provide a detailed quantitative guide, a percentage distribution of the various commodities among the several countries had been made, based on numerous factors, since calculations on a per capita basis were impracticable.⁸⁷ Hence the Administration decided that the most equitable results would be achieved if the nonfood requirements based on these percentage distributions were reduced by the same proportion for all countries.⁸⁸

After these amounts had been determined, the residual sum was allocated for food in such a way as to produce for each country an equal per capita deficit below the standard set by the bases. To bring several countries to an equivalent level below the UNRRA food basis of 2,650 calories per head per day did not mean that each country necessarily underwent the same proportionate reduction in the total imports which it would receive according to the bases. A country with a larger indigenous supply would be allocated a smaller portion of its import requirements under the bases than a country with a relatively smaller indigenous supply of food.

This may be illustrated by the accompanying graph. In Countries A and B, locally available food supplies are assumed to provide respectively 70 per cent and 50 per cent of the amount needed to meet the bases. Country B would need to import a larger percentage of its total requirements to raise it to the same level as Country A. It is assumed that UNRRA could provide only enough food to bring consumption in the two countries to an average level of 2,100 calories per person per day instead of the 2,650 stipulated in the UNRRA bases. Country B would require supplies amounting to 58 per cent of its total import requirements and Country A only 35 per cent in order to reach this level.⁸⁹

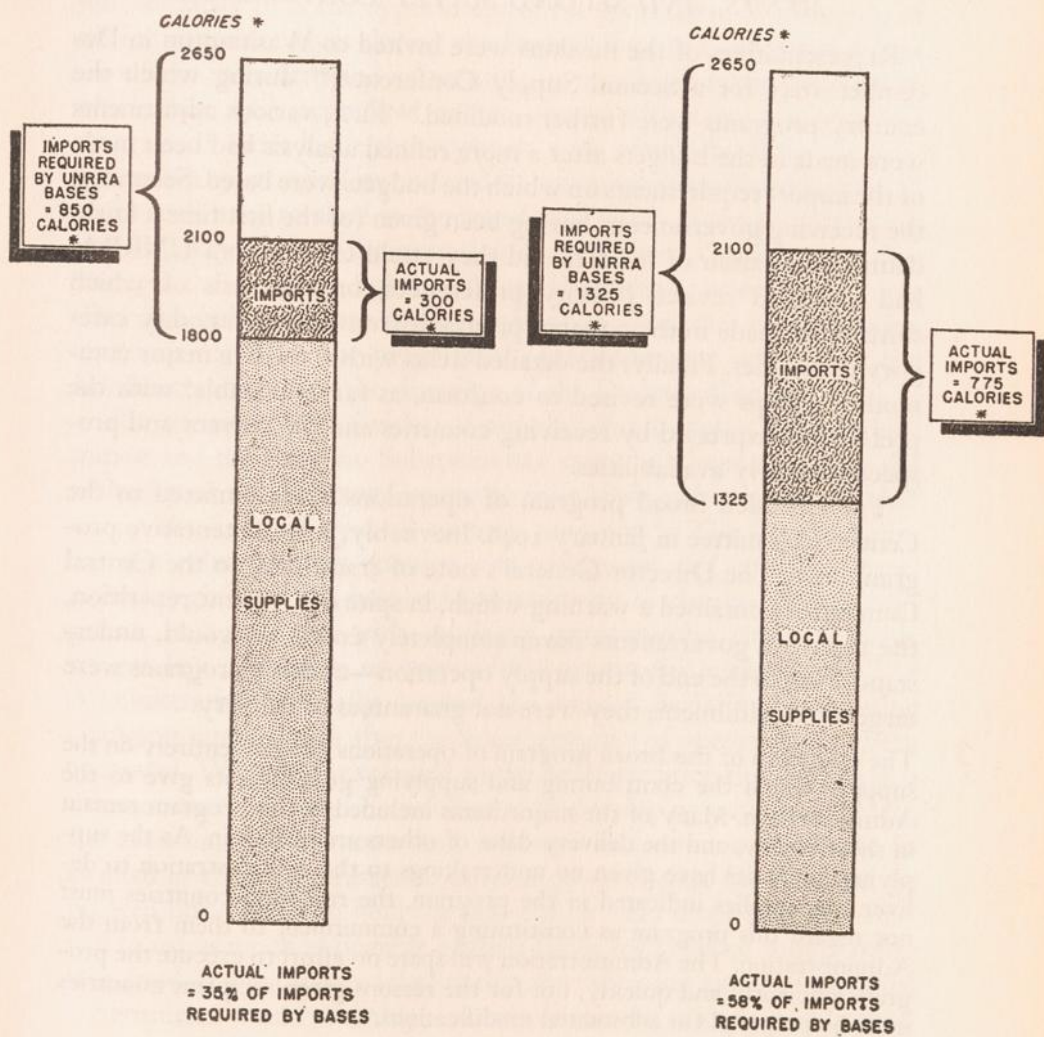
⁸⁷ See, for example, Standing Technical Committee on Industrial Rehabilitation (TIR) (45) 12, "Report of the Industrial Rehabilitation Division on Methods Being Followed in Consideration of the Allocation of Supplies among Receiving Countries in Europe," 2 July 1945.

⁸⁸ CC/P(45) 12, 14 December 1945.

⁸⁹ Council III Document 5, C(45) 4, pp. 26-27.

COUNTRY "A"

COUNTRY "B"



* Per head per day

GRAPH II
EQUITABLE FOOD DISTRIBUTION ACCORDING TO
THE BASES ADOPTED BY THE COUNCIL
(Figures Hypothetical)

8. *SUBMISSION OF PROGRAMS TO RECEIVING GOVERNMENTS, AND SECOND SUPPLY CONFERENCE*

Representatives of the missions were invited to Washington in December 1945 for a Second Supply Conference,⁹⁰ during which the country programs were further modified.⁹¹ First, various adjustments were made in the budgets after a more refined analysis had been made of the import requirements on which the budgets were based. Secondly, the receiving governments, having been given for the first time a fairly definite indication of the total aid they could expect from UNRRA, had indicated revised priority preferences, on the basis of which shifts were made in the country programs from one commodity category to another. Finally, the detailed items within the five major commodity groups were revised to conform, as far as possible, with the preferences expressed by receiving countries and the current and prospective supply availabilities.

The amended broad program of operations was submitted to the Central Committee in January 1946. Inevitably, it was a tentative program only. The Director General's note of transmittal to the Central Committee contained a warning which, in spite of frequent repetition, the receiving governments never completely could, or would, understand, even to the end of the supply operation—country programs were targets for fulfillment; they were not guarantees of delivery:

The execution of this broad program of operations depends entirely on the support which the contributing and supplying governments give to the Administration. Many of the major items included in this program remain in short supply, and the delivery dates of others are uncertain. As the supplying countries have given no undertakings to the Administration to deliver the supplies indicated in the program, the receiving countries must not regard this program as constituting a commitment to them from the Administration. The Administration will spare no effort to execute the program efficiently and quickly, but for the reasons given recipient countries must be prepared for substantial modifications.⁹²

Meanwhile, the Program Subcommittee, which held its first meeting on 1 December 1945,⁹³ had been undergoing an indoctrination

⁹⁰ Memo, Weintraub to chiefs of missions in receiving countries, 12 November 1945.

⁹¹ "Summary Statement on Program of Operations," 29 January 1945.

⁹² *Program of Relief and Rehabilitation Supplies Presented by the Director General to the Central Committee* (Washington, D.C., 29 January 1946), p. v.

⁹³ CC/P(45)1, 1 December 1945.

course, under the tutelage of Weintraub, into the methods followed by the Administration in drawing up its program of operations. The Subcommittee took the opportunity of the presence in Washington of mission representatives during the Second Supply Conference to receive from them firsthand information on conditions in the countries to which they were accredited and to discuss with them the proposed programs.⁹⁴ Indeed, the thoroughness with which the Program Subcommittee approached its task and its curiosity about matters of detail might well have resulted in the transfer of much of the programming responsibility of the Administration to the Central Committee, acting through the Program Subcommittee. Weintraub, however, did not allow the Subcommittee to lose sight of the fact that administrative functions regarding the program of operations were retained by the Administration under the direction of the Director General.

The question of the division of responsibility between the Administration and the Program Subcommittee came to a head regarding the authority of the Director General to shift kinds and amounts of relief within the limits of over-all country programs.⁹⁵ The Central Committee's ruling on this question was ambiguous and could be interpreted as giving the Administration authority to change country programs, in agreement with receiving governments, either *between* commodity categories, or only *within* commodity categories.⁹⁶ The Administration naturally wanted the utmost flexibility in meeting changing supply needs after the broad program of operations had been approved. Weintraub explained to the Subcommittee that, although a common technique had been followed in developing country budgets, the receiving governments had followed no common technique in estimating their requirements. Certain governments, for instance, he pointed out, "chose to hold the belt tighter than other governments" and to use as much as possible of their funds for types of supply other than food. It was expected that within the following months individual governments would probably, for various reasons, wish to modify their programs. Such requests were already pouring in daily from the missions and were no more predictable by the Administration than by the governments themselves. If, therefore, the Administration were not permitted to make changes among categories, they would be con-

⁹⁴ CC/P(45)20, 22 December 1945; CC/P(46)2, 3 January 1946.

⁹⁵ CC/P, verbatim minutes 12th, 13th, 14th meetings, 3, 4, 5 January 1946.

⁹⁶ CC(45)34, 2 November 1945 (CC Docs., II, 3-4).

tinually applying to the Committee for approval and, in fact, to the extent that the hands of the Administration were tied, the hands of the receiving governments were tied also.⁹⁷ The insistence of the Administration on the need for more freedom of action resulted in a compromise arrangement by which the Administration was free to make changes *within* categories, but only up to 15 per cent *between* categories, without reference to the Central Committee.⁹⁸

The first and second reports of the Program Subcommittee to the Central Committee contained recommendations both on the principles followed by the Administration in drawing up the program of operations and on the specific country budgets proposed.⁹⁹ On matters of policy the Subcommittee recommended that approval of the program of operations be limited to the period ending 30 June 1946, since a longer forecast on data then available "might be unrealistic and tend to mislead the Administration and the countries concerned."¹⁰⁰ The necessity of advance procurement of supplies requiring a long period to manufacture was recognized, however, and it was recommended that the Administration should be authorized to use up to \$250 million for procurement of items within this category. The Subcommittee also recommended that any funds allocated in the program of operations for expendable supplies and not spent by 30 June 1946 should be considered available for reallocation in the same manner as other funds available to the Administration at that date.¹⁰¹ Moreover, the Program Subcommittee thus reserved for itself the power to recapture a portion of a budget if the receiving country concerned were so unfortunate as to program expendable items in such short supply that they could not be shipped by the end of June 1946. Had the receiving countries been fully aware of the possibility of this recommendation it is certain that some of them would have avoided certain expendables.¹⁰²

Regarding individual country budgets, the main revisions to the Administration's proposals were recommendations that the program

⁹⁷ CC/P, verbatim minutes 12th meeting, 3 January 1946.

⁹⁸ CC/P(46)9, "First Report of the Program Subcommittee . . . to the Central Committee," 28 January 1946.

⁹⁹ *Ibid.*; CC/P(46)47, "Second Report of the Program Subcommittee . . . to the Central Committee," 1 March 1946.

¹⁰⁰ CC/P(46)47, "Second Report of the Program Subcommittee . . . to the Central Committee," 1 March 1946.

¹⁰¹ *Ibid.*

¹⁰² Monograph, A. T. Bonnell, "Development and Fulfilment of the UNRRA Supply Programs," Part III, p. 73.

for Austria should be increased by \$5 million, in order to allow for a larger food budget, and that the total programmed for the two Soviet Republics should be approved and the supplies included in them delivered, if possible, before 1 July 1946.¹⁰³

On 6 March 1946 the recommendations of the Subcommittee were approved by the Central Committee, subject only to the provision that the fulfillment of the programs for the Byelorussian and Ukrainian Republics was subject, as were the other programs, to adequacy of funds.

For the first time the Administration was provided with a firm program of operations, albeit covering a shorter period than it would have wished.

9. APPROVAL OF A PROGRAM OF OPERATIONS UP
TO 31 DECEMBER 1946

The next phase was the preparation of a program of operations for the last half of 1946. By this time the total amount expected from contributions had diminished somewhat, with the result that the amount available for country programs for the whole period of operations was estimated at \$2,904,296,000, compared with the figure of nearly \$3,000 million on which the earlier program of operations had been based.¹⁰⁴

It was the Administration's intention that the commodity programs for European countries other than those for food should remain substantially as first submitted, since requirements remained substantially the same.¹⁰⁵ The Program Subcommittee decided, however, that though this policy was acceptable for medical and clothing supplies, the agricultural rehabilitation programs in particular should be reviewed "with the object of making the maximum contribution possible to the autumn sowings of crops in 1946 so as to achieve the greatest possible production of cereals for human consumption in 1947."¹⁰⁶

Nevertheless, the most significant revisions made at this time were in the food programs. The Administration's objective was to maintain the average level of food consumption provided in the earlier program of operations, namely, 2,000 calories per head per day (it had in prac-

¹⁰³ CC/P(46)47.

¹⁰⁴ CC(46)85, minutes 33d meeting, 23 July 1946 (CC Docs., III, 92-102).

¹⁰⁵ CC/P(46)53.

¹⁰⁶ CC/P(46)60.

tice been impossible to program on the level of 2,650 calories provided by the UNRRA bases).¹⁰⁷ The food resources of all receiving countries for the period after 30 June 1946 were reviewed with the object of bringing them, within the limits of available resources, to the same level in relation to the food bases. These calculations were made on the basis that UNRRA shipments to Europe would end in December, and that, of the receiving countries' total 1946 harvest of bread cereals, one twelfth would be available for use each month from October onward. Therefore, import requirements from October 1946 through 31 January 1947 (representing September to December shipments) were such quantities as, when added to indigenously available supplies for those three months, would provide the 2,000-calorie level.¹⁰⁸

Detailed discussions on the size and content of their programs took place with mission representatives assembled for the Third Supply Conference. Mission representatives were asked to determine the priorities which they wished to assign to the various commodity categories, bearing in mind the fact that the resources of the Administration were by now comparatively inflexible; and, in addition, that commitments for long-lead items could seldom be set aside without heavy cancellation charges.¹⁰⁹ At the final general meeting, country supply budgets, broken down into commodity divisions as agreed with the mission representatives, were announced.¹¹⁰ So fluctuating were the supply position and the needs of the receiving governments, however, that, even in the short period between the announcement to mission representatives of the country budgets and the submission of the programs to the Program Subcommittee, numerous modifications were made.

After exhaustive examination of the programs, the Program Subcommittee submitted its Third Report to the Central Committee¹¹¹ which was adopted on 23 July without amendment.¹¹² The Report provided for a further increase in the Austrian program amounting to \$26,500,000, of which \$19,500,000 was for an industrial rehabilitation program, since, when the Austrian program was originally drawn up, the details necessary for assessing the needs in this category of supplies

¹⁰⁷ CC/P(46)64, memo, Weintraub to Program Subcommittee, 26 June 1946.

¹⁰⁸ Third Conference with mission representatives on program of operations, PO/III/Document 53, minutes 3d general meeting, 18 May 1946.

¹⁰⁹ *Ibid.*

¹¹⁰ PO/III/Document 68.

¹¹¹ CC/P(46)77, 22 July 1946; text as approved by Central Committee, CC/P(46)79.

¹¹² CC(46)85, minutes 33d meeting, 23 July 1946 (CC Docs., III, 92-102).

were not available; and \$7,300,000 in order that the Austrian program might be placed on a parity with those of other countries. The latter part of the increase was challenged by the representatives for the USSR and China, but was strongly supported by the representatives of the United States and United Kingdom—who consistently “rooted” for Austria—and was passed by a majority vote.¹¹³

A program for Ethiopia for \$700,000, drawn from the general supply reserve, was recommended, plus approximately \$300,000 of supplies, currently charged to Middle East Relief and Refugee Administration camps and found to be surplus.¹¹⁴

The programs proposed for Albania, Greece, and Yugoslavia were approved on the reaffirmed understanding that the Administration would adjust them subsequently to reflect the finally determined value of the Balkan Stockpile.¹¹⁵

The Report left various matters for future determination. Among these were a program for China for the period 1 January–31 March 1947, a program for Korea, and also further emergency programs for Finland and Hungary, requested by their Governments¹¹⁶ but for which at the time it was uncertain whether funds would be available.¹¹⁷

10. THE “TWO PER CENT FREEZE”

In September 1946 the Administration submitted to the Program Subcommittee a statement regarding additional supply programs for China, Finland, Hungary, and Korea, referred to in the Third Report of the Program Subcommittee. It was revealed that, within the limits of the total resources which now appeared to be available, the Administration not only could not undertake any further programs, but would have to reduce those which had already been approved.¹¹⁸ The reasons adduced by the Administration were threefold: contributions from member governments had yielded a smaller amount than had been estimated; shipping costs were higher than had been expected; and the costs of relief and rehabilitation services, through the extension of

¹¹³ CC(46)85, minutes 33d meeting, 23 July 1946 (CC Docs., III, 93).

¹¹⁴ CC/P(46)73, Annex II.

¹¹⁵ CC(46)85, minutes 33d meeting, 23 July 1946 (CC Docs., III, 98–99); CC/P(46)79.

¹¹⁶ *Ibid.*

¹¹⁷ CC(46)77, minutes 31st meeting, 3 July 1946 (CC Docs., III, 47); CC(46)80, minutes 32d meeting, 11 July 1946 (CC Docs., III, 67–69).

¹¹⁸ CC/P(46)81, “Status of UNRRA Resources and Additional Programs of Relief and Rehabilitation Supplies,” 24 September 1946.

the displaced persons operation to 30 June 1947,¹¹⁹ had increased.

The Administration's analysis of the China program had revealed that, if port congestion in China did not decrease, it was unlikely that the program already approved could be completed earlier than 30 June 1947. Thus further funds could not be utilized within the shipping deadlines by now laid down. In any event, it would be impossible to finance a further program without curtailing other country programs already approved.

Although there appeared to be justification, had resources been available, for additional emergency programs for Finland and Hungary, in the circumstances a program for Finland was impossible and a further \$1 million for Hungary was recommended only because its Government had agreed to accept this small amount in discharge of an original claim of \$12 million for transshipment of UNRRA supplies from Constanza. The most that the Administration could recommend for Korea was an increase of the emergency program from \$833,300 to \$1 million since the occupying military authorities had agreed to bear shipping costs.

The report included a statement on what was believed to be the final settlement of the valuation of the Balkan Stockpile. This was at a lower figure than had been expected, and the budget for Albania was accordingly reduced by \$1,300,000, for Greece by \$8 million, and for Yugoslavia by \$4,700,000.

In conclusion, the Administration stated that the Director General, in order to ensure that funds were available to meet prospective liabilities, had found it necessary to hold uncommitted 2 per cent of each country program—totaling some \$51,500,000—until the fiscal position became more definite. It was expected that the status of uncollected contributions and the increase in shipping costs would be known more accurately by 30 November, when the Director General would recommend to the Central Committee what part, if any, of the country programs could be restored. Meanwhile, the "2 per cent freeze" was being put into effect immediately.

No more provocative set of recommendations could have been injected into the discussions of the Program Subcommittee: the representative of the USSR was concerned over the Korean situation; the representative from China, over the fact that a further program for

¹¹⁹ Resolution 98.

his country might not be forthcoming; and the representative for Yugoslavia, over the reduction in the Yugoslav budget.¹²⁰ The Greek Government put forward a case for the preservation of the Greek budget against the Balkan Stockpile cut.¹²¹ Members of the Committee found it difficult to understand a paragraph in the report referring to an authorization of a further emergency program for the Philippines out of the general reserves of the Administration; nor could the Administration offer any logical explanation of this arbitrary action taken by the Director General.¹²²

The Controller was interrogated by the Program Subcommittee on the whole fiscal position of the Administration. It was suggested that perhaps too pessimistic a view had been taken of its contingent liabilities and unrealized contributions. The Controller defended the necessity of the "2 per cent freeze" and added that the surest way of becoming insolvent was to spend money which one hoped to get. Moreover, the Controller pointed out, the fact that contributions to UNRRA were mostly in commodity credits militated against flexibility in their use: it was not possible, for example, "to pay United States payrolls in Bolivian beans."¹²³

In its Fifth Report to the Central Committee, the Program Subcommittee stated that "it cannot at the present time pass judgment either upon the magnitude of the freeze or on the manner in which it should be funded."¹²⁴ Meanwhile it recommended, and the Central Committee agreed, that the additional emergency program for Hungary and the small increase in the Korean program should be approved.¹²⁵ The Program Subcommittee also recommended that the 2 per cent freeze should not be applied to the programs of the Byelorussian and Ukrainian Republics.¹²⁶ In this decision it ran counter to the views of the Administration, which had decided that there was no juridical ground for exempting these programs.¹²⁷ In the Central Committee the Soviet representative argued the case of the nonapplicability of the "freeze" to the Soviet programs on the grounds that, had they

¹²⁰ CC/P(46)82, minutes 40th meeting, 27 September 1946.

¹²¹ CC/P(46)92, letter, Xenophon Zolotas (Council member for Greece) to Director General, 8 October 1946, and attached note.

¹²² CC/P(46)88, attached to CC(46)103 (CC Docs., IV, 17); see *infra*, Part Six, Chapter IV, Section 1.

¹²³ CC/P(46)82, Annex I.

¹²⁴ CC/P(46)94, 10 October 1946.

¹²⁵ CC/P(46)88, 3 October 1946.

¹²⁶ CC/P(46)94, 10 October 1946.

¹²⁷ CC/P(46)97, minutes 44th meeting, 11 October 1946.

been fulfilled by 30 June 1946 in accordance with the Central Committee's recommendations, the "freeze" could not have been applied.¹²⁸ The Soviet representative consistently failed to recollect that the Central Committee had made it clear that the fulfillment of the Byelorussian and Ukrainian programs by 30 June depended on the physical ability of the Administration to procure and ship the supplies by that date and that this had not been possible. The Central Committee upheld the decision of the Program Subcommittee in face of the Director General's comment that to do so was a departure from UNRRA's policy of according identical treatment to all member governments.¹²⁹

During this crisis in the Administration's affairs, representatives of the missions were invited to Washington for a Fourth Supply Conference in October 1946. Its main purposes illustrate the principal problems of supply programming at this stage:

To review the status of UNRRA resources and liabilities and to make adjustments in supply programs to meet:—

- (a) the two per cent procurement freeze;
- (b) the increasing inflexibility of the supply operation as sterling and United States and Canadian dollar balances diminished;
- (c) the limited procurement possibilities of certain contributions and time limits for commitments;
- (d) the imminent liquidation of UNRRA operations.¹³⁰

Uppermost in the minds of the mission representatives was the effect on individual commodity programs of the "2 per cent freeze." Every effort was made to ensure that the "freeze" should be applied equitably, and every endeavor was made to give to the governments the fullest freedom of choice in selecting where the blow was to fall. The full impact of the 2 per cent program cut was, however, never felt. On 29 November, the Administration circulated a further review of the status of UNRRA resources and its relationship to country programs,¹³¹ from which it appeared that, although some of the Administration's previously uncollected contributions had been realized, and it had been possible to revise downward the estimate of shipping costs, this had been largely offset by increased supply programs amounting

¹²⁸ CC(46)102, minutes 37th meeting, 5 November 1946 (CC Docs., IV, 27-28).

¹²⁹ CC(46)107, minutes 38th meeting, 15 November 1946 (CC Docs., IV, 62).

¹³⁰ PO/IV/Document 1, 9 October 1946.

¹³¹ CC/P(46)106, "Review of the Status of UNRRA Resources and Its Relationship to Country Programs," 29 November 1946.

to some \$3,000,000¹³² and by increased estimates for administrative and operating expenses. Since, however, the estimated total contributions and expenditures were now relatively stable, the Administration concluded that the "freeze" on country budgets could be reduced to one per cent. Under this arrangement \$26,463,000 was still to be withheld from the country budgets and \$25,037,000 was to be restored to them.

In addition, it was proposed that, in accordance with the decision of the Fifth Council Session¹³³ which placed additional responsibilities on the Administration for displaced persons in Germany and China, \$1,125,000 should be used for amenity supplies for displaced persons in Germany. No additional program for basic rations and clothing supplies for displaced persons in China was, however, proposed; nor were the former disappointing decisions relating to the China and Korean programs, and the emergency programs for Finland and Hungary, amended.

11. FINAL EFFORTS TO COMPLETE THE PROGRAM OF OPERATIONS

At the Sixth Council Session it was resolved that, within the approved programs, the Administration should make every effort to complete procurement and shipments to Europe not later than 31 March 1947 and to the Far East before 30 June 1947.¹³⁴ The Administration was authorized, where procurement of supplies was not fully completed, or supplies were not ready for shipment by the dates laid down:

(a) To make arrangements with supplying governments to the extent such governments are prepared to do so, to assign contracts for undelivered supplies to the receiving countries and provide for their payment, including cost of transportation;

(b) When such arrangements are unattainable, to complete, subject to any limitations applicable to the contribution of each country, as early as possible after the dates set forth above, the procurement and shipment of supplies against the approved programs.¹³⁵

¹³² For Korea, for reimbursement for shipping, \$166,700; \$1,000,000 for Hungary as repayment for transportation charges; \$1,000,000 for Poland as repayment for transportation charges; \$250,000 emergency program for Albania; \$500,000 supplementary program for Dodecanese Islands; total, \$2,916,700.

¹³³ Resolution 99.

¹³⁴ Resolution 114.

¹³⁵ *Ibid.*

The Administration interpreted this to mean that procurement would be initiated for supplies only where it appeared that they would be available for delivery by 31 March 1947 for Europe and 30 June 1947 for the Far East.¹³⁶ There were two exceptions to this:

(a) With the concurrence of the supplying governments, commodities under allocation such as food, fertilizer, coal, and seed may be purchased for all countries where available for delivery by the supplier by 30 June 1947; and

(b) By agreement between the supplying government concerned and the Administration, essential agricultural equipment and spare parts and accessories for equipment specifically manufactured for particular countries or purchased from surplus may be procured for delivery by or very shortly after 30 June 1947.¹³⁷

Where these deadlines could not be met, the policy of the Administration was to cancel requisitions, except where cancellation charges would be heavy, or where supplying governments objected, or where the supplies involved were of vital importance and were manufactured articles which took a long time to make and deliver. Where exceptions to the deadlines were involved, the Administration was to assign uncompleted contracts to receiving governments, setting aside a sum to cover the value of the contract and estimated shipping costs to such governments, in full discharge of its responsibilities. In cases where the Administration was unable to secure the approval of the supplying governments to transfer uncompleted contracts to receiving governments, it would continue to accept and ship supplies under such simplified procedures and for such a period as the Central Committee might approve.

12. FULFILLMENT OF COUNTRY PROGRAMS

As the UNRRA programs for the European countries approached their end, it became clear that there would be urgent food needs in the UNRRA countries during the first quarter of 1947 for which there was no provision in the UNRRA budgets. After exhaustive discussion within the Bureau of Supply and in the Program Subcommittee and the Central Committee it was decided that an Emergency Food Fund, amounting to \$35 million, should be created and that it should be used

¹³⁶ DGR 11, Appendix I, "Statement of Director General's Policy on Procurement of Supplies (Revised)."

¹³⁷ *Ibid.*

for the benefit of Austria, Poland, and Greece.¹³⁸ The scheme was sharply criticized by various country representatives both on the grounds that Yugoslavia, which had some claim to a share, was not included, and that the Czechoslovak program was to be cut back by \$6 million to help finance the fund.¹³⁹ The size of the fund was small in relation to the size of UNRRA's operating funds, the cut in the Czechoslovak budget was not more than 0.3 per cent, the share which Yugoslavia might have had was itself almost negligible: nevertheless, these considerations did not decrease the vigor with which the scheme was attacked by those country representatives who considered it was unfair.

It was not until the spring of 1947 that the numerous questions arising from the creation of the Emergency Food Fund were finally settled. From this period onward the main preoccupation of the Administration was to equalize as far as possible the degree of fulfillment among the least and most advanced programs. Most of the programs were by the first quarter of 1947 over 80 per cent fulfilled, but the China program, because of its late start and the procurement and shipping difficulties it had encountered, had reached only 71 per cent of completion.¹⁴⁰

In February 1947 the Administration found it necessary to increase the shipping reserve by \$35 million. Rather than use expected substantial recoveries from various reserves and contingent debts to increase country programs, it was decided, in view of the deadlines for supply deliveries, to apply these funds to offset the shipping deficit.¹⁴¹

In view of possible further substantial deficits from the as-yet-unsettled Balkan Stockpile and a threatened \$15 million shortfall in the United States contribution, the Administration in the following month canceled most of the outstanding requisitions in the United States Federal Bureau of Supply.¹⁴² Many of the requisitions which were canceled and a substantial part of the funds which had not yet been obligated by requisitions were intended for the China program. In accordance with the wishes of the Government of China, it was agreed that any funds available (ultimately \$19 million) should be used for the

¹³⁸ See Part Three, Chapter IV, Section 6.

¹³⁹ For example, CC(47)16, minutes 45th meeting, 3 February 1947.

¹⁴⁰ DGR 12, p. 47.

¹⁴¹ CC(47)12, 30 January 1947; CC(47)23, 13 February 1947.

¹⁴² CC(47)42, minutes 49th meeting, 4 March 1947; DGR 12, p. 15.

purchase of cotton.¹⁴³ Subsequently, the Balkan Stockpile was finally valued at the amount earlier expected, \$105 million,¹⁴⁴ and successful negotiations with the State and War Departments enabled the Administration to realize the \$15 million from the United States contribution.¹⁴⁵

By the end of the second quarter of 1947 the European programs as a group had reached 96.7 per cent of completion and the China program, 83.7 per cent. During this period, and until 30 September 1947 when all new procurement stopped,¹⁴⁶ every effort was made through additional procurement, diversions, and funding arrangements to bring all receiving country budgets to the same percentage of fulfillment. By the time the Bureau of Supply issued its *Final Operational Report* in March 1948, it was clear that 99.8 per cent of the total supply program would be fulfilled.

13. EQUITY IN CARRYING OUT THE SUPPLY PROGRAMS

The fact that funds were inadequate to meet the essential needs of the receiving countries and that many of the commodities needed to meet the programs were in short supply imposed upon UNRRA a supreme responsibility to ensure that the funds and supplies contributed by member governments were distributed fairly. Ethically, the measure of the success of the supply operation was the degree to which this objective was achieved. There were two broad aspects of equity—equity as affecting the policies followed by the Administration in the physical disposal of supplies, and equity as observed in the policies laid down by the Council and the Central Committee governing the distribution of resources between the various receiving countries. The one can be regarded as a matter of domestic policy, the other reflects the extent to which the programs were affected by political influences.

The effort made by the Administration to achieve equity in carrying out the approved program of operations is revealed in every phase of the supply operation, but it can be illustrated by showing the policy adopted in relation to the pricing of supplies charged to country pro-

¹⁴³ CC(47)42, minutes 49th meeting, 4 March 1947; DGR 13, p. 22.

¹⁴⁴ CC(47)61, minutes 52d meeting, 29 April 1947, p. 8.

¹⁴⁵ DGR 13, p. 1.

¹⁴⁶ CC(47)122 amended, "Policy relating to Future Procurement and Shipment of UNRRA Supplies," 2 October 1947.

grams, in the distribution of different types and qualities of supplies, and in the policy adopted in regard to shipping charges.

Prices paid by the Administration varied according to the source from which particular commodities came and the period at which they were bought. The objective in pricing supplies was to ensure that the cost of commodities shipped under the program of operations should be charged as fairly as possible to the budgets of the receiving countries. To this end three forms of pricing were used: "world average" prices; "lot purchase" prices (mainly military surpluses); and actual invoice cost.¹⁴⁷ Most of UNRRA's supplies were charged against country budgets at world average prices, or, more specifically, the average of invoice costs of actual past shipments. This method of pricing was applied to supplies which were common to all or most of the supply programs; to supplies which were purchased at different prices—either because they were procured from various sources or at fluctuating price levels, or for both reasons—and to supplies which were shipped in substantial quantities and lent themselves readily to the establishment of an average price.¹⁴⁸

For bulk food shipments—the most substantial made by UNRRA—two sets of world average prices were used; the first was applied to commodities shipped from the beginning of the supply operation to 31 August 1946; the second covered the period from 1 September 1946 to 31 December 1946. Food prices after 31 December 1946 were based on invoice prices. The first cutoff date was adopted to enable receiving countries to know as early as possible their budget position. The thirty-first of August was chosen because the cost of grain increased substantially after 1 June; the period between June and August coincided with heavy grain shipments to some countries but not to others. An earlier date than 31 August, therefore, would have favored those countries whose food programs were completed before June as against those which received a substantial portion thereafter.¹⁴⁹ Prices for all other commodities subject to world average pricing, for example, raw wool, raw cotton, hides, trucks, bulk shipments of fertilizers, pesticides, and coal, were based on the total invoice prices for the entire operation divided by the total tonnages distributed to all recipients.¹⁵⁰

¹⁴⁷ Third Conference with mission representatives, PO/III/Document 43, Assembly 4, 1st and 2d general meetings, 10 May 1946, p. 8.

¹⁴⁸ *Ibid.*

¹⁴⁹ CS(46)38, "Report of the Bureau of Supply," 20 September 1946.

¹⁵⁰ *Bureau of Supply Final Operational Report* (Washington, D.C., 1948), p. vi.

In the case of lot purchases, such as United States Army Quartermaster food, where the circumstances of procurement made it impracticable to establish cost prices of individual items, the total cost was distributed among the programs of the various receiving countries in proportion to the physical distribution of the particular lot. Actual invoice costs were charged for individual types of equipment shipped in response to specific requests from receiving countries.

From the total funds available for the program of operations, reserves were established for shipping and inland transport charges; these costs were not charged against country programs. Thus, whether shipments originated in New York, Rio de Janeiro, or London did not affect the cost to the country to which the supplies were shipped. This policy of pooling shipping costs, initiated to ensure equity, on occasion had the reverse effect when a country program included a disproportionate amount of supplies on which freight charges were high. The large coal program for Italy, for instance, amounting to some twelve million tons, resulted in Italy receiving a greatly disproportionate benefit from the operation of the shipping pool, since the ocean shipping costs on coal were over seven times as high, per ton, as the average for all other commodities.¹⁵¹

Again, equity was preserved in providing for shipping losses, against which it was the Administration's policy not to insure. When a major shipping loss occurred, the total budgets for the commodities affected were debited with the amount of the loss, and the unprogrammed balance of the receiving country concerned was credited with the total value of the cargo lost. Thus the loss was spread evenly among all receiving countries.

The means by which UNRRA realized its contributions meant that in some cases the Administration had to accept supplies which were not commodities which receiving countries would have preferred. The Administration attempted to achieve an equitable distribution among countries of items which occupied a relatively low priority in most programs, but which represented the only means of realizing the contributing countries' contributions in full. In some cases these were not charged against the program of operations, nor, in extension of this policy, were most of the voluntary gifts from nongovernmental sources.

¹⁵¹ CC(47)38, "Proposal of Program Subcommittee with Reference to the Accessorial Charge on Coal," 1 March 1947.

These items were distributed equitably among the receiving countries, but were not added to their budgets.

Was equity observed in the allocation of funds among the ten major receiving countries? These countries can be divided into two categories: those which were automatically entitled to relief on the grounds of enemy invasion and "inability to pay," including Albania, China, Czechoslovakia, Greece, Poland, and Yugoslavia; and those which were included on what can be described as political grounds, i.e., Austria and Italy, and, in view of the method adopted by the principal supplying countries in securing for them UNRRA relief, Byelorussia and the Ukraine.

For the five invaded European countries in the first category, identical methods of computing requirements were followed to ascertain the deficiencies to be met under the UNRRA bases. If equity can be said to have been achieved among them, was China, whose needs were calculated by different means, given fair treatment in relation to them? Discussions in the Program Subcommittee reveal that, in the opinion of the China representatives, it was not, and the impression given by the record of the meetings suggests that the Program Subcommittee was more arbitrary in its attitude toward China than toward other receiving countries.¹⁵² The China program was, nevertheless, substantially larger than any other—\$535 million compared with \$474 million for Poland, the largest of the European programs. The original estimate of requirements submitted by the China Government amounted to \$940 million; the original estimate of requirements submitted by the Polish Government amounted to \$946 million.¹⁵³ When the Polish program had been adjusted to the UNRRA bases and reduced to fit into the funds available, the result was comparable with that achieved for China, though the methods used were dissimilar. Neither country received much more than half its estimated requirements.

As between the countries whose programs were provided on "political" grounds, was there equity? In the opinion of the Soviet representatives on the Program Subcommittee and the Central Committee, there was no equity between the programs for the Ukraine and Byelorussia

¹⁵² Monograph, Brandon, "History of the Program Subcommittee of the Central Committee," p. 100.

¹⁵³ Memo, Gold to Hendrickson, 6 September 1944.

and the other UNRRA programs, and it was recognized by the Administration and the Program Subcommittee that the amount of relief given to these two Republics represented "only a small part" of their relief needs.¹⁵⁴ Within the limits of the amounts agreed, however, UNRRA can be said to have done well by the two Republics: the programs of \$61 million and \$189 million adopted for the Byelorussian and Ukrainian Governments respectively were valued at the full amounts, exclusive of shipping costs, thus increasing by \$42 million the value of the supplies which would have been sent to them had the original proposal for a program totaling \$208 million been adhered to; it was decided by the Central Committee that the Soviet programs should, if possible, be completed by 30 June 1946, thus distinguishing them from the other UNRRA programs for which no such provision was made; and further, the Soviet programs were preserved from the "2 per cent freeze" imposed on other UNRRA programs.¹⁵⁵

The Italy program was calculated as nearly as possible according to the UNRRA bases, and equity as between it and the five original European programs was, in the opinion of the Administration, achieved.¹⁵⁶ The British representative on the Program Subcommittee was, however, not satisfied that Italy had received fair treatment in relation to these countries, since the cut in Italy's requirements in relation to the bases was higher than the 48 per cent applied to other countries. Nor did the Administration's explanation that Italy's food deficit was less than that of other European countries convince him that his opinion was incorrect.¹⁵⁷

Finally, did the ten countries receive equitable treatment at the hands of the Administration in the changes made in their total budgets? This question came to a head over the Emergency Food Program. Was it equitable that the Czechoslovak program should be cut back by \$6 million because Czechoslovakia's immediate needs at that time were considered to be less than those of other receiving countries? In the opinion of the Czechoslovak Government, it was not, since Czechoslovak economy had been planned on the understanding that the full program would be carried out. In the opinion of the Central Committee it was

¹⁵⁴ CC/P(46)9, 28 January 1946.

¹⁵⁵ See Part Five, Chapter VII, Section 2.

¹⁵⁶ CC/P(45)22, Annex V, "Statement by Rolf Nugent, Deputy Chief, Bureau of Supply, on the Computation of Requirements for Italy," 31 December 1945.

¹⁵⁷ CC/P, verbatim minutes 7th meeting, 19 December 1945.

equitable that Czechoslovakia's lesser needs should be sacrificed to meet the greater needs of others.¹⁵⁸

Was it equitable that Greece should receive supplementary food under the Emergency Food Program when, in the opinion of the Administration, it should not be required? In the opinion of the United States and United Kingdom representatives of the Central Committee, political conditions in Greece had affected its ability to make the best use of UNRRA supplies, and therefore it was equitable that Greece should share in the distribution of emergency food.¹⁵⁹

On the other hand, was it equitable that Yugoslavia, of whose need the Administration, but not the Central Committee, was convinced, should not share in the Emergency Food Program?¹⁶⁰

Some of these questions cannot be answered. UNRRA operated in a real world, the exclusion of all political bias could not be expected. There is, however, no reason to doubt the sincerity of the remarks of the Director General and the United States representative regarding their attitude toward the incursion of politics into UNRRA affairs when, at a meeting of the Central Committee in September 1946 they replied to the Yugoslav member's question whether, in view of the deterioration in relations between his country and the United States, UNRRA shipments to Yugoslavia would continue.

"The United States Government," its representative said, "had not made any request upon the Administration that any action be taken by it in respect of the Yugoslav situation . . . his Government regarded the negotiations as being between the Yugoslav and United States Governments and therefore outside UNRRA's province."¹⁶¹ The Director General, in turn, replied that he regarded the Administration as having no concern with the state of international relations; it was charged with a responsibility by the UNRRA Agreement and it had in the resolutions of the Council and the Central Committee explicit directions for the carrying out of that responsibility. These were the only directions which he, as Director General, could obey.¹⁶² The Yugoslav shipments continued.

¹⁵⁸ CC(47)16, minutes 45th meeting, 3 February 1947.

¹⁵⁹ CC/P(47)13, minutes 49th meeting, 29 January 1947.

¹⁶⁰ See Part Five, Chapter III, Section 6.

¹⁶¹ CC(46)97, minutes 36th meeting, 12 September 1946 (CC Docs., IV, 6).

¹⁶² *Ibid.*

III. Procurement Policies

1. BASIC PROBLEMS AND POLICIES

THE SUPPLY operations of UNRRA began on a substantial scale when the Administration assumed responsibility for relief for Greece and Yugoslavia in April 1945.¹ The supplies with which early deliveries were made were mainly from the Balkan Stockpile, built up by the Anglo-American military authorities in the Mediterranean Theater.² Thus it was with military, not UNRRA, supplies that large-scale relief began.

These conditions were very different from those visualized almost eighteen months previously when the Council had imposed upon the Director General responsibility "to arrange so that there will be created as promptly as possible balanced reserves which shall be available at the request of the Director General, wherever and whenever the need arises," to meet the needs of the liberated areas.³ When UNRRA was created it had no funds with which to accumulate reserves of stocks.⁴ The Administration early decided that its obligations to the Council would be fulfilled, so far as goods in abundant supply were concerned, if the stocks of normal producers were regarded as a reservoir to be drawn upon when the need arose.⁵ Many of the commodities which would be necessary for the UNRRA operation were, however, in short supply. In regard to these, it was decided that stockpiles created by the supplying countries, by the Allied military authorities, or by UNRRA should be regarded as available for use in any of the liberated areas.⁶ Goods stockpiled by the United States Foreign Economic Administration (FEA) were not, for example, earmarked for specific claimants but were used for military civilian relief programs, for paying governments, Lend-Lease, or UNRRA, as the need arose.⁷ Fol-

¹ See Part Five, Chapter II, Section 2; Chapter III, Section 2.

² See Part Three, Chapter II, Sections 7, 10, 12.

³ Resolution 20.

⁴ Committee on Supplies (CS) (44)9, minutes 5th meeting, 27 January 1944.

⁵ Memo, Hendrickson to Salter, 12 May 1944; Director General's staff meeting minutes, 24 June 1944.

⁶ CS(44)18, minutes 7th meeting, 9 March 1944.

⁷ Memo, Harold Stein (FEA) to members of Planning and Control staff (FEA), 31 May 1944.

lowing these principles, UNRRA's early procurement was planned mainly to take advantage of nonrecurring or seasonal surpluses; to support efforts to increase production of goods in short supply which would be urgently needed; to assist in building up minimum stocks of supplies which would be needed in the first supply operations; and to initiate orders for production of goods requiring long periods of manufacture.⁸

During 1944 the Administration in its estimates of requirements of goods in short supply considered the needs of paying as well as non-paying countries. To enable the Director General to carry out his responsibility under the Agreement and resolutions to secure the equitable distribution of supplies to all liberated areas, the governments of the paying countries provided the Administration throughout 1944 with advance copies of their applications for allocations from the Combined Boards. These the Administration actively supported when they did not seem to compete with its own requests. In fact, before the countries for which UNRRA had assumed supply responsibility were opened for substantial deliveries, the Administration turned over to paying countries some of its allocations and even some of the "common denominator" supplies procured in its behalf.⁹

In June 1945 the Administration agreed to forego, in advance of presentation to the Combined Boards, copies of requirements of paying countries, provided it was consulted by the allocating authorities on such requests as were for goods in short supply.¹⁰ In practice this procedure did not always result, in the opinion of the Administration, in fair allocations between UNRRA and the paying countries, nor was the Administration regularly consulted;¹¹ actually, the import programs of the paying countries were carried out practically independently of UNRRA.

At the time Europe was liberated, UNRRA had no substantial stockpiles on which to draw. The great bulk of its supplies was procured for immediate delivery during its period of active operations. These shipments reached a peak in the second and third quarters of 1946 when a total of some nine million tons of supplies was shipped to receiving

⁸ *Report of the Director General to the Council (DGR)* 1, Second Council, p. 21.

⁹ For example, see Part Three, Chapter VIII, Section 2.

¹⁰ CS(45)20, minutes 14th meeting, 21 June 1945; CS(45)26, minutes 15th meeting, 19 July 1945.

¹¹ See Part Three, Chapter IV, *passim*.

countries.¹² In the course of the entire operation more than twenty-four million tons of relief and rehabilitation supplies, valued at nearly \$3,000 million, were shipped by UNRRA to seventeen receiving countries.

The Council resolutions instructed the Director General to "make use wherever possible of the established national agencies concerned with procurement, handling, storage, and transport of supplies,"¹³ and stated that "the member governments would agree on their part to put the services of such agencies at the disposal of the Administration."¹⁴ The resolutions further provided that, "by consultation with the government concerned, or otherwise, every effort will be made to prevent any dislocation of the economy of a supplying country resulting from procurement by or on behalf of the Administration."¹⁵

It followed from these provisions that the type of procurement organization which the Administration created differed materially from that of a government or commercial buying agency. The Bureau of Supply at Headquarters, the European Regional Office (ERO), and the subsidiary supply offices and missions were set up primarily as administrative centers through which the Administration could make known to the government agencies of the supplying countries the form in which it was desired to take up their contributions, and through which arrangements could be made for the allocation and delivery of supplies to the receiving countries.¹⁶ Thus there were no contracts, costing, or expediting departments.

Although, as the operation progressed, the Administration found it necessary to extend considerably its procurement of supplies directly through trade channels (direct procurement), the great bulk of UNRRA procurement was carried out, as laid down in the resolutions, through government agencies of the supplying countries. An inevitable feature of this policy was that UNRRA could claim no higher priority for the delivery of supplies than contributing governments chose to allow. Nor was it altogether surprising that contributing governments, faced with reduced stocks of consumers' goods, scarcity of raw materials, and overloaded production capacity, subordinated UNRRA's

¹² DGR 9, Table 4, p. 41; DGR 10, Table 3, p. 55.

¹³ Resolution 1, III, paragraph 3.

¹⁴ *Ibid.*

¹⁵ Resolution 17, III, paragraph 1.

¹⁶ R. H. Robertson, "Report on Review of Direct Procurement Transactions of the Department of Supply, ERO," p. 6.

claims to those of their domestic needs and of their export trade. Late deliveries were a recurrent difficulty in the supply operation.¹⁷

Many of the contributing governments had also been forced to institute severe foreign exchange and commodity controls to protect their own economies: this meant that, in many cases, the procedures necessary to translate operating contributions into supplies for receiving governments were, in practice, complex.¹⁸ The supplying governments were not unaware of the difficulties with which the Administration had to contend. Speaking in the British House of Commons in November 1945, Philip Noel-Baker, Minister of State, remarked that it had been said that UNRRA accumulated the red tape of forty nations; he thought it would be truer to say that "forty nations tied UNRRA in their red tape."¹⁹

To the receiving governments the Administration had a responsibility to deliver as promptly as possible the supplies for which provision was made in the country budgets. To carry out this task, in a period of continued shortage and rising prices, the utmost ingenuity and resource were needed to ensure that, so far as possible, "contributions were married to supplies." Thus if a contributing country could offer only a limited number of commodities, procurement was adjusted to ensure that the maximum use was made of what could be offered. Hence, in utilizing the United Kingdom contribution, since food and many consumables were in short supply, almost 42 per cent was spent on industrial supplies,²⁰ compared with about 16 per cent from the United States contribution.²¹ Sometimes the whole operating contribution, both the nonconvertible portion and the convertible or "free" 10 per cent,²² was used for the purchase of some commodity urgently needed by the Administration which the country could supply in abundant quantity. Thus in Chile, although it was originally intended to utilize the contribution for rice, eventually the whole contribution

¹⁷ Department of Supply, European Regional Office, minutes 1st monthly meeting, June 1946.

¹⁸ Nathan Taflove (Office of the Controller), "Preliminary Note for the Monograph."

¹⁹ Great Britain, *Parliament, House of Commons, Debates, CCCXV* (16 November 1945), 2610.

²⁰ Monograph, J. E. Lejeune, "The Use of the United Kingdom Contribution to UNRRA," Appendix G.

²¹ *12th Report to Congress on Operations of UNRRA, as of June 30, 1947* (Washington, D.C., 1948), Table A-2, p. 29.

²² See Part One, Chapter IV, Section 2.

was used for the purchase of nitrate of soda.²³ In Canada, supplies in excess of the Canadian contribution were available, hence the entire operating contribution, including the convertible portion, was used for procurement within the country.²⁴ Again, when supplies were found to be available in the United Kingdom and the sterling area in excess of funds remaining in the United Kingdom contribution, dollars were transferred from Headquarters to London, and it was arranged that Brazil should make part of its convertible contribution available in pounds sterling.²⁵ Every effort was exerted to ensure that the best possible use was made of the funds and resources available to fulfill the country budgets.

Some of the items procured were not what the Administration would have chosen but rather what were available to realize a government's contribution—for example, the expensive barley from Iran which was all that Government had to offer.²⁶ Other scarce but essential items had to be purchased where they could be found—for instance, silk gauzes needed in Yugoslavia for flour milling and obtainable only in Switzerland with United States dollars.²⁷ This sort of thing was, however, inevitable in the type of operation which UNRRA had to carry out.

The procurement operation was an integrated whole, directed, as were all phases of the supply operation, by the Bureau of Supply at Headquarters. Under its direct control were the procurement activities in Canada, the Latin American offices, the Southwest Pacific Area Office, and, for many months, the procurement of United States military surpluses in Europe and the Far East. In the spring of 1946, however, the military surplus procurement offices in Paris and Rome were transferred to the supervision of ERO and, later in 1946, those in Manila and New Delhi to the China Office. From the beginning, procurement in the United Kingdom, Europe, and the Middle East was delegated to ERO, subject to general direction from Headquarters.²⁸

²³ Letter, Rooks to Felix Nisto del Rio (Chilean Ambassador to the United States), 5 April 1947.

²⁴ Memo, Louis Swenson to Colonel Alfred G. Katzin (Chief Executive Officer), 3 April 1947.

²⁵ Supplement to monograph, Lejeune, "The Use of the United Kingdom Contribution to UNRRA," p. 32.

²⁶ Four thousand tons valued at \$307,600.

²⁷ Monograph, Barbara Kerr, "Division of Industrial Rehabilitation," Yugoslavia, p. 33; cable, Geneva to Washington 14, 4 May 1946.

²⁸ See Part Two, Chapter I.

The mechanisms which the Administration developed for procurement within the supplying countries varied, of course, in accordance with the practices of the government agencies already functioning or subsequently established. In some cases UNRRA was able to influence these developments; in other cases the Administration was obliged to adapt its practices to accord with the changes in governmental structure.

2. REALIZING THE UNITED STATES CONTRIBUTION

PROCEDURES

When the first appropriation of \$450 million from the United States contribution had been made in June 1944, the President, in accordance with earlier plans,²⁹ vested all functions and authority with respect to the expenditure of funds and the provision of supplies and services out of the United States contribution in the Foreign Economic Administrator.³⁰ In charging him with this responsibility, the President said that he was relying upon him to serve "as guide, counsel and friend" to UNRRA. The only qualification which the President attached to United States support of the UNRRA program was that UNRRA's requests for supplies and services should not unduly dislocate the other supply programs with which FEA was concerned.³¹

In spite of support from the President and from the most senior members of the Government,³² however, neither the procedures established within the United States Government agencies nor the policies adopted for the utilization of the contribution were calculated to make the way smooth for the Administration. This was particularly unfortunate since the United States furnished 72.8 per cent of the contributions from member governments (\$2,668,269,449).

At the beginning of UNRRA procurement FEA decided to apply to UNRRA the procedure it was using for Lend-Lease.³³ This req-

²⁹ See United States Congress, 78th, 1 and 2 Sessions, House Committee on Foreign Affairs, *Hearings on H. J. Res. 192* (Washington, D.C., 1944), pp. 106-107.

³⁰ Executive Order 9453, "Participation of the United States in the Work of the United Nations Relief and Rehabilitation Administration," 6 July 1944.

³¹ Letter, Roosevelt to Leo T. Crowley (FEA Administrator), 6 July 1944.

³² For example, *ibid.*; letters: President Truman to Crowley, Julius A. Krug (Chairman, War Production Board), Marvin Jones (Administrator, War Food Administration), Harold L. Ickes (Administrator, Solid Fuels Administration), 21 May 1945; letter, Charles P. Taft (Department of State) to William L. Batt (Vice-Chairman, War Production Board), 17 June 1944.

³³ Letter, S. H. Lebensburger (Director, Requirements and Supply Branch, Bureau of Supplies, FEA) to Hendrickson, 20 October 1944.

quisitioning procedure, involving the clearance of perhaps twenty Government officials (both within and without FEA), unfortunately proved to be cumbersome for UNRRA purposes. There were many processing steps through which UNRRA requisitions had to pass which, though necessary in the clearance of Lend-Lease requisitions, were totally inapplicable to UNRRA procurement.³⁴ As the operation continued, however, some success was achieved in overcoming these initial disadvantages, through the establishment of an UNRRA Liaison Office within FEA.³⁵

At the end of October 1945 the United States Government dissolved FEA and transferred much of the staff handling UNRRA requisitions and the custodianship of UNRRA funds to the Department of State,³⁶ which henceforth became the focal point within the United States Government for supply as well as for general liaison with the Administration. The procurement machinery was thereafter somewhat simplified, in part because the problem of presenting allocation requests greatly diminished in importance with the dissolution of the Combined Raw Materials Board and the Combined Production and Resources Board in December 1945. The simplification was, however, only comparative, as can be shown by tracing the tortuous path of a preliminary requisition through its many processes until it emerged as an "Authority to Procure, Transfer and Export":³⁷

(1) The requisition (S-33) was prepared by the appropriate commodity division in the UNRRA Bureau of Supply, either as a "closed requisition" listing the complete specifications of each unit requested, or as an "open-end requisition" requesting a general category of commodities valued at a specified amount, against which subsequent purchase authorizations were issued for specific items.

(2) The requisition was cleared within the Administration by the Procurement Coördination Division, Bureau of Supply, and the Division of Commodity Records, Bureau of Accounts and Finance.

(3) The requisition was cleared by the UNRRA Division, Procurement Operations Branch of the Department of State, for format, adherence to policy embodied in Congressional appropriations to

³⁴ Monograph, William L. Parks, "Evaluation of Procedures Governing Procurement and Procurement Problems Encountered in the United States," p. 2.

³⁵ Memo, Swenson to Andrew Cairns (Chief, Food Division) *et al.*, 26 July 1945.

³⁶ Department of State, Office of Foreign Liquidation Commissioner (OFLC), Administrative Order 1, 25 October 1945.

³⁷ *Basic Headquarters Manual*, Part VII, Sections 210-218.

UNRRA, and approval by the Department of Commerce of all items subject to export control.

(4) The requisition, with preliminary approval of the State Department, was returned to the Administration for any needed corrections.

(5) It was then processed within the Administration for availability of funds.

(6) When checked by the Budget Control Branch and mimeographed, it became Form FEA-536 (final).

(7) It was then distributed to the UNRRA Divisions concerned, to the State Department, and the Treasury Department (Treasury Procurement, later Bureau of Federal Supply) which might begin preliminary negotiations for procurement but could not yet commit funds.

(8) It was reviewed in the Department of State for adequacy of preparation, and budget approval was secured from the Office of Budget and Finance, International Organizations Branch of the Department of State.

(9) The UNRRA Division, Department of State, then prepared the Department's direction to the purchasing agency—"Authority to Procure, Transfer and Export."

(10) The completed requisition and its supporting documents were forwarded to the procuring agency, which might be the Treasury Procurement Division, or the Department of Agriculture or the Interior, the Navy or War Department, or the War Shipping Administration.

Some of the stages in this tedious procedure, however, had the effect of accelerating rather than retarding procurement. For instance, the preliminary clearance of requisitions by the Department of State before the submission of the final requisition was found in practice to save time since mistakes in format and content which would subsequently have held up procurement were immediately detected. As a result of the energetic efforts of the UNRRA Liaison Office in the Department of State, the entire draft requisitioning clearance process could be accomplished in no more than twenty-four hours.³⁸ Again, the provision that an advance copy of the final requisition be sent to Treasury Procurement at the time the action copy was submitted to the

³⁸ Monograph, Parks, "Evaluation of Procedures Governing Procurement and Procurement Problems Encountered in the United States," p. 6.

Department of State for processing enabled preliminary arrangements for procurement to be made before final approval was given.³⁹

Finally, the writing of open-end requisitions was a valuable device for saving time, since it enabled the Administration to secure initial blanket approval for a general category of commodities valued at a specified amount. This particular technique enabled the Administration to submit purchase authorizations directly to the procurement agency without specific prior clearance by the Department of State.⁴⁰

It is hardly surprising that in so complex a system errors and delays occurred many times, both within the Administration and within the United States agencies.⁴¹ As organization and control improved in Headquarters, as informal consultation increased among all the individuals concerned, and as routines became established, these hindrances gradually lessened.⁴² A determined though not entirely successful effort was made by the Administration, moreover, in the early months of 1946 to streamline procedure in the Government agencies,⁴³ and the situation was in considerable measure improved through the lifting by mid-1946 of most of the wartime allocation and export restrictions.⁴⁴ Counterbalancing this improvement in routines, however, was the increasing insistence by the Department of State on a very detailed screening of UNRRA requisitions in the light of Congressional appropriations. Despite the fact that the Department, in the spring of 1946, had found among more than 2,000 requisitions submitted only thirteen items which it felt "did not conform to the strictest criteria of relief and rehabilitation requirements,"⁴⁵ the Department continued to insist on making detailed and time-consuming investigations of the "appropriateness of their end use."⁴⁶

The unrestricted \$450 million of the first United States appropriation to UNRRA was used principally for advance procurement to cover estimated needs against the time when the Administration could begin active operations. The supplies included were mostly of a "common denominator" character, useful regardless of which areas were liberated first.⁴⁷ It was not until the winter of 1945-1946, when receiving governments were able to estimate more accurately their needs

³⁹ *Ibid.*, pp. 5-6.

⁴⁰ *Ibid.*, p. 5.

⁴¹ *Ibid.*, pp. 13-14.

⁴² *Ibid.*, pp. 21-23.

⁴³ *Ibid.*, p. 15.

⁴⁴ *Ibid.*, p. 14.

⁴⁵ Letter, Weintraub to C. Tyler Wood (Department of State), 9 May 1946.

⁴⁶ Letter, Wood to Weintraub, 26 April 1946.

⁴⁷ DGR 1, pp. 27-28.

and UNRRA its resources, that the Administration's procurement operation developed on the basis of a program of operations.

The most critical period of the UNRRA supply operation occurred in the last two months of 1945 when the last \$550 million of the first United States contribution and authorization and appropriation of the second were under debate in the Congress.⁴⁸ By November 1945 the funds already appropriated had been fully committed. The flow of vital food supplies was only maintained by diversion of \$50 million intended for industrial rehabilitation supplies from military surpluses.⁴⁹ Within a week of the appropriation of the \$550 million in early December the whole amount was committed; indeed, requisitions had been prepared beforehand and were only awaiting availability of funds.⁵⁰ Fortunately, the authorization of the second contribution and the appropriation of \$750 million were passed in the same month, and no break in the UNRRA supply line occurred.

PROCUREMENT OF UNITED STATES MILITARY SURPLUSES

The first United States appropriation to UNRRA included \$350 million of supplies and funds which were to be transferred from Lend-Lease resources when, in the judgment of the United States Joint Chiefs of Staff, the state of the war permitted their utilization for UNRRA purposes, and provided the FEA Administrator approved the transactions.⁵¹ This part of the appropriation was released on 27 June 1945.⁵²

The Administration immediately initiated procurement of the large quantities of military surpluses which were becoming available both in the United States and in Europe. A substantial portion of the second contribution was also used to acquire surpluses from these sources and from the Pacific area, available following the end of the war in the Far East. In all, some \$350 million was spent on military and Lend-Lease surpluses located in the United States and abroad.⁵³ There were obvious advantages both to the United States Government and to

⁴⁸ See Part One, Chapter V, Section 2.

⁴⁹ Letters: Lehman to Thomas B. McCabe (Foreign Liquidation Commissioner, Department of State), 14 November 1945; McCabe to Robert Patterson (Secretary of War), 15 November 1945.

⁵⁰ Material prepared for United States Congress, Table IV, Part 2.

⁵¹ Public Law 382, 78th Congress, Title II, Section 202.

⁵² Letter, Admiral William D. Leahy to FEA Administrator, 27 June 1945.

⁵³ UNRRA, *The Contribution of the Government of the United States to the United Nations Relief and Rehabilitation Administration* (Washington, D.C., 1949), *passim*.

UNRRA in using as much as possible of the United States contribution in this way. The United States Government benefited in meeting part of its obligations to UNRRA by what amounted to a bookkeeping transfer rather than a release of new funds. Moreover, it found in UNRRA a ready purchaser for the overseas goods which, according to the Surplus Property Act, could not be returned to the United States for disposal.⁵⁴ The Administration, for its part, could secure immediately manufactured goods which were otherwise unavailable or subject to long delay in new production; prices for surplus items were much lower than for new goods; and the utilization of supplies already in Europe and the Pacific area meant a substantial saving in time and in transport charges.⁵⁵

Within the Administration a Surplus Property Branch in the Procurement Coördination Division of the Bureau of Supply supervised both domestic and overseas surplus procurement,⁵⁶ and to its Chief the surplus procurement offices scattered about the world⁵⁷ for the most part reported. A portion of each commodity division's budget was allocated by the Deputy Director of Supply for acquisition of surplus supplies.

To secure surplus commodities located within the United States the Administration placed open-end blanket requisitions with the Treasury Procurement Division (later the Bureau of Federal Supply). The commodity divisions in the meantime submitted "shopping lists" to the various Government disposal agencies or the War Assets Corporation (later War Assets Administration [WAA]). When, by direct negotiations between the divisions and the agencies or WAA, goods were declared available, authorizations to purchase against the requisitions were issued, with the usual clearance by FEA or later the Department of State, to Treasury Procurement which then contracted for the supplies with the disposal agencies or WAA.⁵⁸

WAA was organized on a regional basis, which necessitated the appointment of UNRRA regional surplus property agents to investi-

⁵⁴ Public Law 457, 78th Congress.

⁵⁵ Monograph, Nathan Brodsky, "UNRRA's Procurement of Surplus United States War Goods," pp. 5, 13.

⁵⁶ Monograph, Frederick C. McMillen, "Organizational History of the Bureau of Supply," p. 25, Exhibits 16, 17.

⁵⁷ See Part Two, Chapter I, Section 9.
⁵⁸ *Basic Headquarters Manual*, Part VII, Sections 252-253; Bureau of Supply, "Standard Operating Procedure Manual" [for acquisition of surplus property], 16 June 1945; memo, Swenson to Charlotte Lloyd (General Counsel's Office), 8 October 1945.

gate supply availabilities in various parts of the United States.⁵⁹ Although UNRRA was in February 1946 officially accorded the same priority as United States Government agencies,⁶⁰ the operating levels of WAA, subject to local pressures, tended to favor domestic purchasers.⁶¹ Following passage of the Monasco bill giving high priority to veterans, WAA on 29 June 1946 assigned to UNRRA fifth priority in the acquisition of domestic surpluses.⁶² Very little was thereafter procurable from this source.

The most significant items procured by UNRRA from United States domestic surpluses were some \$138 million of food,⁶³ mainly Army Quartermaster foods,⁶⁴ and the so-called "Plan A" clothing and footwear.⁶⁵ Disposal of United States overseas surpluses was at first vested in the Army-Navy Joint Liquidation Commission⁶⁶ and later in the Office of the Foreign Liquidation Commissioner (OFLC) in the Department of State, except for supplies located in United States territories and possessions which were handled by the Department of the Interior.⁶⁷

Detailed lists of requirements, approved by the Surplus Property Branch in Headquarters, were sent to the UNRRA Area Surplus Procurement agents in Europe, the Middle East, and the Pacific area who discovered from Foreign Liquidation Commission representatives whether the items were available in the region. Each agent reported immediately to Headquarters the items not available. Since each list contained all items needed from all areas, each agent was required to review the whole list to determine if any items assigned for purchase in other regions were to be found in his region so that, if necessary, a reallocation of procurement could be made. Each agent was required to inform Headquarters weekly of the total dollar value of supplies

⁵⁹ Monograph, Brodsky, "UNRRA's Procurement of Surplus United States War Goods," p. 14; "Operating Procedure Applicable to UNRRA Regional Surplus Procurement Agencies Procuring Surplus Property in the United States."

⁶⁰ Meeting of representatives of UNRRA, Surplus Property Branch, War Assets Corporation, Office of War Mobilization and Reconstruction, and Treasury Procurement, minutes, 15 February 1946.

⁶¹ Monograph, Brodsky, "UNRRA's Procurement of Surplus United States War Goods," pp. 15-18.

⁶² Surplus Property Regulation 14, Order 2, 29 June 1946.

⁶³ *Contribution of the United States Government to UNRRA*, p. 37.

⁶⁴ See Part Three, Chapter IV, Section 7.

⁶⁵ See Part Three, Chapter VI, Sections 3, 4.

⁶⁶ Memo, Swenson to Lloyd, 8 October 1945.

⁶⁷ *Basic Headquarters Manual*, Part VII, Section 251.22.

procured and the dollar value of gross long tons of supplies shipped during the week.⁶⁸

Arrangements for the establishment of Surplus Property Procurement Offices in Italy and France were made by a Joint UNRRA-United States Army mission, under the direction of Major General Donald Connolly, Deputy Commissioner of the Army-Navy Liquidation Commission, and Karl Borders, Deputy Chief, Headquarters Bureau of Supply, sent to Europe in August 1945.⁶⁹ Although the Administration had originally arranged for procurement of \$150 million of surpluses in Europe,⁷⁰ the actual sum spent was about \$85 million, largely because the delay in the United States appropriations obliged the diversion of funds to keep the food pipe line full, and because some of the expected items were not available.⁷¹ By far the greater part of this sum was spent for trucks and for railway rolling stock.⁷²

The procurement of United States overseas surpluses was the most complicated and difficult aspect of the procurement operation. The purpose was to acquire the largest possible quantities of essential goods as rapidly as possible, both because of the extremely pressing needs of the receiving countries and in view of the deadlines established for realization of the United States contribution. Within the Administration the undertaking was for some months confused by jurisdictional uncertainties, insufficient and in some cases inadequate personnel, and the difficulty in securing the prompt communications needed to prevent loss of supplies to other bidders or duplicate purchasing in various areas.⁷³ Even more, the undertaking was handicapped both in Europe and in the Pacific area by frequent changes in policy and personnel in the United States liquidation agencies and by the rapid demobilization of the United States Army and Navy following the end of the war.⁷⁴ When, for example, the initial UNRRA mission inspected the vast depots of Navy matériel on the islands of Manus and Samar early

⁶⁸ *Ibid.*, Sections 254.1-254.62.

⁶⁹ Letter, Hendrickson to Borders, 29 August 1945.

⁷⁰ Letter, Crowley to Secretary of War, 1 September 1945.

⁷¹ Monograph, Brodsky, "UNRRA's Procurement of Surplus United States War Goods," p. 27.

⁷² *Ibid.*, p. 34.

⁷³ For example, cables: Washington to London 974 (PP 209), 17 February 1946; London to Washington 2083 (PP 292), 19 February 1946; Washington to Paris 958, 11 March 1946; Washington to Manila 1077, 22 November 1946; monograph, Brodsky, "UNRRA's Procurement of Surplus United States War Goods," *passim*.

⁷⁴ Cable, Frankfurt to Washington, War Department 97725, 16 August 1946.

in 1946, they reported the supplies "practically all new and well warehoused," and the Samar base manned with some 105,000 men. These sources seemed a gold mine for the China program.⁷⁵ Some five months later, conditions had changed radically:

Authorized cannibalization became necessary for the maintenance of base facilities. Some pilferage occurred. Wooden crates and boxes deteriorated, fell apart and left spare parts scattered and exposed to the elements. Jungle over-growth encroached on the depots, obscured equipment and complicated inventorying and supply selection.⁷⁶

Navy personnel at Samar available for work on delivery of goods purchased by UNRRA numbered less than 300,⁷⁷ a staff too small even to handle the preparation of inventories and shipping documents. The UNRRA staff was also inadequate and suffered from the difficulty of communications and resultant uncertainty as to the terms under which the purchase had been arranged. A Philippine stevedoring company, hired by the Navy, loaded the ships for China. The net result was that many items had been damaged or had deteriorated, goods not requested by UNRRA were included, stowage was haphazard, spare parts became separated or were not shipped, and documentation was inadequate, incorrect, and in some cases entirely lacking.⁷⁸

On the other hand—and this was true of all UNRRA overseas surplus procurement—along with the relatively small percentage of damaged and less desirable supplies, great quantities of essential equipment—trucks, machine tools, hand tools, cranes, watercraft, prefabricated and fully equipped hospitals, medical supplies, etc.—were delivered in the space of a few months, which must have been long delayed if procured from new production, if indeed some of the items could have been secured at all.

Procurement was effected with the understanding that prices were subject to later adjustment. Incomplete or unsatisfactory deliveries were taken into consideration in the final settlements achieved after many months of negotiation between Headquarters officials and United States Government authorities. Thus the original UNRRA-OFLC

⁷⁵ Monograph, Brodsky, "UNRRA's Procurement of Surplus United States War Goods," pp. 45, 47.

⁷⁶ George St. Louis (Chief, Surplus Office, Manila), quoted in *ibid.*, p. 60.

⁷⁷ Cable, Manila to Washington (Surprop Davis 228), 3 July 1946.

⁷⁸ Monograph, Brodsky, "UNRRA's Procurement of Surplus United States War Goods," pp. 60-75.

contract for \$100 million for Pacific area surpluses⁷⁹ was renegotiated in December 1946, and UNRRA was allowed a credit of \$4,600,000⁸⁰ against total purchases of more than \$46 million⁸¹ made through the UNRRA Surplus Procurement Offices in Manila, New Delhi, Shanghai, and Honolulu.

DIRECT PROCUREMENT IN THE UNITED STATES

In the early stages of the supply operation, direct procurement by the Administration through trade channels in the United States was limited to purchases of small quantities of urgently needed goods which it would be uneconomical in time or money to procure through the normal machinery of the United States Government; procurement, with convertible funds, in markets outside the sphere of normal United States Government activities (such as purchase of veterinary supplies); and procurement with funds contributed by voluntary agencies.⁸² The Department of State was at no time favorable toward direct procurement by the Administration. An initial limit of \$500 for a single transaction without prior approval by FEA⁸³ was eventually raised to \$1,000⁸⁴ but was not afterward increased in spite of requests from the Administration for a higher limit.⁸⁵ In the end, nearly \$10 million was committed by direct procurement from 11 August 1944, when the first allotment was made for this purpose, to 30 June 1947, the final date for expenditure of nonconvertible funds from the United States contribution.⁸⁶ The purchases were more significant than the amount would indicate, however, since they included vaccines and other medical supplies to meet emergencies, and scarce items in small quantities which would probably have ceased to be available had the usual procurement machinery been used.

⁷⁹ Agreement, signed by Swenson for UNRRA and Central Field Commissioner for the Pacific and China for OFLC, 18 March 1946.

⁸⁰ Stetson-Lamberton Agreement, 18 December 1946.

⁸¹ As of 31 December 1947, monograph, Brodsky, "UNRRA's Procurement of Surplus United States War Goods," p. 112.

⁸² Monograph, G. E. H. Marshall, "Direct Procurement Division," pp. 1-2.

⁸³ Letter, Rupert Emerson (Director, Liberated Areas Branch, FEA) to Borders (Chief, Procurement Coördination Branch, Bureau of Supply), [December 1944].

⁸⁴ Letter, Crowley to Lehman, 27 April 1945.

⁸⁵ Letters: Hendrickson to W. L. Clayton (Assistant Secretary of State), 26 October 1945; Wood to Hendrickson, 17 December 1945.

⁸⁶ Monograph, Marshall, "Direct Procurement Division," p. 7.

3. *PROCUREMENT THROUGH THE UNITED KINGDOM GOVERNMENT*

REALIZING THE CONTRIBUTION

In establishing its procurement policies, the Administration was not only concerned to work out effective mechanisms with the agencies of the contributing governments, but to make sure that the contributions were realized to the full and for supplies most needed by the receiving countries. In working toward these ends, UNRRA was, of course, subject to changing domestic and international conditions as these affected the procurement policies of the contributing countries. As the Administration's supply operations increased in magnitude, moreover, actual billing and documentation from the supplying countries lagged behind, and estimates of expenditures had to be covered to some degree by reserves; when these reserves could safely be somewhat lessened, the end of UNRRA was at hand and the sums released had to be committed for supplies very rapidly if no part of the contributions was to be lost. Of this, the course of procurement in the United Kingdom serves as a striking example.

When UNRRA was established, and for a long time after, the whole economy of the United Kingdom was under a close wartime control exercised mainly by the Ministries of Food and Supply and by the Board of Trade, the relatively small Ministry of Production having certain coördinating and planning duties. In such circumstances and quite apart from the resolutions of the UNRRA Council, procurement on any large scale could be done effectively only through the machinery of government.⁸⁷

Before the formation of UNRRA, the British Government had already established within the Ministry of Production an organization functioning under the Supplies to Liberated Areas (Official) Committee (SLAO), which included representatives of the Supply Ministry, the Foreign Office, and the Treasury. This coördinating unit had obvious convenience both for the British Government and for UNRRA. Following the dissolution of the Ministry of Production some few months after the end of the war, SLAO was transferred to the

⁸⁷ Monograph, R. Herbert, "Procurement through HMG," p. 1.

Board of Trade, and that Department henceforth became UNRRA's central supply contact with the British Government.⁸⁸

Shortly after the establishment of the Supply Department in ERO in March 1944, discussions began with representatives of the British Government supply departments to establish the general principles on which UNRRA should acquire its supplies against the United Kingdom contribution.⁸⁹ These conversations eventually culminated in an agreed memorandum,⁹⁰ of which the main provisions were:

(1) Following the determination of the U.K. as a source of supply, UNRRA will consult the competent department . . . regarding availabilities, and submit to it a Firm Request for procurement action to proceed. On receipt of a Firm Request the Department will forward copies as necessary for action to the procurement Department, confirm that funds and production capacity will be available, and advise UNRRA of approval or otherwise . . .

(2) The prices for relief goods to be charged against the U.K. contribution will be agreed with UNRRA. They will be equal to the cost to the procurement Department (after adjustment of any Government subsidy or . . . any Government taxes) plus the cost of warehousing, transport, etc. . . . The prices for relief goods to be charged against the U.K. contribution will not include any element in respect of any form of U.K. or British Colonial taxation. It is understood that cost prices need not apply in special cases such as sale of surplus stores or goods obtained in connection with preclusive buying . . .

(3) Funds will be made available to UNRRA under arrangements agreed between the Administration and H.M.G. for the purpose of making cash purchases where this is more convenient than procurement through a U.K. Supply Department.

The position thus reached was highly advantageous to UNRRA. It secured the benefit of Government prices, placed at the service of the Administration the contracts and other technical staffs of the Government supply departments, and gave to UNRRA the option to buy goods in the market.⁹¹

The formal procedure for procurement through United Kingdom Government departments, which was developed in accordance with

⁸⁸ Monograph, Lejeune, "The Use of the United Kingdom Contribution to UNRRA," p. 10.

⁸⁹ *Ibid.*, pp. 10-11.

⁹⁰ "U.K. Government Procedure—Post Military Period Relief and Rehabilitation Goods," 18 September 1945.

⁹¹ Monograph, Lejeune, "The Use of the United Kingdom Contribution to UNRRA," p. 11.

these principles, was simple. An order, or "Firm Request," for supplies was submitted by ERO to the Board of Trade which, after formal clearance as to availability of supplies with the supply department concerned, sponsored the demand as a Government order.⁹²

The utilization of the United Kingdom contribution fell into four distinct periods. During the opening phase (to November 1945) UNRRA requirements were thrust upon a production program in the United Kingdom already overloaded with military and essential civil needs. UNRRA stood last in the queue, but by patience and impatience availabilities were established and claims on production marked out. During this period the authorizations from Headquarters were essentially in the nature of "hunting licenses"; that is, ERO Supply Department officials were briefed by their Washington counterparts as to the nature of requirements in broad terms, and then made their own investigations of the possibilities of securing goods from United Kingdom sources or by purchases elsewhere with United Kingdom funds.⁹³ Methods of approach necessarily varied among the different commodity categories. In the case of finished clothing, textiles, and footwear, for instance, it was possible to define with precision the categories of garments which would be acceptable for UNRRA programs. Headquarters could, therefore, safely give to ERO a procurement ceiling up to which ERO was authorized to purchase, with the certainty that there would be no duplication in buying.⁹⁴ In the case of agricultural supplies, ERO officials were thoroughly familiar with the concept of the agricultural rehabilitation programs and could, in the light of their own technical knowledge, judge in some detail the type of supplies required. It was possible for them, while Headquarters officials were similarly engaged, to hunt the markets in their area for supplies in the categories concerned. As supplies were located, the buying opportunities were reported to Headquarters, which accepted or rejected them according to whether they could do better elsewhere.⁹⁵

⁹² ERO Supplies Order S.5, "Procedure for Procurement of Supplies through the U.K. Government," 27 November 1944.

⁹³ Monograph, Lejeune, "The Use of the United Kingdom Contribution to UNRRA," p. 17.

⁹⁴ Memo, Tom Taylor (Director, Clothing, Textiles, and Footwear Division, Bureau of Supply, HQ) to George H. Marshall (Director, Clothing, Textiles, and Miscellaneous Commodities Division, ERO), 16 November 1945.

⁹⁵ Monograph, Lejeune, "The Use of the United Kingdom Contribution to UNRRA," pp. 16-17.

The opening of the second phase (November 1945–May 1946) coincided with the establishment of country programs for the receiving governments. Once the programs were established, ERO brought considerable pressure on Headquarters to agree that, when a particular commodity was available from more than one source, the United Kingdom should be the preferred buying area, so long as any price differential was within reasonable bounds.⁹⁶ In large measure this policy was adopted, and price differentials which had hitherto been used to determine the source of procurement were applied much less rigidly.⁹⁷ Another significant development in this period concerned the use of the convertible portion of the United Kingdom contribution. Up to this point there had existed considerable difference of view between UNRRA Headquarters officials and the United Kingdom on the use of convertible funds. UNRRA Headquarters had regarded the convertible portion of the United Kingdom contribution as a reserve of hard cash, available for procurement in any part of the world. The United Kingdom Government had made it clear that it was not able to contribute dollars to UNRRA either directly or indirectly. On the other hand, it not only had no objection to the free use of its contribution in the sterling area (including countries with which it had payment agreements),⁹⁸ but was willing to make use of more than 10 per cent of its contribution in this way.⁹⁹ There were obvious advantages to the Government, for example, in making sterling available to UNRRA to buy rice from Siam rather than to permit additional demands on the already short steel supplies in the United Kingdom. Once this position had been accepted, there was no further impediment to the use of the 10 per cent, and ERO was henceforth allowed wide freedom to make the most tactical use it could of the whole of the United Kingdom contribution. As a result of the extensive drive on procurement—intensified by the shipping deadlines established at the Third Council Session—the problem was no longer how to utilize the United Kingdom contribution, but how to establish

⁹⁶ Letter, Roger W. Jackling (United Kingdom member of Program Subcommittee) to Weintraub, 11 December 1945.

⁹⁷ Monograph, Lejeune, "The Use of the United Kingdom Contribution to UNRRA," p. 18.

⁹⁸ Belgium, France, the Netherlands, and their colonies; Denmark, Finland, Italy, Norway, Spain; and countries receiving UNRRA assistance, monograph, Lejeune, "The Use of the United Kingdom Contribution to UNRRA," p. 71.

⁹⁹ Memo, J. J. Polak (Acting Financial Adviser) to B. B. Greidinger (Finance Division, Bureau of Finance and Administration), 4 December 1945.

the relative priorities of the claims on the limited sum available.¹⁰⁰

The third phase (June 1946–March 1947) began with the realization that the absorption of the whole United Kingdom contribution no longer presented a problem; on the contrary, it appeared that actual and contingent liabilities might well result in its being overspent. A substantial contributory factor to this state of affairs was a potential liability, at one time estimated to be as high as £30 million,¹⁰¹ for electrical power stations and similar equipment for the Byelorussian and Ukrainian Soviet Socialist Republics. In fact, substantial contracts were in the hands of British manufacturers through the agency of the British Government under a wartime protocol, and the problem of how the Soviet Republics were to finance the transactions had arisen between the Governments. The proposal was therefore made that some of these supplies appropriate for inclusion in the UNRRA program should be provided to the two Republics as part of their programs.¹⁰²

A conference of ERO and Headquarters officials was held in Washington in April 1946.¹⁰³ First, the highest priorities were settled so that procurement could continue within the limits of available funds. Secondly, plans were made to relieve the United Kingdom contribution of certain charges. In part this was done by the cancellation of contracts in cases where cancellation was acceptable both to the receiving country concerned and to the British Government. The principal modification in plans, however, was that relating to the charge for wool. The British Government owned considerable stockpiles of wool and had been anxious that substantial tonnages should be included in their contribution to UNRRA. In the new situation, however, the British Government agreed to allow the Governments of the Dominions which had produced the wool, namely, Australia, New Zealand, and South Africa, to count it as part of their own contributions to UNRRA so that the United Kingdom contribution was freed for use for supplies less easily secured from other sources.¹⁰⁴ In addition, the

¹⁰⁰ Monograph, Lejeune, "The Use of the United Kingdom Contribution to UNRRA," pp. 18–20.

¹⁰¹ Monograph, W. Kulka, "Activities of Branch 'A' in the Industrial Rehabilitation Division," ERO, p. 14.

¹⁰² See Part Three, Chapter VII, Section 6; Part Five, Chapter VII, Section 4.

¹⁰³ Memo, Richard L. Funkhouser (Bureau of Supply) to Harold W. H. Burrows (Assistant to Controller), 25 April 1946.

¹⁰⁴ Memo, Director General to I. A. Iliuschenko (Deputy Director General, Supply, ERO), 10 July 1946.

Administration transferred to ERO free sterling from sources other than the United Kingdom contribution: this included £2,783,605 derived from the convertible portion of the Brazilian Government's contribution, and some £750,000 made available by the Greek Government for fuel supplied in excess of the UNRRA program.¹⁰⁵ Most important of all, large amounts of dollars (totaling at one time some \$42 million) were transferred from Headquarters.¹⁰⁶

The new conditions also called for a number of procedural and accounting changes to improve coördination between the supply and financial sections of ERO and of Headquarters—coördination which had been lacking before the institution of the Office of the Controller and the tightening of the budget controls which followed Howell's appointment. Under the amended procedure an accurate estimate of the exact status of procurement could be made at any time.¹⁰⁷

In the fourth period (April–October 1947), budget estimates were progressively refined to make sure that all funds likely to be available for the procurement of supplies were used. The anxiety of Headquarters officials to press this policy derived in a large measure from the decision of the Government of the United States that no shipments of supplies from the United States contribution could be sent to Europe after 31 March 1947.¹⁰⁸ Fulfillment of European country programs depended, therefore, on the fullest possible realization of contributions from other supplying countries. To this end the United Kingdom Government assumed shipping responsibility for all supplies procured from its contribution not called forward by 31 October 1947.¹⁰⁹ The final figure for the United Kingdom contribution was £153,193,602¹¹⁰ (\$617,370,219) as against the £155 million originally appropriated.¹¹¹

DIRECT PURCHASE IN THE UNITED KINGDOM

Before the autumn of 1945 the use of direct procurement in ERO was exceedingly limited. After the end of the war, however, the con-

¹⁰⁵ Letter, J. E. Lejeune (Director, Supply Reports and Control Division, Supply Department, ERO) to K. R. Miller, 1 April 1948.

¹⁰⁶ Supplement to monograph, Lejeune, "The Use of the United Kingdom Contribution to UNRRA," p. 32.

¹⁰⁷ *Ibid.*, p. 7.

¹⁰⁸ In some exceptional cases this was extended to 30 April 1947. The deadline for shipments to China was 30 June 1947.

¹⁰⁹ Supplement to monograph, Lejeune, "The Use of the United Kingdom Contribution to UNRRA," p. 24.

¹¹⁰ Letter, H. E. Howell (Controller) to Sir Edward Bridges (United Kingdom Treasury), 28 September 1948.

¹¹¹ See Part One, Chapter IV, Section 2.

traction of United Kingdom supply departments and the differences in type between supplies included in the UNRRA programs and those with which Government departments were concerned forced a greater reliance on this type of procurement.¹¹² There was, moreover, a growing conviction on the part of the technical staffs in ERO that they could better ensure prompt and timely delivery in the receiving countries if they worked in direct contact with suppliers rather than through a bureaucratic machine.¹¹³

The procedure which was evolved was calculated to minimize any risk to the Administration. The principles were clearly defined, and precise operating instructions for the guidance of procurement officers were laid down. Direct procurement was limited to cases in which a Government department was either unwilling or unable to procure on behalf of the Administration, or in which direct procurement would be quicker or cheaper.¹¹⁴

Approval from the Government department concerned with the type of supplies to be bought was to be obtained before any direct purchase was initiated. Advice on suitable suppliers was to be sought from the appropriate Government department or, failing such advice, from the appropriate trade association.¹¹⁵ Indeed, coöperation with Government departments was indispensable to enable the Administration to overcome the restrictions arising from Government controls on the distribution and export of supplies, and also on prices.¹¹⁶ Price control was established essentially by placing orders against competitive tender, though in some cases this provision had to be relaxed.¹¹⁷

In all, about 3,600 separate transactions totaling over \$56 million were effected by direct procurement, the values of individual items varying in size from under \$200 to well over \$800,000. Of this total, by far the largest amount (over \$44 million) was expended on industrial rehabilitation supplies.¹¹⁸

¹¹² R. H. Robertson, "Report on Review of Direct Procurement Transactions of the Supply Department, ERO," p. 6.

¹¹³ *Ibid.*, p. 7.

¹¹⁴ ERO Department of Supply Memorandum 6, 18 February 1946.

¹¹⁵ *Ibid.*

¹¹⁶ Robertson, "Report on Review of Direct Procurement Transactions of the Supply Department, ERO," p. 13.

¹¹⁷ *Ibid.*, *passim*.

¹¹⁸ *Ibid.*

4. PROCUREMENT IN OTHER AREAS

AUSTRALIA AND NEW ZEALAND

Discussions on procedures for procurement of supplies in Australia and New Zealand were begun by the UNRRA supply mission which visited the Southwest Pacific area in the autumn of 1944 and were continued after the Southwest Pacific Area Office had been established at the end of the year.¹¹⁹ Informal agreements later corroborated the practices already in use,¹²⁰ and were amended following the termination of the Combined Boards.¹²¹ According to these amended procedures, under which most of the supplies from Australia and New Zealand were procured, these Governments indicated to UNRRA the goods they were able to supply. On authorization from Headquarters the Southwest Pacific Area Office issued a Firm Request to the Department of Supply and Shipping (Australia) or the Commissioner of Supply (New Zealand). These departments then arranged the placing of contracts either through government procurement agencies or commercial agencies.

Of the Australian contributions totaling \$76,800,000, one half was used for raw wool¹²² and a substantial proportion for locomotives and auxiliary equipment and for fishing boats—all destined for China. Of the \$16,629,772 contributed by New Zealand, almost three-quarters was spent for clothing and raw wool.¹²³

CANADIAN PROCUREMENT POLICIES

Under arrangements made between the Canadian Government and the Administration in the summer of 1944,¹²⁴ requests for supplies were

¹¹⁹ Monograph, N. O. P. Pyke, "Leading Aspects of the United Nations Relief and Rehabilitation Administration in the South-west Pacific Area," Chapters II, III, *passim*.

¹²⁰ Letters: F. Picot (Commissioner of Supply, New Zealand) to Walter A. Chudson (Deputy Director for Requirements and Supply, South-west Pacific Area Office), 7 March 1945; Acting Minister, External Affairs, Australia, to G. C. Remington (Acting Director, South-west Pacific Area Office), 3 November 1945; Remington to Minister, External Affairs, 3 November 1945.

¹²¹ Bureau of Supply Memorandum 13, Supplement 13, "Procedure for Procurement of Supplies in Australia," 7 March 1946; Supplement 14, "Procedure for Procurement of Supplies in New Zealand," 7 March 1946.

¹²² Monograph, Pyke, "Leading Aspects of the United Nations Relief and Rehabilitation Administration in the South-west Pacific Area," Chapter XVI, 24; see above, Section 3.

¹²³ Cable, Sydney to Washington 3857, 17 December 1947.

¹²⁴ Letters: Hendrickson to G. R. Heasman (Canadian Mutual Aid Board), 17 May 1944; Elgin E. Wasson (Canadian Mutual Aid Board) to Hendrickson, 15 June 1944.

submitted to the Canadian Mutual Aid Board,¹²⁵ which reviewed and transmitted them to the procurement agency, usually the Canadian Export Board. After the dissolution of the Mutual Aid Board in September 1945 the Export Board doubled as screening and procurement agency until the Canadian Commercial Corporation assumed screening functions in July 1946.¹²⁶

Since there were available in Canada substantial quantities of scarce commodities not obtainable elsewhere, particularly before the end of the war, the Administration made large expenditures of free funds in addition to the almost \$139 million contributed by Canada. Next to the United States, Canada was the largest source of food, nearly half its contribution being spent for this commodity. In addition, the trucks which it supplied, mainly from military surpluses in Europe, were particularly valuable both because of their excellent condition and their opportune availability.¹²⁷ In the words of one of the senior members of the Administration who served in the Bureau of Supply throughout the life of UNRRA, "The entire history of the relations between the Bureau of Supply and the Canadian governmental purchasing agencies stands out in the minds of the Bureau staff as a shining example of complete and happy coöperation."¹²⁸

PROCUREMENT IN THE LATIN-AMERICAN REPUBLICS

No well-established government procuring agencies such as those in the United States, the United Kingdom, and Canada existed in the Latin-American countries. The Administration, therefore, established in most of these countries contributing substantial quantities of goods¹²⁹ a "Mixed Commission" with sole authority for UNRRA supply operations within the country. The Mixed Commission was composed of three directors, two appointed by the government and one by UNRRA. Usually it was under the jurisdiction of the Minister of Finance. By formal agreement between the government and UNRRA and by the law of the country the Commission was em-

¹²⁵ Bureau of Supply Order 13, Supplement 3, 28 July 1944.

¹²⁶ CS(45)36, "Report of the Bureau of Supply," 30 October 1945; memo, Wade Davenport (Bureau of Supply) to Herbert S. Schenker (Bureau of Supply), 11 December 1945.

¹²⁷ See Part Three, Chapter VII, Section 2.

¹²⁸ Monograph, Karl Borders, "Notes on the Operation and Policies of the Bureau of Supply," p. 11.

¹²⁹ Brazil, Cuba, Dominican Republic, Haiti, Mexico, Peru, Uruguay, Venezuela.

powered to determine the availability of needed supplies, to arrange for their purchase, delivery, and shipment, and to take full charge of financial questions and operations involved. All decisions required the approval of at least one of the government's representatives and of the UNRRA member.¹³⁰ The latter was in each case head of the UNRRA procurement office in the country so that he received instructions from Headquarters as to supplies required and then, as a member of the Commission, acted upon the request. The Mixed Commission was a device decidedly advantageous for UNRRA.¹³¹

Under arrangements made by these Commissions and elsewhere in Latin America, UNRRA obtained supplies valued at nearly \$60 million either by purchase or through contributions. Of particular importance were the large contributions of textiles by Brazil, of nitrates by Chile, and of food by Mexico and Peru.

PROCUREMENT IN CONTINENTAL EUROPE

For procurement in Continental Europe, the principal source of funds was the United Kingdom convertible contribution. This meant, in practice, that procurement was restricted to countries coming within the sterling area. From 15 April 1947 onward, the list of countries in which convertible sterling could be used was steadily reduced until, on 15 July 1947, as a result of the Bretton Woods Agreement, sterling became freely convertible into dollars, and the United Kingdom Treasury was, therefore, unable to make it available for UNRRA procurement. Fortunately, this change affected only the very late stages of the operation, and meanwhile it had been possible to procure in Continental Europe—apart from the contributions in kind made by many of the liberated countries—substantial quantities of supplies which were not obtainable elsewhere or which could not be bought so advantageously from other sources.¹³²

Negotiations for supplies in Continental Europe were generally initiated by senior representatives of the ERO Supply Department, or, if it was hoped to get supplies through a contribution, by a diplo-

¹³⁰ See, for example, "Agreement Concluded between the Government of the Dominican Republic and UNRRA for the Establishment of a Mixed Commission on Supplies," 23 March 1945.

¹³¹ CS(45)36; monograph, McMillen, "Organizational History of the Bureau of Supply," pp. 24-25.

¹³² Monograph, Lejeune, "The Use of the United Kingdom Contribution to UNRRA," p. 38.

matic mission which included a technical supply representative. Generally, once the preliminary arrangements had been made, their implementation was the responsibility of the local UNRRA field mission. This was not entirely feasible, however, when the supplies to be purchased involved special technical knowledge. In these cases, an expert from the ERO Supply Department was temporarily stationed in the country—for instance, for the purchase of fishing vessels in Denmark, and fertilizer in Norway. For seed purchases—one of the most important agricultural items to be procured in Continental Europe—a technician from Headquarters (temporarily attached to ERO) made extensive journeys in some eight or nine European countries to negotiate on the spot for seeds suitable to the climatic and soil conditions of the receiving countries.¹³³

Procurement in the Middle East was also under the general supervision of ERO. In the cases of Egypt and Turkey, however, responsibility was delegated to the Middle East Office, which, during the period of major activity, assigned a supply officer to work with the Turkish Government.¹³⁴

Direct procurement in Continental Europe was effected in eleven countries and involved a variety of types of supply: in Norway, the Administration bought supplies including cod-liver oil, seeds, fertilizers, fishhooks, and fish; in Denmark, food supplies, seeds, fishing vessels, insulin, fishing boats, and artificial insemination outfits; in Germany, coal and potash; in the Netherlands, seeds; in Belgium, seeds, fertilizers, and palm oil; in Luxembourg, fertilizers; in France, seeds, fertilizers, and veterinary supplies; in Italy, seeds, cotton twine, cork, sulphur, and carbon bisulphide; in Czechoslovakia, Hungary, and Austria, seeds.¹³⁵

In principle, the policies involved in European Continental procurement were broadly similar to those governing direct procurement in ERO, with the necessary reservation that since the transactions were somewhat more diversified both as to the commodities bought and the circumstances in which they were bought, procedure was considerably less formalized than was the case with United Kingdom purchases.¹³⁶

¹³³ Monograph, R. K. Gaumnitz, "Continental Procurement," pp. 7-10.

¹³⁴ Monograph, G. Stewart Mason, "Problems of UNRRA Procurement in South Africa, India, Southern Rhodesia, Turkey, Iraq, Iran, and Portugal."

¹³⁵ Monograph, Gaumnitz, "Continental Procurement," p. 2.

¹³⁶ Monograph, Mason, "Problems of UNRRA Procurement in South Africa, India, Southern Rhodesia, Turkey, Iraq, Iran, and Portugal," *passim*.

INDIA

The form of procedure for procurement in India was drawn up by a mission under the Diplomatic Adviser from Headquarters, Francis B. Sayre, which visited India in the autumn of 1945. Negotiations were conducted with the Secretary of the Commerce Department, N. R. Pillai, and, as was the case in many of the countries which were visited by UNRRA missions, were concurrent with negotiations for a contribution.¹³⁷ At that time it was arranged that as and when supply availabilities were established, UNRRA was to furnish the Secretary of the Department of Commerce with Firm Requests and that Department would arrange for the placement of contracts with suppliers in collaboration with the appropriate governmental procurement agencies.¹³⁸ An UNRRA supply officer was stationed at New Delhi to expedite procurement.¹³⁹ In December 1945, when the UNRRA Procurement and Recruiting Office in India was set up, that Office became responsible for liaison with the Indian Government for procurement in India.¹⁴⁰ Out of the \$24 million contributed, a large proportion was spent for jute and jute bagging, essential items not obtainable in quantity elsewhere.

SOUTH AFRICA

Preliminary negotiation over procedural arrangements for procurement in South Africa began shortly after the first appropriation of £250,000 (\$1,007,500) was made on account of South Africa's contribution to UNRRA.¹⁴¹ Arrangements were finally concluded when Sayre was on a mission to South Africa in connection with the South African contribution in September 1945.¹⁴² The arrangements regarding notification of availabilities and processing of documents were similar to those made with the Australian and New Zealand Governments: the main difference in South Africa was the absence of an

¹³⁷ Sayre, "Report on Negotiations with the Government of India, 11-28 July 1945," 29 July 1945.

¹³⁸ Bureau of Supply Memorandum 13, Supplement 12, 29 October 1945.

¹³⁹ Monograph, R. V. Gogate, "Monograph on India," pp. 16-17.

¹⁴⁰ Memo, Lehman to Director of UNRRA Procurement and Recruiting Office, "General Directive for Office in India," 28 March 1946; monograph, Henry R. Atkinson, "UNRRA Office in India, 20 December 1945-31 October 1946," *passim*.

¹⁴¹ Memo, Borders to Weintraub, 21 March 1945.

¹⁴² Letters: Secretary, Department of External Affairs to Sayre, 22 September 1945; Sayre to the Secretary, 22 September 1945.

UNRRA area office, through which Firm Requests were channeled to the designated government department.¹⁴³

On the whole, UNRRA experience had been that however efficient the government's procurement agency and however willing the government was to fulfill its obligations to UNRRA, it was not possible to carry on communications at a long distance without delay and misunderstanding. In the case of South Africa a compromise arrangement was made.¹⁴⁴ The South African Government nominated a very able official, W. A. Horrocks, in the Department of Commerce and Industries, to conduct an UNRRA section within that Department. He and a secretary were on the UNRRA pay roll on a part-time basis so that as well as being a civil servant, Horrocks was, in fact, an UNRRA employee.¹⁴⁵ UNRRA through Horrocks placed firm procurement orders with the Department of Commerce and Industries, which arranged for the placement of contracts with manufacturers in collaboration with the appropriate governmental procurement agencies. Documents relating to procurement were channeled by Horrocks to UNRRA Headquarters in Washington.¹⁴⁶

The hope that a second contribution might be made by the Union of South Africa was not realized. Appropriations totaling \$18,112,500 were used to procure coal, copper, and other minerals, wool, and mules and horses.¹⁴⁷

5. EVALUATION

The more than twenty-four million long tons contributed to UNRRA in terms of supplies or purchased with contributed funds were procured in some fifty countries and their territorial possessions. UNRRA, in accordance with the Council resolutions as well as the dictates of economy and efficiency, made use of the already existing government procuring agencies and mechanisms except in the direct purchase of a small percentage of goods for emergency needs or in

¹⁴³ "Procedure for Handling UNRRA Procurement in the Union of South Africa," 20 September 1945.

¹⁴⁴ Letter, Borders to J. R. Jordaan (Secretary, Legation of Union of South Africa), 24 February 1945.

¹⁴⁵ Sayre, "Report on Negotiations with Union of South Africa," 1 October 1945.

¹⁴⁶ "Procedure for Handling UNRRA Procurement in the Union of South Africa," 20 September 1945.

¹⁴⁷ Monograph, Mason, "Problems of UNRRA Procurement in South Africa, India, Southern Rhodesia, Turkey, Iraq, Iran, and Portugal," p. 6.

circumstances which these were not equipped to handle. Since the contributions were for the most part made in supplies, turned over to UNRRA at shipside in the ports of loading, most of the work of placing contracts, ensuring their fulfillment, and delivering the goods at the ports was done by the contributing governments. The Administration was, therefore, able to secure great quantities of supplies while employing only a small staff of its own to serve as liaison officers and expeditors.

Although the Administration made every effort to secure for the receiving governments the supplies on which they placed first priority, this was not, of course, always possible. Some of the basic necessities, such as fats and oils, were everywhere in short supply, and there was simply not enough to go around. Contributing governments did not, in some cases, possess commodities which were particularly desired, and the Administration, in order to realize their contributions, was obliged to take what they had to offer. In any case, the needs of the receiving countries were so great that nothing was likely to be wasted. The marriage of contributions to supplies was not made in heaven, but it did very well by earthly standards. By ingenuity on the part of the Administration and flexibility on the part of most of the supplying governments, the contributions authorized were almost completely realized in supplies and services and the program of operations for receiving countries more than 99 per cent fulfilled.

IV. Food

1. THE STRUGGLE FOR FOOD

NEARLY half (42.6 per cent) of the UNRRA supply program was devoted to the procurement of food. Over nine million tons, valued at \$1,236,018,700 and consisting chiefly of grains, fats and oils, meats, dairy products, and fish, were shipped during the period of UNRRA operations. Food supplies in large quantities began to be delivered to UNRRA receiving countries in the spring of 1945. Peak shipments were reached in the summer of 1946. From then on they continued in diminishing quantities until November 1947, by which time budgets were exhausted and all food programs were virtually completed.¹

It was the hope of the Administration to raise the per capita food consumption in the countries receiving its financial assistance to the standards adopted by the Council at its Second Session, namely, 2,650 calories—including 75 grams of fat and 60 grams of protein²—per person per day. This was not achieved. In 1946 the Administration was striving to maintain a level of 2,000 calories a day.³ In 1947 there was a risk that some countries would fall so far short even of this level that it became necessary to adopt for them an Emergency Food Program.⁴

UNRRA's failure to reach the food levels at which it aimed, though in some measure due to crop failures and causes beyond the control of man, must to a certain extent be attributed to lack of adequate recognition by some of the principal supplying governments of their responsibilities, under the UNRRA resolutions, toward those of the liberated countries which were unable to provide for their own food imports. Thus, in 1944, when fat was abundant in the United States,

¹ *Report of the Director General to the Council (DGR)* 14, p. 3.

² Resolution 55; Council II Document 8, transmitting Committee of the Council for Europe (CCE) (44)24, "Ad Hoc Food Subcommittee, Bases of Food Requirements," 29 June 1944; see also *supra*, Part Three, Chapter I, Section 3.

³ *Journal*, Fifth Council, p. 64.

⁴ Program Subcommittee of the Central Committee (CC/P) (47)3, "Proposed Plan for Utilization of UNRRA's Resources to Meet Urgent Food Needs in First Quarter of 1947," 11 January 1947.

substantial quantities were used by the soap industry rather than for the accumulation of stockpiles for postwar relief.⁵ In July 1945, when the first signs of a coming grain shortage were already visible, the Combined Food Board (CFB) removed wheat from formal international allocation.⁶ In January 1946 it was the UNRRA countries which were called upon to bear the brunt of the current world food shortage.⁷

The procurement of food by the Administration was, from the beginning to the end of the program, a struggle—first to get allocations from CFB; secondly, to get the allocations turned into physical availabilities by the supplying governments; thirdly, to get sufficient funds to pay for what was bought. In these circumstances it was fortunate for the receiving countries that one of the natural characteristics of Andrew Cairns, Director of the Headquarters Food Division, was to fight. He fought CFB, he fought the Council, and he fought the Administration. He had little interest in advance programming, which he regarded as futile and academic owing to the changing supply conditions and the changing needs of the receiving countries.⁸ He ran the Food Division, which in the interests of good administration should have been an integral part of the Bureau of Supply, practically as an autonomous body.⁹ Orderly procedures meant nothing to him.¹⁰ He was the despair of the Controller. He was a consistent rebel against the Administration's program of operations, since he considered that the whole UNRRA supply operation should have been predicated on the need for food.¹¹ He was not an optimist on food matters; this brought him into friction with others who regarded food needs of the UNRRA countries more philosophically than he did.¹²

⁵ Memo, Andrew Cairns (Director, Food Division, HQ) to Hendrickson, 20 May 1944.

⁶ Committee on Supplies (CS) (46)13, "Report of the *Ad Hoc* Subcommittee on Special Supply Problems to the Committee on Supplies, 9 February 1946," p. 3.

⁷ See, for example, CS(46)4, "Report on Special Supply Problems," 20 January 1946, Appendix C.

⁸ See, for example, memo, Cairns to Kate Tuckerman (Food Division), 29 July 1947.

⁹ Monograph, Kate Tuckerman, "Requirements as a Basis for Operations until Dollar Ceilings Established," p. 23.

¹⁰ *Ibid.*

¹¹ Memo, Cairns to LaGuardia, "The Problem of Financing Food Shipments," 30 May 1946.

¹² See discussions, *Journal*, Fifth Council, Committee on Policy, pp. 63-67.

2. EARLY POLICIES REGARDING FOOD PROCUREMENT

All the basic foods, with which UNRRA was concerned, were, at the time UNRRA was created, subject to allocation by CFB. In February 1944 the Administration submitted to the Board a request for allocations of foods, by groups of commodities, to cover the requirements of the liberated areas during the first half of 1945.¹³ No specific allocations were made, and the Administration received a somewhat limping statement which included the following information:

It will be appreciated . . . a flow of relief supplies to Europe will have begun during the period of military responsibility, and that since that flow, subject to the supply situation, could be continued, it should not be necessary for specific stockpiles to have been placed at the disposal of UNRRA in advance.¹⁴

That UNRRA should not stockpile became agreed policy. Though this was to a great extent forced upon the Administration, it was not without support inside the Administration: Hendrickson wrote in May 1944: "We must avoid at all costs becoming excessively enamoured of the stockpile for UNRRA theory," and continued, "most commodities are now under able Combined management and immobilized stocks send a shudder through these managers. They, understandably, want manoeuvrability: we should aid them in that objective."¹⁵ The result of this policy, to which the Food Division was emphatically opposed, was that, to take one example, although at least 150,000 tons of lard were available in the United States in the second quarter of 1944 for stockpiling for postwar relief needs, UNRRA was able to ship from the United States, in the first half of 1945, no more than 11,000 tons against requirements of more than three times that amount.¹⁶

There were two further contributing factors which tied the Food Division's hands in 1944. The first was that FEA declined to authorize requisitions committing United States funds until the first appropriation was made in July 1944. Thus no effective procurement could be

¹³ CS(44)17, "Progress Report of UNRRA Bureau of Supply, Seventh Meeting of the Committee on Supplies, March 9, 1944."

¹⁴ Letter, Combined Food Board (CFB) to UNRRA, 11 April 1944.

¹⁵ Letter, Hendrickson to Sir Arthur Salter, 12 May 1944.

¹⁶ Monograph, Gustavus Tuckerman, "Procurement of Vegetable, Animal and Marine Oils and Fats and Their Allocation," pp. 22-31.

undertaken in the United States until after that time. The second was that when funds were made available, supplies were not allocated against United States production because the Administration had no storage space and, even if it had had, the War Food Administration (WFA), the United States allocating body, was averse to transferring title in supplies until shipment could be made. Obviously, since none of the receiving countries had at that time been liberated, the Administration could not meet this condition.¹⁷

Procurement in Canada was quite a different matter. The Administration sent to the Canadian Mutual Aid Board "Requests to Supply" covering supplies allocated to UNRRA by CFB from Canadian production. These Requests were accepted by the Canadian authorities. Goods were procured and stored in warehouses where they remained until such time as shipment could be arranged.¹⁸

In discussions in 1944 on UNRRA's food problems, emphasis lay mainly on stockpiling policy, storage capacity, and on the acquisition of seasonal surpluses; there is little evidence of any apprehension of the development of grave shortages. The opening sentence of the Report of CFB to the Second Council Session in September 1944 is indicative of the prevailing optimism: "The Board has confidence that, given the necessary coöperation between governments, the problem of meeting the overall requirements of the Allied countries in Europe during 1945 can be solved."¹⁹ In light of this, Dean Acheson, Council member for the United States, commented:

The significance of that . . . is that the time has come for UNRRA to put on one side worry about availability of supplies. Somebody else has undertaken to meet that responsibility. If they fail, as they will not, we will know where the responsibility lies.²⁰

This statement, from someone who knew well the limitation of powers of CFB, is somewhat surprising. The Board had, in fact, no entity of its own. It was no more than a medium for discussion between representatives of the United States, United Kingdom, and Canadian allocating authorities on problems of common interest. Through these dis-

¹⁷ CFB(44)331, 26 September 1947, requesting that UNRRA name the port at which it would take delivery.

¹⁸ Cairns, draft note as basis for discussions between CFB, Foreign Economic Administration (FEA), the War Food Administration (WFA), and UNRRA, 2 November 1944.

¹⁹ *Journal*, Second Council, "Report of Combined Food Board," p. 42.

²⁰ *Ibid.*, p. 54.

cussions, agreement was reached on the allocation of foodstuffs under the control of the three Governments, and the results were expressed in the form of "recommended allocations." The agreements were, however, seldom the result of unified food policy but rather of acquiescence by one party in decisions made unilaterally by another.²¹

By the Fourth Council Session, in May 1946, the Council had had some experience of the weaknesses of CFB allocating machinery: C. Tyler Wood, the United States Council member, advocated that it should be improved as strongly as his predecessor, at the Second Session, had urged confidence in the machinery as it existed.²² Wood proposed and carried a resolution providing that:

In view of the prospect of continuing serious world food shortages, the supplying and receiving governments concerned develop immediately plans for the improvement of international machinery for the allocation of foodstuffs in short supply.²³

The results of the pressure to change the allocating machinery were realized too late, however, to have any profound influence on the UNRRA food programs. During the greater part of the UNRRA operation the Food Division had no alternative, therefore, but to get along as best it could through the good offices of CFB and its various subcommittees.

3. THE BEGINNING OF SHIPMENTS OF FOOD

Substantial shipments of food to Europe began in the second quarter of 1945. Almost immediately, however, shortages of protein foods became the most acute of the Administration's supply problems. Requests by the Administration for allocation of foods in short supply had been drastically curtailed, first by CFB and later by the national allocating agencies. For example, the Food Division could not obtain from United States production any cheese, dried eggs, or margarine, and obtained only small allocations against its requests for sugar, canned fish, and dry, skim, and condensed milk. A request for over 4,000 tons of canned pork resulted in procurement of only 175 tons.²⁴

²¹ Monograph, J. Wadleigh, "Efforts to Prepare for Food Relief before the Establishment of UNRRA," p. 13.

²² *Journal*, Fourth Council, 18th plenary meeting, p. 156.

²³ Resolution 93.

²⁴ CS(45)16, "Report of the Bureau of Supply, Fourteenth Meeting of the Committee on Supplies, 21 June 1945."

Various excuses were given by WFA for this deplorable state of affairs, the principal one, and to the Food Division most ironical, being that UNRRA did not start shipping until the United States food barrel was empty.²⁵ In self-defense, WFA added that it was under instructions to reduce no further the now bare minimum United States diet.²⁶ To help meet the deficiencies in food from the United States, the Food Division drew heavily on Canadian supplies. This, however, could not continue indefinitely, and the outlook was bleak.

In contrast to shortages of protein foods, however, the supply of bread grains was plentiful throughout the early period of UNRRA shipments. Indeed, ocean transport rather than grain was the limiting factor on deliveries. At the Supply Conference in Rome in July 1945, David Weintraub, Deputy Chief of the Bureau of Supply, informed mission representatives that the only food supply of which there was an abundance was wheat: "Up to the extent that you want to take wheat, we can provide it." That was, however, one of the last occasions on which he, or anyone else in the Administration, was bold enough to give such an assurance.²⁷

CFB's Report to the Third Council in August 1945 struck a somber note: The continuation of the war in Europe until the middle of 1945 had destroyed any hope of an early decline in military requirements of foodstuffs and, at the same time, had caused a serious decline in agricultural production in Europe, the harvest for 1945 being in most countries from 10 to 15 per cent below that of 1944.²⁸ Production elsewhere had declined owing to shortages of manpower and fertilizers combined with severe drought conditions in Australia and New Zealand, South America, and the Mediterranean and Caribbean areas.²⁹ Sources of supply for the provision of a proportion of the needs for fats and oils, cheese, sugar, and skim milk had been found, but it had not been possible to allocate meat in any substantial quantities for the UNRRA countries. Supplies of wheat in North America and Argentina were, on the other hand, considered adequate to meet all indicated requirements for human food.³⁰ This last statement, however, even when it was written, was overoptimistic.

²⁵ Memo, Cairns to Weintraub, "WFA's Commitment of Food for Shipment by UNRRA in July 1945." ²⁶ *Ibid.*

²⁷ Supply Conference held in Rome, minutes of meeting, 8 July 1945.

²⁸ *Journal*, Third Council, p. 27.

²⁹ *Ibid.*

³⁰ Council III Document 16, C(45)10, "Combined Food Board Second Report to United States, Canadian, and United Kingdom Members of the Council," 6 August 1945, p. 7.

In a report to the Director General shortly before this time, Cairns wrote:

It is now possible to say that with the sole exception of wheat all foods are in acute short supply. But even that statement must be qualified by pointing out that because (a) the current movement of wheat from North America to Europe is so heavy that sufficient stocks may not be in an exportable position to meet European demands next winter; and (b) the lack of wheat in Australia, the diminished stocks in Argentina, the mediocre crop prospects in Canada and the possibilities of a large part of the United States crop being diverted to feed uses, partially to offset the expected shortages in corn, there is a danger that the world supply of wheat relative to the demand for it may be tight prior to the harvest of the 1946 crops.³¹

His forebodings were not reflected in the Director General's Report to the Third Council Session, but were given official recognition when, in September 1945, the International Wheat Council published its Ninth Report, written by Cairns in his capacity of secretary to that Council.³² The warning, however, was not against an immediate danger, and the Administration succeeded in shipping, during the last half of 1945, 91.8 per cent of the grain requirements of the receiving countries, shipments totaling 1,246,088 tons of grain calculated on a wheat-equivalent basis.³³

4. THE 1946 FAMINE EMERGENCY

By the end of 1945 the threat of famine in the UNRRA countries was imminent. The worst forebodings on the inadequacy of the 1945 food harvests had been realized. There had, indeed, been further deterioration in the world food position: India, as a result of the failure of the monsoon, had import requirements nearly three times as large as they had been three months earlier; an extremely serious food situation had developed in Japan.³⁴ It had also become clear that to maintain a tolerable level of nutrition in Germany substantial wheat imports would be necessary.³⁵

³¹ "First Draft of Food Section of Chapter 6 of the Director General's Report to the Third Session of the Council of UNRRA," 17 July 1945.

³² Statement published by International Wheat Council, Ninth Session, London, 1 September 1945.

³³ Unit weight of wheat to a given weight of flour—usually expressed as 100 metric tons of wheat to 72 metric tons of flour.

³⁴ Council IV Document 19, C(46)13, "Combined Food Board Third Report to United States, Canadian, and United Kingdom Members of the Council," 15 March 1946.

³⁵ CS(46)4, "Report on Special Supply Problems," 21 January 1946.

It was estimated by the CFB Committee on Cereals that there would be a deficit of over five million tons for the period July 1945–June 1946,³⁶ estimated requirements for the first half of 1946 exceeding supplies available by about 42 per cent.³⁷ Practically the whole of this deficit was expected to occur in the January–June 1946 period, since stated requirements in the July–December 1945 period had already largely been met.

UNRRA requirements of wheat and wheat flour (expressed in terms of wheat equivalent) amounted to 4,200,000 tons. This figure remained the firm UNRRA requirement for the January–June period, though the Administration volunteered to accept up to 25 per cent in the form of coarse grains, or their products, and thereby to reduce its demand for wheat.³⁸ UNRRA, in fact, took the lead in promoting the consumption of grains other than wheat for direct human consumption and succeeded in overcoming prejudices, based on long-established food habits, in the receiving countries against the use of corn, oats, and barley.³⁹

At an emergency meeting of the Committee on Cereals of CFB on 28 December, the United States representative tabled, as a basis for discussion, a balance sheet showing a world export availability of 12 million tons of bread grains against stated import requirements of 18 million tons.⁴⁰ The proposed allocation for UNRRA was 2,900,000 tons—a cut of over one-third. For no other claimants, except the British Zones of Germany and Austria, were such severe reductions contemplated.

The question of food deficits in 1946 was taken by the Administration to the Committee on Supplies which referred it to an *ad hoc* Subcommittee on Special Supply Problems. This Subcommittee considered the problem of grains, and also that of fats and rice, in consultation with executive members of CFB. A report by the Subcommittee was adopted by the Committee on Supplies, after discussions which revealed grave anxiety over the inadequacy of the UNRRA allocations

³⁶ Report by CFB Committee on Cereals to executive officers of Board, 30 December 1945.

³⁷ CS(46)4, 21 January 1946.

³⁸ Letter, Cairns to R. A. Furness (chairman, Statistical Subcommittee of CFB Committee on Cereals), 7 January 1946.

³⁹ Memo, Cairns to R. H. Allen (Food Division, HQ), 27 October 1947.

⁴⁰ Reproduced as CS(46)4, 21 January 1946, Appendix C, "Wheat and Flour: Stated Requirements and Suggested Distribution of Supplies by Sources during January–June 1946."

and the inequity of treatment between them and the allocations made to other claimants. It was disclosed in the report that, up to the end of January, the Administration had received, against a requirement already severely scaled down to 533,000 tons of grain a month for February and March, commitments of only 299,000 tons for February and 32,000 tons for March.⁴¹

The report drew attention to the Administration's conviction that the removal of wheat and flour from formal international allocation six months earlier had resulted in commitments being made—including forward sales—between individual exporting and importing countries. This meant that a large part of the available exportable supplies was already lost to the countries represented by UNRRA. It was recommended that:⁴²

(1) The decision to remove wheat and flour from international allocation be reopened.

(2) Additional quantities of wheat, rice, flour, and fats be made available for countries receiving UNRRA's assistance.

(3) When UNRRA's requests for supplies were not met in full, the Administration be given an opportunity to discuss with the supply authorities the reasons for such action.

(4) The Director General inform immediately the United Nations Assembly, then meeting in London, of the problems facing UNRRA, stressing the grave implications of a failure to meet its requirements.

In accordance with the last recommendation, the Director General communicated with the United Nations Assembly. A resolution was passed by the Assembly urging economy in the use of food and maximum production in the coming season. Further, the resolution urged all governments and international organizations concerned with food and agriculture to publish full information regarding the world food situation, the future outlook, and steps being taken to meet the emergency.⁴³ It was a gesture of good will.

The Subcommittee's report was referred by the Committee on Supplies to the Fourth Council Session, at which the food crisis rendered

⁴¹ CS(46)13, "Report of the *Ad Hoc* Subcommittee on Special Supply Problems to the Committee on Supplies," 9 February 1946.

⁴² *Ibid.*

⁴³ Resolution adopted by the General Assembly of the United Nations, 14 February 1946, Council IV Document 19, C(46)13, "Combined Food Board Third Report to the United States, Canadian, and United Kingdom Members of the Council," 15 March 1946, Appendix 1.

all other items on the agenda relatively insignificant. The Report of CFB to the Council stated that there was no prospect that the wide gap between requirements and supplies could be filled and that starvation and hunger were inevitable for large groups of the populations of Europe and Asia. It described the steps which had been taken to help meet the emergency: ⁴⁴

In the United States, the President, in response to a personal appeal made to him by Lehman, had issued a nine-point food program designed to reduce the use of wheat. The program included provision for an increase in the extraction rate of flour to 80 per cent, for the discontinuance of the use of wheat in liquor manufacture, and for reductions in the amount of wheat to be fed to livestock.⁴⁵ In the United Kingdom, planned wheat stocks at the end of June 1946 had been substantially reduced, the extraction rate of wheat raised to 85 per cent, and a national economy campaign launched to prevent waste.⁴⁶ In Canada, it was proposed to continue to export wheat at the average rate of approximately one million bushels per working day.⁴⁷

The impotence of the CFB Cereals Committee was, however, revealed by the admission of its inability to reach agreed allocations among claimants, and by the fact that it could do nothing more specific than repeat the general recommendations on conservation of grain which it had urged continually in the preceding months.⁴⁸ The complete inadequacy of existing international allocation machinery to deal with famine conditions was obvious.

Lehman, in a forthright address, informed the Council that, during the first quarter of 1946, the Administration would have shipped only about 53 per cent of its bread-grain requirements, 20 per cent of its rice needs, and less than 4 per cent of its requests for edible fats.⁴⁹ He added:

It is my duty solemnly to inform you that on the 17th day of March the Administration had not, with the exception of 50,000 tons of flour from the United States and 10,000 tons of flour from Canada, received any assurance of the amount of bread cereals that will be available for it to ship in April.

⁴⁴ Council IV Document 19, C(46)13, 15 March 1946.

⁴⁵ *Ibid.*

⁴⁶ *Ibid.*

⁴⁷ Memo, Committee on Cereals to executive officers, Combined Food Board, "Cereals Position, January-June 1946," 11 March 1946.

⁴⁸ *Ibid.*

⁴⁹ Council IV Document 50, C(46)30, "A Statement by the Director General on the World Food Crisis," 18 March 1946, p. 2.

Wheat will be made available—I am certain of that—but the hand-to-mouth character of the allocations and commitments has the effect of piling crisis upon crisis. The Administration is in the dark regarding what it must arrange to ship; the receiving countries cannot be notified as to what they would be prepared to receive and distribute. In consequence, the whole situation is fraught with confusion and uncertainty.⁵⁰

He recommended: (1) increased production; (2) intensification of food conservation measures; (3) the adoption by member governments of rigid control measures, justified by the continuance of wartime conditions; (4) effective measures to amass the 1946 harvest and increase extraction rates of bread grains and reductions in the use of cereals for nonfood purposes; and (5) the broadening of membership of CFB in order to carry into operation more effectively the pooling principle among the United Nations.⁵¹ At later meetings he reiterated the importance he attached to the immediate widening of representation on CFB so that a central body, capable of dealing with the emergency on an international basis, could be developed quickly.⁵²

The Administration's dissatisfaction with CFB lay in the fact that it (the Administration) had no knowledge of the standards used by other claimants when submitting their cases to CFB, nor of the standards used by the Board when recommending allocations. Thus the Administration was unable to assure any country, dependent for food on UNRRA, that it was getting fair treatment in relation to other countries not represented by UNRRA before the Board.

At the concluding meeting, which the Director General described as completing "the most important debate in the history of UNRRA," Lehman proposed a resolution covering numerous measures for the conservation and expansion of food supplies and for a revision of the allocating machinery. The resolution included a provision that allocating bodies should

use as their sole criterion of equitable distribution that the total supplies of food made available for export shall be allocated so as to result in each food-importing member of the United Nations attaining the same percentage of its 1935-39 level of consumption as every other importing member of the United Nations.⁵³

⁵⁰ *Ibid.*, p. 3.

⁵¹ *Ibid.*, pp. 5-6.

⁵² Council IV Document 128, C(46)45, minutes 4th plenary meeting, 18 March 1946.

⁵³ Council IV Document 111, *Ad Hoc* Committee on Policy (*Ad Hoc/P*) 16, verbatim minutes 6th meeting, 22 March 1946; *Journal*, Fourth Council, p. 70.

The resolution as finally adopted by the Council embodied most of the proposals regarding economy measures, but omitted any reference to the expansion of the allocating machinery, or to the proposal that food allocations should be made in accordance with an objective measure of need.⁵⁴ A clause was added to the effect that, in view of the gravity of the food position, the Council should remain in session and reconvene in Washington as soon as the Director General was able to report on the outcome of his consultations with the representatives of the supplying governments and CFB.⁵⁵

At this juncture LaGuardia became Director General. He immediately concentrated his energy on overcoming the food crisis. His tactics were characteristic, and as different from those used by Lehman as he was different from Lehman. He used his flair for publicity to make people of all nations aware of the gravity of the emergency. Whereas Lehman's appeal had been directed to the intellect—for justice among the various claimants on world food stocks—LaGuardia's was to the emotions—for food for "millions of hungry, starving, dying people."⁵⁶

Within twenty-four hours of assuming his new responsibility, he called on President Harry S. Truman to ask his assistance.⁵⁷ This visit was followed by a letter, concluding with the paragraph:

My feeble voice is not enough, Mr. President. Please make an appeal to the farmers of the country and get the Department of Agriculture moving on this so that we will not have one day's delay. The situation is something that we cannot make up later on. Shipments in June will not save the lives of people who otherwise will die in May.⁵⁸

In fact, it was too late to increase substantially the April and May arrivals of grain except by diversions of grain ships already afloat.

LaGuardia dispatched a personal cable to the Prime Minister of Canada, asking his help in the food crisis. He appealed to the Pope. He convened an emergency meeting to which he invited the United States Secretary of Agriculture and senior representatives of the Argentine, Australian, Canadian, and United Kingdom Embassies in Washington and requested that they should arrange that April grain shipments to

⁵⁴ Resolution 89.

⁵⁵ *Journal*, Fourth Council, p. 134; Resolution 89, paragraph 2c.

⁵⁶ Press Release 289, 5 April 1946.

⁵⁷ Monograph, R. W. Allen, "The 1946 Famine Emergency—Attempts to Meet Grain Needs," p. 15.

⁵⁸ Letter, LaGuardia to Truman, 2 April 1946.

UNRRA countries should be increased by 300,000 tons—the minimum required to permit the continued functioning of the bread-rationing systems during May and to provide a workable stock position on 1 June.⁵⁹ The assembled government representatives came to the conclusion that this embarrassing problem was properly for consideration by CFB.⁶⁰ A meeting of the Board was therefore arranged. It appointed a Subcommittee to consider proposals for diversions of ships afloat, or being loaded for countries with relatively favorable stock positions, to UNRRA countries.⁶¹

As a result of the Subcommittee's activities, 94,000 tons of grain and grain products were diverted; of this amount 60,000 tons came from diversions from United Kingdom allocations. The total shipments in April amounted to only 360,000 tons, but, in the opinion of the Director General, the diversion had saved the day.⁶² The May position was still serious.

The Council was reconvened on 9 May for one day. The Director General gave an account of his doings and concluded with the following recommendations:

All governments concerned be called upon to establish, for the duration of the existing food crisis, one broad international agency with adequate powers to make and implement allocations on an equitable basis of grain and all other basic foods in short supply. That for the duration of the present food crisis all purchases of grain and other basic foods in short supply be coördinated in a manner which will preclude competitive buying and speculative selling.⁶³

Before the Council adjourned it adopted the long-awaited resolution recommending the immediate development of more adequate machinery for making effective all allocations.⁶⁴

At the Food and Agriculture Organization (FAO) Conference in May 1946 agreement was reached that the three-member CFB should give way to a broadened international organization to be known as the International Emergency Food Council (IEFC).⁶⁵

⁵⁹ Council IV Document 246, C(46)98, "Revision of Document 245, C(46)97, Report of the Director General to the UNRRA Council on the Developments in the Food Crisis," 8 May 1946; *Journal*, Fourth Council, "Report of the Director General on the Developments in the Food Crisis since the Recession of the Fourth Session of the Council at Atlantic City on 29 March 1946," pp. 135-141.

⁶⁰ *Ibid.*

⁶¹ *Ibid.*

⁶² *Ibid.*

⁶³ *Ibid.*

⁶⁴ Resolution 93.

⁶⁵ Food and Agriculture Organization (FAO), *Report of the Special Meeting on Urgent Food Problems* (Washington, D.C., 1946), p. 35; see also *Journal*, Fifth Council, p. 60.

The 1946 harvest in Europe was somewhat earlier than usual. This fact, and the grain arrivals made possible by the April and May diversions, together with strenuous efforts, particularly in the United States, to increase the volume of grain exports, enabled the UNRRA countries to survive without a complete breakdown in the distribution of bread grains until the new harvests were gathered in. Grain shipments over the January–June 1946 period totaled 2,100,000 tons in wheat equivalent—fifty per cent of the stated requirement of 4,200,000 tons for the period.⁶⁶

Distribution in the receiving countries was on a hand-to-mouth basis. There were ration cuts in most countries. In several there were local breakdowns in distribution which meant that some ration coupons were not honored punctually, if at all.⁶⁷

5. FOOD POLICY AFTER MAY 1946

The easing of the immediate food crisis did not mean that the danger of food shortages was overcome. The contrary was the case. The total sum that had been allocated for food procurement up to the end of June 1946 was \$1,100 million.⁶⁸ The Food Division's policy had been to buy all the basic foods it could get at the lowest possible prices, regardless of how quickly the sum allocated to it would be spent.⁶⁹ There remained, as a result, in May 1946 about \$200 million. In order to take up food allocations as they were made, most of this sum had, by that time, been committed.⁷⁰

The Food Division had expected that, in order to reap the benefit of Lehman's and LaGuardia's earlier efforts to get larger food allocations, the allotment of funds for food would have been substantially increased when the program of operations for the June–December 1946 period was drawn up. Instead, however, discussions with mission chiefs at the Third Supply Conference had resulted, owing to commitments for other items, in only \$1 million additional funds being made available for food.⁷¹ This meant that if the grains and fats essential to meet food needs till the end of the year were to be bought, tentative commitments which had been made for meat and dairy

⁶⁶ Monograph, Allen, "The 1946 Famine Emergency—Attempts to Meet Grain Needs," p. 22.

⁶⁷ *Ibid.*, p. 23.

⁶⁸ Memo, Cairns to LaGuardia, 30 May 1946.

⁶⁹ *Ibid.*

⁷⁰ *Ibid.*

⁷¹ *Ibid.*; see also *supra*, Part Three, Chapter II, Section 9.

products (commitments which of necessity had to be made farther in advance than for other food commodities) would have to be canceled.

Cairns was disturbed not only about the immediate position but about the outlook for 1947. On 30 May he addressed a memorandum to the Director General which included the following remarks:

The situation with respect to the last half of 1946 . . . is grave, but the position in the first six or eight months of 1947 is less grave only in the sense that there is more time to prepare for it. Several UNRRA countries will continue to need large imports of food at least until the 1947 harvests are available. It is manifestly impossible for the successor, if any, to UNRRA effectively to take control prior to 1 January 1947. And unless financial and other arrangements are made at a very early date to provide for a continuation of food shipments after the turn of the year the position of the countries now dependent upon UNRRA will be gravely prejudiced, irrevocable financial arrangements must be made at least three and in most cases six months in advance of the period of shipment.⁷²

He urged that, unless action were taken quickly to increase the funds available for food procurement: (1) revocable contracts for basic foods, such as milk and meat, would have to be canceled; (2) allocations would be severely affected; (3) procurement activities in the supplying countries would have to be relaxed owing to reductions in effective requirements; (4) food that should have been shipped to UNRRA countries would go elsewhere; (5) UNRRA countries would be deprived of sorely needed food by the end of the third quarter; and (6) the case of these countries for an equitable share of the world's pool of food supplies in the last quarter of 1946 and in the first half of 1947 would be gravely prejudiced.⁷³

The remedies he suggested were drastic. They included a proposal that, pending the completion of arrangements to finance food shipments during the third and fourth quarters of 1946, no funds should be committed for the procurement of any supplies other than food. He urged that the Director General should notify members of the Council that he intended to include on the agenda for the next session a proposal for an additional contribution, totaling not less than \$750 million (about 0.5 per cent of the national incomes of the contributing countries), for food purchases during the period ending 31 August

⁷² Memo, Cairns to LaGuardia, 30 May 1946.

⁷³ *Ibid.*

1947, as a prerequisite to the protection of the food position of the UNRRA countries.⁷⁴

The Director General's reply was that nothing could be done to increase the funds available for food; that, therefore, the Food Division should proceed on the existing basis, as modified by receiving governments, and should, moreover, go as far as possible in canceling contracts and commitments for meat and other expensive foods.⁷⁵ This decision marked a turning point in the UNRRA food operation. The Food Division began immediately to curtail its food procurement operations and to seek to be relieved by the United States Department of Agriculture of commitments for meat and dairy products. From this time onward it could no longer be said that the Administration was buying and shipping all the staple foods available at reasonable prices.⁷⁶ The next food crisis was now beginning to take shape. It was to differ from the earlier one in that funds rather than supplies were to be the limiting factor on food procurement.

At the Fifth Council Session in August 1946, at meetings of the Committee on Policy, Cairns described calculations made by the Food Division which indicated that food import needs of Austria, Czechoslovakia, Greece, Italy, Poland, and Yugoslavia, before the 1947 harvest, would amount to some \$1,000 million in addition to the balances of funds remaining in their respective UNRRA food budgets.⁷⁷ His figures were questioned by Council members, particularly by the member for the United Kingdom.⁷⁸ Cairns admitted that any calculations, involving a forecast for a twelve-month period, were likely to involve an error of some 15 per cent.

Although the precise outcome of the 1946 harvest could not be known in August, the area to be harvested was known, and, even if it were assumed that crops would be good, it was certain that large imports of grain and other staple foods would be necessary. Furthermore, it was possible, since livestock numbers were known, to make estimates, accurate enough for planning purposes, of the probable level of livestock products. Such predictions as these were, in fact, familiar exercises, and the commodity committees of IEFEC were indeed engaged upon them at that time.

⁷⁴ *Ibid.*

⁷⁵ Memo, R. G. A. Jackson to Weintraub, 31 May 1946.

⁷⁶ Monograph, R. H. Allen, "Failure to Complete the Job," p. 5.

⁷⁷ *Journal*, Fifth Council, p. 63.

⁷⁸ *Ibid.*, p. 65.

Nevertheless, the United States and United Kingdom members maintained that it was too early to make forecasts. C. Tyler Wood, the United States member, said:

The matter is not of such great urgency at this particular time, since the UNRRA programs are probably going to run into next year, and the stringency of food is certainly not going to become great until at least next spring. It seems to me that the United Nations . . . ought to have this problem laid before them.⁷⁹

On 11 November 1946 LaGuardia addressed a meeting of the United Nations Assembly and presented to it a proposal for the creation of a United Nations Emergency Food Fund to help meet the needs in 1947 of such countries as were unable to finance their own food imports. The fund would consist of money and supplies totaling at least \$400 million. All countries able to do so would be asked to contribute, but none should be called upon to contribute more than 49 per cent of the total.⁸⁰ No effort was made to put this plan into effect. A month later, however, the General Assembly of the United Nations set up a special technical committee to study relief needs after the termination of UNRRA.⁸¹ The Committee found that Austria, Greece, Hungary, Italy, Poland, and Yugoslavia would need food and other essential supplies in 1947 amounting to \$583 million more than they would be able to finance from their own resources.⁸²

6. THE EMERGENCY FOOD FUND

In January 1947 Dallas Dort, the United States representative on the Program Subcommittee of the Central Committee, presented a "Proposed Plan for Utilization of UNRRA's Resources to Meet Urgent Food Needs in the First Quarter of 1947." The introductory statement was practically a denial of the remarks of the United States representative at the Fifth Council Session:

A most serious problem faces a number of UNRRA countries in assuring the delivery of essential food supplies during the next few months. . . . It appears, however, that in any case no substantial assistance will be available

⁷⁹ *Ibid.*, p. 67.

⁸⁰ United Nations Assembly, Committee II, minutes of meeting, 11 November 1946; see also DGR 10, Appendix 1.

⁸¹ United Nations Assembly, 56th plenary session, 11 December 1946, Document A/237.

⁸² Monograph, Allen, "Failure to Complete the Job," p. 11.

during the first quarter of 1947. . . . The people of several countries will face real suffering unless UNRRA utilizes its remaining resources to meet this need. It seems essential therefore that the Central Committee recognize that the provision of needed foodstuffs should have the highest priority in the utilization of UNRRA's resources and that additional funds should be allocated to the programs of those countries which are urgently in need of food.⁸³

The United States representative's proposal was that the uncovered food deficit for the first quarter of 1947, estimated at \$123 million, should be met by a 4.6 per cent assessment against the total programs of all UNRRA receiving countries with the exception of those of Byelorussia and the Ukraine. The proposal had much in common with that made by Cairns eight months earlier.⁸⁴ The main difference was that it was now too late to be feasible. The Director General informed the Program Subcommittee that the Administration would be unable to release enough money to meet the needs for food imports, even if it were to take the most drastic measures to reduce nonfood programs.⁸⁵ Moreover, the items still not covered by firm contracts consisted, in the main, of supplies of the most critical importance, such as coal, medical supplies, feed, fertilizers, and spare parts and supplies essential to the utilization of equipment already furnished, to obtain which occupied countries were depriving themselves of much-needed food supplies.

The Administration made a counterproposal: that about \$25 million in nonfood programs which was likely—owing to shipping deadlines and for other reasons—to be “nonexpendable” should be used to create an emergency food program; to this should be added \$4 million from the Director General's reserve. A further \$6 million could be obtained through a cutback in the program for Czechoslovakia.⁸⁶ In this way a total emergency food fund of \$35 million might be provided.

In calculating how an available fund should be allocated, an estimate was made, for each of the UNRRA countries, of the total value of a food supply which would meet the FAO emergency subsistence

⁸³ CC/P(47)3, “Proposed Plan for Utilization of UNRRA's Resources to Meet Urgent Food Needs in First Quarter of 1947,” 11 January 1947.

⁸⁴ See above, Section 5.

⁸⁵ CC/P(47)4, memo, Director General to Program Subcommittee, 21 January 1947.

⁸⁶ For further discussion on the equity of this proposal, see Part Three, Chapter II, Section 13.

standard, that is, 2,000 calories per head per day.⁸⁷ Dollar values of supplies available from indigenous resources for consumption during the January through April period were added to the balances of the funds then in each country's food budget. To these amounts was added any foreign exchange currently available to the governments of the countries for procurement of food during the period. The total of all these resources was then expressed for each country as a percentage of the total cost of the supplies needed. The food budget of the country with the lowest percentage would be the first to benefit from the fund. It would receive an allocation sufficient to raise it to the level of the country with the second lowest percentage. If additional funds were available, the country which was originally lowest would be allotted further funds, together with the country which was second lowest, in such proportions as to raise the levels in the two countries simultaneously toward the level of the third lowest country. This sequence would be continued as far as the available funds would permit.⁸⁸ The principle of allocation was, in fact, a variant of the "equalization of deficiencies" technique commonly used by the Administration in distributing commodities in short supply.

The Program Subcommittee agreed in principle to the statistical formula, but did not agree to its logical, practical application.⁸⁹ Under the Administration's proposal, Austria and Poland would have been the only beneficiaries unless the size of the fund were increased. The United States and United Kingdom representatives held the view that Greece should have a share. They argued that Greece was in urgent need of food imports during the period under consideration. The Administration maintained that, though this was true, it was largely because supplies had been poorly utilized in Greece. Moreover, since Greece had foreign exchange with which to pay for food shipments, it should be required to do so.⁹⁰

By a majority vote it was decided that Greece should receive \$4 million from the fund and that the formula should be applied to the distribution of the balance, Austria thus becoming entitled to \$20 mil-

⁸⁷ The liberal UNRRA basis of 2,650 calories was thus abandoned in theory as it had long been in practice.

⁸⁸ CC/P(47)4, "Suggested Method of Distributing Additional Funds Which May Be Made Available for Food Procurement by UNRRA," 21 January 1947, Appendix 1.

⁸⁹ CC/P(47)13, minutes 49th meeting, 29 January 1947.

⁹⁰ *Ibid.*

lion and Poland to \$11 million.⁹¹ This proposal was endorsed, again by a majority vote, in the Central Committee.⁹²

Subsequently, Yugoslavia, which had consistently opposed the scheme, put in a plea to be included.⁹³ The Yugoslav case was based on the argument that crop estimates for 1946 had been revised sharply downward in January, and that these revised figures had not been taken into consideration when the allocations had been made.⁹⁴ On the basis of the revised figures, Yugoslavia's food resources amounted to only 52 per cent of the FAO emergency subsistence standard, instead of 80 per cent as previously calculated. Yugoslavia would thus have been the next country after Austria to be included in the Emergency Food Fund.⁹⁵ The major question was whether it would be possible for the Administration to buy food for Yugoslavia if funds were made available.⁹⁶ As the question of the 1946-1947 grain allocation for Yugoslavia was then under review by IEFEC, it was agreed that a decision should be delayed until this matter had been settled.⁹⁷ IEFEC decided that the total bread-grain allocation for Yugoslavia for the year ending 30 June 1947 should be 30,000 tons; of this quantity Yugoslavia had already received 12,500 tons, and a balance of 17,500 tons thus remained.⁹⁸ Representatives on IEFEC from the United States and Canada—the most logical suppliers—had stated that their countries should not be considered as sources of supply for even this small quantity.⁹⁹

The Administration laid the decision of IEFEC before the Program Subcommittee and recommended that the Subcommittee should authorize it to attempt to procure the 17,500 tons of bread grains or equivalent quantities of similar foodstuffs, using funds from the general resources of the Administration, without interfering with the emer-

⁹¹ *Ibid.*

⁹² CC(47)16, minutes 45th meeting, 3 February 1947; CC/P(47)23, "Eighth Report of the Program Subcommittee of the Central Committee to the Central Committee (as Amended and Approved by Central Committee, 3 February 1947)," 3 March 1947.

⁹³ Letter, Beno Habjanic (Commercial Attaché, Yugoslav Embassy, Washington) to Colonel Alfred G. Katzin (Deputy Director General and Chief Executive Officer, HQ), 28 March 1947.

⁹⁴ *Ibid.*

⁹⁵ CC(47)51, letter, Katzin to Habjanic, 28 March 1947.

⁹⁶ CC/P(47)26, minutes 52d meeting, 18 April 1947.

⁹⁷ CC(47)56, minutes 51st meeting, 3 April 1947.

⁹⁸ CC/P(47)28, letter, Secretary General of the International Emergency Food Council to Habjanic, 21 April 1947.

⁹⁹ CC/P(47)26, minutes 52d meeting, 18 April 1947.

gency food programs already in existence.¹⁰⁰ As it would be impossible, anyhow, to secure food for shipment in the first quarter of 1947, the decision turned on whether the Administration should, as a matter of principle, consider food emergencies arising in receiving countries after 31 March 1947, and whether—if the decision were in the affirmative—the needs of one country in the second quarter should be considered without reference to those of other countries.¹⁰¹ A majority of the members of the Subcommittee was not satisfied that a food emergency existed which justified treating Yugoslavia more favorably than other UNRRA countries in respect of a provision for the second quarter.¹⁰²

When the matter went before the Central Committee, it was decided, by majority vote, that the Administration should not engage in any food procurement for Yugoslavia beyond the limits of the existing budget.¹⁰³ This decision was made in face of a statement from Jackson, who had been in contact with Rooks—then in Europe—that food conditions in Yugoslavia were serious.¹⁰⁴ So the episode ended. The amount of food involved was small. It would probably in any case have had very little effect on the food supply position of Yugoslavia. On the other hand, it would have been a token of good will and would have shown a desire to do everything possible to relieve suffering. As it was, the political atmosphere in which the discussions were conducted marked a distressing departure from the objectivity which characterized the majority of the meetings of the Program Subcommittee and the Central Committee.¹⁰⁵

7. FOOD PROCUREMENT OTHER THAN OF BASIC FOODSTUFFS

Two thirds of the UNRRA food programs consisted of four major commodities: grain, meat, dairy products, and fats. The remainder was composed of supplies which were obtained to make up deficiencies in basic foods (for example, soya flour), or which were offered by supplying governments as contributions, or which were available

¹⁰⁰ *Ibid.*

¹⁰¹ *Ibid.*

¹⁰² *Ibid.*; CC/P(47)29, minutes 53d meeting, 22 April 1947.

¹⁰³ CC(47)61, minutes 52d meeting, 29 April 1947.

¹⁰⁴ *Ibid.*

¹⁰⁵ *Ibid.*; CC(47)56, minutes 51st meeting, 3 April 1947; see also monograph, Allen, "Failure to Complete the Job," pp. 29-30.

at particularly advantageous prices. The last consideration applied particularly to the procurement of horsemeat and of United States Quartermaster stores.

The inclusion of horsemeat in UNRRA food programs appeared to the Director of the Food Division to be an obvious way of increasing the amount of protein available to the receiving countries. Horsemeat is a familiar food in Northwest Europe and, though to a lesser extent, in Austria, Czechoslovakia, and Poland. It was available at about one-third to one-half the price of other meats.¹⁰⁶ Although it was not a product which receiving countries would have preferred, Cairns—never an optimist over prospective food supplies—would have bought it and stockpiled it in 1944 against future needs. By a strange coincidence, however, both Lehman and LaGuardia happened to have a personal prejudice against traffic in this form of food, and each in his time obstructed its procurement.¹⁰⁷

It was not until the autumn of 1945, when definite agreement by the Czechoslovak, Italian, and Polish Governments to accept shipments of horsemeat had been obtained, that the Food Division was authorized to buy it. At this particular time, however, the Administration was temporarily short of money, pending the appropriation of further United States funds, so procurement was again delayed.¹⁰⁸ By the time LaGuardia became Director General, however, horsemeat procurement both in the United States and Canada was well advanced. As Mayor of New York the new Director General had campaigned aggressively against the delivery of horsemeat into New York City. His crusade against this commodity—on the alleged grounds that it was misrepresented as beef—however reasonable in New York City, was most unwelcome in the Food Division. For a few weeks the Bureau of Supply did not inform LaGuardia of its interest in horsemeat. It then disclosed to him that the Food Division had placed contracts, after firm commitments had been received from UNRRA countries that they would accept it.¹⁰⁹ The Director General's reaction was that the program should be curtailed as much as possible.¹¹⁰ He

¹⁰⁶ Memo, Weintraub to LaGuardia, 18 April 1946.

¹⁰⁷ Monograph, David L. MacFarlane, "Horsemeat," pp. 5-7.

¹⁰⁸ Letter, Lehman to Senator O'Mahoney, 3 October 1945.

¹⁰⁹ Memo, Weintraub to LaGuardia, 18 April 1946.

¹¹⁰ Monograph, MacFarlane, "Horsemeat," p. 7.

wrote to the Polish Economic Mission in Washington asking that the Administration be given authority to get for them other meats instead of horsemeat, and added that it could get some good South American corned beef at a reasonable price.¹¹¹ The Food Division did not regard the last statement as accurate.

In spite of these domestic difficulties, however, the Food Division procured some 27,000 tons of horsemeat in the United States, about 12,000 tons in Canada, and about 2,000 tons in Mexico. To obtain the last amount it took part in putting an idle meat plant into operation and attached an inspector for UNRRA supplies to the company's staff.¹¹²

A very different category of foodstuff, but one which the Food Division was able to buy at particularly advantageous prices, was surplus food from the United States Army Quartermaster. Over \$135 million was spent on these supplies, which consisted mainly of canned meats, stabilized butter, cheese, sugar, jams, and peanut butter.¹¹³ Certain of the products which formed part of these purchases—for example, ration packs, candy, fruit, and fruit and tomato juices—would not have been bought if offered at market rates. They were, however, included with the other more valuable supplies which were available very much below their cost prices. Most of these supplies were shipped in the spring of 1946 during the most critical period in the Administration's supply program.

Fish, to supplement the animal proteins in short supply, was procured from many sources including South America, Canada, Newfoundland, Iceland, Greenland, Norway, Denmark, and Portugal. Some of it was made available as contributions in kind, but most of it was procured by the Food Division out of food budget funds. A total of nearly 300,000 tons valued at \$58 million was acquired.¹¹⁴

8. THE EXTENT OF THE ACHIEVEMENT

At the end of July 1946 the total UNRRA food budget was \$1,121 million. At the end of May 1947 it was \$1,243 million. Thus there had been an increase of \$122 million in the intervening period. Of this

¹¹¹ *Ibid.*, p. 9.

¹¹² *Ibid.*, pp. 12-13.

¹¹³ See Requisition UA-1240, 29 November 1945.

¹¹⁴ See Appendix Ten, Section III, tables on food for individual countries.

\$122 million, \$35 million was accounted for by the Emergency Food Fund and the remaining \$87 million by transfers from nonfood to food budgets upon the initiative of the various countries concerned.¹¹⁵

After the beginning of 1947, all UNRRA receiving countries, with the exception of Austria and Yugoslavia, procured some food with their own funds. Greece and Italy placed \$20,150,000 and \$12,600,000 respectively at the disposal of UNRRA to continue grain shipments on their behalf. In this way they had the benefit of UNRRA procurement facilities. Other countries made their own procurement and shipping arrangements.¹¹⁶ UNRRA was able, with the aid of the funds furnished by Greece and Italy, to procure and ship all the bread grains available for them through the first quarter of 1947. The procurement of other foods continued in small volume during the first half of 1947, with emphasis on such relatively economical foods as horsemeat, fish, pulses, and soya flour.

By the time the food programs came to an end, in the last part of 1947, the food position in all the receiving countries, except Yugoslavia, was better than it had been in the previous year.¹¹⁷ The UNRRA food standard had not, however, in any country, been reached.¹¹⁸ In Austria and Yugoslavia the food outlook was precarious.

The position might have been different if a conscientious effort had been made by supplying governments to stockpile food for relief in 1943 and 1944; if the first United States appropriation had been made earlier than June 1944; if wheat had remained subject to international allocation; if the United States Office of Price Administration had continued to exist. These things did not happen; in the judgment of the Food Division, the contribution which UNRRA was able to make to the recovery of the liberated countries was diminished because they did not. The fact remains, however, that the movement, in a period of under two years, of over nine million tons of food supplies to Europe and China was a solid achievement. That it was not enough was because the need was too great.

¹¹⁵ Monograph, Allen, "Failure to Complete the Job," p. 31.

¹¹⁶ *Ibid.*

¹¹⁷ *Ibid.*, pp. 32-33.

¹¹⁸ *Ibid.*

TABLE 13

TOTAL FOOD SHIPMENTS BY MAJOR CATEGORIES

<i>Categories</i>	<i>U.S. Dollar Equivalents</i>	<i>Gross Long Tons</i>
Grain and grain products	\$468,990,200	5,716,295
Soya products	17,123,800	141,063
Animal feeds	4,839,300	97,014
Meat and meat products	146,629,900	352,677
Dairy products	143,413,800	473,763
Soup, dried	18,427,900	68,675
Fish and fish products	58,377,100	285,617
Cod-liver oil	2,951,400	4,020
Fats, oils, and soap	117,732,300	481,153
Sugar	25,451,000	187,404
Pulses	25,933,000	234,757
Vitamins and minerals	80,300	10
Vegetables	3,527,500	70,077
Fruits and fruit products	2,083,200	8,925
Beverages	14,008,900	46,677
Other foods (including condiments)	7,641,700	162,321
Quartermaster Corps foods	135,255,000	663,441
U.S. Department of Agriculture surplus foods	7,000,000	29,379
Overseas surplus	19,968,400	62,139
Miscellaneous foods	7,630,100	34,034
Cigarettes and tobacco	604,500	
Red Cross parcels	5,359,100	8,687
Lend-Lease food	1,170,300	1,332
U.S. Army PX supplies	428,600	1,570
Miscellaneous accessorial and administrative charges	1,441,400	
Total	\$1,236,018,700	9,131,030

V. Medical and Sanitation Supplies

1. NATURE OF PROGRAM

AFTER World War I more lives were lost by pestilence than had been lost in combat.¹ After World War II this disaster might well have been repeated had it not been for the preventive measures taken by the liberating armies and for the efforts made by UNRRA² to give to the liberated countries "aid in the prevention of pestilence and in the recovery of the health of the people."³

The medical and sanitation supply program⁴ was planned to fulfill four main functions: (1) rehabilitation of hospitals, clinics, and laboratories; (2) prevention of epidemic diseases; (3) restoration of the drug industry; and (4) provision of specialized supplies for war victims.

The total medical and sanitation supplies provided were valued at almost \$117,500,000—about 4 per cent of the entire supply program. The largest amounts were sent to China (\$32,700,000), Poland (\$25 million), and Yugoslavia (\$20 million). Included in expendable categories alone were some 20,000 items ranging from narcotics to dental burrs.⁵ With this material assistance and the health services rendered, UNRRA was able, in addition to meeting primary relief and rehabilitation needs, to make a definite contribution to medical development in many of the receiving countries.

The United States was responsible for over 80 per cent of the medical and sanitation supplies program, procured largely from domestic production but also from military surpluses at home and overseas.⁶

¹ Committee of the Council for Europe (CCE) (47) 28, "Survey of UNRRA Operations in Europe," June 1947, p. 10.

² See Part Four, Chapter II, Section 2. ³ Preamble, UNRRA Agreement.

⁴ For sanitation supplies furnished as part of the industrial rehabilitation program, see Part Three, Chapter VII, Section 6.

⁵ Monograph, Leslie Atkins, "Summary of Activities of the Medical and Sanitation Supplies Division," p. 4.

⁶ Meeting on medical supply program, HQ, 19 March 1947.

Important contributions were also made by the United Kingdom, particularly of complete hospitals and drugs and equipment arranged in functional units; by Canada, notably radium and components of penicillin plants; and by Mexico, especially hospital textiles. Other items were procured in Australia, New Zealand, South Africa, India, and Latin-American countries.⁷

2. EARLY PROCUREMENT POLICIES

Programs of requirements for medical and sanitation supplies were, in the early days of procurement, drawn up, in accordance with usual military practice, in the form of units, classified either by function or by types of commodities.⁸ Each unit was planned to cover, in correct proportion, the basic medical needs of a community. It was hoped, by employing this system, to achieve flexibility in planning both supply and distribution.⁹ Principal types were:¹⁰

(1) Emergency units, containing drugs, dressings, and minor medical and surgical requisites to supply a group of 100,000 persons for one month.

(2) Hospital units, containing enough expendable supplies for the operation, over a considerable period, of 40-bed and 200-bed hospitals. The latter included equipment for a wide range of surgical and medical work.

(3) Dental units, designed on a simple scale for extractive and conservative work.

(4) X-ray units, containing apparatus and accessories for development and examination of films.

(5) Midwives' bags; confinement supplies for emergency needs of expectant mothers; and basic medical and domestic necessities for emergency homes, each accommodating six expectant mothers.

(6) Laboratories of six types (a hospital equipped with all six would be up to the standard of a medical school).

In both the United States (under the aegis of the Office of Foreign

⁷ Monograph, J. B. Scott, "Medical and Sanitation Supplies Division: Overall View of Division Operations," p. 5.

⁸ *Journal*, Second Council, "Status of Medical and Sanitation Supplies Program," Exhibit 2, p. 145.

⁹ Standing Technical Subcommittee on Health for Europe (THE/E)(44)29, ERO Health Division, "Summary Report of Imports Schedule," 2 November 1944.

¹⁰ *Ibid.*

Relief and Rehabilitation Operations [OFRRO]) and the United Kingdom the assembly of these functional units had been started in 1943, to be stockpiled against the future needs of liberated areas.¹¹ UNRRA continued the policy of stockpiling, and the first allocations proposed by the Combined Production and Resources Board (CPRB) for UNRRA were for such units, to be provided by the United States and the United Kingdom and supplemented from Canada with specific items needed to make up deficiencies in the assembled units.¹² As early as September 1944 advance procurement in the United Kingdom amounted to about \$7 million, nearly seven-eighths of the total United Kingdom contribution in medical supplies to UNRRA.¹³

From these assembled units, and similar units prepared by the United States Army and procured by UNRRA from military surpluses, the first objective of the medical supply program—the restocking of hospitals, clinics, and laboratories—was achieved. From the United Kingdom, 503 complete 40-bed hospitals and 132 of 200 beds were provided.¹⁴ Twenty-four 1,000-bed hospitals were procured from United States military surpluses in Europe and Asia and one 1,800-bed Navy-Fleet hospital for Greece, which required a train of 30 freight cars to transport it to shipside.¹⁵ In addition, mobile dental units, mobile X-ray units, confinement supplies, and laboratories were provided under the unit policy.

Although many of the individual supplies assembled in the units were plentiful in the earlier months of UNRRA, a few items were extremely difficult to secure. For example, although responsibility for providing hospital textiles had been placed on the United States and the United Kingdom under a Combined Board allocation, neither country was able to provide them. As late as October 1946, the Administration's inability to procure hospital bed sheets, baby diapers, and other essential medical cottons was causing considerable anxiety.¹⁶

¹¹ Monograph, Scott, "Medical and Sanitation Supplies Division: Overall View of Division Operations," pp. 1-4.

¹² *Journal*, Second Council, Exhibit 2, p. 145.

¹³ Committee on Supplies (CS) (44) 31, "Report of the Bureau of Supply," 7 September 1944.

¹⁴ CCE (47) 28, "Survey of UNRRA Operations in Europe," June 1947, p. 11.

¹⁵ Monograph, Scott, "Medical and Sanitation Supplies Division: Overall View of Division Operations," p. 6.

¹⁶ Conference with mission representatives, Program of Operations (PO)/IV, Document 10, Assembly 1, 24 October 1946.

Ultimately, a contribution from Mexico of \$1 million of sheetings, Canton flannels, and other hospital textiles went a long way toward meeting the needs.¹⁷

Though medical supplies in the form of units continued to be delivered until the programs reached completion—indeed, it was not until 1946 that those supplies from military surpluses became available—once the program of operations was drawn up, there was a departure from the functional unit approach. It had, in fact, been the subject of complaints from receiving countries because some of the drugs, surgical instruments, and equipment included were less needed than items from other sources.¹⁸ Most missions consequently preferred to submit requirements in terms of individual items, and procurement was latterly for the most part effected on that basis.¹⁹

3. EFFORTS TO PREVENT SPREAD OF EPIDEMICS

The primary purpose of the medical program was to prevent the spread of pestilence. For this purpose, large quantities of drugs, including penicillin, sulfa drugs, aspirin, diphtheria toxoid and antitoxin, and insulin were sent to the receiving countries. Some 3 million doses of typhus serum were provided for displaced persons in Germany.²⁰ Over 2,000 tons of DDT powder (100 per cent and 10 per cent) were provided in addition to over 1,200,000 gallons of DDT solution.²¹ Technicians were sent to help in the spraying of malarial swamps, carried out by aircraft when the area was large.²²

A threatened outbreak of diphtheria in Yugoslavia, in the autumn of 1946, was prevented from spreading by the provision of diphtheria toxoid in sufficient quantities to inoculate 3,500,000 children.²³ About 24,000 vials of the toxoid were sent by air from the United States to

¹⁷ Monograph, Atkins, "Summary of Activities of the Medical and Sanitation Supplies Division," p. 5.

¹⁸ For example, memo, C. M. Drury (Chief, Poland Mission) to Director of Health Division, 26 November 1945; letter, K. V. Olkhovsky (Director, Supply and Transport Department, Austria Mission) to Dr. J. G. Johnstone (Chief, Medical and Sanitation Supplies Section, HQ), 25 June 1946, and attachments.

¹⁹ Minutes, meeting on program of operations, Medical and Sanitation Supplies Division, 7 November 1945.

²⁰ Cable, Frankfurt to Washington unnumbered, 9 October 1945.

²¹ CCE(47)28, "Survey of UNRRA Operations in Europe," June 1947, p. 11.

²² See Part Five: Chapter II, Section 8; Chapter IV, Section 2; Chapter VIII, Section 9.

²³ Memo, Leslie Atkins (Deputy Director, Medical and Sanitation Supplies Division) to W. G. Dominick (Director, Shipping Division), 29 November 1946.

meet the immediate emergency. These supplies were followed by further shipments by sea from the United States and the United Kingdom.²⁴

To the Far East, cholera and plague vaccines were shipped by special aircraft and by sea. These, together with rat poisons and sanitation supplies, helped to keep in check an outbreak of cholera in the summer of 1946. In addition to UNRRA supplies, a contribution of sulfadiazine from the Lederle Laboratories, Inc., played an important part in checking the spread of the disease.²⁵

As in all postwar periods, venereal diseases approached epidemic proportions. Large consignments of penicillin, arsenicals, and bismuth preparations were provided, but at the end of the UNRRA operation much yet remained to be done to check these diseases.²⁶

An inevitable result of privation and hardship, especially in towns and cities, was the alarming increase in the incidence of tuberculosis. It was only toward the close of the medical supply programs that the antibiotic streptomycin was developed. Although streptomycin had hardly emerged from the category of a research drug, UNRRA succeeded in procuring in the United States—with the agreement of the Office of International Trade—small quantities to send to countries in Europe.²⁷

In September 1945 an urgent appeal for iron lungs to help ameliorate the results of infantile paralysis was received in ERO from Czechoslovakia. Only one or two iron lungs could be bought. Arrangements were, therefore, made with the British Broadcasting Corporation for a message to be sent out, asking hospitals to inform ERO of any iron lungs they might be able to loan. Within twenty-four hours more than fifty offers were received. The required number were chosen and immediately dispatched to Prague by air, a doctor from the North West London Fever Hospital traveling with the equipment to ensure that it was properly installed and utilized.²⁸

²⁴ Memo, Johnstone to Dr. J. Vesely (Health Division), 10 December 1946.

²⁵ Dr. Jerome S. Peterson, "Epidemiological Studies in Cholera," *Chinese Medical Journal*, LXIV, Nos. 9-10, pp. 271-295.

²⁶ Monograph, Atkins, "Summary of Activities of the Medical and Sanitation Supplies Division," p. 3.

²⁷ Memo, S. A. Dinaburg (Medical Supplies Division) to Atkins, 3 December 1946.

²⁸ Department of Supply, ERO, Report for September 1945.

4. RESTORATION OF DRUG INDUSTRY

By providing the receiving countries with raw materials and up-to-date equipment for manufacturing pharmaceutical supplies, the health program aimed to aid their medical development. X-ray equipment was procured for dental diagnosis, mass chest surveys, and therapeutic uses, together with spare parts and darkrooms. X-ray film was particularly difficult to locate but was finally procured late in 1947 in Belgium and the United Kingdom.²⁹ A 1-million volt X-ray machine for cancer treatment was included in the Czechoslovak program;³⁰ Poland received twenty-one X-ray machines of varying types from the United States and the United Kingdom³¹ and 17.7 grams of radium. In all, through the generosity of the Canadian Government, the Medical and Sanitation Supplies Division procured 37.5 grams of radium, which, apart from the allocation to Poland, supplied hospitals in China, Czechoslovakia, the Ukraine, and Yugoslavia.³²

Late in 1945 a plan was proposed for the provision of equipment and supplies for the production of penicillin within countries interested in the scheme.³³ Materials for plants capable of producing 40,000 million units of penicillin per month were to be provided.³⁴ Six countries—Byelorussia, China, Czechoslovakia, Italy, Poland, and the Ukraine—decided to devote part of their medical budgets to the project.³⁵ For Yugoslavia a complete plant already assembled was procured.³⁶

The bulk of the larger items of equipment—motors, tanks, and compressors—was procured in Canada, but various component parts had to be secured in the United States and the United Kingdom. The projects continued slowly in 1946 and did not gain momentum until 1947. By the time UNRRA shipments came to an end, the full possibilities of the installations could not be known, but UNRRA had

²⁹ Monograph, Atkins, "Summary of Activities of the Medical and Sanitation Supplies Division," p. 5.

³⁰ Monograph, Scott, "Medical and Sanitation Supplies Division: Overall View of Division Operations," p. 6.

³¹ Monograph, Mildred Frye, "Polish Medical and Sanitation Program History," p. 6.

³² Monograph, Atkins, "Summary of Activities of the Medical and Sanitation Supplies Division," p. 6.

³³ Conference with mission chiefs on Program of Operations, 13 December 1945.

³⁴ Monograph, Eris M. Holland, "Penicillin Plant Project," p. 1.

³⁵ Memo, Atkins to World Health Organization.

³⁶ Monograph, Holland, "Penicillin Plant Project," p. 1.

left behind a permanent contribution to the medical development of the countries which took part in the scheme.

5. SPECIALIZED EQUIPMENT FOR WAR WOUNDED

Another type of medical equipment furnished to most of the receiving countries was machinery for the production of artificial limbs, partially completed prosthetic devices, and finished artificial limbs of modern design to rehabilitate the thousands crippled in the war or subsequently by exploding land mines and shells.³⁷ Complete factories for the manufacture of artificial limbs were supplied to China and Poland from the United States; ³⁸ orthopedic tools for hospital use were furnished to China, Greece, Poland, and Yugoslavia; and materials were supplied for the maxillofacial surgery program sponsored by UNRRA in Yugoslavia.³⁹

6. EFFORTS TO COMPLETE MEDICAL PROGRAMS

By the time the Fourth Supply Conference was held in October 1946, it was evident that a considerable number of items in the medical supplies program could not be obtained. Many countries, faced with the "2 per cent freeze," chose to cut their medical programs.⁴⁰ The total medical budget by November had been reduced from \$153 million to \$125 million ⁴¹ and by the end of the operation to \$118 million.

Orderly planning and efficient execution were not characteristics of the medical program. The extent of its achievement, particularly in meeting promptly emergency appeals from receiving countries, is the more remarkable in view of the difficulties encountered in carrying out the program. Some of these the Administration could have avoided; others were out of its power to overcome. Some categories of pharmaceutical equipment, drugs, and chemicals were in chronic short supply. Items customarily furnished to the European market before the war from the highly developed German manufactories now had to be se-

³⁷ Monograph, Scott, "Medical and Sanitation Supplies Division: Overall View of Division Operations," p. 7.

³⁸ Letter, Atkins to Yugoslav Embassy, 22 January 1948.

³⁹ See Part Give, Chapter III, Section 4.

⁴⁰ For example, China, PO/IV Document 54, 7 November 1946, p. 4; Czechoslovakia, PO/IV Document 21, 22 October 1946.

⁴¹ Program Subcommittee of the Central Committee (CC/P) (46)105, 29 November 1946.

cured from United States and United Kingdom producers, already burdened by increased domestic demands.⁴² UNRRA mission personnel and Government officials sometimes lacked sufficient technical knowledge or familiarity with United States and United Kingdom nomenclature and terminology to prepare usable lists of requirements. In other cases they were extremely slow in submitting their requests.⁴³ Within Headquarters, the program was to some degree delayed by lack of agreement and coordination between the Medical and Sanitation Supplies Division and the Health Division.⁴⁴ The former, moreover, proved inadequate in handling the multitude of medical requisitions, with the result that material was frequently lost to the Administration through being "no longer available."⁴⁵ Nor had the Medical Procurement Section of the United States Bureau of Federal Supply a much better record; substantial numbers of requisitions placed with it by the Administration in the autumn of 1946 were found not to have been processed or, in some cases, even opened, by March 1947.⁴⁶ Other difficulties arose from increasing prices, delays in shipping, procurement "freezes," and the imposition of a deadline on shipping from the United States.

The effect of this accumulation of misfortunes was that by March 1947 the China Medical Supplies program was only 47 per cent completed, and the European programs, while further advanced, were still far behind in relation to other commodity deliveries.⁴⁷ As late as April 1947 representatives on the Committee of the Council for Europe were expressing anxiety about the size of the programs still outstanding.⁴⁸

Under the temporary direction of Dr. J. G. Johnstone and subsequently under Frederick C. McMillen, who remained until the close of the operation, an intense effort was made from the end of 1946

⁴² CCE(47)22, minutes 36th meeting, 17 April 1947.

⁴³ Meeting on medical supplies program, 19 March 1947.

⁴⁴ For example, memo, Dr. W. A. Sawyer (Director, Health Division, HQ) to I. V. Sollins (Chief, Medical and Sanitation Supplies Division), 26 January 1946; Health Division staff meeting minutes, 16 April 1946; see monograph, F. C. McMillen, "Organizational History of the Bureau of Supply," pp. 19-22.

⁴⁵ Meeting on medical supplies program, 19 March 1947; monograph, Scott, "Medical and Sanitation Supplies Division: Overall View of Division Operations," pp. 6-7.

⁴⁶ Letter, Colonel Alfred G. Katzin (Deputy Director General and Chief Executive Officer) to Dallas Dort (United States Department of State), 10 April 1947.

⁴⁷ *Ibid.*

⁴⁸ CCE(47)22, minutes 36th meeting, 17 April 1947.

to bring the medical programs to fulfillment. In this effort the Director General and the Chief Executive Officer, Frank Weisl, were closely concerned. By the time all procurement had ended, the shortfalls, which had threatened particularly in the cases of China, Italy, and Poland, were almost completely eliminated.

VI. Clothing, Textiles, and Footwear

I. CHANGES IN EMPHASIS AND AVAILABILITY

THE DEVELOPMENT of the clothing, textiles, and footwear programs provides striking instances of scarcity and abundance. Throughout the operation there was ample raw cotton and wool;¹ on the other hand, particularly in the early stages of the operation, there was a scarcity of woolen and cotton piece goods.² As the programs developed, there was a sufficient supply of footwear, but throughout there was a crucial shortage of leather and hides.³ The supply of finished clothing, in the early part of the operation, appeared to be seriously deficient; in the later stages this was one of the few commodities of which the Administration had too much.

During the early period of the UNRRA operation a program was designed primarily to build a stockpile of clothing and footwear adequate to furnish a minimum wardrobe to the populations of the liberated countries.⁴ The Administration fully recognized that the provision of raw materials to restore local clothing industries was an integral part of its responsibilities, but at this time it was regarded as secondary in importance to the provision of textiles and ready-made clothing.⁵

By the autumn of 1945 there was a radical change in emphasis as between finished goods and raw materials. The amounts of textiles and clothing which had been received through UNRRA shipments and through clothing drives sponsored by the Administration had gone a long way toward fulfilling the most urgent needs. In addition, in many of the liberated areas, it had been possible to put mills and fac-

¹ Memo, David Weintraub (Acting Deputy Director General, Supply) to Lehman, "Procurement Situation in Clothing and Textiles," 25 July 1944, pp. 10-11.

² *Ibid.*, pp. 1-4.

³ *Report of the Director General to the Council (DGR)*, 14, p. 184.

⁴ Letter, Weintraub to William L. Batt (United States Deputy, Combined Production and Resources Board [CPRB]), 17 July 1944.

⁵ *Ibid.*

tories back into operation, with the result that the governments were anxious to import raw materials for local processing rather than to receive the finished products.⁶ Thus the Greece Mission asked for a larger quantity of raw wool and cotton and for the deletion of woollen piece goods from its program.⁷ The Italy Mission asked for more hides.⁸ The Poland Mission wanted raw materials in place of cotton piece goods, and reductions in the finished clothing program.⁹

Another and no less significant change in the clothing programs at this time was a substantial reduction in size. This development was forced upon the receiving governments in order to leave room in their programs for increase in other more urgent programs. The reduced sums available could be realized more economically by substituting raw materials for the more expensive fabricated products.¹⁰

The change in the nature of requirements was fundamentally a healthy one, representing as it did an emphasis on rehabilitation rather than on relief. It presented the Administration with no problem so far as the supply of raw wool and cotton was concerned. On the other hand, it presented serious problems in meeting the increased needs for hides required by the receiving countries and, conversely, in decreasing the size of the finished clothing program. These two problems characterized the later stages of the operation, just as difficulties in obtaining adequate allocations of finished and semifinished products characterized the early activities of the Clothing and Footwear Division.

2. PROCUREMENT OF COTTON AND WOOLEN TEXTILES

The Administration's attempts early in 1944 to obtain allocations of textiles did not meet with much success.¹¹ Textile supplies fell far short of requirements in all the producing countries, even before the needs of the liberated areas were taken into account. In these circum-

⁶ DGR 14, p. 184.

⁷ Conference with mission chiefs, minutes of meeting on clothing, textiles, and footwear, program for Greece, 20 December 1945.

⁸ Conference with mission chiefs, minutes of meeting on clothing, textiles, and footwear, program for Italy, 19 December 1945.

⁹ Conference with mission chiefs, minutes of meeting on clothing, textiles, and footwear program for Poland, 18 December 1945.

¹⁰ DGR 14, p. 184.

¹¹ Letter, Weintraub to Batt, 17 July 1944.

stances, the only allocations made at that time by CPRB for liberated areas were to the Combined Civil Affairs Committee for supplies to be used during the military period of responsibility.¹² The Administration viewed this policy with concern, fearing that, if adequate allocations were not made in good time, UNRRA would find itself, when the period of military responsibility came to an end, without supplies to meet the continuing needs of the liberated countries.¹³ Moreover, the military plans did not include Czechoslovakia and Poland; there was, therefore, a risk that no provision would have been made for these countries by the time they were liberated.¹⁴

CPRB was not itself, however, able to do more than make recommendations as to sources of supply and to issue what came to be known as "hunting licenses." Whether its recommendations were carried out depended on whether the supplying countries decided to do so. UNRRA was informed by the Board that if it wished to receive allocations out of, for example, United States production, it would first have to obtain a statement from the United States textile allocating body, the Textile Requirements Committee, as to the amount which it would make available.¹⁵ Even with the support of the Committee, however, there was no guarantee that procurement would ultimately result.¹⁶

In these circumstances, efforts were made by the Administration to canvass individual governments which might be able to make textiles available. As a result of conversations initiated in the spring of 1944 with a Brazilian Textile Mission then in Washington,¹⁷ the Administration reached an understanding that some part of the Brazilian contribution would be provided in cotton textiles. At one time it was hoped the amount would be as much as 90 million yards;¹⁸ actually, however, it was considerably less. An agreement was reached with Canadian Government representatives which resulted in an allocation of 2,250,000 yards of woolen cloth from Canada with the provision that it should be fabricated by Canadian manufacturers.¹⁹

¹² Monograph, A. S. Boykoff, "Allocations of Clothing, Textiles, Blankets and Yarns," p. 4.

¹³ Letter, Weintraub to Batt, 17 July 1944.

¹⁴ Monograph, Boykoff, "Allocations of Clothing, Textiles, Blankets and Yarns,"

p. 5.

¹⁵ *Ibid.*, p. 7.

¹⁶ *Ibid.*

¹⁷ *Journal*, Second Council, Exhibit 3, "Status of Clothing and Textile Program,"

p. 147.

¹⁸ *Ibid.*

¹⁹ Monograph, Boykoff, "Allocations of Clothing, Textiles, Blankets and Yarns,"

p. 8.

Discussions with the United States Textile Requirements Committee resulted in a contingent allocation of 300 million yards of cotton textiles, and a recommendation that the Administration should set aside a fund for the purchase of "distress and surplus stocks," provided the War Production Board agreed that they could be made available.²⁰

These allocations were, however, entirely inadequate. A letter from Weintraub to Ogden White of CPRB illustrates the dissatisfaction of the Administration with the negative attitude of the Board:

While the Administration has been charged by its forty-four members with the task of making supplies available to meet urgent relief needs in these areas, the CPRB . . . has assumed the responsibility on behalf of its member governments for so allocating the global supply that the Administration can proceed on its assigned task. . . . If after considering for four and a half months our request for allocations of apparel and household textiles, the CPRB finds itself unable to obtain more adequate allocations, we should appreciate a statement from you to that effect together with any reasons you may be able to advance in the light of the global requirements and supply situations so that we may take appropriate action before the Second Session of the UNRRA Council.²¹

This would appear to have been effective. A series of discussions, subsequently held between representatives of various bodies interested, concluded in firm allocations of textiles being made to UNRRA.²² By the time the Second Council Session was held two months later, the prospect was considerably more hopeful.²³ Toward the end of 1944 and throughout 1945 sufficient allocations of textiles and yarns were made, principally from United States, Canadian, United Kingdom, and Brazilian contributions, to utilize the funds available for these commodities.

3. PROCUREMENT OF FINISHED CLOTHING

Most of the finished clothing provided by UNRRA was from what was known as "Plan A" stock, that is, civilian clothing and footwear procured originally for the Combined Civil Affairs Committee for

²⁰ Letter, Weintraub to Ogden White (CPRB), 17 July 1944.

²¹ *Ibid.*

²² Monograph, Boykoff, "Allocations of Clothing, Textiles, Blankets and Yarns," p. 16.

²³ *Journal*, Second Council, Exhibit 3, pp. 146-147.

distribution in occupied areas as and when they were liberated.²⁴ Supplies for this purpose had been built up in the United States and the United Kingdom over a considerable period.

In the United Kingdom, stocks included a certain amount of material rejected for service use because of faulty dyeing or for other cause, and of surplus supplies of cheaper qualities of civilian types of clothing.²⁵ The paradox of a surplus existing on a rigidly rationed and short-supply market is explained by the fact that people tended to spend their coupons on a more lasting quality of clothing than they would normally have bought.²⁶ These stocks were supplemented by additional supplies from pockets of capacity made available between runs of contracts for other purposes.²⁷

By the time UNRRA began to procure, the United Kingdom Ministry of Supply had developed machinery through which it was able to buy clothing for relief requirements for the paying governments as well as UNRRA. These supplies obviously had to be acquired as the opportunity offered, and there was no scope for the adoption of an elaborate bureaucratic procedure. On the basis of somewhat informal arrangements between the Ministry and UNRRA officials, the Administration indicated its broad requirements for relief clothing and undertook to take up supplies in the categories described to certain ceiling figures. Shipments of supplies to UNRRA countries were made during 1945 and early 1946 to a value of some \$14 million.²⁸ In the spring of 1946, however, it was realized that the United Kingdom Government believed a commitment had been made for nearly \$8 million of additional clothing which had not been covered in the usual way by Firm Request and for which, therefore, the Administration had made no formal provision. It appears that, since the paying governments had made no definite commitment as to what quantities they would take, the United Kingdom Government regarded UNRRA as committed by unwritten agreement to take up any shortfalls in the requirements of those governments.²⁹ In this unhappy situa-

²⁴ Monograph, G. E. H. Marshall, "Procurement Policy and Activities of the Clothing, Textiles and Footwear Division, ERO," p. 1.

²⁵ *Ibid.*, pp. 1-2.

²⁶ *Ibid.*

²⁷ *Ibid.*

²⁸ Supplement to monograph, J. E. Lejeune, "The Use of the United Kingdom Contribution to UNRRA," pp. 5-6.

²⁹ Letter, Marshall (former Director, Clothing, Textiles, and Footwear Division, HQ) to K. R. Miller, 16 February 1949.

tion, therefore, the United Kingdom Government was under no obligation to release the Administration from its alleged commitment; and, if delivery were insisted upon, the receiving countries would have to accept supplies, which, with the new orientation of the clothing programs, were not wanted.

It was not until May 1947 that the element of uncertainty surrounding the clothing stockpile was finally resolved. It was then agreed that the Administration should take delivery of about \$1,600,000 of the supplies and that the United Kingdom Government would dispose of the remainder. The arrangement was more satisfactory than had at one time seemed possible. Ultimately, its most unfortunate aspect was that funds to provide for the stockpile were frozen over a long period, during which they could have been used to good advantage for procurement of other much-needed supplies.³⁰

At Headquarters also the procurement of clothing was not without difficulties. Strenuous efforts were made to obtain in 1944 and 1945 a share of "Plan A" clothing (which included footwear) located in the United States. These efforts resulted, in July 1944, in contingent allocations which, as in the case of textiles, were not to be regarded as firm until military requirements were met and the supply position became easier.³¹ Toward the end of 1944, however, substantial amounts of these supplies were released, and, by the end of 1945, OFLC, which had assumed responsibility for the "Plan A" clothing and footwear, was prepared to transfer to UNRRA the whole stockpile.³² By now, however, the Clothing Division was reluctant to continue shipments of this material, since it was somewhat embarrassed by the quantities of clothing it already had.³³ Moreover, the condition of the material had somewhat deteriorated, and the price was regarded as high.³⁴ At this point, however, Hendrickson negotiated a settlement under which the Administration agreed to pay for "Plan A" clothing and footwear not yet shipped and further supplies in addition, a total of \$11,500,000 against a previous valuation of over \$26 million.³⁵ In the result, the

³⁰ Supplement to monograph, Lejeune, "The Use of the United Kingdom Contribution to UNRRA," pp. 5-6.

³¹ *Journal*, Second Council, Exhibit 3, p. 146.

³² Memo, M. Deane (Chief Supplies Branch, ERO) to Marshall, 6 March 1946.

³³ Letter, Marshall to Miller, 16 February 1949.

³⁴ Memo, Marshall to R. W. Ludlow (Assistant Controller, HQ), 10 June 1947.

³⁵ Memo, Hendrickson to Weintraub, "Agreement with OFLC on Clothing," 21 April 1946.

Administration obtained a large amount of clothing and footwear at a low price, and, in the opinion of the Clothing Division, in other circumstances it would have been a profitable bargain.

Six months later, at the Fourth Supply Conference, mission representatives were informed that, in spite of their reluctance to accept finished clothing, they would have to do so; the Administration had done its best to dispose of it, but had had little success.³⁶

The most unfortunate aspect of the finished-clothing program was that a large part of the supplies became available too late. Both in the United Kingdom and in the United States the Administration would appear to have made every possible effort to ship them early in the operation, when the need was greatest. In this, however, it was only moderately successful.

A small but not unimportant feature of the clothing program was the provision of substantial quantities of needles, thread, sewing machines, and knitting needles. Most of the needles (amounting to some 115 million) were supplied from the United Kingdom and were procured early in 1945. Attempts to obtain further supplies were comparatively unsuccessful. Following the destruction of nearly a dozen needle factories in the bombing of Nagasaki, needle manufacturers elsewhere bent their efforts to capture the Far Eastern market and could spare little for UNRRA's needs.³⁷

4. FOOTWEAR

In June 1944 UNRRA received an allocation from CPRB for 13 million pairs of shoes of which 12 million were to be produced in the United States and 1 million in the United Kingdom.³⁸ This allocation was to cover all liberated areas, and a portion of the production arising from it was subsequently transferred to the paying countries.³⁹

All materials required for the manufacture of footwear were critically short and facilities for production limited.⁴⁰ As a result, there was no alternative, particularly during the early part of the

³⁶ Fourth Supply Conference with mission representatives, minutes of meeting, 17 October 1946.

³⁷ Letter, Marshall to Miller, 16 February 1949; monograph, Marshall, "Procurement Policy and Activities of the Clothing, Textiles and Footwear Division, ERO."

³⁸ *Journal*, Second Council, Exhibit 1, "Status of Footwear, Leather and Hides Program," p. 143.

³⁹ Monograph, Henrietta Shaw, "Procurement of Footwear," p. 8.

⁴⁰ *Journal*, Second Council, Exhibit 1, p. 143.

operation, but to accept large quantities of substitute footwear, including reconditioned military footwear, wooden-soled sandals, clogs, and canvas shoes. Some of the types provided, as, for example, footwear with canvas uppers and composition soles, although cheap were not entirely satisfactory, but, in the conditions prevailing at the time, the needs could not otherwise be met.⁴¹

In the United States much detailed work on footwear specifications for relief purposes had been done in OFRRO by staff members who were transferred to UNRRA on its formation. An arrangement had been made under which the United States Army was to allow OFRRO the use of a factory at Buford, Georgia, for the rebuilding of discarded Army shoes. This offer was transferred to UNRRA, and in the summer of 1944 production was started on the rebuilding of some 684,000 pairs of shoes from about 850,000 worn pairs. Unfortunately, the Buford plant was taken back by the Army just over a year later, but by this time over two million pairs of shoes had been produced.⁴²

A further source of supply in the United States was from "distress and surplus stocks." As in the United Kingdom, where the rationing of clothing had had the effect of creating surpluses of certain types and qualities of clothing, so in the United States, where clothes rationing was confined to footwear, there was a surplus of shoes which, though acceptable in normal times, were of a type for which customers were unwilling to spend their stamps.⁴³ The Office of Price Administration refused to allow these shoes to be sold off the ration and they became available to UNRRA.⁴⁴

The Army-rebuilt shoes were outstandingly successful, and the receiving countries were eager to obtain more of them. There was, however, little chance of another opportunity for their manufacture in the United States once the Buford plant was no longer available. Shortly thereafter, an opportunity arose to buy about 1,500,000 pairs of Army shoes at two and one-half cents a pound—about seven and one-half cents a pair.⁴⁵ It was considered too good an offer to miss, and a plan was evolved to set up, in the liberated countries, factories for the local production of built-up shoes. Four countries—Greece, Italy, Poland, and Yugoslavia—were immediately interested in the scheme.⁴⁶

⁴¹ Monograph, Marshall, "Procurement Policy and Activities of the Clothing, Textiles and Footwear Division, ERO," p. 5.

⁴² Monograph, Shaw, "Procurement of Footwear," p. 11.

⁴³ *Ibid.*, p. 6.

⁴⁴ *Ibid.*

⁴⁵ *Ibid.*

⁴⁶ Sec, for example, cable, Rome to Washington 3097, 25 September 1946.

Arrangements were made with the United States Army Quartermaster Corps for a technician on the processing of Army footwear to be lent to UNRRA.⁴⁷ Specifications were drawn up and estimates made of the quantities of repair material—leather, eyelets, composition soling, nails, linen thread, shoelaces, cobblers' kits, and other items—which would be needed.

There were many problems. The shoes available as raw material were a miscellaneous collection, mostly unmated. In the factories that were set up in Greece, Italy, Poland, and Yugoslavia early in 1946 the shoes had to be mated and segregated into types, assembly lines for repair work had to be arranged, and the workers trained.⁴⁸ Out of the mixed assortment of footwear shipped, there was a return of 95 per cent of usable rebuilds expected to stand an average of fifteen months' hard wear; the remainder was cannibalized for repair material. The rate of production averaged 2,200–2,500 pairs daily in all four countries.⁴⁹

The Footwear Section continued to procure all available supplies of discarded Army shoes. Unfortunately, however, shoe dealers in the United States had awakened to their possibilities, and the price went up. The Footwear Section bought them at the increased prices until WAA took over the sale of all used shoes surplus to the Army's needs. After this happened, UNRRA, owing to its low-priority rating, received very few.⁵⁰

When country programs were developed and dollar ceilings established, the receiving countries were anxious to receive hides and leather rather than finished footwear. This new orientation of requirements was somewhat embarrassing to the Footwear Section, just as it was to the Clothing Division. Throughout most of 1945 the Section had made every effort to obtain large quantities of footwear from the "Plan A" stockpile in the United States, but the amounts released fell far short of the amounts requested. By the winter of 1945 the need for additional quantities had largely disappeared; moreover, reports received on the condition of footwear already delivered were not encouraging: "It was old stock which had deteriorated and in some cases rotted with age . . . it was cheaply manufactured according to styles now obsolete, with poor wearing qualities . . . and the greater part of it was too

⁴⁷ Memo, J. E. Lynch (Shoe Consultant and Reclamation Technician, Army Quartermaster Corps) to Director General, 19 January 1946.

⁴⁸ Monograph, Shaw, "Procurement of Footwear," p. 12.

⁴⁹ *Ibid.*

⁵⁰ *Ibid.*, p. 13.

narrow for European feet.”⁵¹ The amounts delivered had been invoiced to UNRRA at the price paid for them, plus accumulated charges. Discussions were in progress with OFLC at the divisional level on a reduction of the price of the footwear delivered, when Hendrickson, as part of the “Plan A” stockpile deal, agreed to accept the entire stockpile of footwear on condition that “the shoes covered by requisitions approved by the Clothing Division, totalling \$6,500,000 will be reduced \$1,700,000 through a revaluation of the shoes covered.”⁵² This settlement covered a total of some 3,500,000 pairs of footwear, including those already delivered.

With the fulfillment of this agreement, the work of the Footwear Section at Headquarters was virtually completed. With the exception of discarded Army shoes, no further supplies of footwear were required by the receiving countries.

5. PROCUREMENT OF HIDES

Hides were in short supply throughout the UNRRA operation, and the Administration had trouble almost to the end in securing adequate allocations.⁵³ To this difficulty was added the inconvenience of handling, storing, and shipping. Hides available in the United States were all the green-salted type and were highly undesirable cargo.⁵⁴

By the end of 1945 the hides which had been allocated to UNRRA numbered some 500,000. Of these only about 280,000 had actually been procured. The remainder had been lost for various reasons: some because of cancellations of allocations;⁵⁵ some because the ponderous procedures which had been developed both within the Administration and FEA made it impossible to process requisitions within the thirty days allowed for taking up allocations; some because of budgeting difficulties within the Administration. Of the hides which had been successfully bought, a considerable number had been tanned into leather in the United States and the United Kingdom; the rest had been shipped. The position was, however, very unsatisfactory. Hides were now, more-

⁵¹ *Ibid.*, pp. 17-18; see letter, Edward E. Kunze (Chief, Division of Procurement Control, State Department) to Marshall, 3 June 1947.

⁵² Memo, Hendrickson to Weintraub, “Agreement with OFLC on Clothing,” 4 April 1946.

⁵³ DGR 14, p. 186.

⁵⁴ Monograph, Henrietta Shaw, “Hides and Leather,” p. 8.

⁵⁵ Memo, Marshall to Louis N. Swenson (Bureau of Supply, HQ), 7 January 1946.

over, the most urgently needed material in the clothing program.⁵⁶

About this time George E. H. Marshall became Director of the Clothing Division at Headquarters. Realizing that the procurement of hides was one of his most urgent tasks, he concentrated his energies on trying to get adequate allocations of hides from the Hides, Skins, and Leather Committee, and to arrange that allocations should be taken up within the time limit of thirty days.⁵⁷

A program was worked out with the Committee for UNRRA's hide requirements to be met at the rate of 30,000 per month from the United States and 30,000 from other sources during the succeeding seven months.⁵⁸ This plan worked successfully for a few months, though at one stage there was a threat to reduce UNRRA's allocation when it came to the attention of the Committee that, unknown to UNRRA, several of the UNRRA receiving countries were buying independently in South America.⁵⁹ The supply position became progressively worse, however, and in June 1946 the Hides, Skins, and Leather Committee was dissolved. This threw the market into chaos, and an embargo was placed on the export of all United States domestic hides.

The Clothing Division concentrated its efforts on buying, by direct procurement, hides in the South American market, and, in spite of many difficulties, succeeded in July 1946 in securing over 100,000—the largest single month's procurement since the operation started.

At the October 1946 meetings in Washington, the mission supply representatives urged the Clothing Division to exert every effort to get more hides.⁶⁰ Apart from the supply difficulties, there were budget difficulties, since most of the country budgets were fully committed. By the transfer of funds from other programs, and by utilizing all funds not yet spent in the Clothing Division, a further \$4 million was made available for hides procurement.⁶¹ These hides were bought in South America.⁶² Thus, belatedly, the failure of the Administration's efforts

⁵⁶ See Conferences with mission supply representatives, minutes of meetings, November–December 1945, *passim*.

⁵⁷ Monograph, Shaw, "Hides and Leather," p. 17.

⁵⁸ *Ibid.*, p. 19.

⁵⁹ *Ibid.*, p. 20.

⁶⁰ See Conferences with mission supply representatives, minutes of meetings, October 1946, *passim*.

⁶¹ DGR 14, pp. 186–187.

⁶² Monograph, Shaw, "Hides and Leather," p. 24.

to obtain hides was remedied, and by the end of the operation all funds available for this commodity had been fully utilized.⁶³

6. RAW COTTON

The first appropriation of funds made by the United States Congress stipulated that \$43,200,000 was to be spent on raw cotton taken from stocks held by the Commodity Credit Corporation.⁶⁴ Subsequent appropriations did not carry any such stipulation but, in the event, cotton to the value of nearly \$140 million, out of UNRRA's total cotton purchases of \$150 million, was bought in the United States.⁶⁵ Cotton procurement presented little difficulty. The bulk of that bought in the United States was from the Commodity Credit Corporation stocks. Toward the end of the operation these stocks, owing partly to abnormal world demands and partly to a small 1946 crop, were exhausted, and the balance of UNRRA's purchases in the United States, amounting to some \$24 million, was obtained through direct procurement on the cotton market. The Commodity Credit Corporation was employed by the Administration to handle these purchases at a rate of one per cent of the value of the cotton handled. This charge was, in the opinion of the Clothing Division, "very high—not to say unreasonable," but as it did not have staff experienced in the technicalities of cotton buying, there was no alternative but to agree.⁶⁶ Cotton bought in the United States was of lower and medium grades and staples, suitable for the manufacture of utility rather than luxury goods.

The remainder of UNRRA's cotton purchases was made in Brazil where \$5 million of cotton was secured of a quality at least equal to that bought in the United States and at a slightly lower price. Long-staple cotton valued at \$1,211,000, suitable for the manufacture of sewing thread, was obtained from Egypt; and short-staple types customarily used in China were bought in India at a cost of \$3,500,000.⁶⁷

Of the total of over 289,000 tons of raw cotton bought by the Administration, over half (79,607 tons) was for China. Most of this was

⁶³ DGR 14, p. 186.

⁶⁴ Public Law 382, 78th Congress; memo, Oscar Schachter (General Counsel's Office) to Hendrickson, 26 June 1944.

⁶⁵ Monograph, William B. Matthews, "Procurement of Raw Cotton and Raw Wool," Table IV.

⁶⁶ *Ibid.*, pp. 3-5.

⁶⁷ *Ibid.*, p. 6.

used, not directly for relief and rehabilitation purposes, but as security for financing internal distribution costs of UNRRA supplies in China.⁶⁸

7. RAW WOOL

The receiving countries' raw wool requirements were met largely from supplies which had been accumulated during the war under an arrangement whereby the United Kingdom Government bought the Australian, New Zealand, and South African wool clips. The wool had been stockpiled in the United Kingdom and the United States and was subject to allocation by the United Kingdom Government through the Wool Control in the Ministry of Supply.⁶⁹ At the beginning of the UNRRA operation there was some doubt whether it would be possible to utilize in full the United Kingdom contribution, and the inclusion of raw wool among the supplies to be provided by the United Kingdom was regarded as a useful way of helping the Government to meet its dues to UNRRA.⁷⁰ Subsequently, however, under a fiscal arrangement, most of the obligation for raw wool was transferred from the United Kingdom contribution to those of the British Dominions.⁷¹

About 85,000 tons of wool from these stockpiles were shipped to receiving countries in Europe.⁷² It was a good average selection of types suitable for use on the European Continent.⁷³ A large proportion of it was greasy; and where it was provided in this form the Administration supplied also the necessary chemicals for scouring. Italy, Poland, and Czechoslovakia were the largest recipients, about \$2 million being spent on wool for Italy, about \$1,600,000 for Poland, and \$1,200,000 for Czechoslovakia.

In addition to purchases from British-owned stocks, the Administration obtained wool from Iceland, which made available 350 tons (valued at \$617,000) as its second contribution to UNRRA,⁷⁴ and from the United States. About 10,500 tons of wool were bought in the United States, in accordance with a provision in the first appropriation

⁶⁸ See Part Six, Chapter III, Section 5.

⁶⁹ Monograph, Marshall, "Procurement Policy and Activities of the Clothing, Textiles and Footwear Division, ERO."

⁷⁰ Monograph, Lejeune, "The Use of the United Kingdom Contribution to UNRRA," p. 10.

⁷¹ See Part Three, Chapter III, Section 3.

⁷² Monograph, Matthews, "Procurement of Raw Cotton and Raw Wool," Table I.

⁷³ Letter, C. M. Jones (Ministry of Supply) to Marshall, 29 May 1945.

⁷⁴ See Part One, Chapter V, Section 2.

of funds by the United States Congress that, in addition to a specified amount of cotton, \$21,700,000 in raw wool should be taken from stocks held by the Government.⁷⁵ This consisted mainly of scoured or semi-scoured wool. It was highly priced in relation to world prices for comparable types, but the Administration had no alternative but to buy it. Under the policy of averaging prices to receiving governments, however, the effect of the high price for this wool was spread evenly over all countries, whether they received United States wool or not.⁷⁶

8. EVOLUTION FROM RELIEF TO REHABILITATION

The clothing, textiles, and footwear program was probably one of the most satisfactory of the commodity programs in that it graduated from a relief to a rehabilitation operation. The transition would not have been possible to accomplish during the UNRRA period, however, if the Administration had not succeeded in meeting the receiving countries' requirements for clothing and footwear. Nevertheless, it was, to the Clothing Division, one of the ironies of the operation that clothing, which they wanted so much in 1945 and of which they could get so little, should have been available in such large quantities in 1946 when the need for it no longer existed. In spite of overcommitments for readymade clothing, over half of the total in value of the clothing program was spent on raw materials—raw cotton, raw wool, and hides—to be used for the production in the receiving countries of clothing and household supplies, thus promoting local industry, creating employment, and "helping people to help themselves."⁷⁷ Italy was perhaps the outstanding example of a European country whose indigenous production benefited from UNRRA raw wool and cotton imports, practically three-fourths of its clothing program consisting of these materials;⁷⁸ Czechoslovakia was able to spend nearly two-thirds of its budget for this program on raw materials; Yugoslavia and Poland, in spite of heavy wartime destruction to industrial plants, nearly one half.

⁷⁵ Public Law 382, 78th Congress.

⁷⁶ Monograph, Matthews, "Procurement of Raw Cotton and Raw Wool," p. 3; see *supra*, Part Three, Chapter II, Section 13.

⁷⁷ See memo, Weintraub to Lehman, "Procurement Situation in Clothing and Textiles," 25 July 1945.

⁷⁸ See Part Five, Chapter VIII, Section 11.

VII. Industrial Rehabilitation

1. GENERAL CHARACTERISTICS

THE SUPPLIES provided by UNRRA in the industrial rehabilitation program can be divided into four broad categories: (1) highway, railway, and water transport equipment; (2) coal and other fuel, and lubricants; (3) materials for the restoration of public utilities, for the provision of shelter, and for the repair of highways; and (4) materials and equipment necessary for the restoration of essential industries.¹

In carrying out this program there were few aspects of industrial economy which UNRRA did not touch. The principal transport supplies provided were trucks and spare parts, locomotives and wagons for railways, railway maintenance equipment and bridging materials, gasoline, oil, and lubricants. To restore public utilities, UNRRA supplied power stations; equipment for waterworks, gasworks, and sewerage; telephone and radio connections, cable insulators, and switchboards. For the building industry and for the repair of roads, thousands of hand tools were procured and, in addition, construction equipment including concrete mixers, welders, and bulldozers. The restoration of other essential industries necessitated foundry items such as lathes, milling machines, pneumatic tools, air compressors, and power hammers; mining machinery and equipment; and a wide range of raw materials including pig iron, steel, copper, nickel, magnesium, zinc, cobalt, and lumber.² Responsibility for the provision of this multifarious range of equipment and supplies rested primarily on Norman Leon Gold, Director of the Industrial Rehabilitation Division at Headquarters during the whole of the operating period. Many of the problems which he had to face—shortages of supplies, shortages of funds, and rising prices—were common features of most of the commodity programs, but the industrial rehabilitation program differed somewhat from the other commodity programs in that it included many types of

¹ *Report of the Director General to the Council (DGR)* 14, pp. 198-199.

² Committee of the Council for Europe (CCE) (47)28, "Survey of UNRRA Operations in Europe," June 1947, pp. 13-14.

equipment which had to be procured specifically for individual countries. "Common denominator" items were fewer in this program than in any of the others, with the result that procurement was complicated and switches from one country program to another not easy to arrange.

A large part of the industrial rehabilitation program was fulfilled from Allied military surpluses, located variously in North America, Europe, and Asia. There were many practical advantages in this, particularly when it was almost impossible to meet demands from new production, but administratively there were inevitably difficulties and complications involved in taking over supplies on the "as is, where is" basis which frequently applied to military surpluses.

2. TRANSPORT SUPPLIES

The essential element for the success of UNRRA's programs was adequate inland transport, particularly trucks. Without trucks, not only would UNRRA's food supplies have remained undelivered—especially to the remote areas which were often in the greatest need—but it would have been impossible to make effective use of indigenous resources which in every receiving country far exceeded those which UNRRA was able, or indeed was intended, to import. During the war, trucks were a primary weapon. As a consequence, the number that could be secured by UNRRA was very limited. It was not until after V-J Day, when large quantities began to be released by the Allied military authorities as surplus, that it became possible to meet the most pressing needs of the liberated areas.³

The imperative need for trucks was one of the main themes of the Third Council Session in August 1945. Lehman drew the attention of the Council to the "most urgent of all programs . . . yet the most difficult to fulfil—the provision of inland transport." He continued:

Trucks and other motor vehicles have been our most constant anxiety, and for them we have made our most vigorous efforts. . . . Our efforts to date have yielded us about 20,000 lorries in procurement or in process of shipment. These are not enough, and not soon enough! Every day we shall continue to press for more and more, and we must get them much faster.⁴

³ *Ibid.*, p. 13.

⁴ *Journal*, Third Council, address by Lehman, 3d plenary meeting, p. 22.

The Director General's plea was taken up by Philip Noel-Baker, United Kingdom delegate:

A lorry is a lorry, but it is more than that: it is the life blood of organized society; it is, to the peoples of Europe, government stability, the maintenance by adequate policing of law and order, the hope of a return to democratic institutions. Transport for the peoples of Europe is food, clothing, coal, raw materials, work for people who have been hungry, ragged and unemployed.⁵

An analysis of truck requirements submitted by the various receiving countries resulted in the following tentative goals for total deliveries in 1945:

TABLE 14

TENTATIVE PROGRAM OF TRUCK DELIVERIES IN 1945^a

<i>Country</i>	<i>Target Expressed in Terms of Ton-Load Lift^b</i>
Albania	750
Czechoslovakia	23,500
Greece	10,625
Italy	4,000
Poland	33,500
Yugoslavia	25,000
Displaced persons operations	3,000

^a CCE(45)107, "Report on Operations of Administration to 15 September in Connection with Truck Transport," September 1945.

^b *Ibid.*; a five-ton truck represents a three-ton load lift.

In the autumn of 1945 began what might be described as the "Battle for Trucks"⁶—a campaign to deliver as many as possible to the liberated countries before the winter set in.⁷ A giant movement began: from the United States and Canada across the North Atlantic; from England a dual operation, across the Channel to Le Havre and thence overland to Czechoslovakia,⁸ and across the North Sea to the Baltic ports of Gdynia and Danzig;⁹ from Arnhem, in the Netherlands, over-

⁵ *Ibid.*, statement by United Kingdom Delegate, p. 41.

⁶ Monograph, Norman Leon Gold, "Surplus Procurement for Industrial Rehabilitation," p. 14.

⁷ CCE(45)107, September 1945.

⁸ For example, cable, London to Prague 290, 6 October 1945.

⁹ Cable, Warsaw to London 276, 14 October 1945.

land to Czechoslovakia and Poland;¹⁰ from Marseilles northeast to Czechoslovakia; from Italy by sea and overland to Greece and Yugoslavia;¹¹ from Iran, westward to Southeast Europe.¹²

As the convoys rolled on, messages from the missions emphasized the urgency of the need. From Yugoslavia it was reported that a supreme attempt must be made to provide enough road transport to enable reserves of food to be built up in the Sarajevo region against the needs of areas cut off by snow during the winter.¹³ The target was 6,000 trucks to be delivered to Yugoslavia by the end of September,¹⁴ so that "thousands of Jugoslavs would not starve." To approach this total the Administration shipped about 1,500 trucks from the United States to Trieste, some 150 trucks and jeeps from the United Kingdom, almost 4,000 trucks and gasoline tankers from Italy and Trieste, and about 430 trucks from Iran.¹⁵ The exchanges of cables between Headquarters, ERO, and the Yugoslavia Mission show the intense effort made to integrate the various operations so that drivers should be provided, when necessary, from Yugoslavia to collect the vehicles, that adequate spare parts should be supplied, and that nothing should be allowed to interrupt the flow.¹⁶

Early in October, Gold was able to report to Michail A. Sergeichic, Chief of the Yugoslavia Mission, that the vehicles loaded on ships or traveling overland to Yugoslavia amounted to 5,743 trucks and trailers and, in addition, tankers, and automobiles and jeeps for staff use.¹⁷ To the perfunctory listing of vehicles showing the extent of the achievement he added: "Believe all parts of organization deserve special praise and good friend Sergeichic should say O.K."¹⁸ But Sergeichic was not to be satisfied till the last truck had been delivered. Even

¹⁰ Memo, Elgin E. Wasson (Supply Department, ERO) to Hendrickson, 8 October 1945.

¹¹ Cable, Caserta to London 657, 3 October 1945.

¹² Cable, London to Athens 846, 20 September 1945.

¹³ CCE(45)106, "UNRRA Operations in European Region—August 1945," September 1945; see map, *infra*, Part Five, Chapter III, Section 1.

¹⁴ Cables: London to Washington 3476, 5 September 1945; Belgrade to Washington 599, 18 September 1945.

¹⁵ Cable, Washington to Belgrade 695 (repeated Caserta 731, London 5378), 6 October 1945.

¹⁶ For example, cable, Belgrade to Caserta 437 (repeated London 737, Washington 578), 15 September 1945.

¹⁷ Cable, Washington to Belgrade 695 (repeated Caserta 731, London 5378), 6 October 1945.

¹⁸ *Ibid.*

the news that 700 further trucks had been shipped in the first week of October¹⁹ failed to bring any appreciative response until, on 26 October, he cabled that "the 6,000th truck crossed the Morgan Line on 19th October." He conceded, however, that trucks were then arriving at the rate of 100 per day.²⁰ The threat that lack of transport would nullify the work of UNRRA in Yugoslavia had been averted.

Meanwhile, the movement of trucks toward other receiving countries continued intensively. One of the smoothest operations was the procurement from Canadian surpluses in the Netherlands of 3,638 three-ton military trucks and trailers for Czechoslovakia and Poland.²¹ This movement was planned at a conference in the Netherlands attended by Gold, Elgin E. Wasson (Chief, Industrial Rehabilitation Division, ERO), and Canadian Army officials.²² It was arranged that the trucks and trailers would be driven from Arnhem to Pilsen, Czechoslovakia, under military convoy by the Ninth Canadian Armored Regiment (British Columbia Dragoons).²³ Within three days of the meeting the trucks began to move in convoys of fifty toward the Czechoslovak border.²⁴ Each truck contained sufficient gasoline for the journey and, in view of the scarcity in Czechoslovakia, 100 gallons in addition so that on arrival it could be put to immediate use.²⁵ In Czechoslovakia a reception depot was established at Sary Pizenec, Pilsen.²⁶ Here the vehicles were checked, and those destined for use in Czechoslovakia were turned over to the Government. Military drivers took the trucks to a transport center on an island in the Moldau River at Prague, from whence they were dispatched to wherever they were most needed for carrying relief and rehabilitation supplies throughout the country. At the transport center on the Moldau River a ceremony, attended by President Benes, was arranged by the Czechoslovak Government to mark its appreciation of UNRRA's help and of the Canadian Army's part in the movement.²⁷

¹⁹ Cable, Caserta to London 675, 11 October 1945.

²⁰ Cable, Belgrade to Washington 911, 26 October 1945.

²¹ Monograph, Lieutenant Colonel F. J. Easterbrook, M.C., "European Regional Office Procurement of Transportation and Telecommunication Equipment," p. 15.

²² Memo, Wasson to Gold, "Report on Movement of Czech Trucks," 8 October 1945.

²³ *Ibid.*

²⁴ *Ibid.*

²⁵ Monograph, Gold, "Surplus Procurement for Industrial Rehabilitation," p. 5.

²⁶ Memo, Wasson to Gold, "Report on Movement of Czech Trucks," 8 October

1945.

²⁷ *Ibid.*

Some 842 of these trucks were allocated to Poland.²⁸ They were collected at Pilsen by contingents of Polish drivers who came to get them. It was somewhat awkward that the first contingent arrived without food or ration cards,²⁹ but such difficulties were overcome; the vehicles were gradually driven away, and the whole operation, within six weeks of its planning, was completed.³⁰

Another movement instituted at this time was of some 10,000 British, 3,000 Canadian, and 10,000 United States military surplus vehicles, located in England,³¹ to Poland and Czechoslovakia. Trucks destined for Poland were shipped to Danzig in special military transport ships, eight of which had been allocated to the Administration by the Ministry of War Transport.³² By October, vehicles were being delivered at the rate of about 1,000 per week; later, when berths at Gdynia became available, this number was increased to 1,500 a week. A shuttle service was instituted between Southampton and Le Havre for the shipment of the vehicles allocated for Czechoslovakia.³³ From Le Havre they were driven by Czechoslovak drivers to their destination.³⁴

In the Mediterranean Theater, the United States and British Armies cooperated with UNRRA in the movement of thousands of trucks to Italy and the Balkan countries.

Through these multiple operations, the major objective was achieved. By the end of September the complete collapse of transport in the receiving countries had been arrested. By the end of the year a substantial truck transport system had been established and more than 40,000 trucks had been delivered. The "Battle for Trucks" was won.³⁵

There were casualties, however. Complaints were received on the poor condition of 155 trucks and trailers delivered from Iran.³⁶ A convoy of nearly 1,000 trucks and trailers located in Marseilles, purchase of which had been arranged as part of the United States European disposals program, started out for Pilsen in December 1945. Though undertaken by the United States Army, the operation was not handled with usual Army care. A substantial number of trucks was lost, and the

²⁸ Monograph, Easterbrook, "European Regional Office Procurement of Transportation and Telecommunication Equipment."

²⁹ Cable, Prague to London 210, 14 September 1945.

³⁰ Monograph, Gold, "Surplus Procurement for Industrial Rehabilitation," p. 5.

³¹ *Ibid.*, p. 10.

³² Cable, London to Washington 5300, 23 October 1945.

³³ For example, cable, London to Prague 4624, 6 October 1945.

³⁴ Monograph, Gold, "Surplus Procurement for Industrial Rehabilitation," p. 14.

³⁵ *Ibid.*

³⁶ Cable, Belgrade to Washington 912 (repeated London 1166), 26 October 1945.

quality of nearly all of those which arrived was unsatisfactory.³⁷ UNRRA had not had the staff necessary to select them, and much of the grading had been done by unskilled people and by prisoners of war. Fortunately, with the coöperation of the United States Army, arrangements were made for many of the vehicles delivered to be reclassified, for shortages to be taken into account, and the cost to UNRRA renegotiated.

By the end of the first quarter of 1946 the great majority of the 80,000 trucks, valued at some \$88,000,000, which UNRRA supplied to the receiving countries, had been delivered.³⁸

3. FUEL AND LUBRICANTS

No program illustrates more clearly than that for the provision of coal the abnormal conditions of the times in which UNRRA operated. Although UNRRA was short of funds, and the Administration and the receiving countries alike were anxious that the available resources should be utilized as economically as possible, this consideration had to give way to the paramount necessity of getting essential supplies from whatever sources could be found. Out of the 7 million tons of solid fuel provided through UNRRA for receiving countries in Europe, only about 1,500,000 tons were from European sources, yet this area includes two of the countries which are normally the world's largest exporters of coal. A little over 500,000 tons were provided from French North Africa, South Africa, and Turkey. The remainder—some 4 million tons—was shipped to Europe from the United States, involving uneconomic use of shipping and dissipation of funds on freight charges amounting to almost twice the value of the product shipped.³⁹

During the UNRRA planning period it was thought that existing mines in receiving countries would probably be able to produce coal up to about 40 per cent of their prewar capacity. This production rate was considered sufficient to meet the needs not only of the countries in which it was produced—Czechoslovakia, Poland, and Yugoslavia—but also those of Albania and Greece where indigenous coal production was negligible.⁴⁰

³⁷ Monograph, Gold, "Surplus Procurement for Industrial Rehabilitation," pp. 12-13.

³⁸ *Ibid.*, p. 14.

³⁹ DGR 14, p. 200.

⁴⁰ Monograph, J. R. Keany and J. C. Mitchell, "History of the Fuel Branch," HQ.

By the end of 1945 this estimate of the coal position had changed radically. At the time Greece was liberated, European coal-producing countries were still occupied, and provision for that country's needs had to be made from overseas. When Austria was added to UNRRA's responsibilities, it was found that lignite production plus the coal which was being provided by the Allied Control Commission was insufficient.⁴¹ Yugoslavia had export potentialities but had import needs for coking coal. All these claimants on coal to be provided through UNRRA were, however, entirely overshadowed by Italy, whose coal requirements were estimated at about 600,000 tons a month.⁴²

Allocations of coal to European countries, during the UNRRA period, were made by the European Coal Organization (ECO), the membership of which included some eleven European coal-consuming and producing countries and also the United States. Italy, since it was not a member of the United Nations, was not qualified for full membership but was permitted "associate membership" which conferred the right to send a Government representative to any ECO meeting concerned with recommendations on supplies. This appointment was held by Dr. G. Mastrocinque throughout UNRRA's participation in ECO activities.⁴³

When UNRRA assumed responsibility for coal supplies to Italy, in February 1946, it took over a charge which had been borne latterly by the United States Government. The flow of coal from this source, averaging some 300,000 tons a month—about a quarter of Italy's prewar imports—on grounds both of quality and location was far from ideal, and the Administration was anxious that Italy's coal needs should be met from nearer sources, especially in view of threats of coal strikes developing in the United States at that time.⁴⁴

Coal under the jurisdiction of ECO was allocated according to a formula which, expressed oversimply, was based on a percentage of prewar consumption. No provision was made, however, to allocate the sources from which the coal was to be drawn.⁴⁵ Stimulated by the risk of an imminent stoppage of Italy's coal supplies, the Administration, working in conjunction with the Italian Government, prepared a case for the allocation of coal to Italy from German sources, on the

⁴¹ Monograph, P. Boulasse, "The History of Solid Fuel," ERO, p. 37.

⁴² Monograph, Keany and Mitchell, "History of the Fuel Branch," HQ, p. 3.

⁴³ Monograph, Boulasse, "The History of Solid Fuel," p. 7.

⁴⁴ *Ibid.*

⁴⁵ *Ibid.*, p. 5.

grounds that: (1) United States coal was of poor grade compared with German coal; (2) German coal would mean a considerable saving in freight; (3) if the United States continued to be the sole source of supply, Italy would remain in a peculiarly vulnerable position.⁴⁶ The result of these representations was that the allocation for the second quarter of 1946 included 39,000 tons to be provided from the Ruhr. The inclusion of even a small tonnage of Ruhr coal was encouraging in that it meant that the pipe line between Germany and Italy was now opened.⁴⁷ The threatened United States coal strike became a fact on 1 April 1946.⁴⁸ This made imperative substantial allocations from Europe.⁴⁹

Over succeeding months, however, the allocations of Saar and Ruhr coal for Italy continued to be disappointingly low in relation to those made to other European claimants. By the autumn of 1946 ECO admitted that Allied governments were given "a certain measure of priority" in regard to German coal. Faced with this admission, the Administration asked that representatives of member governments of ECO ascertain and report the views of their respective governments on the continuance of this principle.

The matter was brought to a head when the United States United Mine Workers went on strike on 21 November 1946. The Administration pressed ECO to allocate coal for January 1947 on the basis of there being no imports from the United States. This proposal was opposed by some of the European members who received substantial quantities of German coal. In reply to their objections, however, the United States representative on ECO stated that his Government took the gravest view of inequitable allocations of European coal and that, if unfair allocations were accepted by ECO, the United States Government would be forced, once it could resume shipments, to disregard ECO recommendations and to allocate its coal exports according to its own discretion.⁵⁰

This statement had a salutary effect, and subsequent allocations of coal from the Ruhr and the Saar were more in accordance with equity. It had, however, taken the Administration ten months of effort to bring

⁴⁶ *Ibid.*, p. 8.

⁴⁷ *Ibid.*

⁴⁸ For details on effect in Italy, see Part Five, Chapter VIII, Section 10.

⁴⁹ Monograph, Boulasse, "The History of Solid Fuel," p. 13.

⁵⁰ *Ibid.*, pp. 14-15.

about arrangements which it considered should have been made at the start.⁵¹

The immediate fruits of victory were bitter: the Rhine froze, and only half the January coal allocation for Italy from Germany could be lifted, and in February only 5 per cent. This low level of deliveries resulted in the extension of UNRRA's responsibility for Italian coal deliveries until June 1947.⁵²

The struggle for a fair allocation of German coal for Italy was only one feature, though a dominant one, in the Administration's coal procurement activities. In April 1946, when Italy's coal program was in jeopardy through the United States coal strike, inquiries were made into the possibility of meeting some of its needs from the Istrian mines (taken over from Italy by Yugoslavia). At one time it was hoped that as much as 50,000 tons might be obtained from this source. Such a tonnage did not materialize. After more than six months of negotiation over the use of Yugoslav ships and currency, 15,000 tons of coal were lifted in Italian vessels. The coal was urgently needed, and it was unfortunate that its procurement was not only a very slow business, but was also clouded by ill feeling which the Administration would gladly have avoided.⁵³

Getting coal for Yugoslavia was likewise not simple. Procurement against needs submitted in the summer of 1945 was complicated by the fact that none of the necessary information required by ECO regarding home production, consumption, stocks, and end uses was forthcoming from Yugoslavia. To make matters worse, the Yugoslav Government had omitted to become a member of ECO. The Administration did its utmost to obtain information on which to justify an allocation of coal to Yugoslavia and was successful in obtaining a small tonnage at the end of 1945. The position deteriorated, however, when early in 1946 ECO announced that no further allocations could be considered unless Yugoslavia, by 25 January, indicated its intention of becoming a member.⁵⁴ The Yugoslav Government decided not to join. It became necessary, therefore, to find a means whereby supplies could be obtained for Yugoslavia within the framework of ECO. As a result of appeals made by the Administration to the United Kingdom and United States Govern-

⁵¹ *Ibid.*

⁵³ *Ibid.*, pp. 16-19.

⁵² *Ibid.*

⁵⁴ *Ibid.*, pp. 27-30.

ments, and also to ECO, the General Purposes Committee of that body recommended that, while it could have no further dealings with Yugoslavia, it was nevertheless prepared to make small global allocations to UNRRA to use for receiving countries which were not members or associate members of ECO. It was, however, stated that all coal available had already been allocated up to the end of March.⁵⁵

In view of this decision, it was fortunate indeed that UNRRA was able to make arrangements for the dispatch to Yugoslavia of 75,000 tons of the 100,000 tons of Silesian coal which had recently been contributed by the Polish Government toward UNRRA relief operations.⁵⁶ This gift coal, together with the few cargoes from the United States allocated by ECO in the second quarter of 1946 and small amounts imported into Yugoslavia under trade agreements, was sufficient to tide over the first difficult months of 1946. In May it was learned that Poland would be able to meet in full the Yugoslav requirements of hard coal by extension of the existing trade agreements, and consequently UNRRA's responsibility for the supply of this type of coal ceased with the completion of the gift fuel deliveries. Remaining Yugoslav coal requirements for coke and anthracite were partially met by deliveries from French North Africa, from Poland, and from Czechoslovakia.⁵⁷

The import of coal into Greece was under the control of the Allied military authorities until July 1945, when UNRRA assumed loading responsibility. From January 1946, Greece became financially liable for coal imported, and from April of that year also undertook procurement. Thus UNRRA's period of responsibility covered only nine months. During this period the needs of Greece were met very largely from the South African contribution of coal (240,000 tons in all). Monthly shipments of about 8,000 tons were made from the United Kingdom.⁵⁸

4. LOCOMOTIVES AND RAILWAY EQUIPMENT

The Administration was reluctant to include in its program the provision of railway equipment. Although it was obvious that the success of a relief program hinged largely on adequate rail transport,

⁵⁵ *Ibid.*

⁵⁷ *Ibid.*, pp. 31-34.

⁵⁶ *Ibid.*, pp. 30-31.

⁵⁸ *Ibid.*, pp. 35-36.

the Administration considered that locomotives and rolling stock, with a useful life of some thirty or forty years, went far beyond the scope of a short-term relief and rehabilitation program.⁵⁹ Since no other plans had been made to meet these needs, however, a compromise plan was adopted⁶⁰ under which the Administration retained title to railroad equipment, while making its use available to the receiving countries free of charge.⁶¹ It was considered that in this way flexibility of action would be achieved regarding its ultimate disposal. In fact, this decision had little practical effect: the budgets of the countries concerned were charged with the cost of the locomotives delivered to them, and there was never any doubt that the equipment would ultimately be transferred. This was formally effected early in 1947.⁶²

UNRRA supplied locomotives and railway cars to a total value of some \$62,800,000. Distribution was as follows:

TABLE 15

DISTRIBUTION OF UNRRA LOCOMOTIVES AND RAILWAY CARS^a

Categories	China	Czechoslovakia	Greece	Poland	Yugoslavia
Locomotives	242	75	16	105	211
Railway cars	3,448	2,333	668	3,512	855

^a Monograph, Lynn A. Scipio, "UNRRA's Program for Railway Transportation Equipment," p. 42.

This equipment was obtained from production in the United Kingdom, the United States, and Canada, and from military surpluses in Europe and the Middle East. Contracts were placed late in 1944 for the construction of 180 locomotives in the United States and 100 in the United Kingdom. The rate of production was slow, and it was not until February 1946 that delivery of those ordered in the United Kingdom began. It was decided to ship the locomotives fully assembled in order to avoid technical difficulties when they reached their desti-

⁵⁹ Letters: Lehman to Dean Acheson (United States Assistant Secretary of State), 3 July 1944; Charles P. Taft (United States Department of State) to Lehman, 14 July 1944.

⁶⁰ See, for example, UNRRA-Greece Agreement, 1 March 1945, Article 1, Section A; *infra*, Appendix Seven, Document 8.

⁶¹ Standing Technical Committee on Industrial Rehabilitation (TIR) (45)9, minutes 5th meeting, 31 May 1945.

⁶² European Region Order 75, "Disposal of Surplus Property in Missions and Field Units," 11 November 1946.

nations. This involved moving them by road from the works to the Liverpool docks—a distance of some fourteen miles—since, though the track gauge of the locomotives was the same as that of British railways, the over-all size and width of the engines were too big for the railway stations and overhead bridges. A suitable low-loader road vehicle had to be provided and also a special lifting beam to hoist the engines aboard ship.⁶³

Meanwhile, partly because of late delivery dates, and partly because a considerable amount of railway material had become available from military surpluses, the contract for locomotives placed in the United States had been canceled.⁶⁴ Later, to help meet the China railway equipment program, a fresh contract was made for 160 locomotives, but apart from 50 contributed by Australia⁶⁵—also for China—the remainder of the locomotive program was met from military surpluses. Similarly, apart from 1,800 new freight cars from the United States and 1,900 from new production in the United Kingdom, freight cars were provided from surpluses. Buying from this source had the advantage that prices were lower, but, even more important, the equipment was already located in Europe or in Asia—an inestimable advantage when prompt delivery was the first consideration.

A total of 4,200 freight cars and 200 new locomotives was bought from United States surpluses in Western Europe.⁶⁶ The receiving countries—Czechoslovakia, Poland, and Yugoslavia—provided technical staffs and crews to assemble and test the locomotives and to run them back to their own countries. When the United States Persian Command was withdrawn, UNRRA secured locomotives and over 3,000 freight cars in Abadan on the Persian Gulf, which were moved to China.⁶⁷ From surpluses in the Middle East, 16 locomotives were procured for Greece; and 12 from the United States for China.

Accessories constitute an important item in the operation and maintenance of locomotives and rolling stock—for example, spare parts for the new locomotives bought in the United Kingdom amounted to 4 per cent of the total cost; and UNRRA supplied appropriate amounts for all major equipment provided.

⁶³ Monograph, Easterbrook, "European Regional Office Procurement of Transportation and Telecommunication Equipment," p. 20.

⁶⁴ Monograph, Scipio, "UNRRA's Program for Railway Transportation Equipment," pp. 13, 26.

⁶⁵ *Ibid.*, pp. 30-34.

⁶⁶ *Ibid.*, p. 21.

⁶⁷ *Ibid.*, p. 25.

In addition to rolling stock, the railway equipment program included some 1,100,000 railway ties for about 400 miles of track, the bulk of which was procured in Canada; 86,000 tons of rails and accessories, equivalent to about 600 miles of track from various sources; and substantial amounts of railway bridging material from the United Kingdom.⁶⁸

5. LIQUID FUEL

Before the war the European countries for which UNRRA became responsible had met their requirements for liquid fuels variously: Poland had its own oil fields which supplied its total requirements except for small quantities of special lubricants. Czechoslovakia had a small indigenous production from Slovakian fields, but the bulk of its petroleum was imported from Rumania as crude oil and refined in the country. Albania had substantial production of crude oil, but no refineries. The crude oil was, therefore, exported to Italy, and refined in the Italian Government refinery at Bari. Greece, Italy, and Yugoslavia had no domestic production and relied for their requirements on imports from foreign sources. After the war and the realignment of Poland's eastern border, Poland lost its most productive oil fields. It was hoped that the USSR would provide Poland and Czechoslovakia with essential petroleum requirements from Rumanian and ex-Polish resources. This did not happen, however, and it became necessary in the autumn of 1945 for UNRRA to set up an emergency program to cover their needs.

UNRRA supplied gasoline, oil, and lubricants to all the receiving countries except the two Soviet Republics. The program for Italy was by far the most important, constituting about 65 per cent of the total amount of petroleum products procured and over 50 per cent in dollar value. Petroleum requirements for Italy were established by the Italian Government and screened by the United States and United Kingdom military authorities and embassies before transmittal to Washington Headquarters. UNRRA was responsible for all civil requirements and the Italian Government for military, Government, and Vatican needs.⁶⁹

Before the war, Italy imported most of its petroleum in the form

⁶⁸ *Ibid.*, p. 23.

⁶⁹ Monograph, Keany and Mitchell, "History of the Fuel Branch," p. 14.

of crude oil which was refined at Bari, Naples, La Spezia, and Venice. These refineries had been damaged during the war, but toward the end of 1946 the plants were able to start operating again. This was a considerable saving, as the Administration subsequently supplied crude oil instead of the more expensive finished product.

Liquid fuel allocations for Italy, in contrast with those for coal, were adequate; from March 1946 to March 1947, for instance, fuel oil was distributed in northern Italy at a level of 115 per cent of pre-war consumption.

About 110,000 tons of petroleum were procured in ERO from sterling sources in the Persian Gulf area; ⁷⁰ for all the rest, amounting to a total of some 2,800,000 tons, United States funds were used. Procurement was handled through the United States Army Navy Petroleum Board, under the supervision of Colonel G. H. Vogel, and, owing largely to his helpful coöperation, it presented few difficulties. The supply position was relatively easy and adequate to meet demands; the main difficulties were over containers for packed products.

6. PUBLIC UTILITIES

The restoration of public utilities in cities damaged by war was an essential part of UNRRA's industrial rehabilitation operation. Its actual value to those countries which included public utility supplies in their programs is probably inadequately shown by the dollar value, which was only 8 per cent of the total UNRRA industrial rehabilitation program.

The most important programs, in terms of expenditure, were concerned with the procurement of electric power stations for the Ukraine and Byelorussia. Under an agreement known as the Third War Protocol, made in 1942 between the United Kingdom and the USSR, considerable quantities of electrical and mechanical equipment were to be delivered to the USSR.⁷¹ When UNRRA assumed responsibility for programs to the Ukrainian and Byelorussian Republics, the Soviet Trade Delegation in London, acting on their behalf, was anxious that as much as possible of the equipment which was to have been delivered under the Protocol should be transferred to the UNRRA programs. Both Republics were, indeed, prepared to forego other supplies in

⁷⁰ *Ibid.*, p. 5.

⁷¹ Monograph, W. Kulka, "Branch A, Industrial Rehabilitation Division," pp. 14-16.

order to get electrical equipment. As a result, arrangements were made for over \$16 million to be spent on steam turbine power stations, generator sets, and boilers for the Ukraine and over \$4 million for Byelorussia. At the time UNRRA assumed responsibility for the procurement and shipment of this material some was already in warehouses, but a considerable portion was in process of manufacture. Unfortunately, owing to the strained production conditions in the United Kingdom at the time, the manufacturers fell behind in completing the orders. The Administration, supported by the United Kingdom Ministry of Supply, did its utmost to expedite delivery, but delivery dates were continually postponed, and the material was not delivered until many months later than had been planned.

The only other program which compared in size with those of the two Soviet Republics was that for China; this was composed mainly of some 500 small generating plants, some of which were procured in the United States and some from military surpluses in the Pacific area.⁷²

A small but comprehensive public utility project was undertaken for the improvement of the Athens water supply. This was a legacy from the military authorities. When the Allied forces landed in Greece it was found that the Marathon reservoir which supplies Athens with water was, owing to five years of exceptionally dry weather, at a dangerously low level; water storage in the reservoir had been reduced from 41 million cubic meters in 1940 to 6,300,000 cubic meters in February 1945. In order to preserve this small storage, water consumption had been limited to about 5.3 gallons per head per day and was available only three hours a day for three days a week. This situation constituted a serious public health and fire hazard; it was estimated, moreover, that, if drought conditions continued, the available supply would be exhausted by the end of the year. The Army engineers of the Allied forces recommended the building of a pumping station at the Souli Springs and a pipe line to the Marathon reservoir (a distance of about seven miles), a power transmission line from Athens, and a transformer station for operating the pump. This project had not been started when UNRRA took over, and it became the responsibility of the Administration to provide the materials to carry it through.

⁷² Operational Analysis Papers (OAP) 53, *UNRRA in China, 1945-1947* (Washington, D.C., 1948), p. 294; see monograph, E. C. Wells and G. K. Arnold, "UNRRA's Program of Public Utilities," p. 13.

The Administration submitted schedules of requirements to CPRB. It was agreed that the necessary piping, valves, pumps, motors, and accessories should be produced in the United States and electrical equipment in the United Kingdom. The project was given first priority, and 1 November 1945 was the target date for its completion. It ran into various difficulties—strikes in the United States, shortages of supplies, and delays in shipment—and was not completed until the summer of 1946.⁷³ The long period of drought was by then broken. There was no shortage of water in Athens, and there were rumors that the Greek Government wondered if, perhaps, the money could have been better used for some other purpose. The project was not an elaborate one; it involved only some \$270,000 (about 5 per cent of the total Greek industrial rehabilitation program), and the dam remains as a permanent protection against future droughts.

A more costly but less complete project was undertaken in Yugoslavia to restore the water supply and distribution system in Belgrade. As for the Athens scheme, the equipment provided included cast-iron pipes, valves, and pumping equipment, but the Yugoslav project was more difficult to carry out since, as the installation had been only partially destroyed, it involved fitting new equipment to old. Most of the materials were procured in the United States, the remainder in the United Kingdom.⁷⁴

There was a limited program for the restoration of gasworks in Greece, Poland, and Czechoslovakia. At Brünn, Czechoslovakia, bombs had destroyed both the gasworks and the largest gasholder, and the gas supply was completely interrupted. The Czechoslovak authorities did their utmost to repair the damage without outside help, but certain of the equipment which was needed was of foreign origin and they could get it only through UNRRA. One of the most important items was a Connersville gas meter, without which the gas supply could not be controlled. The amount involved was not large—\$3,000—but the benefit to the town of this particular piece of equipment was far greater than the small cost involved.⁷⁵

⁷³ Industrial Rehabilitation Division, ERO, Director's file on Souli-Marathon project, Greece; see monograph, Kulka, "Branch A, Industrial Rehabilitation Division," ERO, p. 24.

⁷⁴ Monograph, Wells and Arnold, "UNRRA's Program of Public Utilities," p. 10.

⁷⁵ Monograph, Kulka, "Branch A, Industrial Rehabilitation Division," pp. 28-29.

7. MINING EQUIPMENT

Some \$27 million was spent by the Administration on the procurement of mining machinery. The bulk of this procurement was on behalf of Czechoslovakia, Poland, and Yugoslavia—the three main coal-producing countries in Europe—but smaller programs were carried out for Albania, Austria, China, and Greece. During the war the Germans had installed a large number of belt conveyors in the Polish and Czechoslovak mines in place of shaker conveyors, probably because natural and synthetic rubber was more readily available than steel. Owing to lack of replacements the rubber belting was in an extremely bad condition by the end of the war and was one of the main items requested by the Polish and Czechoslovak Governments for the restoration of their mines. In addition, Poland asked for substantial quantities of crushing, screening, and excavating equipment, representing in value 20 per cent of its total mining budget. Czechoslovak mining installations suffered no damage, but were urgently in need of new equipment. Most of this was purchased in the United Kingdom.⁷⁶

In Yugoslavia there had been extensive damage to coal mines. Nearly all the Serbian bituminous coal mines were destroyed—outside installations blown up, pumps destroyed or demolished, and the mines flooded. The most important basin in northern Yugoslavia (Trbovlje) had suffered particularly heavy damage, and nearly 70 per cent of the installations were inoperative. During the war, the Germans had developed a lignite mine in the immediate vicinity of Belgrade (Kostolac) which was mined by stripping and therefore could not suffer heavy damage.⁷⁷ The Yugoslav Government concentrated its requests for mining equipment on the needs of mines which could be easily restored. The total mining equipment program amounting to about \$7 million was comparatively small, considering the importance of coal in Yugoslavia's economy. The supplies provided included electric locomotives, coal-drilling sets, pneumatic coal picks, and explosives, procured partly in the United States and partly in the United Kingdom.⁷⁸

⁷⁶ Monograph, Emanuel Herzog, "UNRRA's Program of Relief and Rehabilitation, Mining Section," *passim*.

⁷⁷ *Ibid.*, p. 17.

⁷⁸ Monograph, J. E. Lejeune, "The Use of the United Kingdom Contribution to UNRRA," p. 10.

8. BUILDING CONSTRUCTION EQUIPMENT

For the restoration of houses and the repair of bridges, roads, railways, and ports, the Administration provided supplies which fell roughly into four categories: hand tools, lumbering and woodwork equipment, and general construction equipment. Procurement of these supplies was mainly through the acquisition of surplus military supplies of United States and United Kingdom origin and of new equipment in those countries.

In the United States most of the standard items of construction equipment had been manufactured steadily throughout the war for military use. At the end of the war the production of road-building equipment increased in anticipation of large highway repair and construction programs. These programs failed to materialize, and, as a result, much of the equipment on order was released to other purchasers, including UNRRA. The uncertainties of the immediate post-war period produced a very unstable market; in December 1945 new road rollers could not be purchased for delivery under fifteen months. About a month later, companies which had been quoting fifteen months' delivery were offering it at sixty to ninety days. By April, deliveries were being quoted at eighteen months.⁷⁹

In these circumstances the Industrial Rehabilitation Division found it necessary to supplement purchases of new equipment by second-hand materials. This type of transaction was not, however, readily adaptable to United States Treasury procurement procedures: orders could not be placed outright for pieces of equipment which had been located, inspected, and found suitable; they had to be processed through the various channels of the Treasury with the result that, by the time they had been approved, the equipment had often been sold elsewhere. It was estimated that two or three times as much was located as the Administration finally succeeded in buying.⁸⁰

At one stage there was a risk that procurement of building industry equipment in the United States would be brought to a halt, owing to an apparent conflict between UNRRA needs and those of the Veterans' Housing Program. This conflict was actually more apparent

⁷⁹ Monograph, A. J. Kelsey, "UNRRA's Program for Building Construction Equipment," Part VII, p. 6.

⁸⁰ *Ibid.*

than real, since most of the equipment UNRRA was buying was either of a special export type, or of a kind for which there was no particular demand in the United States. This did not, however, appear to be the case in the eyes of the National Housing Agency and the Civilian Production Administration, which in August 1946 contemplated the cancellation of \$12-15 million of building industry equipment for which UNRRA had contracted.⁸¹ A special Task Committee, set up to consider the various orders, found that the great majority of them did not conflict with the veterans' program. This fact was proved by the failure of the National Housing Agency and the Civilian Production Administration to find alternative buyers for items of equipment which they had contended were in critically short supply; a fortnight's effort to find buyers for equipment contained in a contract for \$1,060,000 resulted in an offer for one piece costing about \$2,000.⁸²

A similar danger faced the Administration's brickmaking equipment program. In spite of the testimony of manufacturers that the brick shortage in the United States was caused by lack of burning facilities rather than by lack of equipment, the National Housing Agency insisted that UNRRA's contracts be held up. The result was that material was stored in manufacturers' warehouses until the controlling agencies could be induced to reverse their previous ruling.⁸³

An important contribution toward meeting the receiving countries' needs for machine tools, bulldozers, cranes, and heavy engineering equipment was made through the purchase of six depots of United States surplus Army supplies.⁸⁴ Three of these depots were located in the United Kingdom, the others were at Le Bourget, Marseilles, and Liège. The purchase of these depots meant not only that supplies were bought more cheaply than at market prices but that equipment was secured which was virtually impossible to buy elsewhere.

9. EVALUATION

The industrial rehabilitation program was, after that for food, the largest in tonnage and value of the commodity programs. In the space of about three years, over eleven million tons of supplies were moved,

⁸¹ *Ibid.*, Part VI, p. 5.

⁸² *Ibid.*

⁸³ *Ibid.*

⁸⁴ OAP 12, *UNRRA Procurement of U.S. Military Surpluses in Europe* (London, 1946), p. 20.

having a value of about \$681 million. Perhaps on balance UNRRA's industrial rehabilitation program could almost as appropriately be described as a relief program: the provision of trucks was as surely relief as the provision of food. Food and the trucks by means of which it could be distributed were together the primary relief needs of the receiving countries; fuel was as necessary for the physical needs of everyday life as it was for the rehabilitation of industry. Transport supplies and fuel together absorbed more than one-third of the industrial rehabilitation budget. But the contribution which this program made to the rehabilitation of industry was an important one. Through the provision of mining and quarrying equipment, of industrial raw materials, of building materials and construction equipment, the wheels of industry were put into motion, normal economic life resumed, and the peoples of the UNRRA countries given useful employment.

One of the most challenging tasks in the carrying out of this program—as indeed in many of the others—was to make the most effective use of the resources provided by member governments. The United States, the United Kingdom, and Canada were naturally the largest sources of supply; funds available for this program from the United States could most effectively be used for the procurement of surplus military supplies, much of which were already located in Europe and Asia, and for hard and liquid fuel; Canada's share in the program could be best used in helping to satisfy the almost insatiable demand for trucks; that of the United Kingdom went a long way toward meeting the Administration's needs for a wide range of nonferrous metals and other industrial supplies—indeed, 43 per cent of the whole United Kingdom contribution was devoted to this program. Supplies to meet the needs of the industrial rehabilitation program moved to the UNRRA countries from many other sources: lumber from Brazil; coal, zinc, and chemicals from South Africa; coal from Turkey; locomotives from Australia; belting from Mexico.⁸⁵ The supplies which UNRRA was thus able to provide went a long way toward “helping people to help themselves,” though it was evident, when the program drew to a close, that substantial additional assistance would be needed before normal productivity and financial stability could be achieved.⁸⁶

⁸⁵ CCE(47)28, “Survey of UNRRA Operations in Europe,” June 1947.

⁸⁶ DGR 14, p. 201.

VIII. Agricultural Rehabilitation

1. OBJECTIVES

THE FIRST positive step toward the fulfillment of a program of agricultural rehabilitation was a request, submitted by the Administration to CFB on 9 February 1944, for an allocation of rock phosphate for use in liberated areas.¹ This was followed by requests for seeds, pesticides, and farm machinery. Through these preliminary ventures, members of the Agricultural Rehabilitation Division at Headquarters were initiated into Combined Boards procedures. Most of the agricultural supplies with which the Administration was concerned were, in fact, subject to allocation by one or another of the Combined Boards—fertilizers and seed grain by CFB; farm tools and machinery by CPRB; and pesticides by the Combined Raw Materials Board (CRMB).

One aspect of the agricultural rehabilitation program which distinguished it from the other UNRRA supply programs was the importance of timing deliveries. Seeds, fertilizers, harrows, plows, pesticides, harvesting equipment—indeed, practically the whole range of supplies—had to reach their destinations in due season if they were to be of maximum use. These seasons varied as between one receiving country and another; the arrival in Poland of a consignment of harvesting equipment would be exceedingly valuable at a time when the arrival in Italy of a similar consignment would have resulted only in an immediate storage problem. The proper integration of shipping with the seasonal delivery of agricultural rehabilitation supplies was a continual cause of friction, particularly in the Supply Department in ERO, between the Shipping Division and the Agricultural Rehabilitation Division. In fairness to the Shipping Division it should perhaps be noted that the Agricultural Rehabilitation Division, fervently anxious for its programs to be fulfilled on time, sometimes failed to realize, for instance, that agricultural machinery presented a dif-

¹ Committee on Supplies (CS) (44) 17, "Progress Report of UNRRA Bureau of Supply, Seventh Meeting of the Committee on Supplies, 9 March 1944."

ficult stowage factor, that carbon bisulphide—included in the pesticides program—was a noxious cargo which many shipmasters refused to accept, or that animal carriers were insufficient in numbers throughout the operation. It was not, however, part of the Agricultural Rehabilitation Division's job to be patient in these circumstances, and it was not.²

The supplies and services which the Agricultural Rehabilitation Divisions sought to provide for the liberated countries in accordance with the Council resolutions can be divided into six main groups: (1) tractors and draft animals for plowing, planting, and harvesting; dairy animals and breeding stock for increasing and improving the herds remaining in the liberated areas; (2) miscellaneous farm machinery for tillage, seed planting, cultivating, and harvesting, and such farm equipment as milk cans, sacks, feed grinders, and seed cleaners; (3) agricultural seeds together with suitable fertilizers and pesticides; (4) materials for the prevention of livestock diseases; (5) fishing boats and fishing gear; (6) the development of a technical services program in order to ensure that the supplies furnished to the liberated areas should be used with the maximum efficiency.³

In carrying out this program, the work of the Agricultural Divisions at Headquarters and in ERO had to be closely integrated. Agriculture cannot be approached as a sectional problem. It is impossible to consider the growing of crops independently of the provision of tillage power, fertilizers, and pesticides. A large grain crop would be useless without adequate harvesting facilities. The usefulness of reapers would be largely nullified if sufficient sacks and containers were not available also. It was essential, therefore, for the agricultural rehabilitation staffs, no matter with which particular commodities they were concerned, to think in terms of maximum food production and to work as a team rather than as individual specialists dealing with deliveries of individual products.⁴ That they succeeded in this was due largely to the personality of E. R. Henson, Director of the Agricultural Rehabilitation Division at Headquarters. This big, friendly man, with a lifetime of agricultural experience behind him, saw to it, in the words of one of the members of his staff, that "whatever happened was everyone's

² See, for example, monograph, W. J. Darke, "A Brief Administrative History of the Agricultural Supplies Branch, ERO," pp. 57-59.

³ For discussion, see Part Four, Chapter II, Section 4.

⁴ Monograph, Darke, "A Brief Administrative History of the Agricultural Supplies Branch, ERO," p. 12.

business.”⁵ The records of the activities of the Agricultural Rehabilitation Divisions at Headquarters and in ERO, and of the various branches within these Divisions, testify to the truth of this statement.

2. FARM MACHINERY AND EQUIPMENT

Farm machinery and equipment included in the agricultural rehabilitation program consisted almost entirely of implements most commonly used in carrying out ordinary farming operations, although, had funds been available, many additional types of equipment could have been employed to advantage.⁶

The most crippling loss to agricultural economy in both Europe and Asia was of draft power. Work animals and tractors had been destroyed or removed by the enemy. Such draft power as was left consisted largely of obsolete and worn-out tractors and lame and over-age animals. The provision of tractors to substitute for and to supplement work-stock was essential if the land was to be put into cultivation quickly. The Administration lost to other claimants its struggle to get the numbers of tractors needed for the UNRRA countries, but it succeeded in providing some 21,300 all-purpose tractors (equivalent to about 250,000–300,000 work animals) and about 3,000 garden tractors.

In February 1944 CPRB approved a request submitted by the Administration for an allocation of 186,000 tons of material for the production of farm machinery and equipment for use in liberated areas.⁷ The Board recommended the United Kingdom and Canada as sources of supply for 30 per cent of the equipment and the United States for the remaining 70 per cent.⁸ By October 1944 production against the allocation amounted to about 76 per cent in Canada, 63 per cent in the United Kingdom, but only about 31 per cent in the United

⁵ Monograph, Gerard A. Mahler, “UNRRA’s Agricultural Rehabilitation Activities,” p. 72.

⁶ Monograph, Millard Peck, “Farm Machinery Procurement and Distribution,” p. 1.

⁷ Memo, Millard Peck and James C. Foster (both in Agricultural Rehabilitation Division, HQ) to George M. Reynolds (Foreign Economic Administration [FEA], Relief and Rehabilitation Division), “Review of the Farm Machinery Program,” 4 April 1944.

⁸ Memo, J. T. Sanders (Agricultural Rehabilitation Division, HQ) to C. H. Willson and E. R. Henson (both in Agricultural Rehabilitation Division, HQ), 7 October 1944.

States.⁹ The meagerness of United States production for liberated areas was already apparent—nearly 1,800,000 tons of machinery were in production in the United States for American farmers, or about 43 times the amount provided for Europe.¹⁰

Early in 1945 UNRRA presented a request for a further allocation of materials, amounting to 29,490 tons, for farm machinery for use in the nonpaying countries only.¹¹ After three months of discussion and negotiation, in the course of which the Administration stressed that it was not its intention to change the agricultural economy of any area by mechanization, but only to increase food production by promoting efficiency on the farms, CPRB agreed to make the allocation. It was granted, however, on the understanding that authority for any machinery not already in production under the previous allocation must be regarded as having lapsed.¹²

Throughout 1945 negotiations continued regarding the transfer of equipment by UNRRA to the paying countries, on a repayment basis, from that produced for all liberated areas out of the original allocation of materials. The releases made by UNRRA to Belgium, Denmark, France, the Netherlands, and Norway, as a result of these negotiations, included over 5,000 tractors (of which over 3,000 were for France) and substantial numbers of tractor plows, mowers, grain binders, and tedders, amounting in all to about half the total equipment arising from the allocation.¹³

On 1 July 1945 agricultural machinery was removed from Combined Board allocation.¹⁴ Domestic demands in the United States were such that it was impossible for the Agricultural Rehabilitation Division to buy any farm tractors from United States production, nor did much better success attend its efforts to obtain complementary machinery. The position did not improve. On 3 April 1946—at the height of the food crisis—LaGuardia appealed to J. D. Small, Administrator

⁹ *Ibid.*

¹⁰ *Ibid.*

¹¹ Letter, Director General to Combined Production and Resources Board (CPRB), 1 February 1945.

¹² CPRB Decision LA/9/PR-F, "Request of UNRRA for Farm Machinery and Implements," 12 May 1945.

¹³ Monograph, Peck, "Farm Machinery Procurement and Distribution," reference 31.

¹⁴ Letter, Stanley L. Phraner (CPRB) to R. T. Edge (Food and Farm Machinery Committee, United Kingdom Ministry of Production), 21 June 1945.

of the Civilian Production Administration (CPA) "for action to assure that the tractors and other tools essential for rehabilitating agriculture in the famine stricken countries will arrive in time to arm the people for their battle against starvation this year."¹⁵ This appeal gave rise to a series of meetings between CPA and the Agricultural Rehabilitation Division of UNRRA, as a result of which CPA agreed to issue directives to agricultural machinery manufacturers in the United States to "set aside" for UNRRA a total of 13,500 wheel tractors and 1,000 crawler tractors, in addition to other kinds of farm machinery.¹⁶

These directives had scarcely become effective, however, when Small informed UNRRA, through the State Department, that a report had been received to the effect that the USSR was offering large quantities of tractors to Argentina and that, unless UNRRA was able to secure evidence that the report was untrue, CPA could not continue its priority assistance for any UNRRA agricultural equipment which might go to the USSR.¹⁷ David Weintraub, Deputy Director General and Chief of the Bureau of Supply, immediately asked the UNRRA Missions at Kiev and Minsk whether either the Ukraine or Byelorussia was exporting tractors.¹⁸ The Missions' answers confirmed that no tractors had been exported and that the needs were so great that any such export would be quite impossible.¹⁹ The Administration was then in a position to give CPA the assurance required. There the incident could have ended. Instead, however, LaGuardia informed the Missions at Kiev and Minsk that the earlier cables were "unauthorized," that the rumor should never have been taken seriously, and that he had "no report before him of tractors exported from the USSR."²⁰ The episode was itself insignificant; more important was the fact that it was one of the causes which led to the rupture of Weintraub's association with UNRRA, and thereby to the premature loss

¹⁵ Letter, LaGuardia to Henry A. Wallace (Secretary of Commerce), 3 April 1946.

¹⁶ Civilian Production Administration (CPA), Priorities Decision 79, "UNRRA Agricultural Equipment Program," 31 May 1946; Priorities Decision 79 (Supplement 1), "UNRRA Agricultural Equipment Program and Export Ceiling for Track Laying Tractors," 12 June 1946.

¹⁷ Letter, J. D. Small (CPA Administrator) to William J. Clayton (Assistant Secretary of State), 17 June 1946.

¹⁸ Cables: Washington to Kiev 230, Washington to Minsk 159, 25 June 1946.

¹⁹ Cable, Kiev to Washington 162, 29 June 1946.

²⁰ Cables: Washington to Minsk 191, Washington to Kiev 258, 3 July 1946.

to the Administration of the man who, probably more than any other single person, was responsible for the success of the UNRRA supply operation.

The manufacturers affected by the CPA directives keenly resented them. The International Harvester Company (which was to supply by far the greatest amount of equipment) was quoted in the press as having urged a downward revision of its quota on the grounds that tractors shipped in the UNRRA program would not be properly used and, moreover, that these shipments would reduce radically the quantity of tractors which could be sent to other countries—France, South Africa, and South America—where the farmers were familiar with their use.²¹

These protests had no immediate effect, and the “set aside” order was maintained uneasily for the next few months. Headquarters was in constant touch with the missions to verify the extent to which UNRRA tractors were being employed, in order to be ready to defend its allocation as occasion demanded.²² It was no use, however. Although a careful reappraisal of tractor requirements seemed entirely to justify the program, nevertheless, the tide of opinion in the press and among the manufacturers and in the Federal agencies concerned was turned against the UNRRA “set aside.”²³ The Director General was informed that the total number of tractors for which priority support would be given, including those already delivered, would be reduced from 13,500 to 7,635 in the case of wheel tractors and from 1,000 to 300 in the case of crawler tractors.²⁴ LaGuardia accepted the position without protest; his reply contained the statement that he “would make further representations . . . shortly.”²⁵ No further representations were made, however, and the “set aside” quota for the UNRRA countries remained at the figures then established.

²¹ *New York Times*, “Government Insists Tractors Be Exported, Largely to Red Zone, Denies Harvester Plea,” 25 July 1946; letter, A. U. Sufrin (Chief, CPA Farm Machinery and Equipment Branch) to G. C. Hoyt (Vice-President, International Harvester Company), 24 July 1946.

²² Letter, C. H. Willson (Agricultural Rehabilitation Division, HQ) to M. L. Harvey (Bureau of International Supply, CPA), 9 September 1946.

²³ Monograph, Peck, “Farm Machinery Procurement and Distribution,” p. 83; cable to all missions, 21 September 1946.

²⁴ Letters: John R. Steelman (Director, Office of War Mobilization and Reconversion) to LaGuardia, 3 October 1946; Steelman to Small, 3 October 1946.

²⁵ Letter, LaGuardia to Steelman, 4 October 1946.

Apart from the 7,635 wheel tractors and 300 crawler tractors delivered under the reduced 1946 "set aside" programs, the Administration obtained from United States production 9,096 new wheel tractors under the 1945 Combined Board farm machinery allocations, 3,350 from the United Kingdom, and about 1,000 (of which the majority were of the crawler type) from United States Army surpluses in Europe and Asia. Garden tractors were provided partly from the United States and partly from the United Kingdom.²⁶

The Administration had little choice as to what models and makes of tractors were provided. Under the "set aside" order, for instance, manufacturers were directed to make available a percentage of whatever models were being currently manufactured.²⁷ The wheel tractors were mainly of the two- and three-plow types commonly used in the United States and United Kingdom. They were equipped with hitches for drawing ancillary equipment, and most of the models were also suited to use with mounted cultivators and plows. Those provided from the United States had rubber tires; those supplied from the United Kingdom—all Fordsons—were equipped with steel wheels. The greater proportion of the crawler tractors was obtained from United States military surpluses from depots in New Delhi, Manila, Honolulu, and Paris. Those procured from Honolulu cost as little as \$3,689 each and were equipped with dozers and winches.²⁸ At existing retail prices they would each have cost, with the equipment they carried, about \$10,000–\$15,000. Even when the cost for repairs and for the removal of the armor plate with which many of them were fitted, was added, they still represented an excellent investment. Some, from other depots, were not so good. This applied particularly to a consignment of 171 tractors from Manila. They were sent to Trieste, for Yugoslavia, where 141 of them were found to be suitable only for scrap. Their cost was renegotiated with OFLC on this basis.²⁹

The distribution of tractors among the receiving countries was as follows:

²⁶ Monograph, Peck, "Farm Machinery Procurement and Distribution," pp. 4–13.

²⁷ CPA, Priorities Decision 79, "UNRRA Agricultural Equipment Program," 31 May 1946.

²⁸ Monograph, Peck, "Farm Machinery Procurement and Distribution," pp. 6–9.

²⁹ *Ibid.*

TABLE 16
DISTRIBUTION OF UNRRA TRACTORS^a

Country	Wheel Tractors	Crawler Tractors	Garden Tractors	Total
Albania	128	25	2	155
Austria	780	20	650	1,450
Byelorussia	653	130	...	783
China	1,246	149	92	1,487
Czechoslovakia	2,001	34	2,226	4,261
Dodecanese	...	10	...	10
Ethiopia	20	2	10	32
Finland	...	9	...	9
Greece	1,332	140	100	1,572
Italy	200	48	...	248
Philippines	105	105
Poland	8,856	28	150	9,034
Ukraine	1,184	293	...	1,477
Yugoslavia	3,734	180	200	4,114
Total	20,239	1,068	3,430	24,737

^a Monograph, Peck, "Farm Machinery Procurement and Distribution," Table V, opposite p. 14.

The tillage implements supplied in the agricultural rehabilitation program consisted mainly of tractor-drawn plows, disk harrows, spring-tooth harrows, spike-tooth harrows, and animal-drawn walking plows. The number of tractor plows was roughly equivalent to the number of tractors—about 23,000. On the other hand the number of disk harrows, spring-tooth harrows, and spike-tooth harrows was considerably less. Tractor plows were procured in the United States, the United Kingdom, Canada, Australia, and New Zealand. They were of diverse makes and models, the sizes being commensurate with the sizes of the tractors with which they were to be used, and were mainly of the moldboard type, varying in size from one bottom to five. Some 13,000 disk harrows were provided, about 10,300 spring-tooth harrows (all from the United States and Canada), and over 150,000 animal-drawn walking plows. Early in the planning of the program it was assumed that large numbers of animal-drawn tillage tools would be required.³⁰ Owing to the severe loss of animal draft power, however,

³⁰ *Ibid.*, pp. 20-22.

the demand for tillage tools of this type diminished and that for power-drawn farm tools increased. As a result, until the receiving countries realized that other types would not be available, they accepted with some reluctance the animal-drawn plows.

Included in the harvesting equipment were 259 combine harvesters, of which 155 were supplied by the United States and 99 by Canada. Among those from Canada were 38 especially adapted for harvesting rice, 26 of which went to China and 12 to the Philippines. The use of combine harvesters was an innovation in both these countries.

A small amount of seed-cleaning equipment was provided, of three general types—hand, power, and electromagnetic. The last type, which is made to order rather than mass produced, features strangely in a program designed to provide implements commonly used in carrying out ordinary farming operations.³¹ It was said that before the war there were, for example, in Czechoslovakia, where the seed trade is well developed, only three electromagnetic seed cleaners.³² In all, eight were procured—three for Czechoslovakia, three for Yugoslavia, and two for Byelorussia.³³ Those for Byelorussia were requested late in the operation and could be supplied only by diverting two from an order for five which had long been placed by Yugoslavia.³⁴ The Byelorussian Mission and the representatives of the USSR in London were insistent in their demand for electromagnetic seed cleaners for the treatment of some 400 tons of timothy seed provided by UNRRA and alleged to be infected with noxious weeds, and, therefore, under Soviet law quarantined.³⁵ Two electromagnetic seed cleaners were accordingly sent to Byelorussia. Soon afterward the Mission asked for instructions on how they worked.³⁶ In reply, ERO offered to send an experienced operator to Minsk,³⁷ but the offer was declined.³⁸ The Agricultural Rehabilitation Division heard no more and never knew whether these machines were ever used.

This was a somewhat unsatisfactory case, but it was probably an

³¹ Monograph, Peck, "Farm Machinery Procurement and Distribution," p. 28.

³² Monograph, Darke, "A Brief Administrative History of the Agricultural Supplies Branch, ERO," p. 99.

³³ Monograph, Peck, "Farm Machinery Procurement and Distribution," Table XXIII, p. 27.

³⁴ Cable, Washington to Trieste 538, 28 December 1946.

³⁵ Cable, Minsk to Washington 494, 15 November 1946.

³⁶ Cable, Washington to London 19015, 7 January 1947.

³⁷ Cable, London to Minsk 145, 3 April 1947.

³⁸ Cable, Minsk to Prague 151, 30 May 1947.

isolated one, for the records of the Agricultural Rehabilitation Divisions give every evidence that farm machinery and equipment sent to UNRRA countries were utilized fully and competently, with the aid of UNRRA technicians where necessary.

3. LIVESTOCK

The Administration shipped to receiving countries in Europe and Asia about 286,000 draft animals including horses, mules, and donkeys; about 37,000 utility cattle, pedigreed heifers, and bulls; some 2,400 sheep, 138 goats, over 800 hogs, 172 rabbits; about 85,000 adult poultry and 150,000 baby chicks.³⁹ The movement of this vast menagerie—much of it across the Atlantic Ocean—was the most ambitious and also the most hazardous undertaking in the supply operation. The highly specialized nature of animal procurement, the risk of loss in transit, the cost of ocean freight—on each head of cattle this was about \$185,⁴⁰ or little short of a single passenger fare—were only a few of the characteristics of this operation which made it peculiarly onerous for those charged with responsibility for it.

In 1945 the delivery of livestock to Europe from the Western Hemisphere was limited by the number of animal carriers. Up to the end of 1945 only about one-third of the animals then available had been lifted.⁴¹ Large-scale shipments started in 1946 when additional ships were equipped and assigned to the UNRRA fleet of livestock carriers which, at the height of the operation, consisted of some seventy vessels—mostly converted Victory and Liberty ships.⁴² The cost of conversion was between \$145,000 and \$200,000 per vessel; it was, therefore, essential, in order to justify these heavy costs, that the vessels should be fully utilized. Each carrier could be loaded with an average of 800 large animals and each could make six round trips during an average year of operation. Difficulties over procurement of dairy cattle in the United States, however, prevented the fulfillment of a program on this scale.

The Department of Agriculture was at no time eager to act as pro-

³⁹ Monograph, Mahler, "UNRRA's Agricultural Rehabilitation Activities," pp. 476-477; see also monograph, Robert Lintner, "UNRRA Livestock Program," Appendix, "Total Livestock Numbers by Source and Destination."

⁴⁰ Monograph, Lintner, "UNRRA Livestock Program," p. 25.

⁴¹ Monograph, Mahler, "UNRRA's Agricultural Rehabilitation Activities," p. 476.

⁴² *Ibid.*; monograph, Lintner, "UNRRA Livestock Program," p. 5.

curement agent for UNRRA livestock.⁴³ After the liquidation of FEA, however, UNRRA purchases were effected through that Department. By the middle of 1946 procurement of livestock was seriously behind schedule: requisitions had been placed by the Administration for some 250,000 more horses and cattle than had been bought. LaGuardia took up the matter with the Secretary of Agriculture.⁴⁴ He was informed that, with respect to dairy cattle, the condition of the dairy economy of the United States was such that, apart from a few thousand head then under contract, no more could be spared for the UNRRA program.⁴⁵ This decision was a profound disappointment to the Administration. It involved the cancellation of requisitions for some 27,000 animals—more, in fact, than the total hitherto procured in the United States. The Agricultural Rehabilitation Division protested energetically against a decision which would inevitably reduce drastically the size of the dairy stock program which it had hoped to carry out. It was argued, though to no avail, that since the 27,000 animals amounted to less than one-tenth of one per cent of the milk animals in the United States,⁴⁶ the export of these animals could not have a marked effect on the dairy economy of the United States.

At this time about 25,000 cattle had been bought in the United States. A few thousand were bought subsequently through trade channels (the Department of Agriculture knew of these purchases, but made no objection); and over 6,000 animals were generously provided by voluntary organizations; but large-scale procurement of dairy animals in the United States was now virtually at an end. The cattle which had been bought were nearly all of the Holstein-Friesian type. Rugged young animals were selected for milk yield, meat production, and usefulness for draft purposes.⁴⁷

Procurement of horses in the United States continued on a large scale, and in all some 150,000 animals were bought in the United States.⁴⁸ Various breeds were selected. For Poland, which had by far the largest draft animal program, most of the horses supplied

⁴³ Monograph, Mahler, "UNRRA's Agricultural Rehabilitation Activities," p. 481.

⁴⁴ Letter, LaGuardia to Clinton P. Anderson (Secretary of Agriculture), 22 May 1946.

⁴⁵ Letter, Anderson to LaGuardia, 18 June 1946.

⁴⁶ United States Department of Agriculture Press Release, "Livestock on Farms," 1 January, revised 15 February 1946.

⁴⁷ Monograph, Lintner, "UNRRA Livestock Program," p. 60.

⁴⁸ *Ibid.*, p. 63.

were grade Percherons, Belgians, Morgans, and similar medium-sized animals weighing 1,000–1,500 pounds.⁴⁹ Yugoslavia's needs were met by horses similar in type to those used in the Southeastern United States, weighing about 900 pounds; for Greece a smaller type of horse or pony was most suitable.⁵⁰

In the early part of the operation, many of the animals procured by the Department of Agriculture lacked much in quality, condition, and conformation. From Warsaw, the Agricultural Rehabilitation Division was informed:

In the first place I must report that American horses are a pretty sad-looking bunch in comparison with those being sent by Denmark, and not all due to the long voyage. They look to me like the kind of horses the poorer farmers used to have—sort of like the scrapings from the bottom of the barrel. I think the Department of Agriculture is letting us down.⁵¹

Henson's reaction to this was to set up a Livestock Inspection Section. Henceforth, UNRRA inspectors accompanied Department of Agriculture officials when UNRRA horses were being selected, and the livestock bought thereafter was of a generally higher quality.⁵²

Other livestock purchases in the Western Hemisphere included about 18,500 horses and 800 cattle bought in Canada through the Canadian Commercial Corporation,⁵³ some 5,000 horses and mules in Mexico, and some 6,000 mules in Brazil.⁵⁴ The Brazilian operation was complicated by difficulty in getting export licenses for the necessary feedstuffs, particularly for alfalfa hay. Losses at sea were higher than they should have been as a result of the poor forage which had to be used.⁵⁵

The Livestock Branch, throughout the operation, took the greatest precautions to minimize the risk of loss of animals and to ensure that only animals in good condition were shipped. Horses, for example, which are poor travelers, were given various inoculations and vaccinations; were inspected on arrival at the port of shipment, again before loading, and finally as they were moved through the loading chutes to the flying stalls which carried them aboard ship. At each inspection,

⁴⁹ *Ibid.*, p. 61.

⁵⁰ *Ibid.*, p. 62.

⁵¹ Letter, Earl Bell (Poland Mission) to Henson, 2 July 1946.

⁵² Monograph, Lintner, "UNRRA Livestock Program," p. 13.

⁵³ *Ibid.*, Appendix, "Total Livestock Numbers by Source and Destination."

⁵⁴ *Ibid.*, Appendix, "Procurement and Shipment of Livestock from Brazil."

⁵⁵ *Ibid.*

animals about which there was any doubt were removed for treatment and later shipment. The risks of loss, however, did not end there. The greatest potential danger was on shipboard, particularly since it was necessary, owing to the short duration of the UNRRA operation, to depart from the normal commercial practice of shipping livestock only in the fine season of the year, and to transport them the year round.⁵⁶

Experience with the shipment of some 5,000 horses from the United States to Poland early in 1947 illustrates how many difficulties, given sufficiently unfavorable conditions, can be crowded into a single operation undertaken in winter. The screening arrangements, which had characterized earlier shipments, had been modified on this occasion, since, as the operation was drawing to a close, animals rejected at this time could not be shipped later. Many of the animals loaded, therefore, were fit to stand the voyage only in favorable circumstances. As it turned out, they were called upon to stand phenomenally bad conditions.

The seven vessels carrying these horses could not reach their destinations owing to the freezing of the Baltic—an event which happens perhaps thrice in a century. One of the vessels became icebound in the Skagerrak; later she discharged at Helsinborg.⁵⁷ The others were diverted to Rotterdam and then to Esberg and Copenhagen. Feedstuff aboard the vessels had already run low, and the emergency buying of fodder—scarce everywhere in Northern Europe that hard winter—and its transport to the ports became a major problem.⁵⁸ Eventually, through the combined efforts of Headquarters, ERO, and the Missions in Belgium, Denmark, and France, supplies were bought in those countries and the Netherlands.⁵⁹

Stabling in the ports was limited, and the horses could not be unloaded promptly. It was found impracticable to clean the vessels with the horses on board. Meanwhile, conditions on the ships were bad. Most of the horses were standing in two or three feet of manure, their backs rubbing against ceiling fixtures. At least one of the shipmasters was apprehensive of spontaneous combustion from the piles of smoking dung. Gradually, however, the horses were unloaded and the ves-

⁵⁶ Monograph, Lintner, "UNRRA Livestock Program," pp. 4-6, see also section "Veterinary Program at Savannah, Georgia."

⁵⁷ Monograph, H. de Waal, "Report on Shipping, ERO," p. 53.

⁵⁸ Memo, E. Whittall (Deputy Chief, Shipping Division, ERO) to Chief of Supply, ERO, 12 March 1947.

⁵⁹ Memo, Whittall to E. E. Wasson (Department of Supply, ERO), 17 March 1947.

sels cleaned.⁶⁰ It was not until April that Gdynia and Danzig were open. The first of the vessels reached there on 16 April, having taken 71 days en route from Savannah, Georgia, a journey which would normally take from 10 to 15 days. Losses on these vessels were high, ranging from 5 to 25 per cent.⁶¹ Those horses which had survived, however, were found to be in surprisingly good condition when landed in Poland, and many were placed on farms almost immediately after arrival.⁶² The chief regret, from the Mission's point of view, was that they were too late for spring plowing.⁶³ In spite of this experience, however, the over-all losses on UNRRA livestock shipments from the Western Hemisphere amounted to only 3.8 per cent compared with estimates of 10 per cent, volunteered by experts, as the probable result of engaging in year-round shipments.⁶⁴

Procurement of livestock in the Eastern Hemisphere included substantial numbers of mules from American and British Army surpluses in Italy, of horses from Denmark and Iceland, and of relatively small purchases of blooded stock mainly from the United Kingdom, bought to improve the quality of the flocks and herds in the receiving countries. About 40,000 horses, including the Government's contribution of 10,000, were obtained in Denmark. The horses bought were mostly of the Jutland breed—a smallish, chunky draft horse. The majority of them were sent to Poland, but a number of horses from the larger, heavier Belgian breeds common in Denmark was procured for Czechoslovakia.⁶⁵ The selection of the animals and arrangements for shipment were made by the Danish Horse Export Board—a well-run organization employing competent horsemen—working in conjunction with the UNRRA Mission in Copenhagen and the ERO Agricultural Rehabilitation Division. Shipment of the gift horses, all of which went to Poland, was a 100 per cent success: 10,000 horses were shipped; one died, but a foal was born en route.⁶⁶

Purchases of livestock in the United Kingdom and in Northern Ireland included 300 large white boars and sows, some 1,200 Old Hamp-

⁶⁰ Memo, E. A. Willson (Agricultural Rehabilitation Division, ERO) to W. J. Darke (Chief, Agricultural Supplies Officer, ERO), 29 March 1947.

⁶¹ Monograph, de Waal, "Report on Shipping, ERO," p. 53.

⁶² Letter, M. E. Hays (Chief, Department of Supply, Poland Mission) to C. H. Willson, 18 April 1946.

⁶³ *Ibid.*

⁶⁴ Monograph, Lintner, "UNRRA Livestock Program," p. 6.

⁶⁵ *Ibid.*, *passim*.

⁶⁶ Committee of the Council for Europe (CCE) (46)69, 10 September 1946.

shire Down and Black Face sheep, Friesian bulls, stallions, and goats. These were largely pedigreed stock. Eleven hundred draft horses, of the cob type, bought in Northern Ireland, were among the best procured. Shipment of animals was, in the British Isles as in the United States, always an anxiety: writing from ERO to Headquarters, W. F. Darke, Chief Agricultural Supplies Officer, reported:

Livestock continues to be entirely governed by the shipping situation. The 275 pigs for Poland still get fatter and fatter in Northern Ireland and if a ship is not soon produced they will be too big for the crates.⁶⁷

From United States Army surpluses in Italy, nearly 3,000 mules were procured for Yugoslavia in the autumn of 1945. The transport of these animals on the crowded railway to Trieste was facilitated by the British Army, which included them within its tonnage allocation and lent experienced personnel to help in the movement. The result was that the animals were delivered quickly to Yugoslavia without a single loss.⁶⁸

In all, \$53,237,200 was spent by the Administration on the livestock program. It was, both in type and scope, an enterprise without precedent.⁶⁹

4. SEEDS

In the seed trade there is traditionally considerable international exchange on the Continent of Europe, and it was, therefore, natural that the UNRRA seed program should be met to a large extent from European sources. Liberated countries—both paying and nonpaying—took a prominent part as suppliers. Among the former were Belgium, Denmark, France, the Netherlands, and Norway. From France, crimson clover and red clover were procured for the Albanian, Greek, Polish, and Yugoslav programs, and alfalfa seed for Austria, Czechoslovakia, and the Ukrainian SSR. Denmark was a source of supply for a variety of forage seeds—orchard grass, meadow fescue, perennial rye grass, and fodder beet—for Austria, and for seed oats for Italy and Yugoslavia. In the Netherlands, the Agricultural Rehabilitation Division procured vegetable seeds and seed potatoes for the Austrian and Yugoslav pro-

⁶⁷ Letter, Darke to Henson, 5 February 1947.

⁶⁸ Operational Analysis Papers (OAP) 12, *UNRRA Procurement of Military Surpluses in Europe* (London, 1946), pp. 31-32.

⁶⁹ Report, Thomas A. Cox (Ship Operations Section, Livestock Branch); CCE(47)28, "Survey of UNRRA Operations in Europe," 28 June 1947, p. 12.

grams. From Norway, turnip seed, seed potatoes, and fodder beet were procured for Austria and fodder beet for Italy.⁷⁰

Czechoslovakia, Finland, Hungary, Italy, and Poland were among the nonpaying countries which were sources of supply. From Czechoslovakia—partly as a contribution and partly against payment—came red and white clover for Austria, spinach and other vegetable seeds, and a large tonnage of seed potatoes; from Poland (the largest recipient of UNRRA seeds), fodder beet for the Austrian program; from Hungary, alfalfa for Greece and white clover for the Ukrainian SSR.⁷¹

The United Kingdom provided seeds to a value of some \$4,800,000. They included fodder crops, sugar beet and vegetable seeds, but principally seed potatoes which, in continuance of customary export practice, were sent mainly to Greece and Italy.⁷²

Few of the seed varieties familiar in the Western Hemisphere had previously been used in Europe. As the United States was likely to be a substantial supplier, means had to be found of ensuring that seeds shipped to Europe and also to China from the Western Hemisphere were properly adapted to the soils and climates of the countries in which they were to be planted. The emergency nature of the UNRRA operation ruled out normal field-trial methods under which newly introduced varieties are carefully studied for several years to find out how well they adapt themselves to their new environments. Some sound substitute had, therefore, to be found for the field-testing process. The method adopted involved comparative studies of agroclimatic conditions in receiving countries in Europe and Asia, in relation to regions within the United States, to ascertain "climatic analogues."⁷³ Seeds from various areas of the United States were assumed to have a reasonably good chance of successful growth in areas of Europe and Asia with similar conditions of weather and soil.⁷⁴ These studies, which covered the whole range of the principal receiving countries, enabled the Agricultural Rehabilitation Division to be more selective in its choice of seeds than it could otherwise have been.

⁷⁰ Monograph, J. E. Lejeune, "The Use of the United Kingdom Contribution to UNRRA," pp. 38-39; CCE(47)28, "Survey of UNRRA Operations in Europe," 28 June 1947.

⁷¹ *Ibid.*

⁷² *Ibid.*

⁷³ M. Y. Nuttonson (Analysis and Planning Section, Agricultural Rehabilitation Division, HQ), "Climatology of Czechoslovakia and Its Climate Parallels in the United States," March 1945.

⁷⁴ The elements of comparison used in this work included precipitation effectivity indexes, mean monthly and yearly temperatures, average monthly and yearly precipitation, and length of growing period.

In value, about one-third of the UNRRA seed program was fulfilled from United States procurement; many varieties were involved, but cereals of all kinds predominated—winter wheat, oats, barley, and rye.

Wheat and other cereals, clover, and certain grass seeds were subject to international and national allocation throughout the UNRRA period.⁷⁵ The difficulty which this involved in the seed operation was a feature common to nearly all the procurement programs: the peculiar problems involved in the seed operation were those connected with adaptability; with the physical difficulty of getting bags, sacks, and string; with the transport and storage of a highly vulnerable product; and with the timing of deliveries so that seeds would reach their destinations in time for spring or autumn planting.⁷⁶ Some of these difficulties were not always overcome: there was loss of 600 tons of seed potatoes available in Cyprus for Greece, described in the Administration records as resulting from "a series of unforeseeable circumstances and unavoidable misunderstandings";⁷⁷ missions complained on occasion that seeds had arrived late, or that they were not readily identifiable.⁷⁸ Such incidents were rare but were probably inevitable in an operation of the variety, size, and character of the UNRRA seed program.

Total seed procurement amounted to nearly 300,000 tons, valued at \$50,841,000, and included about 90 different types procured in 21 countries.⁷⁹ Of the seeds provided to the receiving countries, about 108,000 tons were of seed potatoes and 127,000 tons of cereals. It was estimated that UNRRA seeds were sufficient to sow some 11,250,000 acres, an area which without UNRRA would not have been sown at all, or would have been sown with seeds of inferior quality.⁸⁰

5. FERTILIZERS

Chemical fertilizers were subject to allocation throughout the UNRRA period, the Committee on Fertilizers operating first under

⁷⁵ Monograph, E. Patterson, "Seeds," p. 9.

⁷⁶ *Ibid.*; monograph, Darke, "A Brief Administrative History of the Agricultural Supplies Branch, ERO," pp. 12-13.

⁷⁷ See Amendment to Firm Request A.3097, 10 September 1946.

⁷⁸ For example, see Part Five, Chapter IX, Section 6.

⁷⁹ Monograph, Patterson, "Seeds," p. 7.

⁸⁰ Monograph, Mahler, "UNRRA's Agricultural Rehabilitation Activities," p. 438.

CFB and, from the beginning of the fertilizer year 1 July 1946-30 June 1947, under IEFEC.⁸¹ The supply position was never easy.

The first requests submitted to CFB were for allocations of fertilizers which amounted to 2,442,000 tons (including rock phosphate, soluble superphosphate, pyrites, nitrogen, and potash) for use in all liberated areas.⁸² CFB was unable at that time to give any assurance on the supply of superphosphates and pyrites; nitrogen was expected to be available in short supply to the extent of shipping facilities from Chile; potash deliveries would depend on whether or not the potash mines in France and Poland were intact after liberation; rock phosphate was suggested as the material to meet most of UNRRA's fertilizer needs, and CFB recommended that UNRRA negotiate purchase contracts where possible for this material.

The first procurement of fertilizer by UNRRA grew out of an allocation of 10,000 tons of potash to the United States from the USSR. Since potash used as ballast for shipments from Vladivostok arrived on the West Coast and United States fertilizer dealers wanted it on the East Coast, the allocation was transferred to UNRRA. The arrival ports were equally inconvenient for UNRRA. China was not yet liberated; rail transport to the East Coast and storage there until the potash could be shipped to Europe would have involved heavy costs. The Administration was, however, exceedingly reluctant to refuse the allocation. The problem was solved by shipping the potash to the United Kingdom where it was sold through the Ministry of Supply to the trade for immediate use. The Ministry of Supply agreed to provide on demand an equivalent tonnage out of Palestine for ultimate shipment to Greece and Yugoslavia when these countries were liberated. Through this arrangement the Administration was enabled in effect to stockpile potash without paying warehousing costs, and, as it turned out, at a price of \$20 a ton less than it had to pay for Palestinian potash a year later when it purchased directly.⁸³

Procurement began on a substantial scale in the spring of 1945 with the purchase of 30,000 tons of nitrate of soda (later increased to 50,000 tons) in Chile. This transaction was ultimately paid for out of the Chilean contribution but, until this became available, was financed with

⁸¹ Monograph, Leo Kolodny, "Fertilizer," HQ, pp. 1-2.

⁸² *Ibid.*, p. 8.

⁸³ Memo, Kolodny (Agricultural Rehabilitation Division, HQ) to Henson, 2 June 1944.

free funds in the form of United States dollars.⁸⁴ The allocation of Chilean nitrate to UNRRA was made at a time when no supplies could be moved from Chile to Europe. Shortly afterward, however, when allocations for the 1945-1946 fertilizer year were under consideration, shipping had become somewhat freer and there was a heavy demand on Chilean nitrate. UNRRA benefited not only in the amount of nitrate it was able to get, but also in the price at which it was bought.⁸⁵

Two promising plans for the provision of phosphatic fertilizer in the 1944-1945 fertilizer year failed to materialize. The first provided for the processing in France of 580,000 tons of superphosphate, provided UNRRA was able to supply the necessary rock phosphate and pyrites. Arrangements were well advanced, but it proved impossible to get the necessary ships for transport of the raw materials from North Africa and Spain and the plan had to be dropped.

The next proposition was to obtain soluble phosphate in the Iberian Peninsula. Spain and Portugal had unemployed capacity for the production of superphosphates. Spanish ships were available for the transport of rock phosphate from North Africa. The supply of sulphuric acid for processing the rock presented no problems since Spain was the largest exporter of nitrates in Europe. A detailed draft contract, involving terms very favorable to the Administration, was drawn up.⁸⁶ Unfortunately, the plan failed to crystallize since, as a result of discussions in the Central Committee on procurement in neutral countries,⁸⁷ the Administration decided not to deal, at that time, with the Iberian Peninsula.⁸⁸

The bulk of UNRRA procurement was carried out in the 1945-1946 and 1946-1947 fertilizer years. UNRRA became an important factor in the fertilizer market, at least so far as Europe was concerned, and the Fertilizer Branch in ERO was able to lay down favorable operating principles. These included the "most favored deal" clause which was invoked over a contract for 180,000 tons of rock phosphate from North Africa. When the franc was devalued late in 1945 the

⁸⁴ See Part Three, Chapter III, Section 1.

⁸⁵ Monograph, Kolodny, "Fertilizer," p. 13.

⁸⁶ *Ibid.*, p. 24.

⁸⁷ For example, Central Committee (CC) (45)3, minutes 10th meeting, 18 January 1945 (Compilation of the Documents of the Central Committee of the Council [CC Docs.], I, 71-74.)

⁸⁸ Cable, Washington to London 775, 30 March 1945.

United Kingdom Government negotiated with the French producers for a reduction in prices of rock phosphate contracted for delivery to the United Kingdom. At this time only 40,000 tons of rock had been delivered against the UNRRA contract. The Agricultural Rehabilitation Division in ERO arranged a reduction in prices, on the same basis as that applied to United Kingdom contracts, which became effective on 1 January 1946. The adjustment was applied to all shipments made after that date and resulted in a saving of about \$340,000 on that single contract.⁸⁹

The supply of fertilizer for China presented special problems. At the time that allocations for the 1945-1946 fertilizer year were made, very little consideration could be given to the needs of China: shipping difficulties, world shortages of fertilizers, and unwillingness on the part of the Fertilizer Committee to allocate for stockpiling had made it difficult to make a strong case for that country. The Administration tried in the autumn of 1945 to obtain allocations for China, but the available fertilizer had already been divided among the various claimants: a supply for China would have involved taking an equivalent tonnage from other claimants.⁹⁰ The lack of fertilizers for China, whose agriculture, owing to the relatively small acreage of arable land, is highly intensive, led the Administration to appeal in the spring of 1946 to the President of the United States⁹¹ and to the Prime Ministers of Canada⁹² and the United Kingdom⁹³ for support in obtaining allocations. As a result of this campaign 50,000 tons of nitrogenous fertilizer were secured for immediate shipment, and the basis laid for better allocations for the following year.

Allocations made by the Fertilizer Committee for the 1946-1947 fertilizer year presented a serious budget problem.⁹⁴ A tentative UNRRA fertilizer program was agreed upon, dividing responsibility for procuring the allocated materials between UNRRA and the governments of the receiving countries. For Albania, China, and Yugoslavia, the procurement of the total allocations was accepted as an UNRRA responsibility. Allocations to Italy were also supplied by UNRRA, except for phosphate rock from North Africa and potash

⁸⁹ Monograph, Kolodny, "Fertilizer," p. 32.

⁹⁰ *Ibid.*, p. 19.

⁹¹ Letter, LaGuardia to Truman, 25 April 1946.

⁹² Letter, LaGuardia to W. L. Mackenzie King, 25 April 1946.

⁹³ Letter, LaGuardia to Clement R. Attlee, 25 April 1946.

⁹⁴ Monograph, Kolodny, "Fertilizer," p. 21.

from French and Spanish sources; the Polish Government financed part of its fertilizer program; Greece procured nitrogen allocated from Belgium and Canada by a direct deal; Czechoslovakia's needs were met by UNRRA except for a small quantity of ammonium nitrate.

UNRRA shipped 1,266,900 tons of nitrogenous, phosphoric, and potassic fertilizers costing some \$42,272,000 to the ten UNRRA countries requiring this material.⁹⁵ By the end of the operation the consumption of nitrogen in relation to the prewar level had increased in all the receiving countries except China. More phosphorus was used than before the war in Albania, Greece, Poland, and Yugoslavia. The use of potash increased in Czechoslovakia and Yugoslavia, and was only slightly below prewar figures in Greece.⁹⁶

6. PESTICIDES

Lack of reliable information on country requirements largely nullified the early planning of a pesticides program.⁹⁷ By the time the programs were developed, however, the principal requests were for basic items in standard use against long-established pests.⁹⁸ The largest requirements were for Greece, whose pesticides program finally amounted to 44,000 tons, valued at \$3,544,800—more than half the total tonnage and nearly half the total value of the entire UNRRA pesticides program. Italy came next, with a program amounting to over 15,000 tons, and Yugoslavia third with a 9,000-ton requirement. The materials mainly required in these countries were copper sulphate and dusting sulphur for the protection of the grape vines and, particularly in the case of Greece, of the olive crop. The programs for Austria—before the war a large producer of chemicals—consisted largely of raw materials for the manufacture of pesticides. For China it had been hoped to provide equipment for local manufacture, but lack of funds prevented the development of this particular aspect of the pesticides program except on a small scale.⁹⁹

The normal production of most pesticides had been largely disrupted by the war. France and Italy, for instance, which normally each produced more than 100,000 tons annually of copper sulphate, were

⁹⁵ *Report of the Director General to the Council (DGR)* 14, p. 194.

⁹⁶ Monograph, Kolodny, "Fertilizer," pp. 35-37.

⁹⁷ Monograph, Paul Knight, "Pesticides," pp. 9-10.

⁹⁸ *Ibid.*, p. 11.

⁹⁹ OAP 53, *UNRRA in China, 1945-1947* (Washington, D.C., 1948), p. 279.

unable until the middle of 1946 to produce more than a fraction of their needs owing to lack of fuel, sulphuric acid, and copper;¹⁰⁰ Sicily, which normally produces ample sulphur to meet the needs of the Balkan countries as well as Italy, was able during the 1945 season to meet only 50 per cent of Italy's needs, since the Germans when they withdrew from the island had flooded the mines and destroyed most of the grinding machinery.¹⁰¹ During the early part of the operation, supplies of most pesticides were, in fact, severely limited. The position gradually improved, but until the end of the program shortage of supplies was, in most cases, the main limiting factor in meeting the receiving countries' needs.¹⁰²

Pesticides chemicals were among the few categories which were in relatively easy supply in the United Kingdom, and, in accordance with the Administration's policy that the United Kingdom should be the preferred procurement area for supplies which it could provide, a large part of the pesticides program was met in that country.¹⁰³ Thus 25,000 tons of copper sulphate were provided out of the United Kingdom¹⁰⁴ and also substantial quantities of arsenicals and other pesticides. Agricultural sulphur was found not to be available from the United Kingdom, and, until Sicilian production was resumed, the United States was the main source. To supplement the copper sulphate procured in the United Kingdom and, in small quantities, in the United States, copper blister was sent from South Africa and Australia for processing into copper sulphate in Greece and Italy.¹⁰⁵

The provision of pesticides was recognized both by the Administration and by the receiving countries as an essential element in a program devoted to the maximum production and conservation of food. Grub and weed killers have, however, little dramatic appeal in a relief program, compared, for instance, with the provision of bread. Their significance can easily be overlooked. The Director General, during the 1946 food crisis, launched an appeal, which reverberated throughout America and Europe, for the diversion of some 300,000 tons of grain from other consumers to the populations of the liberated

¹⁰⁰ Monograph, Knight, "Pesticides," p. 20.

¹⁰¹ *Ibid.*, p. 33.

¹⁰² *Ibid.*, *passim*.

¹⁰³ Memo, Knight to Henson, 26 April 1945.

¹⁰⁴ Monograph, Lejeune, "The Use of the United Kingdom Contribution to UNRRA," p. 27.

¹⁰⁵ Monograph, Knight, "Pesticides," p. 14.

areas.¹⁰⁶ The Agricultural Rehabilitation Division, in carrying out part of the day-to-day work involved in a pesticides program, also engaged in a campaign for the diversion of some 300,000 tons of grain from other consumers—in this case locusts—to the people of an UNRRA country.

During the winter of 1945, Dr. B. P. Uravov, Director of the Anti-Locust Research Center, London, informed the Italian Government that, on the basis of surveys which had been made, a plague of locusts was expected in 1946.¹⁰⁷ The Italian Government would appear to have paid little heed to this warning. A provision of 100 tons of sodium arsenite, presumably for locust control, was included in the Italian pesticides program, but the chemical was not available except in liquid form, and the Italy Mission advised Headquarters that they could accept only the dry material, "even if this meant that they would get nothing."¹⁰⁸ Some weeks later, a request was received from the Italy Mission for the urgent dispatch of locust poisons to combat an exceptional locust infestation in Sardinia.¹⁰⁹ This demand was followed by one for 700 tons of sodium arsenite¹¹⁰—a quantity in excess of the amount that the Agricultural Rehabilitation Division had been able to buy to date for all countries. Reports from Rome revealed the alarming nature of the plague: "Locusts four layers thick two and a half miles wide and thirty miles long reported marching cropwards several areas in Sardinia's worst plague in history."¹¹¹ It was evident that, if the menace were not checked, the locusts would by July have eaten every herb of the land.¹¹²

At Headquarters strenuous efforts were made to obtain sodium arsenite; since this was not to be had, 500 tons of sodium fluosilicate were bought instead.¹¹³ Procurement was effected with such energy that within twenty-four hours of the receipt of Italy's request the substitute poison was already in transit.¹¹⁴ ERO was given full authority to procure any pesticides available to meet the emergency.¹¹⁵ When

¹⁰⁶ See Part Three, Chapter IV, Section 4.

¹⁰⁷ Monograph, Knight, "Pesticides," p. 43.

¹⁰⁸ Cable, Rome to Washington 415, 6 March 1946; telephone conversation, Rome to Washington 7, 6 March 1946.

¹⁰⁹ Cable, Rome to London 1186, 27 April 1946.

¹¹⁰ Cable, Rome to Washington 1376, 11 May 1946.

¹¹¹ Cable, Rome to Washington 979, 7 May 1946.

¹¹³ Cable, Washington to London 6530, 16 May 1946.

¹¹⁴ Cable, Washington to Rome 3194, 21 June 1946.

¹¹⁵ Cable, Washington to London 6380, 14 May 1946.

¹¹² *Ibid.*

it was found that it would be impossible to procure in the United Kingdom sufficient, if any, sodium arsenite in time, the help of the British Government was sought for the provision of gammaxene, a newly developed and reputedly highly effective locust poison.¹¹⁶ Within a few days, ten tons of this material were flown in five specially chartered American and Dutch aircraft to Cagliari, Sardinia.¹¹⁷ These consignments were followed by further air-shipments, totaling 25 tons. An additional 25 tons, and also 50 tons of sodium fluosilicate, obtained in Belgium, were sent by sea.¹¹⁸

When the first shipments of gammaxene arrived in Sardinia, representatives of the Agrarian Institute of Entomology in Florence and of the UNRRA Italy Mission flew to the island to take part in the onslaught. Barriers composed of bran poisoned with gammaxene, which was found to be the most successful of the poisons used in this campaign, or sodium fluosilicate were prepared against the advancing hordes.¹¹⁹ In addition, some 150 trucks supplied by UNRRA were used as portable spraying units for the application of chlorodrine, obtained from the Italian Army Chemical Warfare Center in Sardinia.¹²⁰ The local population waged battle with all the traditional weapons—brooms, rakes, shovels, fishing nets, and scalding water—and by digging trenches and lighting bonfires.¹²¹

Through the mobilization of all human, scientific, and mechanical help, the plague was under control by the end of June in the cereal-growing plains.¹²² Locusts continued their attack in the mountains, but were effectively destroyed with gammaxene-poisoned bran.¹²³ At one time it had been feared that the wheat crop of some 250,000 tons would be a total loss. By the end of the campaign, however, the great bulk of the harvest had been saved, only about 6 per cent of the wheat and 4 per cent of the barley being destroyed.¹²⁴

When the danger was all over, the Italy Mission requested that surplus pesticides, procured in response to demands made at the height

¹¹⁶ Memo, F. R. Carson (Agricultural Rehabilitation Division, ERO) to Sir Humfrey Gale, 11 May 1946.

¹¹⁷ Cable, London to Washington 6005, 15 May 1946.

¹¹⁸ Cable, Brussels to London 95, 26 May 1946.

¹¹⁹ Report, L. Passerini (Italy Mission), 29 July 1947.

¹²⁰ *Ibid.*; cable, Rome to Washington 1536, 3 July 1946.

¹²¹ Cable, Rome to Washington 979, 7 May 1946.

¹²² Cable, Rome to Washington 1536, 3 July 1946.

¹²³ *Ibid.*

¹²⁴ *Ibid.*; see also Italy Mission, Abstract of Narrative Report, June 1946.

of the emergency, should be removed from their program and budget.¹²⁵ ERO was well aware that the quantities of locust poison which were being rushed by sea and air to Italy would probably be in excess of immediate needs, but it was considered highly desirable to build up a local stockpile of locust poisons against future outbreaks.¹²⁶ It transpired, belatedly, however, that indigenous production of sodium arsenite would henceforth probably be sufficient to meet Italian requirements.¹²⁷ Headquarters eventually managed to accede to the Italy Mission's request by transferring the unwanted pesticides to other programs—principally to China, which in the winter of 1946 requested 500 tons of sodium fluosilicate as a reserve against migratory locust invasions.¹²⁸

By the time the pesticides program came to an end, 90 per cent of the country requirements had been met. Though the main purpose of the program was to increase and conserve food supplies, in achieving it the Agricultural Rehabilitation Division inevitably increased the use of pesticides and provided improved methods for the destruction of agricultural pests. The use of sulphur in Albania, Greece, and Yugoslavia had been greatly expanded; important experimental work had been carried out in China on the control of the rice borer, one of the most destructive plant-feeding insects in the world; improved means of checking locust outbreaks had been put into operation. The pesticides program had, in fact, achieved more than its primary purpose: it had helped in the conservation of food, but it had also brought to the people of the UNRRA countries a new awareness of the benefits to be derived from scientific plant protection.¹²⁹

7. FISHERIES

The governments of all the UNRRA countries engaged in the fishing industry were anxious to restore their fishing fleets and so increase the supply of protein available to their peoples.¹³⁰ To help

¹²⁵ Savingram, Rome to Washington A-56, 30 July 1947.

¹²⁶ Memo, R. Herbert to R. K. Gaumnitz (Director, Agricultural Rehabilitation Division, ERO), 25 May 1946.

¹²⁷ Savingram, Rome to Washington A-56, 30 July 1947.

¹²⁸ Monograph, Knight, "Pesticides," p. 45.

¹²⁹ *Ibid.*, pp. 51-53.

¹³⁰ Monograph, Mahler, "UNRRA's Agricultural Rehabilitation Activities," p. 487.

achieve this purpose, the Agricultural Equipment and Fisheries Branch spent some \$35 million on the provision of substantial quantities of fisheries equipment and the procurement of 196 large fishing boats. Of the vessels, some were new, some were from civilian fleets, and some from surplus military stocks. About 90 were of the purse seiner type, and the remainder were trawlers. The disposition of the vessels was as follows:

TABLE 17
DISTRIBUTION OF UNRRA FISHING VESSELS^a

<i>Vessels</i>	<i>China</i>	<i>Poland</i>	<i>Greece</i>	<i>Yugoslavia</i>	<i>Albania</i>	<i>Total</i>
New	37	...	2	7	...	46
Used	33	...	10	4	2	49
Converted military	<u>57</u>	<u>43</u>	<u>1</u>	<u>...</u>	<u>...</u>	<u>101</u>
Total	127	43	13	11	2	196

^a Monograph, S. A. Lischinsky, "Fisheries Division," Appendix, "Procurement of Supplies for Rehabilitation of Fisheries, All Countries."

At the end of the war, practically all boat-building materials were in short supply, and the outlook for fulfilling the fishing boat program through the provision of new vessels was unpromising. If fishing boats were to be provided within the UNRRA period, it was evident that substantial purchases would have to be made from surplus military stocks and from existing civilian fleets. Negotiations with the United States Maritime Commission for purchases from United States surpluses were, however, somewhat discouraging, as it was clear that the procedure for releasing boats was too slow to permit any significant number becoming available to UNRRA within a reasonable period. Plans were accordingly made to obtain most of the fishing boats from civilian sources in the United States.¹³¹

A survey of the fishing ports on the West Coast revealed that, with the ending of the war and of the unlimited military market for fish, there were surplus fishing boats which owners were willing to sell at reasonable prices. Buying in this area had additional advantages in that geographically it was convenient for shipment to China—for which most of the vessels were destined—and, moreover, many of the boats were versatile craft usable both as druggers and purse seiners. In all,

¹³¹ *Ibid.*, p. 26.

37 vessels were procured there, of which 32 went to China, 2 to Greece, and 3 to Yugoslavia.¹³²

When the programs were worked out, provision was made for the purchase of vessels of 60-85 feet over all. It was anticipated that the smaller vessels would be shipped as deck cargo, but, during the course of the operation, it was found that no facilities existed at Shanghai which would permit the unloading of vessels shipped as deck cargo, and the program for China was accordingly revised to include only vessels large enough to make the journey under their own power, although one sturdy little vessel, the "Rosanne," only 64 feet over all, was allowed to proceed in convoy with the larger vessels.¹³³ Before sailing, all the vessels were equipped with supplies and fishing gear calculated to be sufficient for a year's operation. Except for fuel, ice, and stores they were ready for fishing upon arrival at their destinations. The vessels were not of a type familiar to Chinese and Greek fishermen, and arrangements were therefore made for some of the members of the crews which delivered them to remain awhile in China and Greece to instruct the local fishermen in their handling.¹³⁴

On the East Coast of the United States eight used vessels were procured for European countries. These included two draggers for Albania and five for Greece and, in addition, for Greece, a surplus minesweeper which was equipped as a floating hydrobiological laboratory. Difficulties in procuring oceanographic and laboratory supplies delayed the departure of this vessel until almost the end of the UNRRA program, but eventually she left Charleston in April 1947 with the equipment complete except for one winch which was dispatched just before the expiration of the time limit on shipments from the United States.¹³⁵

The cost of repairing and equipping the used vessels was high, bringing the final cost in some cases to that of the new boats which were bought later. The great advantage of the used vessels, however, was that they were delivered almost a year before the new ones were ready.

After completing procurement of used vessels, the Fisheries Branch placed bids for the construction of 3 small seiners in Canada and 43 vessels in the United States. The majority of these boats were of the

¹³² *Ibid.*

¹³³ *Ibid.*, p. 28.

¹³⁴ *Ibid.*, p. 41.

¹³⁵ Report, H. F. Strong, "Procurement of Hydrobiological Vessel with Oceanographic and Laboratory Equipment for Greece," 15 June 1947.

West Coast type, about 83 feet long, with a capacity for about 150 tons of fish. These vessels were completed, and delivered to China, Greece, and Yugoslavia in the spring of 1947.¹³⁶

Negotiations for the procurement in Australia and New Zealand of fishing vessels for China began in the summer of 1945—long before the fisheries program was established—and finally resulted in the delivery of some 58 vessels, including trawlers released by the Royal Australian Navy, Danish seiners, and minesweepers from New Zealand.¹³⁷

From European sources fishing boats were provided for Poland, about 25 trawlers and 3 converted minesweepers from the United Kingdom; and from Denmark, 15 fishing cutters. Civic ceremonies marked the departure of the vessels procured in Denmark. They were manned by Polish crews which had come to collect them. It was estimated that in the first six months of operation they had landed fish equal in value to their purchase price.¹³⁸

8. IMPACT OF THE AGRICULTURAL REHABILITATION PROGRAM

Most of the commodities included in the agricultural rehabilitation program were scarce during the period of the UNRRA operation, and to meet the needs of the receiving countries, the Agricultural Rehabilitation Division had to seek out available supplies the world over. Purchases were made in five continents, including not less than twenty-nine countries.¹³⁹ The resources not only of supplying countries but of invaded countries and of nonmember countries were tapped to meet the program. On the provision of over 2,300,000 tons of supplies \$320 million was spent.¹⁴⁰ Much more money could have been used. The Central Committee had favored a program for Europe alone amounting to almost \$100 million more than was finally available,¹⁴¹ but other

¹³⁶ Monograph, Lischinsky, "Fisheries," p. 31.

¹³⁷ Monograph, S. A. Lischinsky, "Report on China Fisheries," p. 12.

¹³⁸ Monograph, Lischinsky, "Fisheries," p. 44.

¹³⁹ CCE(47)28, "Survey of UNRRA Operations in Europe," June 1947, p. 16.

¹⁴⁰ DGR 14, p. 178.

¹⁴¹ Program Subcommittee of the Central Committee, CC/P(46)22, "Proposals for Immediate Expansion of Agricultural Rehabilitation Programs for Albania, Austria, Czechoslovakia, Greece, Italy, Poland, and Yugoslavia," 5 February 1946; CC/P(46)32, minutes 23d meeting, 12 February 1946; CC(46)27, minutes 22d meeting, 4 March 1946 (CC Docs., II, 122-127); CC(46)22, "Recommendation of the Program Subcommittee

immediate relief needs—food, transport, fuel, and clothing—had to have priority.

Nevertheless, the contribution made by the Agricultural Rehabilitation program was an extensive one. Although it was not part of the Administration's function to change the agricultural economies of the receiving countries,¹⁴² yet in helping to increase depleted draft power through the provision of power machinery to areas where it had been little used before, UNRRA inevitably contributed to the modernization of the farming methods employed.¹⁴³ Through the wide use of fertilizers to promote good crops during the period of the UNRRA operation, UNRRA created in the receiving countries an appreciation of the value of these materials.¹⁴⁴ Through the application of scientific remedies for the extermination of agricultural pests, UNRRA helped to overcome the almost fatalistic attitude which had hitherto existed in many areas toward the depredations wrought by such vermin.¹⁴⁵ Through the provision of livestock, UNRRA not only increased the draft power available but, by including pedigreed animals, improved the caliber of many indigenous flocks and herds. UNRRA showed how, with up-to-date equipment and proper technical assistance, it is possible to transplant a highly developed fishing technique to a country where only a primitive one existed before.¹⁴⁶

In providing the diverse categories of supplies included in the program, the Agricultural Rehabilitation Division was not ostensibly doing more than carrying out its mandate to promote "a program of optimum food production."¹⁴⁷ Actually, it did much more than that. As in war men learn quickly new and improved means of killing, so in the first days of peace they are quickly responsive to new and improved methods of living. The Agricultural Rehabilitation program helped toward this end, and in so doing it made an enduring impact on the agricultural economies of the UNRRA countries.

. . . on Supplementary Agricultural Rehabilitation Programs," 16 February 1946 (CC Docs., II, 101-107); CC(46) 35, "Proposed Resolution Approving the Policy of the Program Subcommittee in Regard to a Special Program of Agricultural Rehabilitation," 12 March 1946 (CC Docs., II, 137-139).

¹⁴² Letter, Henson to Oscar Meier (FEA), 10 February 1945.

¹⁴³ For example, see monograph, Peck, "Farm Machinery Procurement and Distribution," p. 40.

¹⁴⁴ Monograph, Kolodny, "Fertilizers," p. 37.

¹⁴⁵ Monograph, Knight, "Pesticides," p. 51.

¹⁴⁶ Monograph, Lischinsky, "Fisheries," p. 42.

¹⁴⁷ Standing Technical Subcommittee on Agriculture for Europe (TAG/E) (44) 30, part of the bases adopted by Resolution 55.

IX. Shipping

I. BASIC POLICIES

DURING the greater part of 1946 UNRRA was the largest single exporter in the world. More than one million gross long tons were shipped in each of eight months of that year from the Western Hemisphere; ¹ by the end of March 1947 a total of more than twenty-two million tons had been delivered from countries all over the world.² This was a far cry from the first shipment of UNRRA supplies in April 1944—three shoe boxes of needles, thread, scissors, and the like, bought with money contributed by the Headquarters staff and sent in the State Department diplomatic pouch to the Middle East camps.³

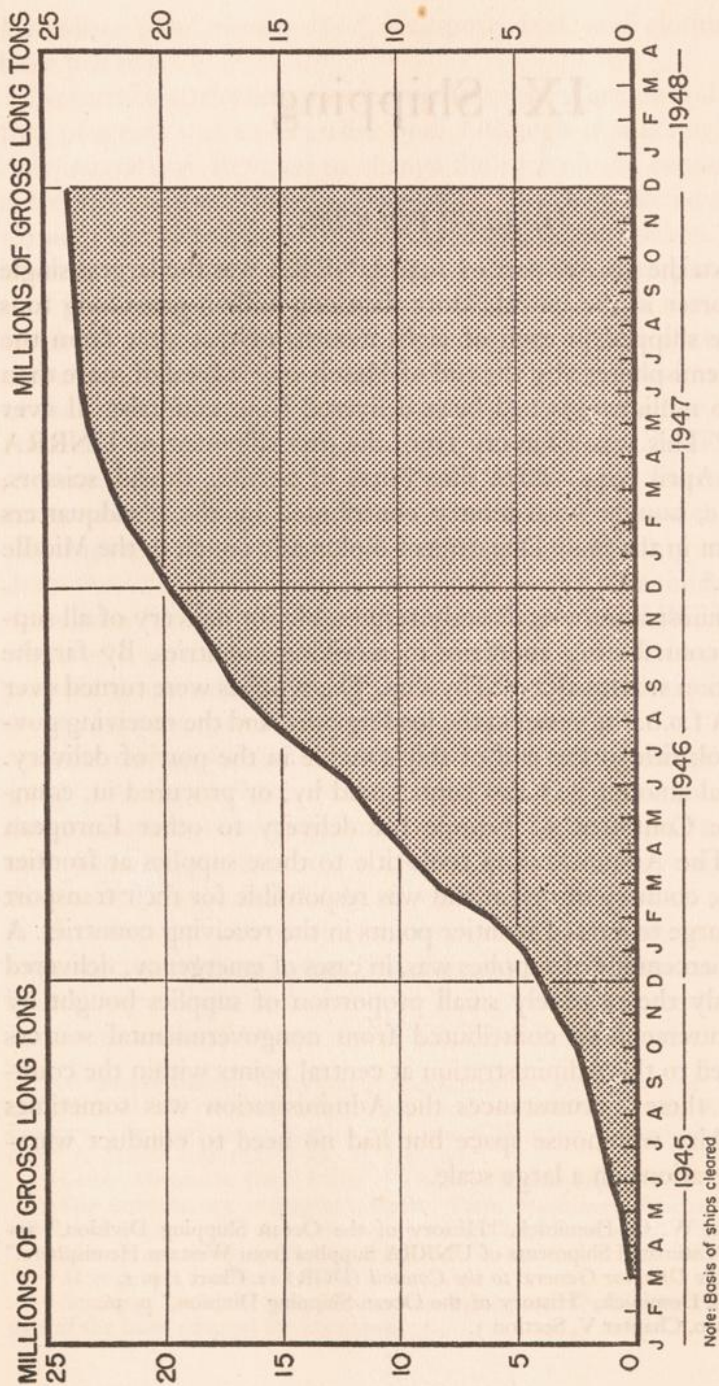
The Administration was directly responsible for delivery of all supplies from contributing countries to receiving countries. By far the greater portion was transported by ship. The supplies were turned over to UNRRA f.o.b. the vessel in the loading port, and the receiving government took title at the end of ship's tackle in the port of delivery. A substantial amount was also contributed by, or procured in, countries on the Continent of Europe for delivery to other European countries. The Administration took title to these supplies at frontier points in the country of origin and was responsible for their transport by rail or barge to agreed frontier points in the receiving countries. A very small percentage of supplies was, in cases of emergency, delivered by air.⁴ Only the relatively small proportion of supplies bought by direct procurement or contributed from nongovernmental sources was delivered to the Administration at central points within the country. Under these circumstances the Administration was sometimes obliged to hire warehouse space but had no need to conduct warehousing operations on a large scale.

¹ Monograph, W. G. Dominick, "History of the Ocean Shipping Division," appended table, "Estimated Shipments of UNRRA Supplies from Western Hemisphere."

² *Report of the Director General to the Council* (DGR) 12, Chart 1, p. 2.

³ Monograph, Dominick, "History of the Ocean Shipping Division," p. 36.

⁴ See Part Two, Chapter V, Section 3.



The Agreement and the resolutions gave the Administration no specific guidance on shipping policies. Decision was made at the outset to employ private firms for all aspects of the actual shipping operation, the UNRRA shipping divisions in Headquarters and ERO serving as planners, coordinators, and liaison between procurement agencies, the other sections of the Administration, and the shipping allocation authorities, forwarding agencies, and shipowners. There could be little argument about the wisdom of the decision. The impossibility of building up the necessary global organization within the brief life of UNRRA was obvious even if the expense had not been prohibitive.⁵ The operation involved no unique problems, and private firms capable of handling the task were readily available.

In shipping, as in all other aspects of the supply operation, the Administration was, however, bound to work as far as possible through existing international and national allocating bodies.⁶ Until the end of the war in Europe, allocation of shipping was handled by the Combined Shipping Adjustment Board (CSAB), which had a committee in Washington operating a shipping pool for the Western Hemisphere and a committee in London controlling a pool for the Eastern Hemisphere. The Administration, therefore, decided toward the end of 1944 on a like division of operative responsibility between Headquarters and ERO,⁷ Headquarters handling all shipments from the Western Hemisphere and the Philippines, and ERO from the Eastern Hemisphere and all other loading ports throughout the world. Headquarters, however, retained responsibility for shipping policies in general. This division continued, with some exceptions and variations,⁸ throughout the life of UNRRA.

2. CSAB AND THE UNITED MARITIME AUTHORITY (UMA)

It was fortunate that actual UNRRA supply deliveries began only toward the end of this early period and on a small scale, for, until V-E Day, and indeed to a considerable degree until the close of the war in the Far East, the vast shipping requirements of the military authori-

⁵ Monograph, Dominick, "History of the Ocean Shipping Division," p. 1.

⁶ Resolution 1, III, paragraph 3.

⁷ Letter, Hendrickson to N. I. Feonov (Deputy Director General, Department of Supply, ERO), 12 October 1944.

⁸ See below, Section 3.

ties inevitably had first and overriding priority. Receipt of a shipping allocation was, under these circumstances, no guarantee that shipment would follow, and it was no unusual experience to discover that UNRRA supplies had been left on the dock while the ship had sailed with an unexpected military cargo. But the Administration found even allocations difficult to secure. Since it was impossible in 1944 and early 1945 to foretell with any precision when procurement of goods in short supply might be effected for UNRRA or when UNRRA might be able to assume supply responsibility in a given area, CSAB was understandably reluctant to allocate space which the Administration might in the end be unable to use.⁹ It was, for example, only after Lehman's personal appeal to Roosevelt and Churchill in December 1944 that any ships were allocated for UNRRA's first program in Italy although the United States and the United Kingdom had taken the lead in the previous fall in urging its inception.¹⁰

The principal hindrance to allocations of shipping for UNRRA through most of 1945 was, however, the damaged state of the ports where supplies for receiving countries had to be delivered. Harbor approaches were still mined, channels obstructed, piers and port equipment wrecked, warehouses at least partially ruined, roads and railways into the interior blocked, and trucks and rolling stock destroyed or removed by the enemy. Reports on the extent of damage were conflicting: governments anxious for supplies tended to be overoptimistic; shipping boards and private owners alike hesitated—sometimes to the point of overcaution—to send ships where conditions were uncertain and prompt inland distribution doubtful.¹¹

By the autumn of 1945, however, all the major European ports serving UNRRA receiving countries had been opened for at least limited use, and by December, Shanghai and Hongkong were receiving ships carrying UNRRA goods.¹² Temporary periods of congestion here and there continued to interfere with prompt deliveries, but by the end of 1945 when major UNRRA shipments were under way, port reception had ceased to be a general problem.

⁹ Monograph, Dominick, "History of the Ocean Shipping Division," pp. 40-41.

¹⁰ See Part Five, Chapter VIII, Sections 1, 3.

¹¹ Monographs: Dominick, "History of the Ocean Shipping Division," pp. 43-44, 268-292; H. de Waal, "Report on Shipping, ERO," pp. 4-6.

¹² Monograph, Dominick, "History of the Ocean Shipping Division," pp. 45-46.

At the end of the war in Europe CSAB was replaced by UMA.¹³ The merchant fleets previously controlled by the Board reverted to the national governments, which thereafter contributed to a common pool only the tonnage needed for combined operations. UNRRA for a time had to compete both with remaining military requirements and with supply programs of individual governments, but by the autumn of 1945, shipping had become plentiful. In Washington the formal monthly programming meetings with the War Shipping Administration (WSA) ended, and the Ocean Shipping Division could at any hour make shipping arrangements by telegram and telephone.¹⁴

3. THE POST-UMA PERIOD

On 2 March 1946 UMA came to an end. In the United Kingdom, the Ministry of War Transport, which had controlled United Kingdom shipping in the previous periods, continued to direct tonnage through its licensing procedure.¹⁵ In the United States WSA, which had previously controlled all United States ships, still made allocations to claimants who could not get shipping space through normal commercial channels.¹⁶ As far as their authority extended, these bodies were helpful to UNRRA, but, in general, from this time on the Administration made its own shipping arrangements in competition with the reviving private import and export trade as well as with national supply programs. As the established shipping lines resumed their regular liner berth services, these were used as far as possible. They were not, however, adequate for UNRRA's needs either in capacity or the ports which they served.

In accordance with recommendations of the *ad hoc* Subcommittee on Shipping of the Committee on Supplies, the Administration decided not, in effect, to hire a relatively permanent fleet through "time-chartering," since the dates of availability of supplies were too unpredictable to ensure that such a fleet would be fully and steadily em-

¹³ Established according to plan set forth in *Report of the United Maritime Authority Planning Committee* (London, 1944).

¹⁴ Monograph, Dominick, "History of the Ocean Shipping Division," p. 45.

¹⁵ Monograph, de Waal, "Report on Shipping, ERO," p. 17.

¹⁶ Letter, James F. Byrnes (United States Secretary of State) to Lehman, 15 March 1946.

played.¹⁷ Instead, ships were chartered, for the most part, on a single-trip basis.¹⁸

For shipments from the United States arrangements were made with various private firms. Until the end of the UMA period, forwarders were appointed by UMA in consultation with the Administration. After February 1946 UNRRA selected its own forwarders, reducing the list, despite pressures from many sources, including United States Congressmen, to those who had demonstrated their ability to provide good service.¹⁹ It was their duty to make sure that cargo arrived at the ports at the right time and place and to trace laggard arrivals; to prepare and distribute the necessary documentation to the ships, the procurement agencies, and the UNRRA Ocean Shipping Division.²⁰ Throughout 1946 two pools of ship brokers were used, one to provide vessels for bulk shipments of grain, the other for coal.²¹ To assist the Administration in its negotiations with ship brokers and shipowners, the Director General in June 1946 appointed an Advisory Committee of Ship Operators.²² One fruitful result of this was a general 10 per cent reduction in most basic freight rates,²³ already agreed by the War Shipping Administration for its share in UNRRA shipments.²⁴

During most of the life of UNRRA the firm of Guy Tombs Ltd. served as Canadian shipping representative and forwarding agent.²⁵ To arrange most of the shipments from the east coast of South America, Headquarters employed Moore-McCormack Lines, Inc.,²⁶ and for the west coast, W. R. Grace & Co.²⁷ In the United Kingdom, on the recommendation of the Treasury, Hogg, Robinson & Capel-Cure Ltd. were

¹⁷ Committee on Supplies (CS) (46) 2, 9 January 1946; CS(46)8, minutes 20th meeting, 24 January 1946; monograph, de Waal, "Report on Shipping, ERO," p. 20.

¹⁸ Some 1,350 charters were signed by Headquarters, almost 800 by ERO.

¹⁹ Monograph, Dominick, "History of the Ocean Shipping Division," p. 95.

²⁰ *Ibid.*, pp. 93-94.

²¹ *Ibid.*, pp. 216-218.

²² Letter, Director General to William N. Westerland (President, Marine Transport Lines, Inc.), 28 June 1946.

²³ Advisory Committee of Ship Operators, summary of meeting, 3, 18 July 1946; monograph, Dominick, "History of the Ocean Shipping Division," p. 214.

²⁴ Monograph, Dominick, "History of the Ocean Shipping Division," p. 209.

²⁵ Letter, H. E. Whipps (Acting Chief, Ocean Shipping Branch, HQ) to Guy Tombs Ltd., 31 July 1945.

²⁶ Letters: George L. Holt (Vice-President, Moore McCormack Lines, Inc.) to W. G. Dominick (Chief, Ocean Shipping Branch), 7 April 1945; Dominick to Moore-McCormack Lines, Inc., 24 April 1945.

²⁷ Letters: J. P. Grace, Jr. (Secretary, W. R. Grace & Co.) to Dominick, 30 April 1945; Dominick to W. R. Grace & Co., 3 May 1945.

appointed as UNRRA's forwarding agents.²⁸ They, in turn, employed a number of firms as subagents and also served UNRRA through their own representatives in Antwerp, Rotterdam, Marseilles, and Hamburg.²⁹

The geographical division of operating responsibility between Headquarters and ERO was not absolute or inflexible. Movements of military surpluses from Italy, France, the Persian Gulf, and India were at first controlled by Washington and only transferred to ERO in 1946.³⁰ Shipments from Australia and New Zealand were in most cases arranged by the Southwest Pacific Area Office directly with these Governments.³¹ Shipping from the east coast of South America had, moreover, been handled in prewar years largely by British firms, and, with the end of the UMA period, the United Kingdom Government insisted that bids for shipping from these areas be first offered in London.³² Vessels from this source were not, however, always readily available; the delivery of goods at the South American ports was unusually unpredictable; and procurement in these areas was, moreover, handled by Headquarters. The result was delay and confusion. A procedure was eventually worked out whereby tonnage requirements for wheat shipments (the category for which speed was a prime essential) if not met by London within forty-eight hours of notification reverted to Headquarters.³³

4. PROCEDURES

UNRRA shipping costs were financed from funds reserved for the purpose; they were not charged against the programs of the receiving countries. In fact, three shipping funds were set up: one in the United States from the United States dollar contribution;³⁴ one in the United Kingdom from its sterling contribution;³⁵ and one in Canada from

²⁸ Letter, Roscoe Herbert (Supply Department, ERO) to Hogg, Robinson & Capel-Cure Ltd., 16 July 1945. ²⁹ Monograph, de Waal, "Report on Shipping, ERO," p. 3.

³⁰ *Ibid.*, p. 13.

³¹ *Ibid.*

³² *Ibid.*, p. 12; monograph, Dominick, "History of the Ocean Shipping Division," pp. 54-55.

³³ Shipping Coördinating and Review Committee (Ref. S. C. and R. C. [L] 10), "UNRRA Shipments from South America"; letter, John Hyland (Deputy Director of Shipping, ERO) to P. F. Rogers (Ministry of Transport), 13 July 1946.

³⁴ Letter, Lehman to Leo T. Crowley (Administrator, Foreign Economic Administration), 3 October 1944.

³⁵ Letters: Lehman to Director General, Ministry of War Transport, 15 January 1945; Director General, Ministry of War Transport, to Lehman, 16 January 1945.

the Canadian dollar contribution.³⁶ Eventually, an additional fund was created for payment of other foreign-flag vessels from free funds.³⁷ Through 30 June 1947 shipping costs (including air freight, disaster losses, port charges, costs of forwarding from ports to inland countries) on a global basis came to about 20 per cent of the value of the cargo transported.³⁸

Upon certification from the government procurement agency that a given consignment was ready for delivery, the shipping division in Headquarters or ERO assigned the shipment a vessel number and against this number, in the earlier period, issued a shipping request to WSA or the Ministry of War Transport, or, in the later period, its own Forwarding Order to the procurement agency. UNRRA then took title to the cargo on the basis of bills of lading signed on board the vessel. From the bills of lading the shipping division prepared for each vessel a shipping report which was sent to the country of destination, and also circulated in Headquarters or ERO. On arrival of the vessel in the receiving port, the UNRRA port officer with the representative of the receiving government checked the cargo as it was unloaded, and title was then transferred to the government representative on his signature of an out-turn report.³⁹

Prompt and accurate documentation was a prime essential from the points of view of all participants in the shipping operation. Particularly was it necessary that the missions and the receiving governments be informed as far in advance as possible of the goods en route so that plans could be made for transportation from the ports and for distribution within the country. Especially was this important for staple items such as food and coal upon which the ration systems and the economic life of the country directly depended. This goal was only gradually achieved. Copies of bills of lading and shipping reports only too often arrived after the ship had reached its discharge port. This was the case even if the documents were airmailed, for flights were subject to unavoidable delays, and service to some of the receiving countries was most irregular. Until the end of the war, security regulations prevented the dispatch of detailed information by cable. Highly

³⁶ Memos: Dominick to Leslie Lawes (Washington Representative, Canadian Mutual Aid Board), 14 December 1944; Lawes to L. B. Pearson (Council Member for Canada), 15 December 1944.

³⁷ Monograph, Dominick, "History of the Ocean Shipping Division," p. 66.

³⁸ *Ibid.*, p. 73.

³⁹ *Ibid.*, pp. 96-108.

tentative monthly estimates sent from Headquarters without clearance with the Ocean Shipping Division produced confusion and disappointment.⁴⁰ In March 1946 the reasonably satisfactory procedure was adopted in Headquarters of sending by semimonthly cables to each mission as accurate and detailed an estimate as possible of the vessels and their cargo expected to arrive in the following fortnight.⁴¹

5. PROBLEMS

The success of the shipping operation depended upon careful and rapid coördination, and the ability to make immediate adjustments when unexpected crises arose. Failure anywhere along the line meant not only delay in delivery of vitally needed supplies but also financial loss from warehousing or demurrage charges. The shipping divisions had constantly to contend with obstacles outside their control—storms and bad weather such as the freezing of the Baltic in the spring of 1947;⁴² dock workers' strikes, such as those which tied up shipments from the East, West, and Gulf coasts of the United States in the last three months of 1946;⁴³ delays by contributing governments in granting export licenses (notably Argentina in the spring of 1946 during the food crisis⁴⁴). In the United Kingdom the ERO Shipping Division had, in addition, to cope with damaged ports, elderly and unskilled stevedores, and inadequate warehousing in former churches or schools.⁴⁵

Temporary congestion in receiving ports necessitated quick withholding or diverting of shipments. When, for this reason, an embargo was placed by the Director General on shipments to China in July 1946 procurement deliveries were at their peak. Fifteen ships destined for China from the Western Hemisphere were at berth, and seventeen more were scheduled to load in that month. Cargoes en route were hastily diverted to warehouses or rail storage; Treasury Procurement and UNRRA hired warehouse space at the ports wherever it could be secured, and the Ocean Shipping Division was able to hold up some 58

⁴⁰ *Ibid.*, pp. 102-103, 105.

⁴¹ *Ibid.*, p. 103.

⁴² See Part Three, Chapter VIII, Section 3.

⁴³ Memo, Dominick to Karl Borders (Bureau of Supply, HQ), "Curtailement of UNRRA Ocean Shipping by Strikes," 5 December 1946.

⁴⁴ See monograph, Wesley Green, "History of the UNRRA Mission in Argentina."

⁴⁵ Monograph, de Waal, "Report on Shipping, ERO," p. 10.

per cent of the supplies not yet loaded.⁴⁶ It was not until the following May that this embargo was completely relaxed.⁴⁷

Some of the cargo delivered by UNRRA required special carriers. Livestock, for example, could be sent only in specially outfitted vessels. As deliveries increased, adequate numbers of these could not be found. Agreement was therefore reached with WSA for the conversion of seventy-one ships, mostly Victory and Liberty types, for the purpose,⁴⁸ UNRRA bearing the cost of \$6 million for conversion and eventual reconversion.⁴⁹

Transport of locomotives also required a special type of vessel. For shipment of 160 locomotives with tenders to China from the United States in the spring of 1947 three Norwegian Belships were chartered, specially designed for the purpose and just launched. For the first time in shipping history 48 completely erected locomotives and 48 tenders were carried on one vessel. Another of the Belships carried 14 completely erected tugboats to Shanghai.⁵⁰

6. DELIVERIES BY LAND

As its name implied, the Ocean Shipping Division at Headquarters had, mainly, to arrange shipments by sea from contributing to receiving countries. The Shipping Division in ERO was responsible as well for the movement of supplies totaling some 3,400,000 tons by rail and barge, crisscrossing the Continent. Landlocked Czechoslovakia, for example, was a focal point. Thither came coal from Poland, phosphate from the Soviet Zone of Germany, general cargo from the Netherlands, Belgium, Bremen, Hamburg, Trieste, and, in the early months of 1945, from Constanza on the Black Sea. Coal from Poland and phosphate from Germany were shipped by rail to Yugoslavia. Basic slag for fertilizer moved from Luxembourg to Austria.⁵¹ Some 200,000 tons of miscellaneous cargo were transported by barge on the Rhine, Elbe, and Danube.⁵²

All rail movements had to be accomplished over lines disrupted by

⁴⁶ Monograph, Dominick, "History of the Ocean Shipping Division," pp. 310-311.

⁴⁷ *Ibid.*, p. 316.

⁴⁸ Letter, Granville Conway (Acting Administrator, War Shipping Administration) to Dominick, 18 April 1946; *supra*, Chapter VIII, Section 3.

⁴⁹ Monograph, Dominick, "History of the Ocean Shipping Division," p. 376.

⁵⁰ *Ibid.*, pp. 343-345; see photographs, *ibid.*, Appendix VIII.

⁵¹ Monograph, de Waal, "Report on Shipping, ERO," p. 21.

⁵² *Ibid.*, p. 23.

torn-up tracks and blown-up bridges. Freight cars had to be provided by the country for which the goods were destined. Although movements were not unduly hampered by lack of cars, those available were often in bad condition and unsuitable for the type of supplies to be transported. Any delay in their arrival at once taxed the limited warehousing facilities in the ports.⁵³ Without the good offices of the European Central Inland Transport Organization (ECITO), the task would have been difficult indeed, especially for movement of goods across two military zones in Germany. UNRRA movement bids were, in such cases, placed with ECITO, which made all the necessary arrangements with the controlling authorities. Eventually, ECITO developed such a programming system for all Western European countries.⁵⁴

7. DELIVERY IN RECEIVING COUNTRIES

The Shipping Division in ERO was, in addition, responsible for supervising the delivery of the supplies in the receiving countries in Europe. It had, therefore, to work closely with mission port officers, stationed both in ports in receiving countries and at other ports of delivery (such as the Albania Mission Brindisi Port Detachment). The duties of the mission port representatives were to check on port and warehousing conditions and report any shortcomings to mission headquarters; supervise unloading of UNRRA cargoes; obtain out-turn reports from government representatives; prepare discrepancy reports on shortages or damage and protest them to the ship's agent; and act as liaison with government authorities in the port.⁵⁵

Since warehouses in the Mediterranean area had suffered particularly heavy damage, port congestion was a special hazard. A Port Nomination Committee with military, Ministry of War Transport, WSA, and UNRRA membership was early established in Caserta and later moved to Rome where it became a purely UNRRA unit under ERO. This office, on advice from the missions in the area, arranged last-moment changes in port destination by advising the shipmasters after the vessels had reached the Mediterranean.⁵⁶

The Supply Division in ERO also supervised the UNRRA Transit Office in Trieste. This office was established early in 1946 to co-

⁵³ *Ibid.*, p. 22.

⁵⁴ *Ibid.*, p. 8.

⁵⁵ *Ibid.*, pp. 45-46.

⁵⁶ Monographs: de Waal, "Report on Shipping, ERO," p. 47; H. R. Hunt, "UNRRA-AFHQ Historical Report."

ordinate the deliveries and on-forwarding of UNRRA supplies with the plans of the Allied military authorities who controlled the port. This was the more necessary since warehousing facilities and railway lines leading inland were extremely limited; yet through this port all UNRRA overseas deliveries for Austria and Hungary and some of its imports to Albania, Yugoslavia, and Czechoslovakia had to pass—in all, about 1,775,000 tons of UNRRA supplies.⁵⁷ As pilferage in the port proved a considerable problem the authority of the Office was substantially increased in September 1946, and conditions rapidly improved.⁵⁸

Thus, the Administration delivered to the 17 receiving countries more than 24 million tons of relief and rehabilitation supplies, some 75 per cent in the space of one year, 1946. This was accomplished with a minimum of expense through the use of normal commercial channels. The task of arranging and coordinating shipments was imposing. Cargoes had to be planned to suit the capacity and type of vessel and to permit a proper proportion of heavy and light, small and bulky items. Goods had to be moved not only from the undamaged and fully equipped ports of the Western Hemisphere but from war-damaged ports in Europe and the Philippines and from small harbors in remote corners of the globe where loading facilities were meager. Ships had to be provided when the goods were ready—not sooner or later. However carefully plans were laid in advance, they had to be flexible enough to allow for delays in arrival of supplies at the ports, storms, engine trouble, strikes, embargoes, and a hundred other unpredictable happenings anywhere in the world. At the receiving end, also, deliveries had to be scheduled with due regard to port capacities and equipment, temporary congestion, warehouse and inland transport facilities. The work of the shipping divisions was the final step in the supply operation. Once the supplies had arrived in the unloading ports, the receiving governments, aided by the UNRRA missions, took up the task of distribution to their people.

⁵⁷ Ocean Shipping Division, "Transit of UNRRA Supplies through the Port of Trieste," table and graph [September 1947].

⁵⁸ Monograph, de Waal, "Report on Shipping, ERO," pp. 47-48.

