

BELGUIM MISSION 252
(REPORT BY F. B. SAYRE)

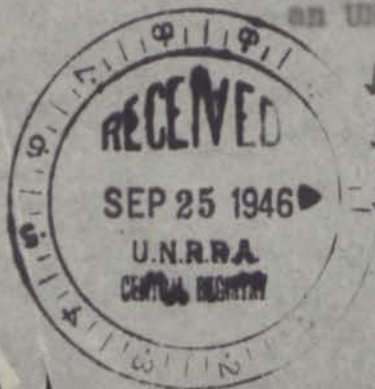
Strictly Confidential

Report by Mr. Francis B. Sayre
on UNRRA Mission to Belgium
15 - 31 August 1946

2-252- (Belgium Mission, Sayre Report)

Of the remaining countries in Europe from which substantial UNRRA contributions could be expected, Belgium seemed the likeliest. Denmark, Norway, Portugal, and such countries of Eastern Europe as were able, had already given or pledged their contributions. Sweden and the Netherlands had expressed themselves as unprepared to welcome an UNRRA mission seeking contributions. France, in view of existing conditions, seemed to warrant some quite special form of approach, as, for instance, a direct appeal in person by the Director General. Switzerland was to be approached during the August meeting of the UNRRA Council. Belgium remained, - a country which has made truly remarkable progress in recovery, now producing for export, possessing supplies suitable for industrial rehabilitation, to which UNRRA must now attach particular attention, and with the advantage of being comparatively close to the areas of need. Accordingly, on 30 July 1946, in my telegram from Lisbon to Washington (No. 4), I recommended that we now sound out the Belgian Government and, if it is agreeable, that we open negotiations in Brussels immediately after the Geneva Fifth Council meeting. In accordance with this recommendation, the Director General, on 5 August 1946 telegraphed to His Excellency, Dr. Paul Henri Spaak, the Minister of Foreign Affairs of Belgium, saying that UNRRA would like to turn to Belgium for help as it has similarly turned to other invaded countries such as Czechoslovakia, Yugoslavia, Poland, Norway and Denmark, and that, if agreeable to the Belgian Government, an UNRRA Mission would proceed to Brussels about the middle of August. (Copy of telegram attached hereto as Annex "A").

Following the despatch of this telegram I got in touch with His Excellency, the Vicomte de Lantsheere, the Belgian Minister in Bern, then attending the UNRRA Council meeting in Geneva, gave him a copy of the Director General's telegram, and asked him if possible to speed a reply. Several days later the Vicomte showed me confidentially the reply which he had received from Dr. Spaak, the Belgian Foreign Minister, then in Paris attending the Peace Conference, saying that in response to the Director General's telegram of 5 August the Belgian Government would be glad to receive an UNRRA Mission in Belgium to discuss the question of a



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possible UNRRA contribution. (Copy of the telegram from the Minister of Foreign Affairs to the Vicomte de Lantsheere dated 9 August 1946 attached as Annex "B"). The Vicomte then read to me the text of the letter which he was drafting to send to the Director General, saying that the Belgian Government would be pleased to receive the UNRRA Mission. This letter was sent on 10 August 1946. (Copy attached as Annex "C").

On 15 August 1946, accompanied by Miss Newcomb, I flew from Geneva, where I had been attending the UNRRA Fifth Council Session, to Brussels. We were met at the airport by Miss Anne Laughlin, the Chief of the UNRRA Mission in Brussels. Later that day we were joined by Mr. R. Herbert and Miss Rosemary Miller, flying from London.

Our Mission to Belgium was composed of myself, Mr. R. Herbert, Deputy Chief of Supplies of the UNRRA London Regional Office, Miss Rosemary Miller, also of the Supply Department of the London Office, and Miss Anna Belle Newcomb, Secretary.

On Friday morning, 16 August, at 11:00 o'clock, Mr. Herbert and I called at the Belgian Ministry of Foreign Affairs and saw M. Wendelin, Chef du Cabinet of the Ministry. We were unable to see Dr. Spaak and other high officials of the Foreign Office because of their being in Paris, attending the Peace Conference. With M. Wendelin were M. Spreutels, the head of the Economic Section of the Ministry of Foreign Affairs, and M. Vaes, Attaché to the Foreign Minister. We told them of the world need and of UNRRA's efforts to meet it, of the existing situation in Europe and Asia, of the likelihood of UNRRA's terminating its activities by the end of the year, and of UNRRA's dire need for additional supplies and financial help in order to complete its task by the end of the year. We found all three of the Belgian officials exceptionally responsive and cordial and M. Wendelin promised to make appointments for us to see the appropriate Cabinet Ministers as soon as possible. I also requested an early appointment with the Premier.

At 12:15 on the same morning we visited the British Ambassador, Sir Hugh Knatchbull-Hugessen, and had a frank

and very friendly talk with him. He was most cordial and promised us every assistance.

At 3:30 we called upon Admiral Alan G. Kirk, the American Ambassador, and told him also of our program. He too was most cordial and offered to meet any request we might make. In response to a suggestion which I had thrown out, he promised to arrange a luncheon at the American Embassy on the following Tuesday, inviting to the luncheon leading Belgian Cabinet members and other officials so as to give me an opportunity to tell them of the world need and of our earnest hope for Belgium's help.

At 4:30, accompanied by M. Spreutels and M. Vaes, Mr. Herbert and I called upon the Minister of Economic Affairs, His Excellency M. M. Liebaert. We found M. Liebaert responsive and friendly and we spoke with him at some length about UNRRA's present problems and our critical need of relief supplies and financial help from the smaller nations. With the hope that it might furnish a starting point for working out a specific list of supplies to be contributed to UNRRA by Belgium, we had prepared and now gave to the Minister a memorandum setting forth a suggested list of Belgian supplies. (Copy attached hereto as Annex "D"). He was much interested in this and promised to give it careful consideration. We made clear to him, as we did to the other Ministers with whom we talked, that UNRRA, realizing the shortages of food in Belgium, would not press requests for food. Instead, we expected the Belgian contribution to be largely made up of iron and steel products, machinery, and supplies for industrial rehabilitation, together with such products as might be obtainable in the Belgian Colonies, particularly the Congo. We asked for the Minister's support when the question of an UNRRA contribution comes before the Cabinet. He promised to give his vote for such a measure and to do his best to find available Belgian supplies.

At 5:15, again accompanied by M. Spreutels and M. Vaes, we called, in the absence of the Minister, upon M. Mathieu, the Secretary General of the Ministry of Food. We laid before M. Mathieu, as we had done before the other officials, the problem of meeting the world need. We again made clear that we were not pressing for food from Belgium but that we hoped for the contribution of palm oil and other colonial products from the Congo and asked for the help of the Minister of Food in supporting an UNRRA contribution. M. Mathieu,

at the end of our conference, promised us that his Minister and himself would give us their support.

At 6:30 o'clock we returned to the Foreign Office in order to make arrangements for a press conference to be held on the following day. We talked with the Press Attaché of the Ministry of Foreign Affairs, M. Wery, and arranged for a press conference at 10:30 on Saturday morning, 17 August, so that the interview could be published in the Saturday afternoon papers.

At 7:00 we returned to the UNRRA Office to confer with Miss Laughlin with relation to our future program.

On Saturday morning, 17 August, at 10:30 we attended the press conference which had been arranged by the Foreign Office. The conference took place in the Parliament Building and was well attended. I gave out a press statement (for English copy, see Annex "B"; French text, Annex "F"), and described the world need and the problems now confronting UNRRA. Bager interest was displayed. Unfortunately I had to cut the conference short in order to keep an appointment with the Minister of Finance. The interview was written up with large headlines prominently displayed in the Belgian papers of both Saturday afternoon and Monday morning.

With Mr. Herbert, and again accompanied by M. Spreutels and M. Vaes, I called upon the Minister of Finance, His Excellency, M. J. Vauthier at 11:00 o'clock. We found M. Vauthier receptive and friendly and discussed with him for about an hour the problem of world relief. At the conclusion of our conference M. Vauthier assured us that he would support in principle a Belgian contribution to UNRRA. He said that the question in his mind is as to the availability of Belgian goods, and that if available surpluses could be found he would arrange for the necessary credits. We again stressed the point that we are seeking industrial supplies rather than foodstuffs. The Minister promised to support an UNRRA contribution when the question comes up for discussion in the Cabinet, probably early the following week.

Following our conference with the Minister of Finance, still accompanied by M. Spreutels and M. Vaes, I next called upon M. Gorla, the Secretary General of the Ministry of Colonies. After explaining to M. Gorla the problems confronting UNRRA and the acute need in the world for relief, I discussed with him more particularly the question of what supplies might be available in the Congo and other Belgian Colonies. I explained that if the Cabinet approves an

UNRRA contribution we shall hope to enter into detailed discussions with officials and technicians of the Ministry of Colonies with regard to Belgian colonial products. I also touched upon the question of palm oil from the Congo, a quantity of which UNRRA has already contracted to buy. A portion of this has been already shipped. I said that UNRRA greatly needed supplies of such oil and expressed the hope that we might be able to obtain on a donation basis quantities additional to those already purchased. I expressed the hope that Belgium might even donate that part of the oil already under procurement but not yet shipped and paid for. I concluded by asking M. Gorla for his and his Minister's support in the Belgian Cabinet for an UNRRA contribution. M. Gorla promised that we would have both his and his Minister's support and he also said that he would be glad to look further into the question of available colonial products.

In response to the request made to us by the Foreign Office, I believe at the instance of the Minister of Finance, we prepared over the weekend a memorandum on UNRRA contributions received from member States and the status of UNRRA expenditures on supplies and distribution. The memorandum is to be placed before the Prime Minister and the Belgian Cabinet. We delivered it to the Foreign Office at 10:00 o'clock on Monday morning, 19 August. I attach hereto a copy of the memorandum (Annex "G").

At 4:00 p.m. on the same day (19 August), accompanied by M. Spreutels and M. Vaes of the Foreign Office, Mr. Herbert and I called upon His Excellency, M. Camille Huysmans, the Prime Minister. The Prime Minister and the new Government have been in office less than two weeks and as a result have a certain freshness of outlook which many Cabinets lack. I spoke to the Prime Minister, as I had spoken to the other Ministers, of the world need and of UNRRA's problems. I explained that UNRRA had spent or obligated for fixed relief programs practically all of its financial resources received from the large wealthy countries and that, in view of the statements made by them at the recent Geneva UNRRA Council meeting, it could hope for no additional funds from these countries. For the remaining four or five months of UNRRA's existence, therefore, UNRRA must be dependent upon contributions received from the smaller countries. Because of its shortage of both dollars and sterling UNRRA is now being forced to cancel contracts even for foodstuffs and vital relief necessities. I explained that we were now seeking contributions even from the invaded countries and

also from non-member countries. I told of what had been given by Poland, by Czechoslovakia, by Yugoslavia, by Denmark and by Norway. I pointed out that the number of lives which UNRRA can save now depends directly upon such contributed supplies and funds as the smaller countries can give. I said that so far as food supplies are concerned I quite well understood that Belgium needed all the food she could produce for her own people, but that with regard to machinery and industrial rehabilitation supplies UNRRA is in dire need of these and I hoped that Belgium would give us as much as she could spare. I pointed out that owing to Belgium's position in the European theater a ton of relief supplies furnished by Belgium was worth two tons furnished by a North or South American country because it could be transported so much more quickly and cheaply to areas in need. The Prime Minister listened silently and intently to all that I said. Until I had finished he spoke not a word. Then, with impressive dignity, he said that Belgium had herself suffered intensely through two world wars and herself had turned for help to other nations. Belgium therefore, he continued, could not turn a deaf ear to appeals for help for other people in distress. He said that he could make no definite promises now but that he felt sure that his associates would share his feelings and agree with his own view. He said that he would bring the question of an UNRRA contribution before the Cabinet at its regular meeting on the following Thursday morning and I told him of my expected departure the following Saturday. In the discussion which followed I made several attempts to induce the Prime Minister to open the way for my naming the amount which we felt would be reasonable as a Belgian contribution, but the way was not opened. At the conclusion of our conference the Prime Minister assured us again that he personally would favor a worthy UNRRA contribution.

At 5:00 p.m., again accompanied by M. Spreutels and M. Vaes, Mr. Herbert and I called upon His Excellency, M. A. Buisseret, the Minister of the Interior. With M. Buisseret we went over much the same ground as with the other Ministers; and we asked for his support when the UNRRA contribution comes up for consideration in the Cabinet meeting on Thursday morning. At the conclusion of our talk the Minister promised his full support.

On Tuesday morning, 20 August, at 11:30 Mr. Herbert and I, accompanied by M. Spreutels and M. Vaes, called upon His Excellency, M. P. Kronsacker, the Minister of Importations. I believe that M. Kronsacker formerly spent

some time in Washington as head of the Belgian Purchasing Commission, and also spent some time in London. He is quite familiar with UNRRA operations and we feared might be critical of them. We suspected that in the Cabinet meeting he might offer opposition to a Belgian contribution to UNRRA and we were therefore anxious to meet him. We spoke to M. Kronacker of the tragic need of certain areas in Europe and Asia for help and the critical need of UNRRA for financial assistance from the smaller nations in order to complete its work during the next few months. After we had finished, M. Kronacker said that he believed in the work of UNRRA and was in thorough agreement with all that I had said, including the need for continued help for UNRRA. In the very frank discussion which followed, however, M. Kronacker raised the question of whether or not the distribution of UNRRA supplies was being utilized by certain nations for political purposes and objectives. He spoke of certain reports which he had received from unnamed Embassies in Czechoslovakia and expressed the fear that UNRRA was being used in certain quarters for purposes other than relief. We told him that we also had heard similar reports, but that they had been carefully investigated and found quite untrue. Several days later I wrote to M. Kronacker to correct any misapprehensions lingering in his mind concerning the rumors of Soviet efforts to use relief distribution for political purposes. I attach a copy of my letter to M. Kronacker (Annex "H"). At the conclusion of our very friendly and frank conversation, I asked M. Kronacker specifically whether in the Cabinet discussion on Thursday the proposed UNRRA contribution would have his support. He turned the question aside and evaded answering it.

At 1:00 o'clock Mr. Herbert and I were guests at the American Embassy at a luncheon given in our honor by the American Ambassador. To the luncheon the Ambassador had invited Belgian Cabinet officials and representatives of the Ministries concerned with our Mission. (For a list of the guests present, see Annex "I"). When the luncheon was over, the Ambassador, following out my previous suggestion, gave me a chance to speak and I had the opportunity of setting forth the existing situation and of making a strong appeal for Belgian help for UNRRA.

On Wednesday morning, 21 August, I made a fifteen minute recording in French for a radio broadcast to be given over the government radio that evening. I had

previously prepared this broadcast with care in the hope that it might be of assistance in informing Belgian public opinion of UNHRA's needs and perhaps influence the Cabinet decision to be made on the following morning. The Belgian press has given to UNHRA the widest and most friendly publicity through our Mission's visit. (For English text of broadcast, see Annex "J"; French text Annex "K").

We had an appointment to see M. J. Merlot, the Minister of the Budget, on Wednesday at 12:00 o'clock; but when Mr. Herbert and I arrived at the Ministry we found that the Minister had been unexpectedly called away. We were received instead by M. Adam, the Secretary General of the Ministry. M. Vaes accompanied us.

In view of the Cabinet discussion scheduled for the following day, I felt it wise to discuss with the Ministry of the Budget the question of the amount of the Belgian contribution. So far as we can gather from reactions in many quarters the Cabinet will vote in favor of a Belgian contribution. The amount, however, has not yet been discussed and I felt it important to inform the Government of our own views as to this so as to prevent the vote of a niggardly amount which it would be later difficult to increase. In the course of our conversation with M. Adam therefore, after setting forth the main outlines of the world problem, we entered into a discussion of the amount which in our view Belgium might reasonably give. We spoke of the fact that Denmark, another occupied country, had made a contribution of \$5,000,000. Denmark's population is roughly 3,000,000, whereas Belgium's population is about 8,400,000. I therefore expressed the hope that Belgium, which has considerably greater wealth than Denmark and most of whose industries are now on a producing basis, might contribute double the sum which Denmark had given, i.e., that the Belgian contribution should be \$10,000,000. M. Adam threw up his hands and said that in his opinion this would be quite impossible, - that it would necessitate so heavy a tax upon the Belgian people, already borne down by taxation to repair the devastation of the war, that no government could survive such a tax. He said that the Belgian people were clamoring for the payment of war damages for property destroyed by the war and that thus far nothing had been paid. This issue was a burning one and the people would resent their being taxed for relief for foreign nations when their own war damages were yet unpaid and unredressed. M. Vaes agreed with M. Adam. In the view of both of them a contribution of \$10,000,000 would be utterly impossible. M. Adam also added that the budget

had already been fixed for the present year and that there are no funds available for the payment of any such great amount.

In the course of the discussion M. Adam argued that for UNRRA to supply raw materials and assist in getting factories into operation in other countries would serve only to lessen Belgium's foreign markets and thus impair her own economy. We explained to M. Adam that UNRRA has been scrupulously careful not to enter the field of economic reconstruction and that UNRRA's help at best must necessarily be so strictly limited to purely emergency relief as well as in amount that no question could arise as to UNRRA's help impairing Belgium's markets. In fact, as I explained to M. Adam, one of the criticisms which is currently and repeatedly leveled against UNRRA is that the United States, furnishing the bulk of UNRRA supplies, is thereby building up general trade goodwill for American products, gaining foreign markets for American goods and thus profiting commercially from UNRRA.

At the conclusion of our talk which was cordial throughout, I urged M. Adam to appeal to his Minister, M. Merlot, to give support to an UNRRA contribution in the Cabinet meeting on Thursday and also to support a contribution of generous proportions.

Following our talk with M. Adam, Mr. Herbert and I conferred with M. Vaes in regard to future plans. The question of an UNRRA contribution was scheduled for discussion at the Cabinet meeting on Thursday morning, 22 August. The conversations which had been taking place relate to a Belgian supply contribution. Beyond this, there remains the question of UNRRA's reimbursement for expenditures in Belgian currency for mission and other operating expenses in Belgium, - a question which has been before the Government for many months. We considered it wise strategy not to enter into discussions of these latter questions until the larger question of a Belgian supply contribution was settled, our intention being once we obtained a definite promise from the Belgian Government to give a specific amount as an operating contribution, then to approach the Government with regard to reimbursement for outlays of Belgian currency made by UNRRA in Belgium. Our hope was that the latter amount could be secured in addition to the amount fixed for the operating contribution.

In our conversation with M. Vaes, in the expectation that the amount of the operating contribution would be fixed

at the Cabinet meeting on the following morning, 22 August, we spoke of the additional questions and asked M. Vaes to arrange appropriate appointments so that the latter questions could be duly taken up. M. Vaes promised to do so.

With this purpose in mind we prepared a memorandum showing the cash expenditures which UNRRA had made in Belgium (1) on supplies, transport, etc., and (2) on dependents' allotments. We handed to M. Vaes for the Ministry of Foreign Affairs a brief statement showing these expenditures (copy attached as Annex "L").

All of Thursday (22 August) we waited anxiously to learn the result of the Cabinet's decision. Early Thursday afternoon M. Vaes telephoned to say that the Cabinet meeting had been postponed from Thursday morning to Thursday afternoon. On Thursday evening we tried to reach M. Vaes to learn the results but in spite of several efforts we failed to reach him.

On Friday morning, 23 August, Mr. Herbert talked to M. Vaes and was told that the pressure of other important issues had prevented the question of an UNRRA contribution coming up for discussion in the Cabinet meeting and that this question was therefore necessarily postponed until the next meeting of the Cabinet, scheduled for Monday morning, 26 August. He also said that, had the question come before the Cabinet, the Minister of Finance had determined to ask for a postponement of the decision in order that M. Spaak, who was in Paris, could be consulted. He added that an official of the Foreign Office was leaving for Paris that day (Friday) to consult M. Spaak and would return to Brussels on the following Sunday. Although I had planned to leave Brussels for London Saturday evening, in view of the postponement I decided to await the Cabinet decision and delay my departure until Tuesday afternoon, 27 August. I at once despatched a letter to His Excellency, the Premier, M. Camille Huymans, telling him of the urgency of my returning to Washington so that I could hasten negotiations with South American countries and requesting that the question of an UNRRA contribution be brought before the Cabinet on the following Monday. (Copy of letter attached as Annex "M"). On 26 August I received a letter in reply from the Premier saying that the question will be settled on 29 August. (Copy of letter attached as Annex "N").

In the meantime, M. Vaes had arranged for an appointment with M. Von der Plancken, a representative of the Ministry of

Finance, for Friday afternoon, so that the question of the reimbursement by Belgium of expenditures made by UNRRA in Belgian currency could be taken up with the Belgian Government. In order to keep this question quite separate and distinct from that of the Belgian supply contribution, I decided myself not to undertake this discussion but to leave it to Mr. Herbert and to Miss Laughlin, the Chief of the UNRRA Mission in Brussels, particularly as the question of UNRRA expenditures in Belgian currency falls peculiarly within the province of the Chief of the Brussels Mission. In order to bring the question officially in writing before the Belgian Government, Mr. Herbert and I prepared a careful memorandum on UNRRA administrative expenditures in Belgian currency for purposes other than for the purchase of supplies. This memorandum dated 22 August 1946, dealing with both UNRRA Mission expenses and additional expenditures in Belgian currency covering particularly the salaries of Belgian personnel engaged on displaced persons activities in Germany and Austria was presented by Mr. Herbert to the Foreign Office through M. Vaes and was the basis of the discussion which Mr. Herbert and Miss Laughlin held at 3:30 Friday afternoon, 23 August, with M. Von de Plancken. (Copy of memorandum including copies of correspondence referred to therein attached as Annex "D"). A copy of Mr. Herbert's memorandum covering this discussion is also attached (Annex "F").

In accordance with M. Vaes' suggestion, a further memorandum dealing with the validity of UNRRA's claim for reimbursement for expenditures in connection with displaced persons activities was prepared by Mr. Herbert and myself dated 24 August 1946, and this was also handed by Mr. Herbert to the Belgian Ministry of Foreign Affairs through M. Vaes. (Copy attached as Annex "G").

On Saturday morning, 24 August, we received word from M. Vaes that the Cabinet meeting scheduled for Monday, 26 August, had to be postponed until the following Thursday because several of the important Cabinet Ministers would be out of town. This was disappointing news. Mr. Herbert and I both agreed, however, that in spite of serious inconvenience I ought to remain in Brussels for the sake of the pressure which my continued presence would exert upon the Belgian Government, and in view of the letter of 24 August from the Premier to myself (Annex "H"), assuring us that a decision would be reached on Thursday, 29 August, I decided to remain.

During the intervening days Mr. Herbert suggested opening

conversations with appropriate Ministries to discuss what Belgian supplies might be available; but M. Vass felt that until the Cabinet had reached a decision no useful purpose would thus be served. Nevertheless, following the suggestion of M. Spreutels, Mr. Herbert saw the Director General du Commerce Exterior, M. Suetens, and arranged for a further conference with M. Craen, who is the Director General of Economic Affairs in the Ministry of Economic Affairs, but is now on loan to the Ministry of Re-Equipment. M. Craen explained that with some insignificant exceptions the Government does not possess stocks of commodities and that therefore a burden on the budget in one form or another could not be avoided. In discussing the availability of supplies, M. Craen suggested as his personal view that UNRRA should experience no difficulty in obtaining the following products: sulphate of ammonia, basic slag, tin, copper, pesticides and certain other chemicals and agricultural seeds.

All day Thursday, 29 August, again we anxiously awaited word of the Cabinet decision. Late on Thursday afternoon we received telephone calls both from the Ministry of Foreign Affairs and also from M. Kronacker, the Minister of Importations, informing us that the Belgian Cabinet had voted a contribution to UNRRA of supplies to the value of 50,000,000 francs (approximately \$1,063,829).

On the following morning, 30 August, at 10:00 o'clock, Mr. Herbert and I called upon M. Wendelin, the Chef du Cabinet in the Foreign Office. We told him of our disappointment that the Belgian Government had decided on a contribution of so limited an amount. We said to him, as we had previously said to other Belgian officials, that we had hoped that the Belgian Government would contribute at least as much as the Danish Government which had given \$5,000,000. At the same time we said that we realized that this was a matter which only the Belgian Government could decide and that we desired to express our appreciation through M. Wendelin to the Belgian Government for whatever contribution the Government saw fit to make to UNRRA.

We went on to discuss detailed arrangements with regard to the contribution. M. Wendelin informed me that an official notification in writing was being sent me and would reach me that day. (Copy attached hereto as Annex "B"). He also said that an announcement of the contribution had already been given to the press. I attach herewith a copy of the announcement which appeared in "La Libre Belgique" of 30 August 1946 (Annex "B") and which M. Wendelin told me was given out by

the Belgian Government.

We next questioned M. Wendelin with regard to the kinds of goods which could be made available and suggested immediate discussions on this subject. He said, however, that under the Cabinet decision the Minister of Finance was conferring with the other Ministers concerned and that within the next few days the Government hoped to have a list of available Belgian supplies. In agreement with Miss Laughlin, the Chief of the UNRRA Brussels Mission, we made arrangements for the Government, as soon as this list is ready, to confer with Colonel Allen who, under Miss Laughlin, is in charge of supplies. We also told M. Wendelin what available supplies UNRRA is particularly interested in.

We then went on to speak about other pending questions. In accordance with the claims presented in our two memoranda of 22 August and 24 August, respectively, with regard to the reimbursement of UNRRA by the Belgian Government for UNRRA Mission expenses, we said that we assumed there would be no question as to this since the Belgian Government had already agreed to such payments, as recorded in the letter, dated 3 November 1944, from M. G. Paquet, the Inspector of Finances, to Sir Frederick Leith-Ross. M. Wendelin replied that the Ministry of Finance had already agreed to such reimbursement, that the order had been signed for the payment of an additional 1,000,000 francs, and that the Government would be prepared to make this payment early the following week.

We next took up the question of the reimbursement of UNRRA by the Belgian Government for salaries paid to Belgian personnel engaged in displaced persons activities in Germany and Austria and also in the warehousing and transit of military surplus supplies acquired by UNRRA in Belgium. We referred to the memoranda of 22 August and 24 August in respect to this claim. M. Wendelin replied that the Minister of Finance had considered this question and also that the matter had been incidentally brought up in the Cabinet meeting of the previous day. He told us quite informally that he had been told that the reply of the Belgian Government would be in the negative. I said that I should regret it intensely if this should be the final position of the Belgian Government. I explained to M. Wendelin again that UNRRA is so short now of dollars and pounds sterling that we are actually being forced to cancel contracts for food and other vital necessities and that the number of lives which UNRRA can save depends directly upon what financial help it can secure from countries like Belgium. I also read to him the provisions of Resolution 14,

Section 20, which says that "so far as possible all expenses of the Administration within a liberated area shall be borne by the Government of such area". In this Resolution, Belgium of course, as a member nation, joined. I also pointed out that the French, Netherlands and Danish Governments, confronted by the same question, had all agreed to the validity of the claim and made payments accordingly. I said that UNRRA would be glad to enter into discussions as to the amount of the claim if the Belgian Government felt that the salaries paid were too high. But I urged as strongly as I could that if a decision against payment of the claim had been reached it should be reconsidered. M. Wendelin said he doubted whether the Government would reconsider the matter unless it could be shown that they had previously agreed to make the reimbursement.

Unhappily, so far as I know, UNRRA possesses no shred of written evidence signed by the Belgian Government to prove that the Government has ever agreed to this claim. So far as my information goes, our only evidence is in the letter written by M. Morhange on 23 November 1945 to M. de Thieusies, stating that "I believe that last summer Sir Frederick Leith Ross discussed this question with Monsieur Spaak, Monsieur Desmaels, Monsieur Langenhove and Monsieur Frere; they all agreed in principle and Monsieur Frere promised his full support to a proposal that Belgium should put up 100 million Belgian francs to cover not only the salaries of Belgian Displaced Persons personnel, but also the cost of Welfare Supplies purchased in Belgium." (See copy of letter in Annex "C"). In the hope that some written evidence of the agreement mentioned in M. Morhange's letter is obtainable we called London on the long distance telephone but were informed that London could give no further evidence.

M. Wendelin's position was that if the agreement mentioned in M. Morhange's letter can be substantiated or if in any other way it can be proved that the Belgian Government has committed itself as suggested, there should be no difficulty in securing an assumption of the obligation by the Belgian Government. Without that, however, since the Minister of Finance and the Cabinet have already considered the matter and felt unable to assume the obligation, there seems little chance of securing payment.

I arranged with M. Wendelin that I would see in Paris on Saturday afternoon or Sunday, the Secretary General of the Belgian Foreign Office, M. Fernand Van Langenhove, who is now with M. Spaak, the Minister of Foreign Affairs, at the

Paris Peace Conference. If M. Spaak or Ambassador Van Langenhove can confirm the agreement mentioned in M. Morhange's letter, there should be no difficulty in getting the present Belgian Government to stand by the agreement reached by the former Government.

I informed M. Wendelin that I should be leaving Brussels early Saturday afternoon, 31 August, and in saying good-bye again expressed to him UNRRA's appreciation for the Belgian contribution.

I left Brussels, accompanied by Miss Newcomb, on Saturday afternoon, 31 August, for Paris. Mr. Herbert and Miss Miller left Brussels on the following day for London.

In Paris I at once got in touch with Ambassador Van Langenhove and arranged to see him on Monday morning, 2 September. In my conference with him I told him of our negotiations in Brussels and took up with him the question of the reimbursement to UNRRA by the Belgian Government of expenditures made in Belgian currency by UNRRA on account of the salaries of Belgian nationals engaged in displaced persons activities in Germany. I questioned Ambassador Van Langenhove about the statement in the letter of M. Morhange dated 23 November 1945 regarding the discussion which took place in the summer of 1945 between Sir Frederick Leith-Ross, M. Spaak, M. Desmarte, M. Frere and Ambassador Van Langenhove. Ambassador Van Langenhove told me that he remembered the discussion with Sir Frederick Leith-Ross but that he did not remember any agreement in principle having been reached. In fact, he said that following the discussion with Sir Frederick Leith-Ross he brought the matter up with the Minister of Finance who was disinclined to give a favorable reply. In other words, Ambassador Van Langenhove told me that no agreement had been actually reached but that, on the contrary, the Minister of Finance had considered the request and turned it down.

I went on to discuss the whole question with Ambassador Van Langenhove and gave him copies of the memoranda of 22 August and 24 August which we had given to the Foreign Office. I pointed out to Ambassador Van Langenhove the words of Resolution 14, Section 20, passed at the UNRRA Council meeting in Atlantic City, which M. Spaak himself had attended as a representative of Belgium. I also told Ambassador Van Langenhove that the French and the Netherlands Governments, to whom the same question was presented, each acknowledged the claim and made payment.

On the other hand, I said that I desired to present the

matter to the Belgian Government not as a legal obligation but as a claim of humanity. The number of lives which UNRRA can save between now and the termination of its labors depends directly upon the size of the contributions given by the less wealthy countries, such as Belgium. I said that I greatly hoped that M. Spaak would take this view of the matter and urge strongly upon the Premier and his Cabinet colleagues that the Belgian Government should recognize this claim for UNRRA's reimbursement.

In reply, Ambassador Van Langenhove said that he had always urged the payment of this claim and would continue to do so. He promised, at my request, to take the matter up at once with M. Spaak and expressed the hope that M. Spaak would take the same view of the matter which he does and urge upon his colleagues recognition of this claim. We both agreed that once the validity of the claim is recognized the question of the amount of the salaries paid to the Belgians in question can be discussed in subsequent conversations.

Ambassador Van Langenhove told me that M. Spaak expected to be in Brussels on the following Thursday, 5 September, and would doubtless take the matter up at that time with the Premier and his Cabinet colleagues.

I expressed to Ambassador Van Langenhove my appreciation for his kindness and expressed the hope that M. Spaak would exercise the full weight of his influence in the coming Cabinet meeting to secure a reconsideration by the Cabinet of UNRRA's reimbursement.

In accordance with my promise to M. Wendelin I at once sent a letter to him (Annex "T"), informing him of my conversation with Ambassador Van Langenhove. At the same time I sent a copy of this letter to Mr. Herbert in London so that our London Office could follow up on the matter and continue the effort to secure reimbursement for this very substantial outlay.

I left Paris at 3:00 a.m. on Tuesday, 3 September, and having reached New York at 1:00 a.m. on the morning of 4 September took the train to Washington, reaching there early that same morning.

(ANNEX "A")

OUTGOING TELEGRAM

Geneva
5 August 1946

His Excellency
Paul Henri Spaak
Minister of Foreign Affairs
Brussels (BELGIUM)

Your Excellency's Government is well aware of the widespread destitution and acute hunger still unhappily existing in many parts of the world and of the vigorous efforts of UNRRA to help meet this problem. It is clear that the initial step in building for a stable peace must be to tide over present emergencies and to get needy and starving people back onto their feet again. All the world admires the heroic way in which your own country met German invasion and is successfully surmounting the problem of postwar recovery and rehabilitation. UNRRA is now turning to Belgium, as it has similarly turned to other invaded countries, for help in meeting the needs of other more devastated and suffering countries. Czechoslovakia, Yugoslavia, Poland, Norway, Denmark, and other invaded countries have given generously as they were able to UNRRA. If agreeable to your Government, I should like to send an UNRRA Mission to Brussels of top-ranking UNRRA officials, headed by Honorable Francis B. Sayre, Diplomatic Adviser, former U.S. Assistant Secretary of State, in the middle of August to discuss with your Government question of possible Belgian contribution which can be put to immediate use. I shall appreciate your telegraphing me at your early convenience care UNRRA Fifth Council Session, Geneva. I know it would put heart into assembled delegates at Council if I were privileged to announce that Belgium even though invaded and still suffering economic dislocation nevertheless intends to contribute toward relief of suffering humanity in other parts of world.

F. LaGuardia
Director General UNRRA

Copy

Vendredi 9 aout 1946, 11.30h.

Telegramme transmis par Departement a Mr. Lannier, Geneve.

Pour Lantsheere et Wauters.

Veillez informer La Guardia en reponse son telegramme
5 aout que recevrons volontiers mission Sayre en Belgique
pour examiner question soulevee stop Impossible prendre
decision principes sujet participation Belgique dans action
UNRRA sans savoir dans quelle mesure nous nous engageons
stop

SPAAK

Copy

(ANNEX "C")

Belgian Delegation to the
5th Session of the Council
of U.N.R.R.A.

Geneva, August 10th, 1946.

Dear Mr. LaGuardia:

In the telegram you addressed to Mr. Spaak, Ministre for Foreign Affairs of Belgium on August 5th, you raised the question of a possible Belgian contribution to U.N.R.R.A. and you suggested that you would like to send to Brussels an U.N.R.R.A. mission headed by the Honorable Francis B. Sayre Diplomatic Adviser of U.N.R.R.A. and former U.S. Assistant Secretary of State.

I have been asked by Mr. Spaak to inform you in reply that the Belgian Government will be pleased to receive in Brussels a mission headed by Mr. Sayre to examine the question. You will appreciate that at this stage they cannot take a decision on the matter raised by you without having gone into it more fully and studied its implications further.

With the assurance of my highest consideration,

Very Sincerely Yours,

V. de Lantsheere

Member of the Council for Belgium

The Honorable Mayor Fiorello H. LaGuardia
Director-General
U.N.R.R.A.
Palace of the League of Nations,
Geneva.

U.N.R.R.A.

The following is a list of commodities which would be of great value in the relief and rehabilitation of war-devastated countries. In preparing it an attempt has been made to select items of a kind which it might be possible for Belgium and the Colonies to supply. It may well be, however, that there are other commodities which Belgium could furnish and which, because of imperfect information, have not here been included. The needs of liberated countries are of a most varied description and the mission asks therefore that their attention should be drawn to goods of any kind which might be of value in this work. The following, therefore, should be regarded as a provisional list to which items might well be added for consideration:

(1) Industrial rehabilitation supplies:

- (a) Iron and steel products, semi-manufactures, e.g. sheets, bars, etc., as well as more fully fabricated goods, e.g. nails, screws, fish-hooks, etc.
- (b) Non-ferrous metals: tin and antimony.
- (c) Non-ferrous manufactures, e.g. brass sheets (mild temper for further processing), copper discs for cooking utensils.
- (d) Boiler tubes.
- (e) Compressors.

- (f) Electrical machinery
- (g) Textile machinery accessories.
- (h) General construction equipment, e.g., hoists, jacks, pumps, jack-hammers, etc.
- (i) Miscellaneous chemicals.
- (2) Agricultural and fisheries rehabilitation supplies:
 - (a) Fertilizers: sulphate of ammonia; basic slag; superphosphate of lime.
 - (b) Pesticides, e.g. copper sulphate, sodium fluosilicate
 - (c) Seeds, e.g. lupine, sugar beet, peas.
 - (d) Agricultural harness.
 - (e) Raffia.
 - (f) Honey extractors.
 - (g) Livestock: horses and stallions.
 - (h) Fishing equipment, e.g. lines, nets, boats.
- (3) Food:
 - (a) Palm Olive
 - (b) Mixed colonial beans
 - (c) Fish
 - (d) Fish Oils
- (4) Textiles and Textile accessories:
 - (a) Cotton Thread
 - (b) Sewing needles
 - (c) Yarns

Brussels, August 16, 1946.

UNRRA

Contributions by Member States
Expenditure on Supplies and Distribution

1. Contributions

(a) Administrative: Under the resolutions of the U.N.R.R.A. Council, all member States are asked to make annual contributions to the administrative expenses of the Administration in accordance with assessments made against them by the Council. The total sum of administrative contributions for the three years 1944, 1945 and 1946 is about \$29,000,000. With two or three minor exceptions, contributions have been paid in full for the years 1944 and 1945, and the very great bulk for the year 1946 has also by now been remitted. Belgium has paid in full for the three years 1944-46.

(b) Operating contributions

The bulk of U.N.R.R.A. contributions consists of operating contributions for the purchase of necessary supplies and for the payment of general operating expenses, for example, for the care and repatriation of displaced persons.

(i) Non-occupied member countries: The Resolutions of the Council originally called upon all member

States whose territories were not occupied by the enemy to contribute towards the operating expenses of U.N.R.R.A. a sum equal to one per cent of their national income for the year ending 30 June 1943. A few months after U.N.R.R.A. had begun to ship supplies it was seen that this sum, amounting to about \$1,800,000,000 would be entirely inadequate, and at the Council meeting held in London in August, 1945, the non-occupied member States were asked to contribute a further one per cent, making two per cent in all. The principal contributors, apart from their annual administrative contributions, have given the following amounts:

<u>Country</u>	<u>Contribution</u>
United States.....	\$2,687,800,000
United Kingdom.....	620,075,000
Canada.....	137,823,739
Australia.....	76,342,500
Brazil.....	39,542,500
India.....	24,000,000
Union of South Africa.....	17,830,000
New Zealand.....	16,860,500

Other member States both large and small have contributed proportionately to their resources. The contributions to U.N.R.R.A. have totaled about \$3,700,000,000.

The U.N.R.R.A. Council further recommended that these contributing countries should make not less

than 10 per cent of their contributions available in free currency, the remaining 90% usually taking the form of supplies from the countries themselves or their colonies.

Even the enormous sum just mentioned proved not enough. The Director General of U.N.R.R.A. in a statement circulated to member Governments prior to the Council meeting in Geneva, explained that the bare minimum needs of the countries still dependent on U.N.R.R.A. amount to nearly \$1,500,000,000 more than the Administration has at its disposal. U.N.R.R.A. has therefore urgent need of assistance from all countries with available resources, including those which were invaded but which have now recovered sufficiently to be able to help, those countries although still dependent on U.N.R.R.A. which have surpluses in particular commodities, and even countries which are not members of U.N.R.R.A.

The Resolutions of the Council recommend that member Governments, other than those whose home territory has not been occupied by the enemy, should, if they are able to do so, in addition to their administrative contribution, contribute to the work of the Administration for relief and rehabilitation outside their own territory.

(ii) Invaded states: The following contributions have been received from invaded states (values expressed in American dollars):

Czechoslovakia: 2,000 tons of sugar.

Value, \$210,000.

Denmark: Several thousand tons of fresh and salted fish and 20,000 horses. Value, \$5,210,000.

Norway: Canned meat, potatoes, codliver oil and other fish products. Value, \$3,000,000.

In addition a special low-interest credit up to \$3,000,000 has been extended to countries assisted by U.N.R.R.A.

Poland: 100,000 tons of coal and 25,000 tons of cement. Value, \$1,050,000.

Yugoslavia: Cement to the value of \$30,000.

France: France has not yet given a contribution of supplies. Nevertheless U.N.R.R.A. has received from the French Government certain cash contributions in French francs in addition to its administrative contributions of \$1,220,000 which have been paid in full. The additional French contributions, and the purposes for which

they were made, are as follows:

	<u>French francs</u>
Expenses of U.N.R.R.A.	
Paris Mission.....	25,000,000
Operational expenses.....	150,000,000
Paris Mission expenses 1946.....	20,000,000
Operational expenses.....	<u>200,000,000</u>
Total	395,000,000

The Netherlands: The Netherlands also has not made a contribution of supplies but has made a cash contribution of about 3,800,000 guilders toward operation expenses.

(111) Non-member countries: Contributions from non-member countries include:-

- 1) Argentina: 150,000 tons of wheat. Approximate value, \$7,800,000.
- 2) Portugal: Fish, wolfram, tin, crude drugs, cotton seed and miscellaneous supplies.
Value, \$1,000,000.
- 3) S. Rhodesia: Medical supplies and industrial equipment. Value, \$594,998.
- 4) Italy: 5,000 tons of salt. Value, \$40,000.

2. Expenditure on supplies and distribution of supplies

The annexed tables show the value of U.N.R.R.A. shipments up to 30 June 1946 with provisional estimates for the

month of July. The percentage figures shown in column (4) and (7) show to what extent the full U.N.R.R.A. programmes up to December, 1946 have been shipped by the dates shown. The first table shows the countries to which the supplies have gone, and the second, the broad commodity groups on which U.N.R.R.A.'s resources are being expended. As the second table shows, about three-quarters of the full programme for food and clothing has now been shipped. In the two groups of agricultural and industrial supplies, however, less than one half of the programme had been achieved by the 31st July, 1946. The lag in the delivery of agricultural and industrial supplies is due largely to the fact that agricultural and industrial goods take in many cases longer to produce and also to delays due to the re-conversion of factories, mainly in the U.S.A. and U.K., from war to peace production.

Furthermore, due to the pitiful state in which the enemy left many of the occupied countries and to the disastrous drought of 1945, U.N.R.R.A. found it necessary to expend a far higher proportion of its resources and to concentrate more effort on supplies of food than was originally planned.

It is obvious that the remaining task of U.N.R.R.A. depends to a very great extent upon shipments of

agricultural and industrial supplies, particularly seeds and fertilizers and such commodities as iron and steel products, non-ferrous metals and manufactures, machinery, general construction equipment and the like. Indeed, it is in the field of industrial supplies that Belgium can perhaps render the maximum assistance to U.N.R.R.A.

Francis B. Sayre

18 August 1946

Hotel Metropole
Brussels
24 August 1946

My dear M. Kronacker:

I was hoping to see you for a few minutes this morning in regard to the U.N.R.R.A. contribution and regret that the pressure of other work prevented your seeing me. I am therefore sending you these few lines.

In our conversation last Wednesday morning, I felt a little disquieted because I sensed that you were not entirely convinced by what Mr. Herbert and I said. The need of U.N.R.R.A. for the next few months is so critical that I am sure you will forgive my troubling you again. Your influence upon the Councils of the Government is great and I am particularly desirous that you know the truth free from various distortions which I fear have been in current circulation. You will remember that we were discussing the rumors which you had heard in Prague that the Soviet Government was utilizing U.N.R.R.A.'s distribution of supplies in order to gain its own political objectives. These were buttressed by the fact that it is a Russian who is the Chief of the U.N.R.R.A. Mission in Czechoslovakia. Yesterday I happened to read in the LONDON TIMES of 22 August 1946 (page 5) the statement written by the TIMES correspondent, lately in Slovakia, saying:

"The change to-day, little more than a year after the end of the fighting, is simply astounding, thanks in part to Unrra, in part to help given by the Czechs, and in part to the industry and resourcefulness of the Slovaks themselves, who seem to have avoided many of the bureaucratic pitfalls into which other parts of the country have fallen. The Slovaks are nearly unanimous in their gratitude to Unrra, and fully appreciate

His Excellency
M. P. Kronacker,
Ministry of Importations,
Brussels.

the fact that they do not have to pay anything for help received from this source."

This unequivocal statement that "the Slovaks are nearly unanimous in their gratitude to UNRRA" would seem pretty clearly to disprove the statement which you heard in Czechoslovakia. Only today I was talking with one of our U.N.R.R.A. deputy chiefs of staff in Prague - an American - who told me flatly that neither did the Czechs think that the relief supplies sent by U.N.R.R.A. emanated from Russia nor did the official know of one single instance of an effort being made by Soviet authorities to spread this impression. As a matter of fact, as Mr. Herbert said to you the other day, the rumors to which you referred and which we knew were widely circulated, were very carefully investigated and found entirely untrue.

I was hoping that I might have the opportunity of a few words personally with you to take up any criticisms which may linger in your mind about U.N.R.R.A. Believe me, my dear M. Kronacker, the need is very real and U.N.R.R.A. cannot possibly meet it during these coming months without help from the smaller countries like Belgium. I hope with all my heart that you will support the proposal for an U.N.R.R.A. contribution presumably to be brought up in the Cabinet meeting on Monday morning.

Very sincerely yours,

Francis B. Sayre

(ANNEX "I")

Luncheon given by Ambassador Alan G. Kirk to meet
Mr. Francois B. Sayre and Mr. Roscoe Herbert
Tuesday, August 20, 1946 - Brussels

The Ambassador

Mr. Francois B. Sayre

Mr. Roscoe Herbert

Mr. Harrison - 1st Secretary, British Embassy

Mr. McGreer - Counselor, Canadian Embassy

Mr. Ray Miller - Economic Counselor, American Embassy

Mr. Jerome Gaspard - Agricultural Attache

Mr. G. McN. Godley - Third Secretary, American Embassy

M. Le Ministre Buisseret - Minister of the Interior

M. Le Ministre Troclet (Travail et Prevoyance Sociale)

Representing Mr. Vos of the Foreign Office

M. Le Ministre Terfve - Minister of Reconstruction

M. Legrand - Chef du Cabinet, Ministry of Economy

M. Mathieu - Secretaire Generale du Ministere

de Ravitaillement

Representing Minister Lalmand who is

absent from Brussels

M. Gorla - Chef du Cabinet, Ministry of Colonies

Radio Address
by the Hon. Francis B. Sayre
Diplomatic Adviser, UNRRA,
Former U.S. High Commissioner to the Philippines,
Brussels, August 21, 1946

I was in Belgium in 1917 when the First World War was tearing Europe - and I saw how the Belgian people could fight. I shall never forget the heroism, the courage, the gallantry of that unconquerable Belgian army.

Little more than twenty years later the ruthless German armies again swept over Europe, leaving death and destitution and unparalleled suffering in their wake. You perhaps better than any other people know what war means. Towns and villages systematically destroyed and often even the small isolated cottages and farm houses from which men and women go to work plundered or burned or destroyed; factories bombed to rubble, machinery wrecked, railways and rolling stock destroyed, fields put out of cultivation, herds stolen or killed, even men and women stolen from their homes and carried away into slavery. The object of modern warfare is to cripple all forms of economic life, - not only to destroy military installations and big industrial plants, but to crush the ability and even the will to work of the individual men and women in factory or on farm, and thus to reduce the whole nation to penury and despair. This is what modern instruments of war can do - and have done. When V-Day came whole countries had been laid waste, whole populations were lacking food and the necessary means of livelihood, whole nations in economic stagnation and bankruptcy and despair.

The United Nations Relief and Rehabilitation Administration - UNRRA as it is popularly called - was set up by the United Nations to organize for help on a world basis such resources as could be had and to fight famine and destitution resulting from war - to help destitute people back onto their feet.

It was a superhuman task, the greatest relief undertaking in history. Yet upon its success rested our hopes of building a lasting peace.

Hunger and destitution breed social unrest and civil disturbance. The first step in building a stable peace must be to get peoples, prostrated by the ravages of war, participating in the work and economic life of the world once again. Until we do, we cannot make secure the great things for which

we have been fighting, - a rule of law based upon justice, democracy, human liberty. There can be no lasting security for any nation as long as substantial parts of the world are facing hunger and disease and destitution. Hungry men are desperate men. There can be no lasting prosperity for any nation if substantial parts of the world are suffering economic prostration and facing bankruptcy. Even powerful and prosperous nations cannot keep their people at work if large parts of the world lack the purchasing power to buy in world markets. "Poverty anywhere is a threat to prosperity everywhere." Two World Wars have taught us in letters of fire that no nation under Twentieth Century conditions can live unto itself alone. We weather the storm or we go down to disaster - together.

Since V-Day truly remarkable progress has been made. The heroic fight which Belgium waged on the battlefields of the two World Wars and in bitter and unrelenting resistance behind the enemy lines has been matched in peace by the heroic struggle and sacrifice and gallant unceasing effort which the Belgian people have made in factories and on the farms, - rebuilding industrial plants, getting the wheels of industry turning again, reconstructing the Belgian economy. Other nations have also been making a brave struggle but against greater odds of devastation and with less foreign exchange and other resources at their command.

UNRRA has been helping in this progressive healing process both in Europe and Asia. UNRRA has already shipped overseas over 12,000,000 tons of relief goods, valued at some \$2,000,000,000. These have included not only wheat and flour, meat, milk, sugar, coffee, hospital supplies and drugs and vaccines; seed, certain agricultural implements, tractors, draft animals, cattle and veterinary supplies; but also transport equipment, materials to repair bridges and railways, raw materials for feeding factories and thus putting men back to work, pumps and pipes for repairing water supply systems, and almost every conceivable kind of goods. These supplies came from every part of the world - from Australia, Brazil, Canada, Chile, Colombia, Cuba, New Zealand, as well as from the United States and the United Kingdom. UNRRA has sent to peoples in sore distress doctors and nurses and trained welfare workers and industrial experts and men skilled in transportation problems. It is caring for hundreds of thousands of destitute refugees and helping to get back home again men and women and children driven from their homes and from their country by war or German cruelty. Reaching out to every corner of the

world, UNRRA is bringing its healing touch to the victims of war in direst need. UNRRA has had many shortcomings and made mistakes; but without UNRRA literally millions of people now living would be dead.

What is the present situation? In spite of remarkable progress certain war-stricken areas remain, still in desperate need of help. Austria is in grave distress. Greece, shot to pieces and economically demoralized during the war, must have continued help. Italy has not yet recovered to a point where she can sustain her people by her own efforts. Poland still needs help and so probably does Yugoslavia. Above all, certain war-swept areas in China are in desperate need. The Chinese Ambassador in Rio de Janeiro recently told me that during the next four months 6,000,000 Chinese people would die of starvation.

These peoples are looking to UNRRA for help. But the tragedy is that UNRRA has now either spent for relief work achieved or obligated for the fixed relief programs running to the end of this year practically the whole of its available funds. The great contributors, - countries like the United States, England, Canada, Australia - have given up to two percent of their national incomes and they can give no more. Yet UNRRA's task is still unfinished. UNRRA must now therefore look to the small nations for help.

UNRRA today is so short of funds, so lacking in dollars or pounds sterling, that it is actually forced to cancel contracts for the purchase of vitally needed supplies.

The number of lives which UNRRA can help to save up to the end of 1946 depends vitally and directly upon what funds and relief supplies the small nations contribute between now and then. It is as stark as that.

So UNRRA has been appealing for help to every nation with available surpluses. Czechoslovakia has given sugar, Yugoslavia has given cement, Norway has given canned meat and fish, Denmark gave horses and fish. Even Poland, hungry and in need, gave to UNRRA 100,000 tons of coal and 25,000 tons of cement. The world today is sharing as it has never shared before.

Our UNRRA Mission is now in Brussels appealing to the gallant Belgian people for help. UNRRA is not asking for food, for we know that the Belgian people themselves need

all the food that can be had in Belgium. UNRRA is appealing for supplies which the Belgian people can spare, - supplies such as iron and steel products, semi-manufactures, various kinds of machinery, hoists, jacks, pumps, sheet metal, non-ferrous metals, tin and antimony and various products from the Belgian Colonies. These will help to get stricken peoples back onto their feet again and so save life and get people back once more to useful work.

On Monday afternoon I talked with the Prime Minister, His Excellency, Mr. Huysmans. He was most gracious. I have met and talked with numerous Ministers of State and other high officials. Thus far from one and all the response has been the same. It has been this: "When Belgium herself was in need, she made her appeal to other peoples, and they did not fail her. Belgium can never forget that. She cannot refuse now to help other peoples in genuine distress."

I cannot doubt what Belgium's answer to UNRRA's appeal will be, because I know the gallantry and the temper of the Belgian people. Belgium will not fail the cry of humanity in distress.

UNRRA expenditure in Belgium: (i) on supplies, transport etc.
from Belgium
(ii) on dependents' allotments

(i) The Administration has spent in Belgium about \$600,000 on unloading, storage, forwarding etc. charges and has also made substantial expenditures in sterling and dollar purchases in Belgium. Funds are, however, now exhausted or fully obligated. The following is a list of the supplies in question:-

Sodium fluosilicate.....	\$ 4,800
Seeds.....	128,000
Superphosphates.....	1,164,000
Basic slag.....	376,000
Miscellaneous supplies.....	48,000
Cigarette paper.....	108,000
Edible palm oil (contract not yet concluded).....	<u>480,000</u>
Total	\$ 2,308,800

The total on supplies and supply services amounts to nearly \$3,000,000.

(ii) In addition the Administration has had to transfer sterling to Belgium to pay the allotments made by Belgian employees to their dependents. This sum up to 31 July 1946 is the equivalent of \$1,800,000.

Brussels,
23 August 1946

Dear Mr. Prime Minister:

I am naturally most anxious to learn the decision of your Government on the question of a supply contribution to U.N.R.R.A. which you will remember we discussed last Monday afternoon, when Your Excellency kindly received our U.N.R.R.A. Mission. In the expectation that the Cabinet's decision would be given yesterday, I had arranged for my passage to London tomorrow and my trans-Atlantic flight on the twenty-sixth. I have now cancelled this and shall postpone my departure until next week after the Cabinet decision. In order to make possible my early departure from Washington for South America to seek further help, might I express the hope that Your Excellency, if the pressure of other matters permits, will be kind enough to arrange for the Government's decision on Monday next? The assurance of this would be of very great assistance in making the necessary arrangements for my trans-Atlantic flight.

Your great kindness to us and your welcome and gracious words last Monday will always make the memory of our visit to Brussels a happy one.

Sincerely yours,

Francis B. Sayre

His Excellency
M. Camille Huysmans,
Prime Minister of Belgium,
Brussels.

(ANNEX "N")

Brussels, 24th August, 1946

Dear Sir,

I regret very much that the Government could not take a decision on Thursday but the question will be settled on Thursday next.

Sincerely yours,

(sgd) C. HUYSMANS
Prime Minister

To Mr. Francis B. Sayre,
United Nations Relief and Rehabilitation Administration
Hotel Metropole
BRUSSELS

U.N.R.R.A. administrative expenditures
in Belgian currency for purposes other
than for the purchase of supplies

The conversations which have been taking place between the Belgian Government and Mr. Francis B. Sayre have been confined to U.N.R.R.A.'s critical need for a supply contribution. As the Government are aware, however, there is the further question of expenditures of U.N.R.R.A. in Belgian currency for Mission and other operating expenses in Belgium. This falls under two heads, and it may be convenient to recapitulate them:-

(a) U.N.R.R.A. Mission expenses: In the correspondence which took place with M. Paquet, Inspector of Finances, and His Excellency M. G. Gutt, in 1944 and 1945, of which copies are attached, it was agreed by the Belgian Government that funds would be made available in respect of:-

- (i) living allowances and travelling expenses in Belgium of U.N.R.R.A. personnel, and such portion of their salaries as they might need to draw in Belgium;
- (ii) expenses of an office in Belgium;
- (iii) salaries of personnel recruited in Belgium.

It was suggested that in the first instance a limited sum of one million Belgian francs might be put at the disposal of U.N.R.R.A. to cover the expenditure of the first six months of 1945, and the Government made that amount available. Fortunately the expenses of the Mission were much less than

had been estimated, and this fund was exhausted only in July last. Meanwhile the Government have continued to meet certain current charges, namely:-

- (i) the cost of the pension in which some of the U.N.R.R.A. staff live, and
- (ii) the rent of the Mission's office.

While U.N.R.R.A. up to now has been able to keep the expenditure down to a very modest rate, recently owing to the necessity of employing in Belgium further personnel on the procurement and movement of British and American military surpluses, the rate of expenditure has necessarily increased and is now estimated to amount to about 160,000 Belgian francs per month.

(b) Additional Belgian expenditure: The Administration's expenses in Belgium now include payment of salaries of Belgian personnel engaged on Displaced Persons activities in Germany and Austria and also ^{expenses} on the warehousing and transit of military surplus supplies acquired by U.N.R.R.A. in Belgium.

The Government will recall that attention was drawn to this matter by the letters of 23rd November, 1945 and 4th April, 1946 from W. Morhange, the Director of Finance in the European Regional Office, to His Excellency the Vicomte de Thieusies. Copies of these letters and of His Excellency's acknowledgment of 11th April are attached.

It will be seen that the expenditure under this second head /((b) above/ was estimated to total about 100,000,000 Belgian francs up to the end of 1946. This accords with the estimate made in the summer of 1945 when Sir Frederick Leith-Ross discussed the question with M. Spaak, Mr. Demmele, M. Langenhove and M. Frere.

The amount originally estimated, however, will be insufficient, since the expenditures to date already amount to 100,000,000 Belgian francs. The full details of this expenditure will be given to the Belgian Government in the discussions which presumably will take place between the appropriate Government authorities and the Chief of the U.N.R.R.A. Mission in Brussels.

22nd August, 1946

Copy

24th October, 1944

My dear Gutt,

Many thanks for your letter of the 20th October. I have just received Monsieur Spaak's reply to our letter of the 21st September with regard to the proposed Liaison Mission to the Belgian Government. May I raise another point?

You will be aware that one of the Resolutions passed at Atlantic City (Resolution 14, Section 20) recommends that "insofar as possible all expenses of the Administration within a liberated area shall be borne by the Government of such area and shall be paid in local currency made available by the Government of the area or derived from the proceeds of the sale of supplies".

We shall, of course, be responsible for payment of the salaries of our officers, but may I ask whether your Government would be prepared to implement the recommendation referred to above by making Belgian francs available for the requirements of any UNRRA personnel attached to your Government.

Our immediate needs would be for:-

- (1) Living allowances and travelling expenses in Belgium of UNRRA personnel, and such portion of their salaries as they might need to draw in Belgium.
- (2) Expenses of an office (rent, light and heat, telephone, office equipment)
- (3) Salaries of personnel recruited locally

You may rest assured that your Government would be fully consulted with regard to the obligations that would accrue to be paid from any currency that might be so provided by them.

As our proposed arrangements for financing UNRRA personnel to be accredited to your Government are of a very temporary nature, I hope that you will find it possible to accord an early reply to this request.

Yours sincerely,

Chairman of the Administrative
Council

His Excellency Monsieur C. Gutt.

Copy

49, Eaton Place,
London, S.W.1

3rd November, 1944.

Sir,

The Minister has instructed me to inform you that he agrees with the contents of your letter to him of the 24th October, 1944, respecting the placing at your disposal, by the Belgian Government, of the Belgian francs required for the payment of:-

- (1) Living allowances and travelling expenses in Belgium of UNRRA personnel, and such portion of their salaries as they might need to draw in Belgium.
- (2) Expenses of an office (rent, light and heat, telephone, office equipment, etc.)
- (3) Salaries of personnel recruited locally.

The Minister has taken due note of the fact that your organisation will be responsible for the payment of the salaries of your officers.

I am, Sir,

Yours truly,

(sgd.) G. FAGUET,
Inspector of Finances.

Sir Frederick Leith-Ross, GCMG., KCB.,
UNRRA, E.R.O.
11 Portland Place,
London, W.1.

Cow

9th November, 1944.

Dear Monsieur Paquet,

I am much obliged to you for your letter of the 3rd November informing me that the Minister of Finance is in agreement with the contents of my letter of the 24th October, and that funds will be placed at our disposal for the expenses of our mission which fall to be met in Belgian francs. Will you be so kind as to express my thanks to Monsieur Gutt, on behalf of UNRRA, for the prompt manner in which he has responded to my request.

I hope to write to you again about the detailed arrangements in the course of a few days when the personnel of the Mission is settled.

Yours sincerely,

(sgd.) F. W. LEITH-ROSS

Monsieur G. Paquet,
49, Eaton Place,
S.W. 1.

Copy

12th January, 1945.

My dear Gutt,

On the 3rd of November Monsieur Paquet was good enough to inform me that you agreed with the proposals in my letter of the 24th October regarding the provision of Belgian francs for the payment of the local expenditure of the UNRRA mission to Belgium.

I have not pursued the question pending the constitution of the mission, which has taken some time to arrange. I have now written to Cartier asking for the agreement of the Belgian Government to the appointment of Mr. W. P. Wrathall as General Liaison Officer and Chief of the Mission. I understand that Mr. Wrathall is known to you and I hope that his nomination will meet with your approval. If so, we will proceed to complete the mission so that it may go out to Belgium as soon as the military situation permits.

I should therefore be glad now to take up the question of the opening of a credit for the mission. In the case of France, a special decree law had to be formulated and it took a little time to arrange the formalities. It is very difficult to make any reliable estimate of the amounts required until our mission is established and some experience is obtained of the cost of living and other administrative expenses. I would suggest, therefore, that, in the first instance, a lump sum of (say) 1,000,000 Belgian francs might be made available, which I hope will suffice to cover our expenditure for the first six months of 1945. We would keep your services informed from time to time of the expenditure incurred so that they may be able to satisfy themselves that we are exercising reasonable economy.

I should be grateful if you would let me know whether you agree with this proposal and, if so, whether you would take steps to arrange for the above mentioned sum to be deposited in the Banque Nationale de Belgique in the name of "UNRRA Bureau Belge".

With best regards and all good wishes to you in your heavy task,

Yours sincerely,

(sgd.) F. W. LEITH-ROSS

His Excellency Monsieur G. Gutt.

Copy

Ministres des Finances,
Cabinet du Ministre.

Brussels, January 29th, 1945.

My dear Leith-Ross,

I have received a little while ago your letter of January the 12th and have immediately taken the necessary steps to have one million francs credited to the account "UNRRA Bureau Belge" with Banque Nationale de Belgique.

It is only due to the pressure of work that I have not been able to inform you earlier of the foregoing.

Believe me, my dear Leith-Ross,

Yours very sincerely,

(sgd.) Gutt.

To: Sir Frederick Leith-Ross,
Director European Regional Office, UNRRA,
11 Portland Place,
London, W.1.

Copy

Reference F.9/4

4th April 1946

Monsieur le Vicomte Obert de Thieusies,
109 Eaton Square
London, S.W.1

May I refer to my letter of the 23rd November 1945 in which I set out our probable requirements of Belgian francs to the end of 1946. To this you replied on the 30th November that you would make use of the arguments contained in our letter in putting forward our request to your Government.

As you probably know, the French Government has now agreed to repay our sterling expenditures in France in 1945 in addition to meeting the expenses of our Paris Mission, and we are led to believe that further contribution will be forthcoming in 1946. The Netherlands Government also has agreed to refund our sterling expenditures in Holland and to make a contribution in guilders for 1946.

Our letter of 23rd November estimated our expenditure during 1945 at 54 million Belgian francs and expenditure during 1946 at not less than 50 million. In actual fact expenditure during 1945 amounted only to 40 million francs, but on the other hand expenditure in 1946 is likely to be somewhat higher than our estimate owing to the taking over by UNRRA of a warehouse in Liege in connection with our purchases of surplus military stores. It appears therefore, that our estimated total requirement of 100 million Belgian francs for 1945 and 1946 will be approximately correct.

We should be extremely grateful if you would again raise this matter with your Government and ask if they would agree to reimburse our sterling expenditure in Belgium (£339,400 to 31.3.46) and make us a contribution in Belgian francs towards our expenditure during the remainder of 1946.

Yours sincerely,

A. MORHANGE
Director of Finance

Copy

105, Eaton Square, S.W.1.
London, 11th April 1946

To Mr. Morhange,
Director of Finance,
U.N.R.R.A.
11, Portland Place
London, W.1.

Dear Mr. Morhange,

On my return from Brussels, I found your letter of April the 4th concerning a Belgian contribution to U.N.R.R.A.

I have immediately referred the question to my Government and pressed that a solution should be considered. You know my views on the subject though they have not been successful so far.

As soon as I receive any information on the matter I will let you know.

Yours sincerely,

A. Obert de Thieusies.

23 November 1945

Dear Monsieur de Thieusies,

In connection with our request for a contribution from the Belgian Government, you thought it might be helpful if I would write and give you my views regarding the attitude that may be adopted by the French Government as the result of my visit to Paris. You also suggested that the arguments I put forward to the Quai d'Orsay and the Ministry of Finance might be pertinent to any negotiations with your Government.

During my discussions with French officials, I explained:

1. That the convertible funds at the disposal of the Administration are very limited. (Out of an available total of some \$140 million, over \$50 million will have been spent in Canada alone, whilst of the balance over, \$15 million will be spent in South American countries and approximately \$33 million in the sterling area).
2. That at the Third Council Session special appeals for contributions had been made. The U.K. delegate referred to the provisions of Section 20 of the Financial Plan and stressed the moral importance of every Government making some sacrifice towards the achievement of the common work, thereby encouraging other governments to make some contribution, (Seventh Plenary Meeting). The U.S. delegate also urged that all the United Nations should make a final effort to make possible the completion of UNRRA's task. (Thirteenth Plenary Meeting). Finally, the Council recommended that all member Governments who do not contribute 1% of their national income, should make every effort to contribute appropriately to the work of the Administration. (Resolution 80, Paragraph 3.)
3. With regard to our requirements in France, I pointed out that there were three types of expenditure which had at present to be met from convertible funds:

Estimated Expenditure
during 1945
Million Francs

a) Expenditure in France on Displaced Persons Operations including allotments of French recruits	150
b) Transport of surplus War stocks	30
c) Liquidation of Granville Base	20
TOTAL:	200

and I accordingly indicated that this was the sum we would hope to receive for 1945.

I was not able to obtain a definite reply from the French Government but I have reason to believe that they will ask for an appropriation of 200 million francs in the Budget shortly to come before the Assembly.

With regard to expenditure in Belgium, we estimate our requirements of Belgian francs, other than the cost of the Mission itself, as follows:

<u>1945</u>	<u>Expenditure to 31.12.45</u> <u>Belgian Francs</u>	
Allotments of salary of Belgian personnel:		
Approximate expenditure to 30.9.45	28,000,000	
Estimated expenditure, 1 October, 31.12.45	<u>15,000,000</u>	43,000,000
Other Expenses:		
Approximate expenditure to 30.9.45	8,000	
Estimated expenditure, 1 October, 31.12.45	<u>2,000</u>	110,000
Welfare Supplies, including Warehousing		<u>11,000,000</u>
	TOTAL:	54,110,000

It is not easy at the moment, to estimate expenditure in 1946, but assuming this to be not less than 50,000,000 francs, our total requirements to the end of 1946 would be rather over 100 million francs.

As you will see, the above estimate is very largely for salaries, and in this connection you may be interested to see the recently proposed salary scale for UNRRA employees recruited in Europe for Displaced Persons Operations (copy attached). The rates quoted are, of course, exclusive of food and lodging, which are either provided free or are covered by a subsistence allowance payable in the currency of the country where the employees are working.

Your Government has already demonstrated its interest in the activities of the Administration in Germany by its ready co-operation in connection with the recruitment of Belgian personnel for this work. As you are aware, the work of assisting the Military on the care and repatriation of Displaced Persons is of the utmost importance not only in its moral aspect, but also from the point of view of the prevention of the spread of epidemics into Western Europe. It would, therefore, seem reasonable to request your Government to give us further assistance in this work by providing the Belgian francs necessary to pay the salaries of your nationals working for UNRRA. I believe that last summer Sir Frederick Leith Ross discussed this question with Monsieur Spaak, Monsieur Demmels, Monsieur Langenhove and Monsieur Frere; they all agreed in principle and Monsieur Frere promised his full support to a proposal that Belgium should put up 100 million Belgian francs to cover not only the salaries of Belgian Displaced Persons personnel, but also the cost of Welfare Supplies purchased in Belgium.

Finally, may I stress the political importance of such a gesture from your Government at a time when the United States, Great Britain and Canada are considering the question of a second contribution of 1% of their national incomes. The news that a contribution is a forthcoming from your Government would be of the greatest assistance at the present moment, and it is for this reason that I would be grateful for a prompt reply.

Yours sincerely,

(s) A. Morhange

Monsieur le Comte Obert de Thieusies, Director of Finance
49, Eaton Place,
London, N.W.1.

(ANNEX "F")

UNRRA administrative expenditure in Belgian currency
for purposes other than for the purchase of supplies

Accompanied by Miss Laughlin, Chief of the UNRRA Mission, Brussels, and M. Robert Vaes of the Ministry of Foreign Affairs, I called upon M. Von der Plancken of the Ministry of Finance to discuss the following questions:-

1. UNRRA Mission expenses, and
2. Additional Belgian expenditure, notably expenditure on the salaries of Belgian personnel engaged on Displaced Persons activities, and the expenses of warehousing and transit of military supplies within Belgium.

M. Von der Plancken seemed to be informed on both points. I explained to him that Mr. Sayre's Mission was concerned primarily with obtaining a supply contribution from the Belgian Government and that, as he was aware, this matter was now before Ministers for decision; there remained, however, the question of expenditure by UNRRA in Belgian currency for Mission and other operating expenses in Belgium which had been before the Government in one form or another for the past eighteen months. I handed to M. Von der Plancken the memorandum, dated 22nd August, signed by Mr. Sayre, and copies of the correspondence dating from October, 1944, bearing on this matter. I said that, so far as I could see, the first question, i.e. payment of the UNRRA Mission expenses, had long ago been decided favourably in principle, and indeed, a first grant of one million francs had been made. I pointed out that this was expected to cover a period of only six months, but that in fact our expenditure had been so carefully controlled that it had lasted for nearly eighteen months and was exhausted only during July, 1946. I said that the present Mission expenses were running at a higher rate than they had done in the past months, namely at about 160,000 Belgian francs per month, but that I expected them to diminish from about mid-October next owing to the probable cessation of further Surprop and Suruk procurement and movement operations. M. Von der Plancken said that, while he was not in a position to give the decision of his Minister, he personally had little doubt that it would be favourable and that it would be given within a day or two.

On the second point, i.e. UNRRA expenditure on personnel for Displaced Persons camps and on the warehousing and transit of military surplus supplies, I recalled the discussion which Sir Frederick Leith Ross had had with M. Speak and others in the summer of 1945. I said that the only record I had of this

discussion was contained in a letter dated 22nd November, 1945 which was sent by M. Morhange to Viscount Obert, the Belgian Ambassador in London. I pointed out that, according to that record, M. Spaak and the others mentioned in the letter, had agreed in principle to the acceptance of that liability and that M. Spaak had promised his full support to a proposal that Belgium should put up 100,000,000 Belgian francs to cover these expenses. I drew attention also to M. Morhange's letter of 4th April, 1946, which confirmed the estimate of 100,000,000 Belgian francs for 1945 and 1946. I said, however, that it was fairly clear that this estimate would be exceeded since, up to the 31st July, expenditure amounted to almost 90,000,000 francs under the following heads:-

Displaced Persons Operations:	£441,947	
Surprop expenditure:	25,650	
Provident Fund liability:	<u>43,000</u>	
	£510,597	(Belgian francs 89,865,000)

In considering this claim I pointed out that it would be necessary both for the Belgian Government and for ourselves to examine anew the various items included in it, but that I thought it would be sufficient for the purposes of the present discussion to deal only in the round figures which I had given. I said, however, that I thought the item of 11,000,000 francs for Welfare supplies which was mentioned in M. Morhange's letter of 22nd November, 1945 should be eliminated from this particular question, this being an expenditure on supplies and therefore a matter falling for consideration in connection with the supply contribution on which the Sayre Mission had had their discussions with Ministers. I explained also to M. Von der Plancken the inclusion of the Provident Fund, stating that the amount of £43,000 mentioned would be drawn upon only on termination of the employment of individuals.

M. Von der Plancken said that this second subject had not yet been submitted to the present Minister, M. Vauthier, but that he was bound to say that the former Minister of Finance had reported unfavourably on the claim. In reply to my question as to the reasons for this unfavourable report, M. Von der Plancken said that the Minister had noted that Belgium owed considerable sums on the Lend-Lease and Mutual Aid accounts of the United States and Great Britain and that he considered that Belgium had already contributed sufficiently to the efforts of the United Nations. I told M. Von der Plancken that it was not my business to defend the statements that had been made on Mutual Aid or Lend-Lease, and that indeed I was not fully informed on either. I thought, however, that statements acceptable to Belgium had since been made on both subjects and that I recollected having

read a report to the effect that the Lend-Lease account had been squated, a credit having been given to Belgium to make good the United States deficiency on the Lend-Lease account. I thought therefore that whatever arguments the former Minister might have had on this matter at the time he took his objection to the UNRRA claim, it had now disappeared. In further discussion he said that on the second subject there was some doubt in his mind on the ground that the UNRRA salary scales were unduly generous and in excess of what would be paid to Belgian nationals employed on similar work, indeed many of the Belgian nationals employed in Displaced Persons camps were saving the whole of their salaries. He agreed that the work was only of temporary duration and that it was often disagreeable, but M. Von der Plancken said that several of his friends and acquaintances who were engaged on it would be glad enough to see it continue indefinitely at these rates of remuneration. While again he could not give any opinion as to what his Minister's decision would be, it was evident that he could not hold forth much hope of a favourable response.

I told M. Von der Plancken that it had seemed to me from the correspondence of which I handed him copies, that the principle of making payment was favourably received by the Belgian Government over a year ago. As regards the principle, moreover, I told him that presumably Belgium would have been very shocked had UNRRA not engaged Belgian nationals on the work of assisting Displaced Persons in Europe. Indeed, I fancied that the Government would have made a very vigorous protest in international councils had the Administration not engaged Belgian nationals. If that were the case, it did not seem to me legitimate to expect that American or British taxpayers, for example, should pay their salaries. I hoped very earnestly therefore that there would be no question of going back on the principle. I could, however, well understand if they entertained some reservations as regards the size of the claim, or some of the items which comprised it. We should, however, be gratified to know what these reservations were, and to be given an opportunity to consider them. If, for example, they considered that the claim was in some measure defective because of the rates of pay, we could point out that UNRRA was an international organization and also it had, in fact, set up more than one scale of pay based broadly on nationalities. It was not administratively practicable, however, to engage people from many different nations and pay them many different rates for the same work: Individuals generally expected "the rate for the job" if they could efficiently do the job. On the other hand, the Belgian Government might feel some political difficulty in paying salaries much in excess of what they paid to their own civil servants, although in that connection it was necessary to bear in mind that the UNRRA job was not only a disagreeable one, away from the man's family and home, but also was of temporary duration.

M. Von der Plancken said he would bring these points to the notice of his Minister. He said that he regretted that they had not been made the subject of representations by Mr. Sayre when he saw M. Vauthier. He did not think his Minister could decide this matter on his own responsibility, but that it would be necessary to bring it before the Cabinet. I explained that Mr. Sayre had not mentioned this problem to M. Vauthier because it was plainly a quite different matter from that on which he was engaged, and indeed one that had been before the Government for a very long time. It was further quite plainly a separate issue and not to be confused with the question of a supply contribution. M. Vaes also spoke, in French, to similar effect.

After the meeting had concluded, I had occasion to return to M. Von der Plancken's room, and took the opportunity to have a few minutes' earnest conversation with him. I urged very strongly that the principle that payment should be made was one which I thought in equity could not be denied. If the sum was too great by reason of certain factors on which Ministers had reservations, for example, rates of pay, that should be a matter for separate discussion and explanation.

After the conference I also spoke privately to M. Vaes. He thought it would be a good thing to put in a memorandum very quickly refuting the objections which had been made.

H. Herbert

23 August, 1946

(ANNEX "Q")

U.N.R.R.A.: Administrative expenditures
in Belgian currency for purposes other
than for the purchase of supplies

In the memorandum of the 22nd August, 1946, reference is made to the expenditures of the Administration in the payment of salaries of Belgian personnel engaged in Displaced Persons activities in Germany and Austria. This matter has been frequently brought before the Belgian Government and for over a year U.N.R.R.A. has been awaiting a favorable decision. In order to resolve any possible doubts as to the validity of U.N.R.R.A.'s claim for reimbursement of this expenditure, the following explanation may be helpful:

First: The principle underlying the claim: It was plainly necessary, and to be expected by the member States of U.N.R.R.A., that the staff engaged in this delicate work should be fully international in character. For this reason workers of many different nationalities were placed upon the U.N.R.R.A. staff. Indeed, had U.N.R.R.A. not employed Belgians for this vital work, the Belgian Government doubtless would have been the first to make objection and would surely have been justified in so doing. Acting, therefore, in consultation with the competent Belgian authorities, Belgian nationals were recruited; they number at present 620, and include doctors, nurses and welfare workers.

It does not seem appropriate that the full cost of employing these people should have to be met from the Administration's limited resources of free currency which are derived from the cash contributions of other member governments. Moreover, the payment of such expenditures from these contributions would appear to be contrary to the spirit of Resolution 14, Section 20, which lays down that "so far as possible all expenses of the Administration within a liberated area shall be borne by the government of such area". It should be pointed out that reimbursement of these expenditures is not sought in respect of the full salaries, but only in respect of that part which is remitted to dependents in Belgium and is, therefore, an expense "within a liberated area".

The French, Netherlands and Danish Governments, confronted by the same question, all agreed to the validity of the claim and each has made payment in respect of the salaries paid to their nationals for the Displaced Persons activities. These amounts are included in the payments by France and the Netherlands mentioned in Mr. Sayre's memorandum of 18 August 1946.

Second: The amount of the claim: On this aspect, the Administration would be glad to make any necessary explanations.

In particular, doubt may be felt on the ground that the salaries payable by U.N.R.R.A. are in excess of the rates normally paid in Belgium. On this aspect, it will be apparent that it is not possible in an international organization so to arrange scales of salaries that they reflect the conditions in each of the member States. The salaries normally payable, for example, in the United States are higher than those payable in Great Britain for the same class of work, and these, in turn, are higher than those payable in many of the Continental countries. On the other hand, the Administration is confronted with the difficulty that individuals expect "the rate for the job". The Administration has sought to meet criticisms under this head by fixing three or four different scales of salary based broadly on the national origin and place of recruitment of the individual. The reduction of salaries paid to Belgian workers might well mean the payment to Belgians of lower salaries than those paid to others working beside them for the same work, and it was felt that to this the Belgian Government might object. If, however, the Government still entertain reservations in regard to this matter, the Administration would be glad to consider with them whether the claim should be adjusted more accurately to reflect Belgian conditions.

24 August 1946

(ANNEX "R")

Bruxelles, 31 août 1946

Monsieur le Conseiller,

J'ai l'honneur de vous faire savoir que le Conseil des Ministres m'a prié de vous informer de la décision qui a été prise au cours de sa séance du 29 courant à la suite des entrevues que vous avez eues avec Monsieur le Premier Ministre et plusieurs membres du Cabinet.

Le Conseil des Ministres a accueilli avec une attention toute particulière la demande de l'UNRRA relative à une nouvelle contribution belge destinée à lui permettre de mener à bien l'action généreuse qu'elle poursuit en vue d'aider les populations menacées de famine dans les pays qui ont plus particulièrement souffert de la guerre. Soucieux de poursuivre son effort pour satisfaire à cette demande, le Gouvernement belge a décidé d'octroyer un nouveau don de cinquante millions de francs belges en vivres et en marchandises, suivant les modalités qui seront fixées très prochainement entre les représentants des services belges compétents et les délégués de la Mission UNRRA en Belgique.

Le Conseil des Ministres a confirmé, d'autre part, son accord sur le versement d'une nouvelle tranche d'un million de francs belges destinés à couvrir les frais d'administration de la Mission de l'UNRRA en Belgique.

Le Gouvernement belge est désireux d'apporter à l'oeuvre de l'UNRRA une contribution proportionnellement égale, et même supérieure, à celle fournie par les pays voisins. Le Belgique a subi, elle-même, dans une très large mesure, les effets de la guerre et de l'occupation allemande à telle enseigne qu'il n'a pas été possible d'accorder, jusqu'à présent, à la population belge, le ravitaillement jugé souhaitable pour maintenir la santé publique à un niveau normal.

Le Gouvernement belge estime qu'une nouvelle contribution plus importante, compte tenu de l'effort sérieux déjà réalisé, ne peut être envisagée, étant donné les difficultés considérables avec lesquelles le pays est aux prises en vue d'assurer son redressement économique et financier.

Monsieur Francis Bwoes BAYRE,
Conseiller diplomatique de l'UNRRA,
Hotel Metropole,
Bruxelles.

Le Conseil des Ministres m'a prié de saisir cette occasion pour renouveler à l'UNRRA, par l'intermédiaire de son Conseiller diplomatique, l'assurance de tout l'intérêt qu'il porte à l'œuvre accomplie par cet organisme.

Veillez agréer, je vous prie, Monsieur le Conseiller, l'assurance de mes sentiments les plus distingués.

Pour le Ministre:
Le Secrétaire général a.i.

TRANSLATION

(ANNEX "R")

Brussels, August 31, 1946.

Dear Mr. Counselor,

I have the honor of informing you that the Council of Ministers has requested me to inform you of the decision which was taken in the course of its meeting on August 29, 1946, pursuant to the conversations you sustained with the Prime Minister and several of the Cabinet members.

The Council of Ministers gave the most careful consideration to UNRRA's request regarding a second contribution from Belgium, whose object is to enable UNRRA to carry to completion its generous activity designed to aid the peoples who are threatened by famine in those countries which suffered most grievously due to the war. Since the Belgian Government is anxious to continue its efforts to satisfy this request, it has decided to grant a further donation of fifty million Belgian francs in food and goods, the precise form and procedure therefor to be established in the very near future between delegates of the appropriate Belgian offices and UNRRA representatives in Belgium.

Furthermore, the Council of Ministers has confirmed its agreement to the disbursement of a further appropriation of one million Belgian francs to defray UNRRA administrative expenses in Belgium.

The Belgian Government wishes to bring to UNRRA's work a contribution which shall be proportionately equal, and even superior, to that contributed by neighboring countries. Belgium herself, to a very great extent, has suffered from the effects of the war and of the occupation - to such an extent that it has not yet been possible to date to grant to the Belgian people a food ration considered desirable in order to maintain the public health at a normal level.

The Belgian Government feels that, in view of the substantial contribution already made by her, a still further and more substantial contribution is out of the question,

Mr. Francis Bowes SAYRE
Diplomatic Counselor of UNRRA
Hotel Metropole
Brussels

in consideration of the considerable difficulty the country is now experiencing in achieving its economic and financial recovery.

The Council of Ministers has requested me to take this opportunity to express anew to UNRRA, through the kind offices of its diplomatic Counselor, the assurance of its profound interest in the work accomplished by that Organization.

Please accept, Mr. Counselor, the assurance of my highest esteem.

Signed for the Minister:
The Secretary General a.i.

(ANNEX "B")

LA LIBRE BELGIQUE

30 August 1946

UN DON A L'U. N. R. R. A.

Outre les importantes contributions actuelles que la Belgique accorde a l'U.N.R.R.A. le Conseil a decide d'offrir a cet organisme un don en marchandises pour une valeur de 50 millions de francs. (La meme decision a ete prise par la Hollande.)

(ANNEX "T")

Paris, France
2 September 1946

My dear M. Wendelen:

I have just had a talk with Ambassador Van Langenhove concerning the question of the reimbursement to UNRRA by the Belgian Government for expenditures made in Belgian currency in Belgium by UNRRA on account of the salaries of Belgian nationals engaged in Displaced Persons activities in Germany. I questioned Ambassador Van Langenhove particularly about the statement in the letter of M. Morhange, dated 23 November 1945, regarding the discussion which took place in the summer of 1945 between Sir Frederick Leith-Ross, M. Spaak, M. Desmaele, M. Van Langenhove and M. Freres. Ambassador Van Langenhove tells me that he remembers the discussion with Sir Frederick Leith-Ross but that he does not remember any agreement in principle having been reached. He tells me that following the discussion with Sir Frederick Leith-Ross he brought the matter up with the Minister of Finance, who was disinclined to give a favorable reply. In other words, so far as Ambassador Van Langenhove remembers, no agreement was actually reached in principle.

I went on to discuss the whole question with Ambassador Van Langenhove and gave him copies of the memoranda of 22 August and 24 August which we gave to the Foreign Office. I pointed out to Ambassador Van Langenhove the words of Resolution 14, Section 20, passed at the UNRRA Council Meeting in Atlantic City, which I believe M. Spaak himself attended as a representative of Belgium, laying it down that "so far as possible all expenses of the Administration within a liberated area shall be borne by the government of such area". I also told Ambassador Van Langenhove that the French and the Netherlands Governments, to whom the same question was presented, each acknowledged the claim and made payment.

On the other hand, I said that I desired to present the matter to the Belgian Government not as a legal obligation but as a claim of humanity. The number of lives which UNRRA

M. Andre Wendelen,
Ministry of Foreign Affairs,
Brussels, Belgium.

can save between now and the termination of its labors depends directly upon the size of the contributions given by the less wealthy countries, such as Belgium, since UNRRA has now spent or obligated the entire proceeds given by the large wealthy countries such as the United States, Great Britain, Canada and Australia. I said that I greatly hoped that M. Spaak would take this view of the matter and urge strongly upon the Premier and his Cabinet colleagues the agreement by the Belgian Government to recognize this claim for UNRRA's reimbursement.

In reply, Ambassador Van Langenhove said that he had always urged the payment of this claim and would continue to do so. He promised me to take the matter up at once with M. Spaak, and expressed the hope that M. Spaak would take the same view of the matter which he does and urge upon his colleagues recognition of this claim. We both agreed that once the validity of the claim is recognized the question of the amount and of the salaries paid to the Belgians in question can be discussed in subsequent conversations.

Ambassador Van Langenhove told me that M. Spaak expected to be in Brussels next Thursday and would doubtless take the matter up at that time with the Premier and his Cabinet colleagues.

Ambassador Van Langenhove was kind enough to hand me the copy of the letter sent from Brussels dated 31 August 1946, informing me of the decision of the Council of Ministers with regard to the Belgian contribution.

In closing, may I express to you once again the appreciation of UNRRA to the Belgian Government for its supplies contribution. Belgium's gift will help to save many lives. Also may I express to you, my dear M. Wendelen, my warm appreciation for all your personal kindness and help. I greatly hope that I may some day have the pleasure of seeing you again either in Washington or in Brussels.

With warm personal regards, believe me,

Very sincerely yours,

Francis B. Sayre