

271 - GENERAL COUNSEL  
(MONTHLY) MAY - 1946 - Dec. 1946

271 Gen. Counsel  
(Monthly) May '46 -

Dec. '46



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18 November 1946

MEMORANDUM

TO: Mr. Davidson  
FROM: Grace W. Tellier

SUBJECT: Monthly Report for October, 1946.

1. Conferences with attorneys and other representatives of the Civil Aeronautics Board on question of UNRRA's right to carry non-UNRRA passengers on UNRRA chartered planes to Europe and China; also, UNRRA's right to charge the commercial rate for such passage; subsequent conferences with representatives of Pacific Overseas Airlines, State Department Aviation Division, UNRRA Far Eastern Division, Travel Branch and others regarding objections raised by the Chinese Government to carriage of non-UNRRA cargo and personnel on China flights and other related questions.
2. Memorandum outlining problems involved in UNRRA's proposed contracts with Waterman Airlines and Pacific Overseas Airlines as a result of questions raised by the Chinese Government and by KRO (for use of A. H. Robertson at Executive Officer's Staff Meeting).
3. Preparation of letter for Director General's signature allowing appeal of Edgar Klein estate under A. O. No. 22; preparation of memorandum to A. H. Robertson and Harry Lamberton outlining procedure on appeal; memorandum to Robertson and Lamberton regarding composition of Appeals Committee.
4. For Division of Agricultural Rehabilitation: Preparation of Amendment to Agreement between UNRRA and Brethrens Service Committee (UNRRA Contract No. 49) providing for semi-monthly advancements of amounts due under original contract and for procedure in connection therewith.
5. Work and conferences throughout month with attorneys and representatives of UNRRA Far Eastern Division, Travel Branch and others regarding proposed Amendment to UNRRA-POA contract for round-trip flights to China and return. Due to changes in conditions and terms of the Agreement, it has been necessary to redraft the contract several times.



6. At request of Travel Branch and Administrative Services: Preparation of contract for execution by UNRRA and Waterman Airlines covering round-trip flight service to Europe and return.
7. Memorandum to Finance Division on the question of UNRRA's legal liability for medical expenses incurred for cattle tenders on board steamship "ZONA GALE".
8. Correspondence with attorneys in Oklahoma concerning claim and attachment suit to be brought on behalf of UNRRA against former employee for indebtedness due Administration.
9. Memorandum to Latin American Branch on question of UNRRA's right to assume and reimburse vendor in Mexico for stamp tax levied by Mexican law against vendors in view of position taken by Mexican Mixed Claims Commission that UNRRA should not pay the tax.
10. For Insurance and Claims Division: Drafting of Amendments to be incorporated in Employees' Compensation Plan - A. O. No. 22 - and memorandum to Insurance and Claims Branch concerning the Amendments.
11. Preparation of letter to Congressman Albert Thomas for Director General's signature regarding claim of an UNRRA cattle tender under Employees' Compensation Plan - A. O. No. 22. Conferences with Insurance and Claims Branch concerning status of claim.
12. Memorandum opinion to Insurance and Claims Branch regarding interpretation of Fidelity Blanket Bond and claim for loss under Bond.
13. Memoranda to Division of Agricultural Rehabilitation and Finance Division on question of UNRRA's right to apply voluntary contributions received from "Rebuilders of Poland" for purchase of livestock to cost of transportation and other expense incurred in transportation of the animals to Poland.
14. Conferences with representatives of State Department and examination of the Immigration laws and regulations concerning legal rights and status of an UNRRA employee, in the process of becoming naturalized, to re-enter the United States where re-entry permit was not obtained prior to departure from U. S.; letter to Albanian Mission on the subject.
15. Legal advice to the Finance Division on questions involving UNRRA's liability for payments of Provident and other funds due the estates of deceased employees; preparation of form letters for Division's use in such cases.
16. Memorandum to Finance Division on the question of UNRRA's right to apply Provident Funds due a terminated employee to indebtedness due



the Administration; also memorandum on question of UNRRA's right to apply deductions withheld from employee's salary for purchase of War Bonds to payment of UNRRA indebtedness upon termination of employee's services with UNRRA.

17. Preparation of agreement for execution by UNRRA and United Nations covering transfer of UNRRA photographs, negatives and other equipment to Department of Information, United Nations; memorandum to Public Information Division concerning proposed agreement.

18. Work on question of UNRRA's liability to Bainbridge Frame and Box Company for approximately \$91,000.00 growing out of alleged breach of contract in connection with Community Canning collections; conferences with attorneys for Company and various UNRRA representatives; trip to New York for conference with representative in charge of Community Canning and Emergency Food collections.

19. Conference with attorneys for United National Clothing Collection, Inc., New York, concerning refund to UNRRA of unexpended balance of moneys on hand; conferences with Controller's office and representatives of Finance Division regarding procedure to be followed.

20. Redrafting of proposed Surplus Property Disposal Order - Form AD-151 - containing revisions of Conditions and Bill of Sale for surplus UNRRA property; memorandum to Procedural Control Branch concerning Order and Bill of Sale as redrafted.

21. Memorandum to Procedural Control Branch regarding proposed amendments to Employees' Compensation Plan - A. O. No. 22.

22. For Administrative Services: Preparation of agreement for execution by UNRRA and Riverdale Garage, Bronx, New York, for storage space and other services.

23. Letter to UNRRA Mission in Germany regarding an UNRRA employee's tax liability to U. S. Government.

24. Letter to Clay-Adams Company, New York, New York, regarding UNRRA's exemption from New York Sales tax on property shipped for UNRRA account.

25. For Agricultural Rehabilitation: Preliminary work on proposed agreements with stockyards at various shipping points in the U. S. for receiving and caring for contributed livestock pending shipment abroad.

26. Memorandum to Finance Division on question of legal sufficiency of proposed Release to be placed on checks issued to terminated employees.



27. Preliminary work on question of UNRRA's possible liability under Employees' Compensation Plan to a Voluntary Agency person whose employment with UNRRA never became effective because of illness if salary and other payments are made to such person.

28. Miscellaneous legal advice to Overseas Personnel Unit concerning correspondence and UNRRA's relation to employees.

29. Preliminary work on question of UNRRA's right to refund of Manufacturers' sales taxes on Treasury Procurement items purchased for export shipment; conferences with UNRRA procurement representatives and representatives of Treasury Procurement.

30. Clearances for legal sufficiency of Field Administrative Orders governing release of premises occupied by UNRRA in reduction and closure periods.

31. Legal advice to Finance Division on question of UNRRA's right to deduct from employee transportation taxes advanced and paid in U. S. for employee's personal travel outside the United States.

32. Drafting of letter to POA regarding ban on carrying non-UNRRA cargo.

33. Letter to ERO regarding allotments of overseas personnel.

34. Miscellaneous correspondence with attorneys and others in the United States and ERO regarding family allotments by overseas personnel for families in the United States.

35. Miscellaneous correspondence with attorneys representing estates of deceased employees; legal advice to the Finance Division regarding payments to be made to estates of deceased persons; conferences with personal representatives of such estates and with representatives of the Riggs National Bank of Washington, D. C., in working out arrangements to the estates of such employees.

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UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

TO: The Director General

FROM: Alfred E. Davidson

SUBJECT: Office of the General Counsel - Report for October and November 1946

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I. RELATIONS WITH CONGRESS AND THE UNITED STATES

1. Attendance at hearings before Committee to Investigate Surplus Property of which Congressman Slaughter was Chairman. Preparation of letter from DG to Congressman Slaughter with respect to immunity from process of UNRRA employees.

2. Utilization of United States Contribution. Formal opinion on manner in which and period within which U.S. contribution may be utilized by UNRRA, in light of provisions of last Appropriation Act and position taken by State Department; informal consultations with State Department.

3. Transfer and Utilization of UNRRA Funds

1. Formal opinion on legality of transfer of UNRRA funds to other international agencies under UNRRA agreement and Resolutions, and under conditions imposed on contributions by the contributing government.

2. Negotiations and discussions with State Department re turnover of UNRRA funds to finance continued performance of health functions by WHO.

II. RELATIONS WITH INTERNATIONAL ORGANIZATIONS

1. F.A.O.

Conferences, memorandum and document of presentation to C.C. re proposal for transfer to FAO of UNRRA functions relating to technical agricultural rehabilitation assistance.

2. World Health Organization

Finalized arrangements for signing of W.H.O. - UNRRA agreement; conferred on question of transfer of observation function.

3. Children's Fund - Committee meetings; draft of proposed Resolutions for creation of fund; developed plan of operations and administration for Fund; conferences with Government representatives.



### III. RELATIONS WITH GOVERNMENTS

#### 1. Country Agreements

Consideration of necessity for cancelling UNRRA Agreements with receiving countries; cable to ERO. Opinion re price fixed for sale of UNRRA wheat in Italy.

#### 2. Emergency Program

Consideration of position of Administration with reference to payment by receiving countries for emergency programs, under CC Resolution.

#### 3. Dodecanese Islands

Consideration of request for additional emergency program for Dodecanese and opinion as to method of dealing with request.

### IV. SIXTH COUNCIL SESSION

Preparations for Sixth Council Session, including conferences, discussions with Government representatives, agenda, documents and draft resolutions.

### V. SUPPLY

1. Surplus Property--Attendance at meetings of the Surplus Property Committee and participation in conferences with State Department in respect of disposal of surplus property by UNRRA.

2. Contributed Supplies--Received draft order proposing policy to cover country budget charges in the case of contributed supplies.

3. Reviewed proposed tractor allocations under revised set-aside arrangements.

4. Preliminary negotiations and discussions re takeover by Soviet Purchasing Mission of UNRRA steel pipe contracts.

5. Conferences re and analyses of proposal for transfer of UNRRA funds and contracts to receiving governments. Memorandum giving opinion on feasibility.

6. Conference and correspondence with State Department on policy as to charging to UNRRA the cost arising on cancellation of supply contracts under various conditions.

7. Conferences and negotiations re UNRRA claim against OFLC for defective supplies transferred under agreement, and re cancellation of agreement; arrangements for Manus survey party.



8. Arrangements for takeover of Soviet contracts, as part of transaction for exchange of contracts between UNRRA and Soviet Purchasing Mission.

## VI. DISPLACED PERSONS

1. British proposals for treatment of Displaced Persons in British Zone of Germany. Preparation of an analysis of the legal and policy principles involved in these proposals which related to compulsory work by DPs, the reduction of their standard of living to that of the German population and the jurisdiction of the German courts.

2. Unaccompanied Children. Preparation of an analysis of the proposed Allied Control Authority, Berlin, resolution on the determination of the eligibility for United Nations care of unaccompanied children of unknown nationality.

3. Implementation of Resolution 99. Instructions on this subject were sent to ERO by several cables and letters. Also, memorandum on the application of the resolution to ineligible Yugoslavs in Italy.

4. Eligibility. Formulation and advice to ERO of the final determination of the eligibility of unsuccessful repatriates.

5. Screening. Discussion with the State Department concerning the modification of a USFET ruling creating hardship in the screening of DPs in the American Zone, Germany.

6. Determination of liability for DP costs. Analysis of problem of meeting the cost of repatriation of Poles from England and letter to ERO on this subject; also analysis of the responsibility for the cost of maintenance, care and transport of Polish-Jewish infiltrates crossing Czechoslovakia to Germany and cable to Prague on this subject.

7. Compulsory Employment, Austria. Preparation of a statement for submission to the Joint UNRRA-IGC-UN Planning Committee on the Central Committee resolution on compulsory employment of DPs in Austria and the military implementation of this resolution.

8. Preparation of an analysis of some legal points arising in connection with the proposed IRO constitution.

9. DPs in China. Considered position in 1947, in connection with request for additional allotment of fund; reviewed draft of presentation to Program Subcommittee.



## VI. SHIPPING AND TRANSIT

1. Movement of fishing craft to Yugoslavia and Greece, and tugs to China. Negotiations with officials of the American-Hawaiian line and Maritime Commission with respect to a new contract between Maritime Commission and American-Hawaiian Steamship Company for movement of fishing craft to Yugoslavia, Greece and China. Conclusion of negotiations with American-Hawaiian Steamship Company with respect to addendum contract between it and Maritime Commission covering movement of fishing craft to Yugoslavia and Greece and tugs to China. Finalization of orders from Maritime Commission approving transfer of title to such vessels to UNRRA and transfer of registry to Greek and Yugoslav flags. Arrangement for Customs clearance and approval of State Department obtained to vessels flying the American flag until delivery to receiving countries.

2. Participation in conferences with officials of the Far East Conference and Atlantic Conferences with respect to rebate of \$2.50 per revenue ton in return for Missions furnishing local currency for discharge costs. Obtained agreement from Atlantic Conferences but no agreement reached with Far East Conferences.

3. Voyage Charters for Cattle Fitted Vessels. Participation in conferences and negotiations with respect to new voyage charter covering cattle fitted vessels resulting from change in policy by Maritime Commission. Agreement reached in obtaining \$4,000 freight reduction per voyage in lieu of recapture provision.

4. Arrangement for Admiralty Counsel to represent Administration in claim against charterers and owners of SS Star of Cairo which went down off the Coast of Necochea with UNRRA cargo of wheat.

5. Participation in conferences with respect to proposal that Maritime Commission charter 100 liberty ships to Italian Government, reaching conclusion that UNRRA should not act as bareboat charterer from Maritime Commission with subcharter to Italian Government.

6. Participation in conferences with Insurance and Claims Division with respect to handling of marine claims. Arrangements for the handling of certain minor claims by New York admiralty counsel.

7. Conference with Regional Director, European Inland Transport Organization, with respect to handling and disposal of railroad rolling stock and locomotives to which UNRRA has retained title.

8. Participation in conference at UNRRA and with State Department representatives with respect to proposal that certain Ocean Shipping responsibilities be transferred to receiving countries. In view of State Department's attitude, conclusion was finally reached that UNRRA should retain such responsibilities.



9. Participation in conferences with State Department and Maritime Commission representatives and preparation of draft letters in respect of Maritime claim of \$10,000,000 for conversion and re-conversion of cattle fitted ships with the hope of material reduction of reconversion charges to UNRRA.

10. Participated in conferences with representatives of Soviet Union with respect to assumption by Byelorussian and Ukrainian Soviet Republics of shipping costs in excess of \$23,000,000.

#### 11. Inland Transit Costs

a. Completion of final agreements and arrangements made for payment of Czechoslovakian, Polish and Hungarian claims for inland transit charges on UNRRA supplies through Black Sea Ports.

b. Preliminary review and discussion with Czech Government of claims for transit of UNRRA supplies through Rotterdam, Antwerp and Trieste.

c. Completed review of Czech claim on shipments of UNRRA supplies through Antwerp, Trieste and Rotterdam; discussed with Czech representatives and ERO; claim approved in principles.

### VIII. FINANCE

1. Participation in conferences and prepared correspondence with respect to disposal of funds collected by Emergency Food Collection, Inc. Arranged to have checks turned over to appropriate Ambassadors and Ministers in accordance with allocations made by Director General. Prepared explanatory cables and discussed terms of gifts with representatives of recipient governments.

2. Arrangement for settlement of claim by employee against Administration for thirty days' salary in lieu of notice.

3. Participation in discussions with the War Department on UNRRA's liability to USFET for salaries and supplies for the maintenance of UNRRA personnel in the American Zone, Germany.

4. Represented General Counsel's office at meeting of Audit Subcommittee and Committee on Financial Control. Preparation of memoranda and assistance in preparation of reports incident to these meetings.

5. Participation in conference and preparation of draft of cables in respect of use of local currency for personnel payments to nationals of receiving country working outside of receiving country and for purchase of mission supplies for use outside of receiving country, stating policy that governments should be asked to agree to the use of proceeds of sale for such purposes.



6. WSA Waiver of claims Agreement: Negotiation with officials of Maritime Commission and participation in conferences with respect to a settlement of UNRRA's claim arising out of the disadvantage to it of claims agreement. No final conclusion reached.

7. Attendance at conference with respect to administrative budget.

8. Participation in conferences with respect to UNRRA's \$8,000,000 claim against OFLC for damaged surplus supplies delivered to UNRRA under UNRRA-OFLC contract. Arrangement for working party to proceed to Manus to determine advisability of accepting balance of property on Manus and earmarked for UNRRA.

#### 9. Subsidies

1. Further discussion and review of UNRRA position re Canadian rubber export levy.

2. Negotiations and correspondence with reference to UNRRA's claim for U.S. wool subsidy.

#### IX. PERSONNEL

1. Study and participation in conferences in respect of investigation and dismissal of employees of China Mission.

2. Participation in conferences leading to approval of administrative orders in respect of bonus and liquidation problems generally.

3. Letter to ERO regarding allotments of overseas personnel.

4. Miscellaneous correspondence with attorneys and others in the United States and ERO regarding family allotments by overseas personnel for families in the United States.

5. Miscellaneous correspondence with attorneys representing estates of deceased employees; legal advice to the Finance Division regarding payments to be made to estates of deceased persons; conferences with personal representatives of such estates and with representatives of the Riggs National Bank of Washington, D. C., in working out arrangements for payments to the estates of such employees.

#### X. CONTRACTS, CLAIMS AND MISCELLANEOUS

1. Conferences with attorneys and other representatives of the Civil Aeronautics Board on question of UNRRA's right to carry non-UNRRA passengers on UNRRA chartered planes to Europe and China; also, UNRRA's right to charge the commercial rate for such passage; subsequent conferences with representatives of Pacific Overseas Airlines, State Department Aviation Division,



UNRRA Far Eastern Division, Travel Branch and others regarding objections raised by the Chinese Government to carriage of non-UNRRA cargo and personnel on China flights and other related questions. For Division of Agricultural Rehabilitation: Preparation of Amendment to Agreement between UNRRA and Brethrens Service Committee (UNRRA Contract No. 49) providing for semi-monthly advancements of amounts due under original contract and for procedure in connection therewith.

2. Memorandum outlining problems involved in UNRRA's proposed contracts with Waterman Airlines and Pacific Overseas Airlines as a result of questions raised by the Chinese Government and by ERO. Work and conferences throughout the month with attorneys and representatives of Pacific Overseas Airlines, UNRRA Far Eastern Division, Travel Branch and others regarding proposed Amendment to UNRRA-POA contract for round-trip flights to China and return. Due to changes in conditions and terms of the Agreement, it has been necessary to redraft the contract several times. Preparation of contract for execution by UNRRA and Waterman Airlines covering round-trip flight service to Europe and return.

3. Preparation of letter for Director General's signature allowing appeal of Edgar Klein estate under A. O. No. 22; preparation of memorandum outlining procedure on appeal; memorandum regarding composition of Appeals Committee.

4. Memorandum to Finance Division on the question of UNRRA's legal liability for medical expenses incurred for cattle tenders on board steamship "ZONA GALE".

5. Correspondence with attorneys in Oklahoma concerning claim and attachment suit to be brought on behalf of UNRRA against former employees for indebtedness due Administration.

6. Memorandum to Latin American Branch on question of UNRRA's right to assume and reimburse vendor in Mexico for stamp tax levied by Mexican law against vendors, in view of position taken by Mexican Mixed Claims Commission that UNRRA should not pay the tax.

7. For Insurance and Claims Division: Drafting of Amendments to be incorporated in Employees' Compensation Plan - A. O. No. 22 - and memorandum to Insurance and Claims Branch concerning the Amendments.

8. Preparation of letter to Congressman Albert Thomas for Director General's signature regarding claim of an UNRRA cattle tender under Employees' Compensation Plan - A. O. No. 22. Conferences with Insurance and Claims Branch concerning status of claim.

9. Memorandum opinion to Insurance and Claims Branch regarding interpretation of Fidelity Blanket Bond and claim for loss under Bond.



10. Memoranda to Division of Agricultural Rehabilitation and Finance Division on question of UNRRA's right to apply voluntary contributions received from "Rebuilders of Poland" for purchase of livestock to cost of transportation and other expenses incurred in transportation of the animals to Poland.

11. Conferences with representatives of State Department and examination of the Immigration laws and regulations concerning legal rights and status of an UNRRA employee, in the process of becoming naturalized, to re-enter the United States where re-entry permit was not obtained prior to departure from U. S.; letter to Albanian Mission on the subject.

12. Memorandum to Finance Division on the question of UNRRA's right to apply Provident Funds due a terminated employee to indebtedness due the Administration; also memorandum on question of UNRRA's right to apply deductions withheld from employee's salary for purchase of War Bonds to payment of UNRRA indebtedness upon termination of employee's services with UNRRA.

13. Preparation of agreement for execution by UNRRA and United Nations covering transfer of UNRRA photographs, negatives and other equipment to Department of Information, United Nations; memorandum to Public Information Division concerning proposed agreement.

14. Dealt with question of UNRRA's liability to Bainbridge Frame and Box Company for approximately \$91,000.00 growing out of alleged breach of contract in connection with Community Canning collections; conferences with attorneys for Company and various UNRRA representatives; trip to New York for conference with representatives in charge of Community Canning and Emergency Food collections.

15. Conference with attorneys for United National Clothing Collection, Inc., New York, concerning refund to UNRRA of unexpended balance of moneys on hand; conferences with Controller's office and representatives of Finance Division regarding procedure to be followed.

16. Redrafting of proposed Surplus Property Disposal Order - Form AD-151 - containing revisions of Conditions and Bill of Sale for surplus UNRRA property; memorandum to Procedural Control Branch concerning Order and Bill of Sale as redrafted.

17. Memorandum to Procedural Control Branch regarding proposed amendments to Employees' Compensation Plan - A. O. No. 22.

18. Preparation of agreement for execution by UNRRA and Riverdale Garage, Bronx, New York, for storage space and other services.



19. Letter to UNRRA Mission in Germany regarding an UNRRA employee's tax liability to U. S. Government.

20. Letter to Clay-Adams Company, New York, New York, regarding UNRRA's exemption from New York Sales tax on property shipped for UNRRA account.

21. Preliminary work on proposed agreements with stockyards at various shipping points in the U. S. for receiving and caring for contributed livestock pending shipment abroad.

22. Memorandum on question of legal sufficiency of proposed Release to be placed on checks issued to terminated employees.

23. Preliminary work on question of UNRRA's possible liability under Employees' Compensation Plan to a Voluntary Agency person whose employment with UNRRA never became effective because of illness if salary and other payments are made to such person.

24. Miscellaneous legal advice to Overseas Personnel Unit concerning correspondence and UNRRA's relation to employees.

25. Preliminary work on question of UNRRA's right to refund of Manufacturers' sales taxes on Treasury Procurement items purchased for export shipment; conferences with UNRRA procurement representatives and representatives of Treasury Procurement.

26. Clearances for legal sufficiency of Field Administrative Orders governing release of premises occupied by UNRRA in reduction and closure periods.

27. Legal advice on question of UNRRA's right to deduct from employee transportation taxes advanced and paid in U. S. for employee's personal travel outside the United States.

28. Drafting of letter to FOA regarding ban on carrying non-UNRRA cargo.

29. Review of Reports. Review of the Third Quarter report of the Director General to the Council and the supplementary report for October and November; the President's report for the Third Quarter of 1946 to Congress and the report to the Central Committee on the nationality breakdown of the category "other and undetermined nationalities" in the DP statistical reports.

30. Legal History. Discussion of plans for the preparation of UNRRA's legal history.



File

271- (General Counsel)

29 October 1946

MEMORANDUM

TO: Mr. Davidson

FROM: Grace W. Tellier

SUBJECT: Monthly Report for September, 1946.

SERVICES RENDERED:

1. For Bureau of Accounts and Finance:

(a) Arrangements with attorneys in Oklahoma to bring a garnishment or attachment suit in Wagoner County, Oklahoma, against a former UNRRA employee now with the U. S. War Department abroad for the purpose of attaching funds in bank to collect overpayments of approximately \$800.00 received by the employee which were not deducted at the time of his termination; preparation of legal papers for purposes of the suit; correspondence relating to attorney's fees, court costs, attachment bond and other pertinent matters; memorandum to Bureau of Accounts and Finance regarding claim.

(b) Memorandum on question of UNRRA's liability for medical expenses incurred for physical examinations and inoculations of cattle attendants.

(c) Correspondence with personal representatives of estates of deceased UNRRA personnel concerning legal documents needed to authorize payment of salary and other moneys from the Administration. Legal advice concerning procedure to be followed.

(d) Letter to Congressman C. R. King regarding reimbursement for cash advancements made by Rome office.

(e) Legal advice regarding UNRRA's liability in connection with the return of U. S. currency found in contributed clothing sent to Yugoslavia, the legal owner being the estate of a deceased person in the U. S.; preparation of letter for transmittal of the money to representatives



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of the estate. The question involved the procedure to be followed by UNRRA in returning the money in order to avoid liability in connection with rates of exchange as a result of the U. S. currency having gone out of the U. S. into Yugoslavia.

(f) Memorandum to the Bureau of Accounts and Finance and to the Controller's office on the question of whether UNRRA Provident Fund contributions apply to compensation paid for ordinary overtime work for which compensatory leave is allowed; also whether Provident Fund contributions apply to salary paid for overtime work on special projects.

(g) Conferences with representatives of the Bureau of Accounts and Finance and attorneys for Henry V. Seay, Lessor of the premises at 1523 New Hampshire Avenue, N.W., and memorandum to Voucher Audit Branch on question of UNRRA's liability for heating expense deducted by UNRRA from rent payable to Lessor.

(h) Miscellaneous legal advice to Voucher Audit Branch, Payroll Branch and others concerning payments to terminated employees and estates of deceased employees; payment of Federal excise taxes on purchases and other related questions; correspondence with attorneys representing estates of deceased UNRRA employees concerning payments due estates and the legal action necessary to obtain such payments.

## 2. For Division of Administrative Services:

(a) Clearance of letter to Arthur Dadian for extension of Contract No. 78 on a month-to-month basis for a period not to extend beyond December 31, 1946.

and European Committee on Inland Transport Organization

(b) Clearance of letters to Ducirco, Inc.,/regarding sublease of space and lease of office equipment.

(c) Clearance of letter to Durcirco, Inc., regarding sublease of space in Dupont Circle Building to Washington's Society for the Blind for use as a snack bar.

(d) Preparation of Agreement for execution by the Administration and Alonsita Walker agreeing on terms of compliance with restoration clauses in Agreement of Lease on 2342 Massachusetts Avenue.

(e) Preparation of letter to the Deputy Chief of the Athens Mission concerning claim of Near East Foundation against UNRRA for loss of



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automobile; memorandum to Administrative Services advising extent of UNRRA's legal liability in connection with the loss.

(f) Examination of Agreement between Waterman Airlines, Inc., and UNRRA for purposes of legal opinion; memorandum to Administrative Services enumerating changes desired in the Agreement; conferences with representatives of the Civil Aeronautics Administration and the Aviation Section of the State Department regarding the "Warsaw Agreement" governing international air transport; procurement and examination of the Warsaw Agreement as it affected the contract with Waterman Airlines; conferences with attorneys and representatives of the Waterman Airlines in agreeing upon changes in Agreement.

(g) Clearance of "Release" from UNRRA to United National Clothing Collection covering loan of office furniture and machines; clearance of Agreement with Emergency Food Collection, Inc., to transfer of such equipment to Emergency Food Collection; memorandum to Administrative Services.

### 3. For Far Eastern Affairs and Travel Branch:

(a) Preparation of Supplemental Agreement for execution by Pacific Overseas Airlines and UNRRA covering return flight service from China to U. S.; preparation of Form of Waiver for signature by non-UNRRA passengers; memorandum to Far Eastern Affairs concerning the rights and liabilities of the parties; conferences with representatives of the Travel Branch, Far Eastern Affairs, representatives of Pacific Overseas Airlines and others for purpose of agreeing on terms of contract.

(b) Conferences with representatives of the General Counsel's office of the Civil Aeronautics Administration concerning UNRRA's right to carry non-UNRRA passengers on chartered planes and to charge passenger rates for such passage; memorandum to A. H. Robertson on result of conferences for purpose of discussion at UNRRA Staff Meetings in connection with proposed contracts with Waterman Airlines and Pacific Overseas Airlines.



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4. For Insurance and Claims Branch:

(a) Employees' Compensation Plan--drafting of amendment to Employees' Compensation Plan to cover compensation for 'Disfigurement'; memorandum to Procedural Coordination Branch regarding proposed amendment and changes in A. O. No. 22 and Manuals.

5. For Public Information:

(a) Clearance of proposed agreement between UNRRA and Technicolor Motion Picture Corporation; legal advice on question of UNRRA's assumption of liabilities under contract between the U. S. Government (State Department) and Technicolor Motion Picture Corporation as a result of the Government's permission to UNRRA to purchase copies of certain films; conferences and arrangements with representatives of the State Department to have Government notify Corporation of UNRRA's non-liability to Company under patent laws of the United States.

6. For Health Division:

(a) Memoranda to Health Division and Insurance and Claims Branch regarding exit physical examinations of terminated field employees; re-drafting of form "Election to Forego Exit Physical Examination" for execution by employees who refuse to undergo the prescribed exit physical examinations.

7. Provident Fund:

(a) Conferences with representatives of the Bureau of Administration regarding employees' assignments of the Provident Fund to the Credit Union and the legal effect of such assignments on the status of the Provident Fund as a Pension Trust under the Internal Revenue laws; conferences with representatives of the Internal Revenue Department in furtherance of the Administration's request for a ruling that the Fund is a Pension Trust within the meaning of the statute; preparation of a letter to the Internal Revenue Department transmitting additional evidence required by the Department preparatory to the ruling requested.



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8. Miscellaneous:

(a) Conferences with the State Department regarding proposed rescission of Executive Order extending time for warehousing of goods in transit and in bonded warehouses and the effect of such rescission on (a) UNRRA goods in warehouses; (b) kinds of goods affected; (c) whether UNRRA protected under Immunities law; (d) whether delay in rescission of the Executive Order necessary to protect UNRRA's rights. The answering of these questions raised by the State Department necessitated conferences with representatives of the UNRRA New York office and with representatives of the Ocean Shipping Branch to ascertain the amount of UNRRA goods on hand in warehouses in the United States and whether under bond or otherwise and an interpretation of the Immunities Act with respect to UNRRA.

(b) Reply letter to the Chief of the Dodecanese Mission regarding claims of refugees growing out of the "Empire Patrol" ship disaster and possible procedure to be followed by such refugees if they desire to file claims with the British Military Government in Charge of the Dodecanese Islands or with the British Government at London; conferences with representatives of the State Department and with the British Embassy were necessary in this connection.

(c) Correspondence with the Chief of the Athens Mission and with attorneys representing estates of deceased persons in the U. S. regarding requested assistance of UNRRA Mission in procuring execution of legal papers to effect vesting of such estates in heirs residing in Greece.

(d) Preparation of cable to London regarding case of Edgar Klein against the Administration and the proposed appeal to the Director General by personal representatives of the Klein estate; preparation of memorandum on procedure to be followed under A. O. No. 22.

(e) Preliminary investigation of facts surrounding the claim of the Bainbridge Frame and Box Company, Bainbridge, Georgia, against the Administration for \$91,000.00; conferences with representatives of the Bureau of Accounts and Finance, Ocean Shipping Division, Division of Emergency Procurement and others and a letter to Senator George of Georgia regarding the Administration's position with reference to the claim.

(f) Correspondence and conferences with the Office of the Legal Adviser, Department of State, with respect to the exemption of non-American



Mr. Davidson

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29 October 1946

employees of international organizations from unemployment and other taxes levied by the several States and the District of Columbia.

(g) Conferences with the District of Columbia and Virginia State officials regarding District and State taxes levied against non-American personnel of UNRRA and legal actions brought to collect such taxes; advise to the non-American personnel involved.

9. For Personnel Division:

(a) Legal advice and preparation of cable to Belgrade regarding claim of overseas employee that Administration paid home allotment to wrong allottee and that UNRRA is liable to employee as a result of such payment.



## UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

TO: The Director General

FROM: Alfred E. Davidson

SUBJECT: Office of the General Counsel - Report for September 1946

I RELATIONS WITH CONGRESS

A. Congressional mail during the month of September dealt mainly with the subject of supplies for Yugoslavia. Other subjects covered included:

1. Use of surplus onion crops for relief
2. UNRRA livestock program
3. UNRRA shipments of sugar
4. UNRRA shipments of RR cars
5. Use of Boston port for UNRRA shipment
6. Continued use of UNRRA supplies to countries "who have demonstrated an unfriendly attitude."

B. A memorandum was prepared for the Director General on Congressional action underlying adoption of distribution proviso.

II RELATIONS WITH FOREIGN GOVERNMENTS

A. The Administration has requested the State Department in a letter to Undersecretary Clayton to allow surplus supplies purchased abroad by UNRRA to be financed by the system of surplus credits. This matter is at present under negotiation. It is hoped the arrangements can be finalized as additional funds would then be available to the Administration.

B. An opinion was prepared covering propriety of freeze to Soviet Republic, based on analysis of terms of their program and prior action of Program Subcommittee and Central Committee.

III. RELATIONS WITH UNITED NATIONS

A. Working parties have been established by the Secretary General of the UN to investigate techniques and arrange for the transfer of UNRRA functions to a particular branch of UN. The General Counsel has been appointed an UNRRA member on the three committees (health functions and their relationship to the Interim Commission of the WHO, welfare functions and their relationship to the UN Secretariat and refugee operations and their relationship to the UN Secretariat and the Interim Commission).

B. Under Resolution 95 the Administration was authorized to discuss with the Sec. Gen. of UN which functions and in what manner the welfare activities of UNRRA could be absorbed by UN.

C. Under Resolution 103 an International Children's Fund is to be established in agreement with the Economic and Social Council and in consultation with the Secretary General. This office has been representing the Director General on the Standing Committee of the Council and in the preliminary discussions with the Secretary General of UN. At the request of the Chairman of the Standing Committee on the International Children's Fund, Resolutions were drafted for the Economic and Social Council and for the General Assembly of the United Nations with a view to the early creation of the necessary machinery for the implementation of Resolution 103.

D. Under Resolution 99 authorizing the transfer of Displaced persons operations to the IRO on or before June 30, 1947, this office has participated in the meetings of the Economic and Social Council in its deliberations on this subject.

E. Under Resolution 88 members of this office have participated with the Office of Economic Adviser in the preparation of a report to the General Assembly on economic recovery in the countries assisted by UNRRA. After this report is completed a further study will be required by the agency established by the General Assembly to investigate the needs and ability to pay of the receiving countries in 1947 for relief imports.



#### IV. DISPLACED PERSONS

A. In collaboration with the Repatriation Division letters were drafted to the Central Committee members representing France, U.K. and USA inquiring whether their governments would be willing to provide or arrange for the provision of basic supplies for displaced persons in Austria and Italy during the first six months of 1947; also inquiring what steps their governments were taking to implement the provisions of Resolution 99. Assistance was given to the Repatriation Division in preparing cables to IRO giving instructions for the implementation of Resolution 99 on the part of UNRRA staff and inquiring how far relationships with the military would permit a complete discharge of UNRRA's responsibilities in this respect.

B. A preliminary study was made of the draft constitution of the IRO with a view to determining the comparability of the IRO and UNRRA definition of DP eligibility.

C. An opinion was prepared on the question of UNRRA's financial liability for supplies and services furnished by the U. S. Army in the U. S. Zone of Germany. It appears that UNRRA's responsibility should be limited to payment for supplies and equipment for the maintenance of UNRRA personnel and equipment, but not extend to payment for other services rendered by the Army; further UNRRA's liability should only date from the date of signature of the USFEF Agreement, i.e., February 19, 1946.

D. A meeting was attended to consider the provision of amonity supplies for DP's. It was agreed that while Resolution 99 imposes a definite obligation on the Administration to provide such supplies, a new program may be unnecessary in the light of the large proportion of undelivered supplies under the current program.

#### V. SUPPLY

A. In consultation with the Bureau of Supply, a statement was prepared justifying the UNRRA tractor program and arguing for retention of existing set-asides in the US. Members of this office met with the State Department and then again with OWMR, Agriculture, and other interested agencies in connection with the effort to preserve UNRRA set-aside provision. Our overall allocation was reduced, but the reduction still left UNRRA sufficient tractors to complete the minimum programs.

B. An opinion was given analysing the authority of Director General to approve the emergency program for the Philippine Republic.

C. Discussions were held with the Bureau of Supply on preparation of a memo setting forth proposed policy to guide UNRRA activities in assisting receiving countries in their own procurement and also in transferring allocations to receiving countries.

D. Preliminary discussions were held with CCC representatives as to UNRRA's right to obtain wool subsidy ( in form of lower export price) from US. Consultations were held with Bureau of Supply with reference to possible analogy to Canadian Rubber subsidy, with a view to ultimate contact with Canadian Government.

#### VI. SHIPPING

A. Movement of fishing craft and tugs to Greece, Yugoslavia and Honolulu. Participated in negotiations with officials of the American-Hawaiian Steamship Company and officials of USA with respect to new contract covering the movement of fishing craft to Yugoslavia and tugs from Honolulu to Shanghai.

B. Claims -- Arranged for a New York admiralty firm to handle claims of UNRRA arising out of the sinking of the SS STAR OF CAIRO off coast of South America with UNRRA cargo of wheat.

C. Rates -- Conferences with officials of the Far East Conference and Atlantic Conference with a view to obtaining an agreement from shipping companies to accept from UNRRA Missions payments in local currency for discharge expenses incurred in local currency with a refund by shipping companies to UNRRA of \$2.50 per ton. It is hoped that the shipping companies will approve such an arrangement retroactive to March 1, 1946.



D. Attended conference of Operators of cattle fitted vessels to negotiate a rate reduction resulting from elimination in voyage charter of recapture clause.

## VII. FINANCE

A. An inquiry was made into the possibility of arranging for the utilization for relief purposes of the German assets in Switzerland and Sweden which are to be turned over to the Governments of France, U.K. and the U.S. "for the rehabilitation of countries devastated or depleted by the war." It appears that these sums will in fact be paid into the general reparations pool of the Allied Nations.

B. Inland Transit Claims. In consultation with the Bureau of Supply and CEO studies the situation and negotiation with Czechs, Poles and Hungarians to resettlement of claims for transit of Czech and Polish supplies from Constanza. Arrangements were made for settlement of Polish, Czech and Hungarian claims on basis of \$1,000,000, \$2,200,000 and \$1,000,000 respectively. At present we are reviewing the question of claims for costs of shipments through Holland, Belgium and Bulgaria.

C. Transfer of UERRA Funds. A study was initiated of terms and conditions of various government contributions, and of UERRA Agreement and Resolution, to appraise the legality of use of UERRA funds to finance continuance of relief activities by other international agencies.

D. Several meetings of the Program Subcommittee have been attended and opinions prepared on the legal position in relation to the DG's authorization of a fourth emergency program for the Philippines and in relation to the application of the 2% "freeze order" to the programs for the two Soviet Republics.

E. Proposals were made to the Finance Division and the Economic Adviser for the utilization of deferred contributions from South American countries, if it proves impossible to make immediate use of these contributions, through arrangements for discounting the Governments' promissory notes.

F. Discussions were held with the State Department on obligation of UERRA to pay cancellation charges where contracts are cancelled because of failure to deliver within March 31 deadline, or because of priorities given by US to other purchases. A letter was sent to the State Department setting forth UERRA position. This matter is still pending.

G. Arrangements were made with attorneys in Oklahoma to bring a garnishment or attachment suit in Wagoner County, Oklahoma, against a former UERRA employee now with the U. S. War Department abroad for the purpose of attaching funds in bank to collect overpayments of approximately \$800.00 received by the employee which were not deducted at the time of his termination; preparation of legal papers for purposes of the suit; correspondence relating to attorney's fees, court costs, attachment bond and other pertinent matters; memorandum to Bureau of Accounts and Finance regarding claim.

H. Memorandum was prepared on question of UERRA's liability for medical expenses incurred for physical examinations and inoculations of cattle attendants.

I. Correspondence was sent to personal representatives of estates of deceased UERRA personnel concerning legal documents needed to authorize payment of salary and other moneys from the Administration. Legal advice concerning procedure to be followed.

J. Letter was sent to Congressman C. R. King regarding reimbursement for cash advancements made by Rome office.

K. Legal advice was given regarding UERRA's liability in connection with the return of U. S. currency found in contributed clothing sent to Yugoslavia, the legal owner being the estate of a deceased person in the U.S.; preparation of letter for transmittal of the money to representatives of the estate. The question involved the procedure to be followed by UERRA in returning the money in order to avoid liability in connection with rates of exchange as a result of the U. S. currency having gone out of the U. S. into Yugoslavia.



L. Memorandum was prepared for the Bureau of Accounts and Finance and to the Controller's office on the question of whether UNRRA Provident Fund contributions apply to compensation paid for ordinary overtime work for which compensatory leave is allowed; also whether Provident Fund contributions apply to salary paid for overtime work on special projects.

M. Conferences were held with representatives of the Bureau of Accounts and Finance and attorneys for Henry V. Seay, Lessor of the premises at 1523 New Hampshire Avenue, N.W., and memorandum to Voucher Audit Branch on question of UNRRA's liability for heating expense deducted by UNRRA from rent payable to Lessor.

N. Miscellaneous legal advice was given to Voucher Audit Branch, Payroll Branch and other concerning payments to terminated employees and estates of deceased employees; payment of Federal excise taxes on purchases and other related questions; correspondence with attorneys representing estates of deceased UNRRA employees concerning payments due estates and the legal action necessary to obtain such payments.

#### VIII. EDUCATION

A. Educational supply program for China -- Outlined to Agricultural Rehabilitation, Industrial Rehabilitation, and Medical Divisions, the type of program for supplying educational materials which UNRRA could approve under Council Resolutions.

B. Presided at meetings of Educational Policy Committee to discuss and recommend policy with respect to the shipment of donated educational supplies.

#### IX. PERSONNEL

A. Participated in conference with representatives of the Bureau of Administration with respect to sick leave regulations.

B. Participated in numerous conferences in connection with the bonus plan and gave opinion as to its applicability to doctors of the Public Health Service on loan to UNRRA and similar employees.

#### X. CONTRACTS AND DOMESTIC AGREEMENT

A. Letter was cleared to Arthur Dadian for extension of Contract No. 78 on a month-to-month basis for a period not to extend beyond December 31, 1946.

B. Letters were cleared to Durcirco, Inc. and European Committee on Inland Transport Organization regarding sublease of space and lease of office equipment.

C. Letter was cleared to Durcirco, Inc., regarding sublease of space in Dupont Circle Building to Washington's Society for the Blind for use as a snack bar.

D. Agreement was prepared for execution by the Administration and Alonsita Walker agreeing on terms of compliance with restoration clauses in Agreement of Lease on 2342 Massachusetts Avenue.

E. Letter was prepared to the Deputy Chief of the Athens Mission concerning claim of Near East Foundation against UNRRA for loss of automobile; memorandum to Administrative Services advising extent of UNRRA's legal liability in connection with the loss.

F. Agreement between Waterman Airlines, Inc., and UNRRA for purposes of legal opinion was examined; memorandum to Administrative Services enumerating changes desired in the Agreement; conferences with representatives of the Civil Aeronautics Administration and the Aviation Section of the State Department regarding the "Warsaw Agreement" governing international air transport; procurement and examination of the Warsaw Agreement as it affected the contract with Waterman Airlines; conferences with attorneys and representatives of the Waterman Airlines in agreeing upon changes in Agreement.



G. Release from UERRA to United National Clothing Collection covering loan of office furniture and machines was cleared; clearance of Agreement with Emergency Food Collection, Inc., to transfer of such equipment to Emergency Food Collection; memorandum to Administrative Services.

H. Supplemental Agreement for execution by Pacific Overseas Airlines and UERRA covering return flight service from China to U. S. was prepared; preparation of Form of Waiver for signature by non-UERRA passengers; memorandum was sent to Far Eastern Affairs concerning the rights and liabilities of the parties; conferences were held with representatives of the Travel Branch, Far Eastern Affairs, representatives of Pacific Overseas Airlines and others for purpose of agreeing on terms of contract.

I. Conferences were held with representatives of the General Counsel's office of the Civil Aeronautics Administration concerning UERRA's right to carry non-UERRA passengers on chartered planes and to charge passenger rates for such passage; memorandum was sent to A. H. Robertson on result of conferences for purpose of discussion at UERRA Staff Meetings in connection with the proposed contracts with Waterman Airlines and Pacific Overseas Airlines.

J. Employees' Compensation Plan amendment was drafted to Employees' Compensation Plan to cover compensation for 'Disfigurement'; memorandum to Procedural Coordination Branch regarding proposed amendment and changes in A. O. No. 22 and Manuals.

K. Proposed agreement between UERRA and Technicolor Motion Picture Corporation was cleared; legal advice was given on question of UERRA's assumption of liabilities under contract between the U. S. Government (State Department) and Technicolor Motion Picture Corporation as a result of the Government's permission to UERRA to purchase copies of certain films; conferences were held and arrangements made with representatives of the State Department to have Government notify Corporation of UERRA's non-liability to Company under patent laws of the United States.

L. Memorandum was prepared to the Health Division and Insurance and Claims Branch regarding exit physical examinations of terminated field employees; "Election to Forego Exit Physical Examination" was redrafted for execution by employees who refuse to undergo the prescribed exit physical examinations.

M. Conferences were held with representatives of the Bureau of Administration regarding employees' assignments of the Provident Fund to the Credit Union and the legal effect of such assignments on the status of the Provident Fund as a Pension Trust under the Internal Revenue laws; conferences were held with representatives of the Internal Revenue Department in furtherance of the Administration's request for a ruling that the Fund is a Pension Trust within the meaning of the statute; a letter was prepared to the Internal Revenue Department transmitting additional evidence required by the Department preparatory to the ruling requested.

#### XI. MISCELLANEOUS

A. Participated in conferences with officials of the State Department with respect to navigation aids for Albania.

B. Participated in drafting numerous cables and prepared memoranda with respect to problems concerning the Office of the Far East.

C. A memorandum was prepared setting out the action needed in implementation of the resolutions adopted by the Council at its Fifth Session and recommending to the Chief Executive Officer where responsibility should lie in each case. The Office of the General Counsel has been particularly concerned with the implementation of Resolutions 94 and 95 (transfer of health and welfare functions), Resolution 99 (DP operations), Resolution 100 (future relief needs), Resolution 103 (International Children's Fund), Resolution 104 (contributions of medical supplies).



D. Comments were made on various proposals for agreements with voluntary agencies in Germany, Austria and Italy. New agreements with voluntary agencies are not to be made except for DP work. Meetings were attended about the proposed increase in voluntary agency personnel in Germany which will partly compensate for the reduction in UNRRA staff. Instructions were sent to London not to increase the total number of 1250 voluntary personnel budgeted for Germany unless an increase is authorized, as part of the general DP budget.

E. Conferences were held with the State Department regarding proposed rescission of Executive Order extending time for Warehousing of goods in transit and in bonded warehouses and the effect of such rescission on (a) UNRRA goods in warehouses; (b) kinds of goods affected; (c) whether UNRRA protected under Immunities law; (d) whether delay in rescission of the Executive Order necessary to protect UNRRA's rights. The answering of these questions raised by the State Department necessitated conferences with representatives of the UNRRA New York office and with representatives of the Ocean Shipping Branch to ascertain the amount of UNRRA goods on hand in warehouses in the United States and whether under bond or otherwise and an interpretation of the Immunities Act with respect to UNRRA.

F. Letter of reply was sent to the Chief of the Dodecanese Mission regarding claims of refugees growing out of the "Empire Patrol" ship disaster and possible procedure to be followed by such refugees if they desire to file claims with the British Military Government in Charge of the Dodecanese Islands or with the British Government at London; conferences with representatives of the State Department and with the British Embassy were necessary in this connection.

G. There was an exchange of letters with the Chief of the Athens Mission and with attorneys representing estates of deceased persons in the U. S. regarding requested assistance of UNRRA Mission in procuring execution of legal papers to effect vesting of such estates in heirs residing in Greece.

H. Cable was prepared to London regarding case of Edgar Klein against the Administration and the proposed appeal to the Director General by personal representatives of the Klein estate; memorandum was prepared on procedure to be followed under A. O. No. 22.

I. Preliminary investigation was made of facts surrounding the claim of the Bainbridge Trama and Box Company, Bainbridge, Georgia, against the Administration for \$91,000.00; conferences with representatives of the Bureau of Accounts and Finance, Ocean Shipping Division, Division of Emergency Procurement and others and a letter to Senator George of Georgia regarding the Administration's position with reference to the claim.

J. There was an exchange of letters and conferences were held with the Office of the Legal Adviser, Department of State, with respect to the exemption of non-American employees of international organizations from unemployment and other taxes levied by the several States and the District of Columbia.

K. Conferences were held with the District of Columbia and Virginia State officials regarding District and State taxes levied against non-American personnel of UNRRA and legal actions brought to collect such taxes; advice to the non-American personnel involved



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UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

TO: The Director General

FROM: Alfred E. Davidson

SUBJECT: Office of the General Counsel - Report for August 1946

I FIFTH COUNCIL SESSION

During the Fifth Council Session the General Counsel and his staff acted in the capacity of drafting officers. Resolutions were prepared dealing with health, social welfare, the administrative budget for 1947, a program for Korea, future relief needs, fulfillment of the program of operations, displaced persons operations, the policy concerning the use of proceeds of local sale and the question of transfer to the UN of UNRRA's interest in local currency proceeds of sale of UNRRA supplies, the use of the experience of UNRRA personnel and business relating to adjournment of the Fifth Session.

II RELATIONS WITH GOVERNMENTS

A. A reply was prepared to a further letter from the Hungarian Foreign Minister about additional assistance to Hungary and circulated as a Central Committee document. On the receipt of a subsequent request from the Hungarian Mission for additional assistance for Hungary of medical supplies, a cable was prepared to Budapest requesting the Hungarian Government to confirm this request for medical supplies.

B. A cable was prepared requesting ERO to transmit to the European Governments concerned the offer of the Norwegian Government to extend credits to the value of 15 million kroner to needy European countries.

C. The agreement between UNRRA and SACMED about displaced persons operations in Italy was received from the Italian Mission and copies made for distribution in Headquarters in the Book of UNRRA Agreements.

D. General advice was given with respect to the Korean and Philippine Emergency Programs.

III RELATIONS WITH INTERNATIONAL ORGANIZATIONS

A. In reply to a letter from the Acting Director of the International Labour Office transmitting a resolution of the International Labour Conference recommending that appropriate measures should be taken for the provision without payment of necessary supplies to countries in the greatest need, a letter was prepared reporting on the action taken by UNRRA to fulfill such needs over the last eighteen months.



B. The first meeting in Montreal of the Permanent Migration Committee of the International Labour Organization was attended, at which explanations were given of the role of UNRRA and of the proposed new International Refugee Organization in the migration and resettlement of displaced persons and refugees.

C. A chapter on relationships with governments and military authorities was written for the report of the UN/UNRRA Joint Commission to plan for the initiation of the work of the International Refugee Organization.

#### IV SHIPPING

A. Movement of Tugs from Kobe. Negotiations were entered into with War Department to obtain Army assistance in Japan, particularly in the supplying of Japanese crews, to move tugs to China arriving in Kobe as deck cargo.

B. Shipping Rates. Meetings were held with representatives of the Ocean Shipping Division in meetings of the Ship Operators Advisory Committee to discuss reduction of liner berth rates, resulting in a recommendation by Advisory Committee to the Atlantic conferences of a 20% reduction of such rates.

C. Implementation of WSA Rate Reductions. Arrangements were made with WSA to have letters sent to their general agents handling UNRRA cargo, notifying them to pay claims filed by UNRRA on the basis of rate reductions approved by WSA retroactive to 1 January.

D. Trucks from India to Siam. Conferences were held with representatives of Office of Foreign Liquidation Commissioner and Siamese Government resulting in an agreement that, upon assumption by Siamese Government of shipping costs, UNRRA move 1200 trucks purchased by it from FLC, from Calcutta to Siam.

E. Korean Emergency Program. Participated in negotiations whereby U.S. and Soviet Military officials agreed to assume responsibility for ocean shipment of supplies for Korea upon consideration of a proportionate increase in amount available for supplies in Emergency Program.

F. Advice was given with respect to the extent to which UNRRA could assist in the shipment of voluntarily contributed educational supplies.

G. Conferences were held with WSA with respect to compensation of ship brokers and forwarders with particular reference to cattle-fitted vessels.

#### V PERSONNEL

A. A letter was sent to the Commissioner of Immigration and Naturalization concerning change of immigration status for a non-American employee and the expedition of the necessary visas for the family of such employee.



B. Conferences were held with the State Department and cable to the UNRRA Greek Mission in Athens concerning expedition of visa for the Greek husband of a voluntary agency employee of UNRRA.

C. Letter was sent to the Chief of the Italian Mission outlining requirements of the U. S. Nationality laws as they affect naturalized citizens serving with UNRRA abroad.

D. Memorandum was sent to Health Division concerning provisions of A.O. No. 22 - Employees' Compensation Plan - and the Rules and Regulations of the Basic Field Manual governing exit physical examinations; drafted form of Waiver to be executed by terminated field employees who decline to undergo exit physical examinations as required by A.O. No. 22 and the Regulations.

E. Memorandum was sent to Personnel Division concerning status of UNRRA employees who lost residence rights acquired under U. S. Nationality laws as a result of overseas employment and advice concerning pending legislation designed to restore such rights.

F. Letter was dispatched to ERO concerning dependency allowances which are being paid to a Displaced Persons employee of Belgian nationality stationed in Germany as a result of false claims with respect to dependency status.

#### VI SUPPLIES

A. After the receipt of information about the Council resolution authorizing the completion of programs in 1947, a statement of policy was drafted on the terminal date for deliveries and shipment of supplies.

B. A memorandum was compiled for the Acting Director General setting out the proposed policy to guide UNRRA's activities as procuring agent for recipient countries.

C. Review of procedure for transfer of supplies to Ethiopian Government and drafting of special form of Receipt for use of UNRRA Ethiopian Mission and execution by Ethiopian Government covering supplies and equipment transferred and delivered to Government for use in its public institutions.

#### VII FINANCE

A. Memorandum was sent to the Finance Division interpreting the Agreement made by UNRRA and the National City Bank of New York for the opening of U.S. Dollar and other accounts in Buenos Aires; legal opinion on question of UNRRA's execution of Waiver requested by the Bank by UNRRA. This work necessitated conferences with the officials of the National City Bank.



B. Opinion was given to the Finance Division concerning UNRRA's liability for payment of salary where a cattle tender employed under Contract with Brethrens Service Committee died before services completed under Contract.

C. Advice was given to Finance Division regarding payment of bills submitted by private doctors for physical examinations of cattle tenders.

D. Memorandum was prepared for Finance Division concerning arrangements made for deduction and payment of moneys owed by an UNRRA employee to the Civilian Production Administration.

E. Memorandum opinion was prepared for the Procedural Coordination Division on A.O. No. 9 - Provident Fund - and UNRRA's right to apply provident funds to payment of debts owed it by terminated employees.

F. Memorandum was prepared for the Finance Division regarding procedure for recovery of overpayments made to terminated field employees.

G. Letter was sent to the Legal Adviser, China Office, regarding previous cables and information as to arrangements with CWR and CNRRA for indemnity for loss of life in explosion of LST boats operated by CWT.

H. Letter was sent to ERO interpreting A.O. No. 22 - Employees' Compensation Plan - Sec. 2.44 and extent of UNRRA's liability under Plan for a "foreign injury" resulting in disfigurement without disability.

I. Memorandum was prepared for the Finance Division regarding procedure for establishment of rights of Mennonite Central Committee to moneys due from UNRRA to deceased voluntary agency personnel formerly on loan from the Committee to UNRRA.

J. Examination was made of legal documents and memorandum sent to the Finance Division concerning procedure to be followed in making salary and Provident Fund payments to estates of deceased UNRRA employees.

K. Memorandum opinion was sent to the Insurance and Claims Branch interpreting Administrative Order No. 22 - Employees' Compensation Plan - concerning exit physical examinations for terminated field personnel and drafting changes to be made in A.O. No. 22.

L. Cables were sent to ERO implementing the Director General's decisions not to require recipient countries to pay overland transit costs outside their frontiers, even though the supplies for which the costs were incurred had been legally transferred to the recipient governments.



### VIII TAXATION

A. Letter was sent to the China Office concerning provisions of the U. S. income tax laws as they affect UNRRA's U. S. employees serving in China.

B. Memorandum was prepared for the Bureau of Accounts and Finance concerning extent to which UNRRA is immune from Federal excise taxes generally, including export taxes, and advice as to advisability for redrafting purchase order forms issued by UNRRA to indicate such exemptions.

C. Memorandum was prepared for the Finance Division reviewing the extent of the immunities granted UNRRA by member governments with respect to taxes, tolls and duties on procurement operations of UNRRA in such countries, whether or not contributing or recipient countries.

### IX MISCELLANEOUS

A. Follow-up memorandum was sent to the Administrative Services Division concerning UNRRA's right to sublease office space to Czech Office of Relief and Rehabilitation without Lessor's consent.

B. Letter was sent to the Assistant Legal Adviser, Department of State, and preparation of accompanying memoranda on status of privileges and immunities granted UNRRA by contributing and other member governments.



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UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

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J. Examination was made of legal documents and memorandum sent to the Finance Division concerning procedure to be followed in making salary and Provident Fund payments to estates of deceased UNRRA employees.

K. Memorandum opinion was sent to the Insurance and Claims Branch interpreting Administrative Order No. 22 - Employees' Compensation Plan - concerning exit physical examinations for terminated field personnel and drafting changes to be made in A.O. No. 22.

L. Cables were sent to ERO implementing the Director General's decisions not to require recipient countries to pay overland transit costs outside their frontiers, even though the supplies for which the costs were incurred had been legally transferred to the recipient governments.



### VIII TAXATION

A. Letter was sent to the China Office concerning provisions of the U. S. income tax laws as they affect UNRRA's U. S. employees serving in China.

B. Memorandum was prepared for the Bureau of Accounts and Finance concerning extent to which UNRRA is immune from Federal excise taxes generally, including export taxes, and advice as to advisability for redrafting purchase order forms issued by UNRRA to indicate such exemptions.

C. Memorandum was prepared for the Finance Division reviewing the extent of the immunities granted UNRRA by member governments with respect to taxes, tolls and duties on procurement operations of UNRRA in such countries, whether or not contributing or recipient countries.

### IX MISCELLANEOUS

A. Follow-up memorandum was sent to the Administrative Services Division concerning UNRRA's right to sublease office space to Czech Office of Relief and Rehabilitation without Lessor's consent.

B. Letter was sent to the Assistant Legal Adviser, Department of State, and preparation of accompanying memoranda on status of privileges and immunities granted UNRRA by contributing and other member governments.



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UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

TO: The Acting Director General  
FROM: Acting General Counsel  
SUBJECT: Office of the General Counsel -- Report for July 1946

I. FIFTH COUNCIL SESSION

This office, together with the Bureau of Relief Services, drafted documents for the UNRRA Council setting out the Administration's proposals for the future policy to be adopted for UNRRA's present work in the fields of health, welfare and displaced persons. A message of transmittal was prepared covering the report of the Director General to the Council for the Second Quarter of 1946. Drafts of resolutions for the Council Session were prepared and documents and procedures reviewed. Proposals were made on additions to the provisional agenda, committee membership, etc. Numerous meetings were attended in preparation for the Council Session on future policy to be adopted for UNRRA's present work.

II. RELATIONS WITH CONGRESS

This office:

1. Submitted material for the record of hearings held before the Senate Appropriations Committee in connection with the final \$465 million United States appropriation.
2. Conferred with State Department representatives regarding the wording of the proviso for prompt distribution of supplies inserted in the UNRRA appropriation. In compliance with this provision, this office prepared and dispatched a letter to the Secretary of State naming UNRRA receiving countries which have arranged for the prompt distribution of supplies, commodities, and equipment to be transported, delivered, or distributed to or for such country by the use of funds appropriated in the act. This also set forth the procedures devised by the Administration to implement its embargo against shipments of supplies, except food, to China.
3. Assisted in the preparation of draft amendment submitted by Senator Taylor in 3rd Deficiency Appropriation Act 1946 which would authorize the Commodity Credit Corporation to purchase, process and dispose of potatoes to UNRRA at reduced cost.
4. Assisted in the drafting of a bill to make available for the admission of displaced persons to the United States the unused immigration quotas left over from the 1945-46 quota year ending



June 30, 1946. The draft bill was submitted to General Hilldring of the State Department.

5. Submitted to the State Department the revised draft of the 8th Report to Congress covering UNRRA operations in the Second Quarter of 1946.

6. Answered Congressional inquiries on the following subjects:

- a. Accumulation of UNRRA supplies on the docks in China.
- b. The UNRRA program in Czechoslovakia.
- c. UNRRA's program to install dairy units.
- d. UNRRA's POL program.
- e. UNRRA's shipment of meat and meat products to Soviet Republics.

7. Requested ERO to inform all Missions of the provisions regarding prompt distribution of supplies and activities of press correspondents contained in the U.S. appropriation, and requested that Headquarters be informed regarding adherence to these provisions.

### III. RELATIONS WITH FOREIGN GOVERNMENTS AND MILITARY AUTHORITIES

1. UNRRA-SACMED Agreement. Headquarters' concurrence was expressed to the draft agreement with SACMED about DP operations in Italy, subject to no additional staff being necessary to carry out the operations contemplated and subject to the minimum purchase of military property. These conditions were confirmed and the agreement was signed on July 15th.

2. Hungary and Finland. Action was taken to refer to the Central Committee the requests from Hungary and Finland for further assistance. After the Central Committee had decided at its meeting on July 23 against further assistance to these countries at the present time, action was taken to inform the governments accordingly.

3. Austria. Together with the Bureau of Supply, a cable was prepared to Vienna defining UNRRA's responsibilities for civilian supplies in the light of the statement of the U.S. military authorities that they were cancelling their civilian import program for Austria. Copies of the cables exchanged with Vienna were sent to the members of the Central Committee representing the four occupying powers.

4. Rumania. A letter was prepared requesting the State Department to communicate to the Rumanian Government a message indicating that, in view of UNRRA's limited resources and existing commitments, it was unlikely that UNRRA could undertake any program of assistance in Rumania.

5. Philippines. At the request of the Bureau of Supply, an opinion



was given that the recommendations of the Subcommittee under Resolution 23 that the Philippines should be considered in a position to pay for relief and rehabilitation supplies did not, in view of the language of the recommendation, affect the continuance of the emergency programs for the Philippines already undertaken; further, that the Director General would have to make a determination at some future date, in the light of the principles set out in Resolution 14, whether the Philippines should be called upon to pay for the emergency programs.

6. India. In response to a private enquiry, an opinion was given that it was not possible for UNRRA to provide a penicillin plant for India.

#### IV. RELATIONS WITH INTERNATIONAL ORGANIZATIONS

1. UN/UNRRA Joint Commission. The General Counsel was nominated by the Director General as one of the three UNRRA members of the Joint Commission with the United Nations to plan for the initiation of the work of the IRO. The Office of the General Counsel participated in planning for the work of this Joint Commission and in attending its first two meetings.

2. Post-UNRRA Period. A draft constitution was prepared for a UN agency to handle relief in the post-UNRRA period. A proposed resolution was also drafted for the UNRRA Council and the UN General Assembly.

#### V. DISPLACED PERSONS

1. Information was obtained from Warsaw that Jewish displaced persons returning to Poland from Russia receive after their return the same rations as the ordinary population of the country; further that any supplementary rations sent into the country by voluntary agencies would be supplementary to, and not result in the diminution of, their normal rations. The World Jewish Congress, which had made inquiries about this, was informed accordingly.

2. Opinions were given on the eligibility for UNRRA assistance of:

a. United Nations nationals and stateless persons who were prewar residents in Germany.

b. United Nations nationals caught in Germany by the outbreak of war.

c. Former members of the Italian armed forces in China who were interned for their refusal to support the Axis after the surrender of Italy.



Opinions were also given about the repatriation of:

- a. Chinese in Malaya
- b. Costa Ricans in Italy
- c. Armenians in France and Greece
- d. South Americans in Germany.

3. Together with the Repatriation and Welfare Division, a letter was prepared declining to accept a proposal from the Polish American Congress that they should send a group to investigate and report on the condition of Polish displaced persons in Germany.

4. As the result of the receipt of a message from the Director General in the Middle East, a cable was prepared setting out the views of the Repatriation and Welfare Division and of the Office of the General Counsel to the effect that UNRRA had already assumed such commitments in relation to Polish DP's in the Middle East that we could not properly refuse to go through with this project.

#### VI. SHIPPING

1. Implementation of WSA Rate Reductions. This office arranged with WSA to put into effect rate reductions which had been offered in a letter of February 1946 from the State Department, and arranged for a procedure whereby UNRRA could claim such reductions from 1 January.

2. Conference Rate Reductions. This office was represented at several meetings of the Advisory Committee of Ship Operators in New York City, and assisted in obtaining the agreement of the Committee to recommendations to the Shipping Conferences for certain rate reductions for UNRRA cargo.

3. Voyage Charter. This office approved a form of voyage charter for cattle fitted vessels, submitting such approved form to the Committee

4. This office prepared a form of agreement relating to retention and transfer of title to watercraft costing \$50,000 or more, and railroad locomotives and rolling stock, together with necessary instructions for missions.



## VII. SUPPLY AND PROCUREMENT

1. Payment of Inland Transit Costs. Discussions were held with the Bureau of Supply, the Financial Adviser and the Controller, about the requests of the Polish and Czech Governments for reimbursement of transit costs for shipments through Constanza; a revised statement of policy was prepared and cabled to ERO.

2. Payment of Costs at Trieste. Further discussions were held with CCAC and British representatives about the provision of lire. Instructions were cabled to ERO and Rome about a further request to the Italian Government.

3. Reichsmarks for Inland Transport through Germany. Discussions were held with the State Department regarding the implementation of arrangements for the provision by the military of reichsmarks for inland transport costs in Germany. The State Department's agreement with UNRRA's position was communicated to USFET.

4. Surprop Price Review. A conference was held with State Department representatives regarding UNRRA claims for a reduction in charges for surplus property.

5. IBM Arrangement. Proposed changes were reviewed in the arrangements and contract for the loan of business machines to Greece.

6. Greece. Approval was given to arrangements for a contribution of medical and hospital supplies by Greek War Relief.

7. CARE. A conference was held regarding general relations of UNRRA to overseas operations of CARE.

## VIII. CONTRACTS

1. A letter of agreement and contract between UNRRA and Loew's International Corporation was cleared covering arrangements for distribution of films in the Latin American countries.

2. Prepared agreement for execution by UNRRA and the Brethrens Service Committee covering employment and training of personnel for the China Farm Tractor Relief Project.

3. Cleared agreement between UNRRA and Alonsita Walker concerning restoration work to be done on premises at 2342 Massachusetts Avenue, N.W., pursuant to Lease Agreement heretofore executed by the parties.



## IX. TAXATION

1. Pursuant to provisions of the International Organizations Immunities Act, claims for refunds were prepared on behalf of the Administration and filed with the Collector of Internal Revenue at Baltimore, Maryland, for refund of \$9,172.40 for taxes paid by UNRRA on behalf of its non-American personnel during the tax year 1945 and for \$14,694.16 paid during the tax year 1944.
2. The question of UNRRA's right to a refund of tax paid on transportation of employees who have returned from abroad since the effective date of the Immunities Act was determined for the Finance Division; Internal Revenue forms were obtained and instructions given concerning their execution.
3. Prepared memorandum opinion on UNRRA's obligation to pay International Salt Company transportation taxes on property where freight was prepaid by the Company.
4. Prepared memoranda and legal advice for the Finance Division and Travel Branch concerning necessity for issuance of tax exemption certificates in connection with tax on transportation of UNRRA personnel.
5. Handled investigation on question of refund of transportation tax paid by UNRRA to the Erie Railroad Company.
6. Obtained Treasury decisions implementing the International Organizations Immunities Act with respect to transportation tax on persons and personal property and on communications and furnished the various interested divisions of UNRRA. Memorandum opinions were furnished these divisions on the subject of the exemptions as they affected UNRRA.

## X. MISCELLANEOUS

This Office handled legal opinions on the following questions:

1. Lessor's liability for repairs on elevators in the Grafton Hotel and Grafton Hotel Annex under Agreements of Lease with UNRRA covering the two buildings.
2. UNRRA's right to recover from Lessor expense incurred for heating of building at 1523 New Hampshire Avenue, N.W., under terms of Lease Contract between UNRRA and Lessor.



3. UNRRA's responsibility with respect to the payment of salary and other moneys due a deceased employee as a result of a will and other probate proceedings.

4. The right of employees to assign interest in Provident Fund to UNRRA Credit Union in view of restrictions in Administrative Order No. 9.

5. UNRRA's right to use official envelopes supplied by the United States Army for transmission of UNRRA official correspondence in Germany.

6. Clearance of revisions to be made and incorporated in "Aggregate Excess Workmen's Compensation Insurance Policy" covering the year commencing 3 May 1946.

This Office:

1. Attended conferences and assisted in drafting administrative order covering sick leave.

2. Rendered opinions to ERO to the effect that the Administration could change the staff regulations even though such changes were to the detriment of employees.

3. Prepared a letter to the Immigration Department concerning an UNRRA employee's application and final proceedings for U. S. citizenship.

4. Prepared a memorandum to the Personnel Division concerning UNRRA's duty and practice with respect to overseas employees affected by Sec.307(b) of the Nationality Act.

5. Prepared and cleared changes in Administrative Order No. 22 - Employees Compensation Plan - to correct inconsistencies found in the Order.

6. Negotiated with the Public Health Service and worked on the question of having USPHS personnel serving overseas with UNRRA placed on the same basis as UNRRA employees with respect to living allowances and/or per diem.

7. Attended conferences and prepared an opinion with respect to the transfer of the UNRRA Library to (1) the International Monetary Fund, or (2) the United Nations.

8. Prepared a brief on the authority of the Commodity Credit Corporation to stockpile food.



9. Prepared a brief setting forth the basis for our request that UNRRA be given the advantage of cotton export prices on raw cotton purchased from the Commodity Credit Corporation and shipped prior to March 12, 1946.

10. Prepared a memorandum, together with the Office of the Diplomatic Adviser, on unpaid contributions, and made recommendations as to the action to be taken.

11. Prepared memoranda, together with the Office of the Controller, for the Committee on Financial Control and for the Fifth Session of the Council relating to the supplementary budget for 1946.

12. Attended meetings of the Committee on Financial Control regarding the 1946 and 1947 UNRRA budgets. Discussions were held with the State Department for presentation to the Council.

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14. Prepared a letter to ERO requesting investigation of complaint received from P.J. Joosen of Brussels concerning his dismissal as an UNRRA employee.

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16. Negotiated with the State Department and the Health Division concerning the procurement of visas for nurse candidates coming to the United States to enter upon the Nurse Teacher Training Program provided for in the Agreement between UNRRA and the Department of Hospitals of the City of New York. Pursuant to arrangements made, information concerning the individual candidates was procured from UNRRA representatives abroad and furnished the State Department after which cables were dispatched by the State Department to the American Consulates for the purpose of expediting the issuance of the visas for these candidates.

17. Cleared the following Administrative Orders and Basic Field and Headquarters Manuals: Refunds of Clothing Allowance; Payments; Procurement; Salary Deductions; Attendance and Leave Regulations; Programming; Distribution to Recipient Countries.



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RESTRICTED

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

TO: The Acting Director General  
FROM: Acting General Counsel  
SUBJECT: Office of the General Counsel -- Report for July 1946

I. FIFTH COUNCIL SESSION

This office, together with the Bureau of Relief Services, drafted documents for the UNRRA Council setting out the Administration's proposals for the future policy to be adopted for UNRRA's present work in the fields of health, welfare and displaced persons. A message of transmittal was prepared covering the report of the Director General to the Council for the Second Quarter of 1946. Drafts of resolutions for the Council Session were prepared and documents and procedures reviewed. Proposals were made on additions to the provisional agenda, committee membership, etc. Numerous meetings were attended in preparation for the Council Session on future policy to be adopted for UNRRA's present work.

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9. Prepared a brief setting forth the basis for our request that UNRRA be given the advantage of cotton export prices on raw cotton purchased from the Commodity Credit Corporation and shipped prior to March 12, 1946.

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11. Prepared memoranda, together with the Office of the Controller, for the Committee on Financial Control and for the Fifth Session of the Council relating to the supplementary budget for 1946.

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17. Cleared the following Administrative Orders and Basic Field and Headquarters Manuals: Refunds of Clothing Allowance; Payments; Procurement; Salary Deductions; Attendance and Leave Regulations; Programming; Distribution to Recipient Countries.



271

RESTRICTED

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

TO: The Director General  
FROM: Alfred E. Davidson  
SUBJECT: Office of the General Counsel - Report for June 1946

I, FIFTH COUNCIL SESSION

This office has assisted in setting up the provisional agenda in programming the proceedings, recommending procedures and clearing Council documents. The provisional agenda covers: (1) organization and election of officers for the Fifth Council Session; (2) the report of the Director General covering January through June 1946; (3) recommendations as to future relief and rehabilitation activities in regard to (a) supply, (b) Displaced Persons, (c) health, (d) welfare; (4) the Philippine request for aid from UNRRA; (5) the administrative budgetary position for 1947.

A message to the Member Governments was sent asking them to be prepared to speak definitely at Geneva on the future of UNRRA. The receiving countries must be prepared to indicate further needs and the supplying countries must be prepared to indicate the extent to which they can provide further assistance.

Numerous meetings were attended in preparation for the Fifth Council Session and documents prepared in collaboration with the Bureau of Services relating to future policy to be adopted for UNRRA's present work in the fields of Health, Welfare and Displaced Persons.

II. RELATIONS WITH CONGRESS

1. Submitted material for the record of hearings held before the House Appropriations Committee in connection with the final \$465 million U.S. appropriation.

2. Met with State Department representatives regarding problems of interpretation of the Third Urgent Deficiency Appropriations Act, which makes available, after June 30 and prior to enactment of Third Deficiency Bill, the remaining U.S. contribution.

3. Prepared material for the Senate Small Business Committee in connection with its hearings on the effect of food exports on small business. Also submitted material for the record of the Director General's appearance before that Committee.

4. Prepared a first draft of President's 8th Report to Congress covering UNRRA operations in Second Quarter of 1946.



5. Answered Congressional mail on variety of subjects and also checked on the status of inquiries made in May and still remaining outstanding. Congressional inquiries on the following subjects were answered:

a. Report that UNRRA supplies have gone into black markets in various countries in which UNRRA operates.

b. Request for figures showing shipments of foodstuffs to Byelorussia and the Ukraine during 1946.

c. Report from Congressman's constituent that UNRRA is exporting coal to China.

d. Request that UNRRA consider purchase of Multi-Purpose Meal for its food program.

e. Report that UNRRA food is used for political purposes in recipient countries.

f. Protest of reduced food rations to persons of German descent in some provinces of Czechoslovakia.

g. Requesting information concerning the solicitation of funds for UNRRA from private individuals.

h. Request to investigate report that UNRRA food has been destroyed in France.

i. Report that there are huge stocks of Army rations stored in Europe which are not being used for relief purposes.

6. Information for Mr. Taber. During the Congressional Hearings on the UNRRA appropriations, Congressman Taber requested certain information concerning the distribution of UNRRA supplies in various countries. A memorandum with a covering letter has been sent to Mr. Taber.

### III. APPROPRIATIONS

This office is following closely on the matters connected with the appropriation. It is unnecessary to make special arrangements concerning this bill, as it has now been agreed that there will be considered in a separate bill a provision which will prevent the funds from lapsing and will make it possible for UNRRA to utilize the funds before they are actually available.

### IV. CENTRAL COMMITTEE

The Chairman of the Central Committee having ruled that a Resolution was carried on the basis of four votes in favor, one vote against and four abstentions, an opinion was given that, as the rules of procedure do not apply to the Central Committee, the Chairman is entitled to give a ruling which must stand unless overruled by the Committee itself.



## V. RELATIONS WITH INTERNATIONAL ORGANIZATIONS

1. Economic and Social Council. The Director General spoke before the Economic and Social Council meeting in New York. It was a matter of interest that the Director General had addressed a plenary session of the Council, since this was the first time that the head of any international organization had been invited to do so. The Director General spoke very effectively about some of the real administrative and financial problems facing the new agency to be responsible for displaced persons operations. Earlier Mr. LaGuardia and the General Counsel listened to the reports of the Chairman and Rapporteur of the Subcommittee on Refugees, which had met in London. These reports were considered mainly technical and did not face the main issues such as how the new agency was to be financed. The Director General gave specific information concerning the number of displaced persons to be cared for and the costs of the operations, which brought the discussion down to earth. However, it was difficult to know whether the thinking of the Council could be reoriented to a very great extent.

Since the Director General had been asked not to discuss any matter other than the refugee problem, he did not present UNRRA's position in respect to health, welfare or other activities which the United Nations or some other international organization under UN must take over. Consideration must now be given to ways of bringing these questions before the Council. For example, it was understood from Miss McGeachy that the report of the drafting Subcommittee of the Social Commission contained no reference to UNRRA's activities in this field, nor to UN's responsibility for taking over UNRRA's activities and functions. It would also be necessary to follow up closely the developments with respect to the proposed International Health Organization and its relation to UNRRA.

2. IRO. Reference is made to the UN discussions on refugees; that UN would not be ready to take over the refugee work by the first of January 1947. UNRRA has no funds or plans to carry on this work beyond that date, and the Director General made this policy very clear when he addressed UN. This policy represents UNRRA's main pressure on UN, and it is hoped that a hiatus between UNRRA and UN operations can be avoided. It is also hoped that there would be no unilateral action on the part of any Member Government.

There would be extreme difficulty in recruiting an entirely new staff for this operation by any new organization or any one government. This had been UNRRA's hardest job and it would take months for new personnel to be trained and operating if new recruitment were not begun until early in 1947. Unless arrangements were made for the personnel presently employed by UNRRA to be retained, the new refugee organization would not be operating before the end of 1947.

3. Material was prepared in collaboration with the Repatriation and Welfare Division relating to the work of the Finance Committee set up by the Economic and Social Council to prepare a budget for the new International Refugee Organization.



4. Office at Hunter College for Use of UNRRA Representatives.

Mr. Schachter has arranged with Mr. Feller for the use of Mr. Feller's office as a message center for UNRRA and as a source of clerical assistance for UNRRA representatives attending UN meetings. The representatives from ERO have been so informed.

5. Notification of UN Meetings. Most of the UN committee meetings are not set up until the day before, but Mr. Schachter is keeping this office informed of the schedule and the General Counsel will notify interested UNRRA Divisions so that they can send representatives if they wish.

VI. RELATIONS WITH FOREIGN GOVERNMENTS, MILITARY AUTHORITIES AND WITH VOLUNTARY AGENCIES

1. China Basic Agreement. Prepared draft agreement to supplement basic China Agreement with respect to China's providing local currency to CNRRA which is necessary to the distribution of UNRRA supplies.

2. Hungary

a. An opinion was given that while the inclusion of heavy workers in the UNRRA program of emergency assistance to Hungary was somewhat doubtful, nevertheless no objection should be made if the Mission, the Government and ERO were in agreement that this was desirable, provided it was understood that this was not the beginning of a general expansion of the UNRRA program for Hungary.

b. A request was received from the Hungarian Foreign Minister for further assistance to Hungary. An opinion was given that this did not require a further authorization from the Allied Control Council because the new request did not go beyond what had previously been authorized by the ACC.

3. Austria. As the result of receipt of a telegram from Vienna reporting a statement by the American Deputy Commander that civilian imports for the American zone of Austria would be discontinued, a reply was prepared containing a statement of principles to the effect that the UNRRA programs are not adequate for the relief and rehabilitation requirements of any recipient countries and that the responsibility to make up the deficit therefore falls to the local administrative authorities. In the case of Austria, this includes the occupying powers who cannot, by cancelling their own programs of imports, force UNRRA to give Austria better treatment than other recipient countries.

4. UNRRA-SACMED. As the result of a request from the War Department for information whether Headquarters had approved the draft UNRRA-SACMED Agreement, telegrams were sent to London and agreement was reached on the text, including two modifications proposed by the British War Office. A further telegram was sent to London and Rome emphasizing that UNRRA's option to purchase military surplus property under the agreement should be exercised to an absolute minimum and that no additional staff should be taken on as a result of the operations contemplated.



5. Possible Extension of Finnish Program. Cable 45 from Helsinki states that the Finnish Government advises that UNRRA is considering its petition presented in Washington to extend its UNRRA program. It has been reported that the Finnish Government planned to submit a supply program in the amount of 2.5 million dollars. The UNRRA Mission asks that we confirm this information and advise them of their responsibility regarding this petition from the Finnish Government.

6. Termination of UNRRA Agreements. Considered the advisability of sending UNRRA receiving countries notice of termination of agreements.

7. Agreement with American Friends Service Committee in Austria. The proposed terms of an agreement between UNRRA and the American Friends Service Committee is discussed in cable 758 from Vienna. The agreement would cover distribution of food and clothing to children through Public Welfare channels, for which the AFS has resources, the personnel, the transport equipment and supplies. The committee will, of course, comply with military law and will furnish UNRRA with monthly reports of activities and will accept UNRRA requests.

UNRRA agrees to provide as far as possible travel facilities, messing, billeting, medical services and PX privileges for voluntary staff, together with accommodation for vehicles, POL, repairs to vehicles and tires and assistance in shipment on a reimbursable basis.

## VII. DISPLACED PERSONS

1. The question of assistance to former inmates of concentration camps in Austria as displaced persons was raised and a telegram dispatched to Vienna. The reply stated that displaced persons were receiving assistance in the American sector of Vienna. Vienna was asked to ensure that this special group was included and to see if something could be done in the other sectors.

2. Telegrams were exchanged with London and Vienna and material was prepared for the Central Committee concerning a proposal that displaced persons in Austria who refuse suitable employment should cease to be eligible for UNRRA assistance. The Central Committee took a decision approving this policy on June 17.

3. Meetings were held with the State Department about instructions which the War Department proposed to send to USFET and USFA about implementing Resolution 92. The final draft was prepared in a form agreeable to UNRRA.

4. As the result of a telegram from the Alternate Council Member for Poland complaining that Resolution 92 has not been implemented in Germany, a reply to Dr. Rajchman was prepared and letters drafted to the Commanding General, USFET, and the Commander-in-Chief, BAOR.

5. In accordance with the terms of the agreement just signed by the UNRRA Greek Mission and the Greek Government, full operational responsibility for the handling of displaced persons has now been



transferred to the Greek Ministry of Welfare. Cable 1526 from Athens further states that the UNRRA repatriation section is now observing and providing guidance where necessary. In the meantime the branch is retained in the repatriation section of the Greek Mission.

6. Special Tracing of Displaced Persons. Arolsen has received a number of special service inquiries concerning displaced persons in Germany. In cable 6957 from London it is pointed out that the rapidity of handling these inquiries depends on the particular case. Many persons living as individuals in Germany maintain considerable secrecy and such tracing is very difficult. ERO suggested that Headquarters inform Congress and Government representatives making special requests for tracing that four months is not an unreasonable time if such persons are living outside of Displaced Persons Camps.

7. Movement of Displaced Chinese. Financial responsibility with respect to Chinese refugees transported to Hongkong is discussed in cable 1224 from Shanghai. The China Office again urged instructions from Headquarters regarding the payment of transit costs for the movement from Hongkong into China and made the following points.

- a. The Hongkong Government will not accept responsibility and asked prompt reimbursement.
- b. CNRRA disclaimed financial responsibility because under its basic agreement UNRRA had agreed not to ask CNRRA to pay foreign exchange costs.
- c. Hongkong is the only logical discharge port for these refugees for distribution into China.
- d. It is believed that most of these refugees are eligible for UNRRA assistance.
- e. Mr. Clarke is leaving Shanghai 7 June to establish a repatriation branch office in Hongkong and it is imperative that he carry instructions concerning these costs. The China Office estimates the cost of this operation at \$100,000 (U.S. dollars) and recommends that Headquarters authorize this in addition to \$1,740,000 (U.S. dollars).

8. Jews in Bulgaria. A letter has been received from a representative of the Bulgarian Government which is a follow up to a previous letter sent to us requesting an emergency program for Bulgaria. UNRRA replied to the first letter and stated in this that it could consider assisting Bulgaria only if the Allied Control Council agreed. Bulgaria's inquiry regarding the possibility of UNRRA assistance and the problem of the Jews in this country will be sent back through the proper channels since there is some question as to whether or not the Allied Control Council will agree to this.

#### VIII. SHIPPING

1. General Developments. The most significant development in the shipping field during the month of June has been the creation of an



Advisory Committee of American Ship Operators with which UNRRA can deal in respect of the many problems arising as a result of WSA's derequisitioning or bareboat chartering of vessels to private owners. Mr. William Westerlund, President of Marine Transport Lines, Inc., has agreed to act as Chairman of this Committee, which will have as its other members representatives of both liner and tramp interests. Among the many problems this Committee will take up are:

- a. Standardization of voyage charters;
- b. Reduction of ocean shipping freight rates;
- c. Handling of claims against vessel or operator;
- d. The extent to which ship brokers should be used.

It is expected that a similar committee of ship brokers will be organized and possibly also one of marine underwriters.

2. Passage for CWT Recruits. Arrangements have been made providing passage for persons recruited to the China Water Transport Program in the Philippines. The Administration had decided not to pay the return passage for such personnel, expecting CNRRA would do so, as this had been agreed by CNRRA in the contract already drawn up. In Headquarters cable 6060 to Manila it is stated that UNRRA cannot at present be permitted to provide return passage either to the U.S. or the Philippines. This statement might be misleading since it did not explain that CNRRA would undertake to provide this passage and that therefore it might have the effect of stopping recruitment for CWT. This office sent out a supplementary cable explaining the policy more fully in order that this message would not be misinterpreted by the Manila Office.

3. William Radner, formerly General Counsel of War Shipping, and Louis Niggeman, formerly Chief of Claims Division of War Shipping, have agreed to be consultants on problems dealing with Admiralty Law for UNRRA. A new committee, with three representatives each from WSA and UNRRA, have met to discuss claims accruing under the waiver agreement and also rate reductions.

#### IX. SUPPLY AND PROCUREMENT

The following matters were handled.

1. Proposed Poland-Denmark Barter. Effect of proposed barter of clothing for seed on UNRRA policy against export of UNRRA supplies. Memo was approved suggesting method of handling the situation.

2. Austrian-Czechoslovakia Barter. Analysis of UNRRA's interest in Austria's local currency policy from salt-potato barter. Cable sent to Vienna.

3. Italy - Livestock Position. Analysis of use of grains for livestock feeding and comparison of present levels with pre-war livestock position.

4. Yugoslavia. Advice given regarding propriety under resolution of shipping equipment for manufacturing of ampules for medical supplies.



5. Czechoslovakian Food. Discussions with State Department regarding the feeding of Czech armed guards. Letter was sent to State Department giving policy.

6. Greece Proposal for loan of business machines by IBM to UNRRA. Discussed the policy and legal questions.

7. China. Proposed rehabilitation of Chinese fertilizer plant. Discussion of procurement. It was understood that some supplies already have been procured by the Chinese Government. Arranged procurement and policy on rehabilitation, with cable going to Shanghai.

8. Hungary. Discussions covering requested increase in medical supply shipment, covering final limitation on program.

9. Yugoslav Minesweepers. Further discussion on U.K. decision and activity regarding U.S. arrangements for loan. Discussion with Yugoslav representatives.

10. Czechoslovakia Inland Transport Cost Policy. Conferences with the Czech representative regarding financing the movement of Czechoslovakian supplies through Holland and France. A letter was received from the Czechoslovakian Government requesting reimbursement for Constanza shipments. Policy agreement reviewed and discussed.

11. Hungary. Policy on Voluntary Agencies was discussed, and a cable was sent to Budapest outlining the policy on contributed supplies.

12. Livestock for Greece. Policy and legal interpretation on UNRRA payment of shipping costs of Greek war relief livestock. Opposition to this policy was stated in memo.

13. POL for Yugoslavia. Discussions concerning Aquila facilities. Further activity regarding proposed takeover and expenditures for repairs. Cable to ERO. Consideration of alternatives if UNRRA is obliged to take over operations. Cable to U.K. requesting assistance.

14. Czechoslovakia. Use of UNRRA food for feeding armed guards conveying UNRRA supplies. Cable to Prague was sent.

15. Coal for Austria. Discussions concerning present situation in light of cessation of Military shipments and Austrian-Polish agreement.

16. Coal. Conferences regarding the forwarding of contracts to arrange continuing shipments, in view of effect of threatened shipping strike on contractors' performance. Certain contract modifications were approved.

17. Fats and Oils. Review of UNRRA position under new allocation, in light of proposals developed for further domestic restrictions by U.S. and other supplying governments.

18. Reichsmarks for Supplies. Memo was prepared on negative U.S.-



U.K. decision. Further discussions of currency to be used. U.S. rejection received. Further consideration of subsequent steps to be taken. An additional memo was prepared on costs in Germany.

19. Procurement in Germany. Memo was prepared regarding the use of sterling and covering the policy on proposed agricultural rehabilitation procurement for Austria.

20. Gondolas. Discussion of proposed purchase of gondolas against ocean shipping reserve, to move European coal.

21. Grains

a. Consideration of provision in OPA bill extending wheat price option to 31 March 1947.

b. Provision in OPA bill directing diversion of relief wheat to meet emergency animal feeding needs.

22. Contributed Supplies. Review of draft revision of Administrative Order 23 regarding policy on contributed supplies being charged against budget and payment of shipping costs.

23. Amenity Supplies. Procurement in Germany against reichsmarks. Further discussions with State Department, and cable sent to Arolsen.

24. Religious Supplies. Policy on assistance in the transportation of such supplies, with cable sent stating such policy.

25. Procurement - Miscellaneous

a. Received and approved contract for babassu oil and copra purchases.

b. Received and approved contract of fishing twine in Mexico.

26. Field Administrative Order 96. Audited review of Field Administrative Order 96 covering procedure for receipting of UNRRA supplies on delivery to receiving governments.

27. Procurement for Member Countries. Further activity on proposal that UNRRA take over procurement of coal for western European countries. Discussions concerning RFC as alternative. Confirmation received that RFC would take over.

28. Relations with U.S. Procurement Agencies. Conferences were held with State Department to consider snags in procurement and status of delayed items.

29. Clothing Drive in Australia. In cable 2020 the Sydney Office gives information concerning expenditures in connection with the clothing drive in Australia. The cost of this second clothing drive is to be met from surplus funds allocated and unused in the original clothing drive, of which \$2,371.00 have already been committed as preliminary expenses. The cable states that cancellation or withdrawal at this stage would be



most difficult and the Sydney Office asks for definite instructions concerning this matter. Cable 1833 dated June 3 gave approval to the second clothing drive on the clear understanding that no new funds will be required and that an exceedingly thorough inspection be made of all clothes before shipment. No further action is therefore required.

30. Voluntary Clothing Drive in Canada. A report has been received from officials of the voluntary clothing drive in Canada which states that UNRRA has not authorized the use of funds remaining from the first clothing drive for the administrative expenses of this drive, and the Canadian Government has been placed in a very embarrassing position because of this. One member of the committee which was sponsoring this clothing drive had urged the clothing be distributed to France and other Catholic countries. Apparently other members of the Committee did not openly object to this method of distribution. However, a distribution system of this sort is contrary to the basic principles of UNRRA and UNRRA is not in a position to support it. Therefore the Controller had been advised to withhold authorization of the initial sum for a day or two until the situation had been straightened out. The problem which had arisen over the Canadian clothing drive was discussed with Ambassador Pearson who had not been informed that the drive was going on. Mr. Pearson felt that the Canadian Government would not insist upon such a policy of distribution as had been recommended by the committee sponsoring the drive.

31. A memorandum was prepared explaining the position of POL in Austria and emphasizing that the Allied Council had undertaken to provide this. The Director General subsequently decided to insist that the Allied Council should adhere to this obligation.

#### X. FINANCE

The following matters were handled.

1. Surplus Property Priorities. Additional discussions with WAC regarding UNRRA's administrative preference over commercial purchasers.
2. Surplus Property Price Review. Memo to the Director General giving our recommendations. Further memo on proposed policy and procedure. Final preparatory negotiations with State and OFLC. Drafting of memo for State Department.
3. Financing Surplus Property Procurement. Proposal to turn over some surplus property contracts to countries having surplus property credits from the U.S., to increase available UNRRA funds. Discussions with Financial Adviser and with WAC.
4. Price Review of Surplus Property Purchase. As a result of a recent conversation with the State Department, UNRRA officials hope to obtain an overall percentage cut on all surplus property items. This method would be far more satisfactory than scrutinizing the entire list and discussing prices for individual items.



5. Finland. Interpretation of Finland agreement regarding use of UNRRA proceeds. Cable was sent to Mission giving instructions.

6. Austria. Request for UNRRA to finance Government representatives traveling to the United States to discuss UNRRA program. Discussions with State Department regarding release of Austrian Government funds.

7. Ethiopia. Proposal by Mission as to the financing of certain expenditures under agreement. The proposal is being considered.

8. Poland Request for reimbursement for port and inland transit expenses on Constanza shipment.

9. Greek Policy on Currency in which to pay Greek crews on tugs being delivered to Greece from UNRRA.

10. Transshipment Through Germany. Arranged further instructions to USFET regarding provision of reichsmarks.

11. Cotton Subsidies. Discussions with CCC and OWMR of rejection of UNRRA request for allowance of export price on shipments to be made before May 1946. Memo was prepared for the Director General requesting the matter be discussed with Assistant Secretary of State.

## 12. UNRRA Claims

a. Method of figuring reimbursement of claims against U.S. procurement agencies. Analysis of procedures and effectiveness of implementation.

b. Claims against OFLC for defective items of food on Pacific purchases for China.

13. Lire for Trieste. Further activity on UNRRA request to CCAC. Memo was prepared for the Director General suggesting his intervention. Further activity regarding official arrangements pending CCAC decision. Instructions were cabled to ERO.

14. OFLC Food Purchase. UNRRA claims for defective quality of food supplied to China.

15. Shipping of Receiving Countries. Further discussion regarding policy on currency to be used in payment of ocean freight.

16. Voluntary Agencies. Policy on UNRRA transport assistance and use of UNRRA local currency funds.

17. ANPB. Collection of lire for POL supplied by Military, including possibility of UNRRA use. Discussions were held on this matter with ECO and ANPB.

18. UNRRA-OFLC Contract Regarding Pacific Surpluses. Negotiations



with OFLC regarding modifications. Drafted modified agreement to cover delivery and payment for shipping.

19. An opinion was given that there was no objection to the practice by which the Italian Government makes available to San Marino against payment in local currency small quantities of UNRRA supplies, provided that they are distributed in accordance with UNRRA policies and that the Italian Government accounts to UNRRA for the proceeds of sale. ERO was informed accordingly.

20. Various discussions were held about the provision of local currency to voluntary agencies working with UNRRA in Germany and in liberated countries. An opinion was given that UNRRA should provide local currency without requiring reimbursement even if the voluntary agency is engaged in a "supplementary project."

#### XI. TAXATION

1. Obtained ruling from Internal Revenue Department with respect to exemption from transportation tax on Emergency Food Collection shipments.

2. Procurement of Treasury decisions containing regulations implementing International Organization Immunities Act and preparation of interpretative opinions for Controller's Office, Division of Accounts, Administrative Procedures Division and Procurement Coordination Division.

3. Letter to Albania Mission concerning U.S. tax status of UNRRA employees in process of obtaining U.S. citizenship.

4. Work on problems involved in UNRRA's claim for refund of taxes paid on behalf of non-American personnel, including preparation of letter to Commissioner of Internal Revenue transmitting certain information preliminary to filing claim.

5. Conferences with Internal Revenue Department concerning status of UNRRA Provident Fund for purposes of ruling requested of that office.

6. Legal advice to various divisions on miscellaneous tax problems.

#### XII. CONTRACTS

1. Ducirco, Inc. - Dupont Circle Building Lease - final negotiations; examination of title of property; preparation and execution of lease.

2. LaSalle Apartment Hotel, Inc. - LaSalle Building Lease - preparation of lease agreement.

3. Kane Moving Company - contract for moving contents of UNRRA warehouse - preparation of contract.

4. Kane Moving Company - contract for moving services - preparation of contract.



5. Dadian Hall - Agreement covering arrangements for hotel accommodations for UNRRA transient employees - preparation of contract.

6. Czechoslovak Office of Relief and Rehabilitation - sublease of office space and furniture - examination of contract and opinion.

7. Prepared draft of amendment to Emergency Food Collection contract to provide for the extension of Emergency Food Collection's use of UNRRA furniture at 100 Maiden Lane. Also prepared a release for United National Clothing Collection Inc., releasing them from obligations in their UNRRA contract relative to the same furniture.

### XIII. AGREEMENTS

1. Department of City Hospitals, New York - Nurse Teacher Training Program Agreement - clearance of legal questions involved in agreement with representatives of Department of Hospitals; preparation of agreement for execution by UNRRA and individual candidate nurses for program; arrangements made with State Department concerning visas for Candidate Nurses.

2. Unitarian Service Committee - Medical Teaching Program for Czechoslovakia - clearance of agreement for Health Division.

3. Brethren Service Committee - Farm Tractor Relief Plowing and Training Program - preparation of two preliminary drafts of agreement.

4. Department of Voluntary War Relief, National War Services of Canada - Canadian Clothing Drive - preparation of final agreement.

5. Emergency Food Collection, Inc. - handling of final phases of execution of agreement by parties.

### XIV. MISCELLANEOUS

1. Memorandum opinion to Internal Auditors concerning UNRRA's right to audit accounts of National Clothing Collection, Inc.

2. Preparation of Lease for Finance Division giving notice of transfer of UNRRA's interest in community canning packing contracts to Emergency Food Collection, Inc.

3. Letters to ERO and replies to attorneys regarding claims against various UNRRA overseas employees, in response to letters received by the Director General.

4. Clearance of various parts of Basic Headquarters and Basic Field Manuals for Procedural Control Branch.

5. Clearance of statement on privileges and immunities for Director General's quarterly report.



ARRANGEMENTS FOR WORK ON SATURDAYS

The question of compensatory time off for persons who are required to work on Saturdays was settled. A number of officials will work as usual on Saturdays, by their choice, and will require administrative and secretarial assistance. It will be very difficult to give these persons compensatory time off during the week, as for the most part they are key personnel in the Divisions and the regular work would therefore be interrupted. This matter had been discussed carefully, and it had been agreed in instances where it is not possible for a staff to take the compensatory leave that they would be given this time as terminal leave and payment would therefore be made in a lump sum as part of their accrued annual leave at the time their services are terminated.

CORRECTION: General Counsel's Report, May 1946, page 16, Section XV, paragraph D, 2nd sentence, should read: "It was agreed that action should be taken to prevent UNRRA from being compelled to pay both per diem and living allowances to these doctors."



RESTRICTED

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

*271 - General Council*  
*K*

TO: The Director General  
FROM: Alfred E. Davidson  
SUBJECT: Office of the General Counsel - Report for June 1946

I. FIFTH COUNCIL SESSION

This office has assisted in setting up the provisional agenda in programming the proceedings, recommending procedures and clearing Council documents. The provisional agenda covers: (1) organization and election of officers for the Fifth Council Session; (2) the report of the Director General covering January through June 1946; (3) recommendations as to future relief and rehabilitation activities in regard to (a) supply, (b) Displaced Persons, (c) health, (d) welfare; (4) the Philippine request for aid from UNRRA; (5) the administrative budgetary position for 1947.

A message to the Member Governments was sent asking them to be prepared to speak definitely at Geneva on the future of UNRRA. The receiving countries must be prepared to indicate further needs and the supplying countries must be prepared to indicate the extent to which they can provide further assistance.

Numerous meetings were attended in preparation for the Fifth Council Session and documents prepared in collaboration with the Bureau of Services relating to future policy to be adopted for UNRRA's present work in the fields of Health, Welfare and Displaced Persons.

II. RELATIONS WITH CONGRESS

1. Submitted material for the record of hearings held before the House Appropriations Committee in connection with the final \$465 million U.S. appropriation.

2. Met with State Department representatives regarding problems of interpretation of the Third Urgent Deficiency Appropriations Act, which makes available, after June 30 and prior to enactment of Third Deficiency Bill, the remaining U.S. contribution.

3. Prepared material for the Senate Small Business Committee in connection with its hearings on the effect of food exports on small business. Also submitted material for the record of the Director General's appearance before that Committee.

4. Prepared a first draft of President's 8th Report to Congress covering UNRRA operations in Second Quarter of 1946.



5. Answered Congressional mail on variety of subjects and also checked on the status of inquiries made in May and still remaining outstanding. Congressional inquiries on the following subjects were answered:

a. Report that UNRRA supplies have gone into black markets in various countries in which UNRRA operates.

b. Request for figures showing shipments of foodstuffs to Byelorussia and the Ukraine during 1946.

c. Report from Congressman's constituent that UNRRA is exporting coal to China.

d. Request that UNRRA consider purchase of Multi-Purpose Meal for its food program.

e. Report that UNRRA food is used for political purposes in recipient countries.

f. Protest of reduced food rations to persons of German descent in some provinces of Czechoslovakia.

g. Requesting information concerning the solicitation of funds for UNRRA from private individuals.

h. Request to investigate report that UNRRA food has been destroyed in France.

i. Report that there are huge stocks of Army rations stored in Europe which are not being used for relief purposes.

6. Information for Mr. Taber. During the Congressional Hearings on the UNRRA appropriations, Congressman Taber requested certain information concerning the distribution of UNRRA supplies in various countries. A memorandum with a covering letter has been sent to Mr. Taber.

### III. APPROPRIATIONS

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The Chairman of the Central Committee having ruled that a Resolution was carried on the basis of four votes in favor, one vote against and four abstentions, an opinion was given that, as the rules of procedure do not apply to the Central Committee, the Chairman is entitled to give a ruling which must stand unless overruled by the Committee itself.



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2. IRO. Reference is made to the UN discussions on refugees; that UN would not be ready to take over the refugee work by the first of January 1947. UNRRA has no funds or plans to carry on this work beyond that date, and the Director General made this policy very clear when he addressed UN. This policy represents UNRRA's main pressure on UN, and it is hoped that a hiatus between UNRRA and UN operations can be avoided. It is also hoped that there would be no unilateral action on the part of any Member Government.

There would be extreme difficulty in recruiting an entirely new staff for this operation by any new organization or any one government. This had been UNRRA's hardest job and it would take months for new personnel to be trained and operating if new recruitment were not begun until early in 1947. Unless arrangements were made for the personnel presently employed by UNRRA to be retained, the new refugee organization would not be operating before the end of 1947.

3. Material was prepared in collaboration with the Repatriation and Welfare Division relating to the work of the Finance Committee set up by the Economic and Social Council to prepare a budget for the new International Refugee Organization.



4. Office at Hunter College for Use of UNRRA Representatives. Mr. Schachter has arranged with Mr. Feller for the use of Mr. Feller's office as a message center for UNRRA and as a source of clerical assistance for UNRRA representatives attending UN meetings. The representatives from ERO have been so informed.

5. Notification of UN Meetings. Most of the UN committee meetings are not set up until the day before, but Mr. Schachter is keeping this office informed of the schedule and the General Counsel will notify interested UNRRA Divisions so that they can send representatives if they wish.

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a. An opinion was given that while the inclusion of heavy workers in the UNRRA program of emergency assistance to Hungary was somewhat doubtful, nevertheless no objection should be made if the Mission, the Government and ERO were in agreement that this was desirable, provided it was understood that this was not the beginning of a general expansion of the UNRRA program for Hungary.

b. A request was received from the Hungarian Foreign Minister for further assistance to Hungary. An opinion was given that this did not require a further authorization from the Allied Control Council because the new request did not go beyond what had previously been authorized by the ACC.

3. Austria. As the result of receipt of a telegram from Vienna reporting a statement by the American Deputy Commander that civilian imports for the American zone of Austria would be discontinued, a reply was prepared containing a statement of principles to the effect that the UNRRA programs are not adequate for the relief and rehabilitation requirements of any recipient countries and that the responsibility to make up the deficit therefore falls to the local administrative authorities. In the case of Austria, this includes the occupying powers who cannot, by cancelling their own programs of imports, force UNRRA to give Austria better treatment than other recipient countries.

4. UNRRA-SACMED. As the result of a request from the War Department for information whether Headquarters had approved the draft UNRRA-SACMED Agreement, telegrams were sent to London and agreement was reached on the text, including two modifications proposed by the British War Office. A further telegram was sent to London and Rome emphasizing that UNRRA's option to purchase military surplus property under the agreement should be exercised to an absolute minimum and that no additional staff should be taken on as a result of the operations contemplated.



5. Possible Extension of Finnish Program. Cable 45 from Helsinki states that the Finnish Government advises that UNRRA is considering its petition presented in Washington to extend its UNRRA program. It has been reported that the Finnish Government planned to submit a supply program in the amount of 2.5 million dollars. The UNRRA Mission asks that we confirm this information and advise them of their responsibility regarding this petition from the Finnish Government.

6. Termination of UNRRA Agreements. Considered the advisability of sending UNRRA receiving countries notice of termination of agreements.

7. Agreement with American Friends Service Committee in Austria. The proposed terms of an agreement between UNRRA and the American Friends Service Committee is discussed in cable 758 from Vienna. The agreement would cover distribution of food and clothing to children through Public Welfare channels, for which the AFS has resources, the personnel, the transport equipment and supplies. The committee will, of course, comply with military law and will furnish UNRRA with monthly reports of activities and will accept UNRRA requests.

UNRRA agrees to provide as far as possible travel facilities, messing, billeting, medical services and PX privileges for voluntary staff, together with accommodation for vehicles, POL, repairs to vehicles and tires and assistance in shipment on a reimbursable basis.

## VII. DISPLACED PERSONS

1. The question of assistance to former inmates of concentration camps in Austria as displaced persons was raised and a telegram dispatched to Vienna. The reply stated that displaced persons were receiving assistance in the American sector of Vienna. Vienna was asked to ensure that this special group was included and to see if something could be done in the other sectors.

2. Telegrams were exchanged with London and Vienna and material was prepared for the Central Committee concerning a proposal that displaced persons in Austria who refuse suitable employment should cease to be eligible for UNRRA assistance. The Central Committee took a decision approving this policy on June 17.

3. Meetings were held with the State Department about instructions which the War Department proposed to send to USFET and USFA about implementing Resolution 92. The final draft was prepared in a form agreeable to UNRRA.

4. As the result of a telegram from the Alternate Council Member for Poland complaining that Resolution 92 has not been implemented in Germany, a reply to Dr. Rajchman was prepared and letters drafted to the Commanding General, USFET, and the Commander-in-Chief, BAOR.

5. In accordance with the terms of the agreement just signed by the UNRRA Greek Mission and the Greek Government, full operational responsibility for the handling of displaced persons has now been



transferred to the Greek Ministry of Welfare. Cable 1526 from Athens further states that the UNRRA repatriation section is now observing and providing guidance where necessary. In the meantime the branch is retained in the repatriation section of the Greek Mission.

6. Special Tracing of Displaced Persons. Arolsen has received a number of special service inquiries concerning displaced persons in Germany. In cable 6957 from London it is pointed out that the rapidity of handling these inquiries depends on the particular case. Many persons living as individuals in Germany maintain considerable secrecy and such tracing is very difficult. ERO suggested that Headquarters inform Congress and Government representatives making special requests for tracing that four months is not an unreasonable time if such persons are living outside of Displaced Persons Camps.

7. Movement of Displaced Chinese. Financial responsibility with respect to Chinese refugees transported to Hongkong is discussed in cable 1224 from Shanghai. The China Office again urged instructions from Headquarters regarding the payment of transit costs for the movement from Hongkong into China and made the following points.

a. The Hongkong Government will not accept responsibility and asked prompt reimbursement.

b. CNRRA disclaimed financial responsibility because under its basic agreement UNRRA had agreed not to ask CNRRA to pay foreign exchange costs.

c. Hongkong is the only logical discharge port for these refugees for distribution into China.

d. It is believed that most of these refugees are eligible for UNRRA assistance.

e. Mr. Clarke is leaving Shanghai 7 June to establish a repatriation branch office in Hongkong and it is imperative that he carry instructions concerning these costs. The China Office estimates the cost of this operation at \$100,000 (U.S. dollars) and recommends that Headquarters authorize this in addition to \$1,740,000 (U.S. dollars).

8. Jews in Bulgaria. A letter has been received from a representative of the Bulgarian Government which is a follow up to a previous letter sent to us requesting an emergency program for Bulgaria. UNRRA replied to the first letter and stated in this that it could consider assisting Bulgaria only if the Allied Control Council agreed. Bulgaria's inquiry regarding the possibility of UNRRA assistance and the problem of the Jews in this country will be sent back through the proper channels since there is some question as to whether or not the Allied Control Council will agree to this.

#### VIII. SHIPPING

1. General Developments. The most significant development in the shipping field during the month of June has been the creation of an



Advisory Committee of American Ship Operators with which UNRRA can deal in respect of the many problems arising as a result of WSA's derequisitioning or bareboat chartering of vessels to private owners. Mr. William Westerlund, President of Marine Transport Lines, Inc., has agreed to act as Chairman of this Committee, which will have as its other members representatives of both liner and tramp interests. Among the many problems this Committee will take up are:

- a. Standardization of voyage charters;
- b. Reduction of ocean shipping freight rates;
- c. Handling of claims against vessel or operator;
- d. The extent to which ship brokers should be used.

It is expected that a similar committee of ship brokers will be organized and possibly also one of marine underwriters.

2. Passage for CWT Recruits. Arrangements have been made providing passage for persons recruited to the China Water Transport Program in the Philippines. The Administration had decided not to pay the return passage for such personnel, expecting CNRRA would do so, as this had been agreed by CNRRA in the contract already drawn up. In Headquarters cable 6060 to Manila it is stated that UNRRA cannot at present be permitted to provide return passage either to the U.S. or the Philippines. This statement might be misleading since it did not explain that CNRRA would undertake to provide this passage and that therefore it might have the effect of stopping recruitment for CWT. This office sent out a supplementary cable explaining the policy more fully in order that this message would not be misinterpreted by the Manila Office.

3. William Radner, formerly General Counsel of War Shipping, and Louis Niggeman, formerly Chief of Claims Division of War Shipping, have agreed to be consultants on problems dealing with Admiralty Law for UNRRA. A new committee, with three representatives each from WSA and UNRRA, have met to discuss claims accruing under the waiver agreement and also rate reductions.

#### IX. SUPPLY AND PROCUREMENT

The following matters were handled.

1. Proposed Poland-Denmark Barter. Effect of proposed barter of clothing for seed on UNRRA policy against export of UNRRA supplies. Memo was approved suggesting method of handling the situation.

2. Austrian-Czechoslovakia Barter. Analysis of UNRRA's interest in Austria's local currency policy from salt-potato barter. Cable sent to Vienna.

3. Italy - Livestock Position. Analysis of use of grains for livestock feeding and comparison of present levels with pre-war livestock position.

4. Yugoslavia. Advice given regarding propriety under resolution of shipping equipment for manufacturing of ampules for medical supplies.



5. Czechoslovakian Food. Discussions with State Department regarding the feeding of Czech armed guards. Letter was sent to State Department giving policy.

6. Greece Proposal for loan of business machines by IBM to UNRRA. Discussed the policy and legal questions.

7. China. Proposed rehabilitation of Chinese fertilizer plant. Discussion of procurement. It was understood that some supplies already have been procured by the Chinese Government. Arranged procurement and policy on rehabilitation, with cable going to Shanghai.

8. Hungary. Discussions covering requested increase in medical supply shipment, covering final limitation on program.

9. Yugoslav Minesweepers. Further discussion on U.K. decision and activity regarding U.S. arrangements for loan. Discussion with Yugoslav representatives.

10. Czechoslovakia Inland Transport Cost Policy. Conferences with the Czech representative regarding financing the movement of Czechoslovakian supplies through Holland and France. A letter was received from the Czechoslovakian Government requesting reimbursement for Constanza shipments. Policy agreement reviewed and discussed.

11. Hungary. Policy on Voluntary Agencies was discussed, and a cable was sent to Budapest outlining the policy on contributed supplies.

12. Livestock for Greece. Policy and legal interpretation on UNRRA payment of shipping costs of Greek war relief livestock. Opposition to this policy was stated in memo.

13. POL for Yugoslavia. Discussions concerning Aquila facilities. Further activity regarding proposed takeover and expenditures for repairs. Cable to ERO. Consideration of alternatives if UNRRA is obliged to take over operations. Cable to U.K. requesting assistance.

14. Czechoslovakia. Use of UNRRA food for feeding armed guards convoying UNRRA supplies. Cable to Prague was sent.

15. Coal for Austria. Discussions concerning present situation in light of cessation of Military shipments and Austrian-Polish agreement.

16. Coal. Conferences regarding the forwarding of contracts to arrange continuing shipments, in view of effect of threatened shipping strike on contractors' performance. Certain contract modifications were approved.

17. Fats and Oils. Review of UNRRA position under new allocation, in light of proposals developed for further domestic restrictions by U.S. and other supplying governments.

18. Reichsmarks for Supplies. Memo was prepared on negative U.S.-



U.K. decision. Further discussions of currency to be used. U.S. rejection received. Further consideration of subsequent steps to be taken. An additional memo was prepared on costs in Germany.

19. Procurement in Germany. Memo was prepared regarding the use of sterling and covering the policy on proposed agricultural rehabilitation procurement for Austria.

20. Gondolas. Discussion of proposed purchase of gondolas against ocean shipping reserve, to move European coal.

21. Grains

a. Consideration of provision in OPA bill extending wheat price option to 31 March 1947.

b. Provision in OPA bill directing diversion of relief wheat to meet emergency animal feeding needs.

22. Contributed Supplies. Review of draft revision of Administrative Order 23 regarding policy on contributed supplies being charged against budget and payment of shipping costs.

23. Amenity Supplies. Procurement in Germany against reichsmarks. Further discussions with State Department, and cable sent to Arolsen.

24. Religious Supplies. Policy on assistance in the transportation of such supplies, with cable sent stating such policy.

25. Procurement - Miscellaneous

a. Received and approved contract for babassu oil and copra purchases.

b. Received and approved contract of fishing twine in Mexico.

26. Field Administrative Order 96. Audited review of Field Administrative Order 96 covering procedure for receipting of UNRRA supplies on delivery to receiving governments.

27. Procurement for Member Countries. Further activity on proposal that UNRRA take over procurement of coal for western European countries. Discussions concerning RFC as alternative. Confirmation received that RFC would take over.

28. Relations with U.S. Procurement Agencies. Conferences were held with State Department to consider snags in procurement and status of delayed items.

29. Clothing Drive in Australia. In cable 2020 the Sydney Office gives information concerning expenditures in connection with the clothing drive in Australia. The cost of this second clothing drive is to be met from surplus funds allocated and unused in the original clothing drive, of which \$2,371.00 have already been committed as preliminary expenses. The cable states that cancellation or withdrawal at this stage would be



most difficult and the Sydney Office asks for definite instructions concerning this matter. Cable 1833 dated June 3 gave approval to the second clothing drive on the clear understanding that no new funds will be required and that an exceedingly thorough inspection be made of all clothes before shipment. No further action is therefore required.

30. Voluntary Clothing Drive in Canada. A report has been received from officials of the voluntary clothing drive in Canada which states that UNRRA has not authorized the use of funds remaining from the first clothing drive for the administrative expenses of this drive, and the Canadian Government has been placed in a very embarrassing position because of this. One member of the committee which was sponsoring this clothing drive had urged the clothing be distributed to France and other Catholic countries. Apparently other members of the Committee did not openly object to this method of distribution. However, a distribution system of this sort is contrary to the basic principles of UNRRA and UNRRA is not in a position to support it. Therefore the Controller had been advised to withhold authorization of the initial sum for a day or two until the situation had been straightened out. The problem which had arisen over the Canadian clothing drive was discussed with Ambassador Pearson who had not been informed that the drive was going on. Mr. Pearson felt that the Canadian Government would not insist upon such a policy of distribution as had been recommended by the committee sponsoring the drive.

31. A memorandum was prepared explaining the position of POL in Austria and emphasizing that the Allied Council had undertaken to provide this. The Director General subsequently decided to insist that the Allied Council should adhere to this obligation.

## X. FINANCE

The following matters were handled.

1. Surplus Property Priorities. Additional discussions with WAC regarding UNRRA's administrative preference over commercial purchasers.

2. Surplus Property Price Review. Memo to the Director General giving our recommendations. Further memo on proposed policy and procedure. Final preparatory negotiations with State and OFLC. Drafting of memo for State Department.

3. Financing Surplus Property Procurement. Proposal to turn over some surplus property contracts to countries having surplus property credits from the U.S., to increase available UNRRA funds. Discussions with Financial Adviser and with WAC.

4. Price Review of Surplus Property Purchase. As a result of a recent conversation with the State Department, UNRRA officials hope to obtain an overall percentage cut on all surplus property items. This method would be far more satisfactory than scrutinizing the entire list and discussing prices for individual items.



5. Finland. Interpretation of Finland agreement regarding use of UNRRA proceeds. Cable was sent to Mission giving instructions.

6. Austria. Request for UNRRA to finance Government representatives traveling to the United States to discuss UNRRA program. Discussions with State Department regarding release of Austrian Government funds.

7. Ethiopia. Proposal by Mission as to the financing of certain expenditures under agreement. The proposal is being considered.

8. Poland Request for reimbursement for port and inland transit expenses on Constanza shipment.

9. Greek Policy on Currency in which to pay Greek crews on tugs being delivered to Greece from UNRRA.

10. Transshipment Through Germany. Arranged further instructions to USFET regarding provision of reichsmarks.

11. Cotton Subsidies. Discussions with CCC and OWMR of rejection of UNRRA request for allowance of export price on shipments to be made before May 1946. Memo was prepared for the Director General requesting the matter be discussed with Assistant Secretary of State.

## 12. UNRRA Claims

a. Method of figuring reimbursement of claims against U.S. procurement agencies. Analysis of procedures and effectiveness of implementation.

b. Claims against OFLC for defective items of food on Pacific purchases for China.

13. Lire for Trieste. Further activity on UNRRA request to CCAC. Memo was prepared for the Director General suggesting his intervention. Further activity regarding official arrangements pending CCAC decision. Instructions were cabled to ERO.

14. OFLC Food Purchase. UNRRA claims for defective quality of food supplied to China.

15. Shipping of Receiving Countries. Further discussion regarding policy on currency to be used in payment of ocean freight.

16. Voluntary Agencies. Policy on UNRRA transport assistance and use of UNRRA local currency funds.

17. ANPB. Collection of lire for POL supplied by Military, including possibility of UNRRA use. Discussions were held on this matter with ECO and ANPB.

18. UNRRA-OFLC Contract Regarding Pacific Surpluses. Negotiations



with OFLC regarding modifications. Drafted modified agreement to cover delivery and payment for shipping.

19. An opinion was given that there was no objection to the practice by which the Italian Government makes available to San Marino against payment in local currency small quantities of UNRRA supplies, provided that they are distributed in accordance with UNRRA policies and that the Italian Government accounts to UNRRA for the proceeds of sale. ERO was informed accordingly.

20. Various discussions were held about the provision of local currency to voluntary agencies working with UNRRA in Germany and in liberated countries. An opinion was given that UNRRA should provide local currency without requiring reimbursement even if the voluntary agency is engaged in a "supplementary project."

#### XI. TAXATION

1. Obtained ruling from Internal Revenue Department with respect to exemption from transportation tax on Emergency Food Collection shipments.

2. Procurement of Treasury decisions containing regulations implementing International Organization Immunities Act and preparation of interpretative opinions for Controller's Office, Division of Accounts, Administrative Procedures Division and Procurement Coordination Division.

3. Letter to Albania Mission concerning U.S. tax status of UNRRA employees in process of obtaining U.S. citizenship.

4. Work on problems involved in UNRRA's claim for refund of taxes paid on behalf of non-American personnel, including preparation of letter to Commissioner of Internal Revenue transmitting certain information preliminary to filing claim.

5. Conferences with Internal Revenue Department concerning status of UNRRA Provident Fund for purposes of ruling requested of that office.

6. Legal advice to various divisions on miscellaneous tax problems.

#### XII. CONTRACTS

1. Ducirco, Inc. - Dupont Circle Building Lease - final negotiations; examination of title of property; preparation and execution of lease.

2. LaSalle Apartment Hotel, Inc. - LaSalle Building Lease - preparation of lease agreement.

3. Kane Moving Company - contract for moving contents of UNRRA warehouse - preparation of contract.

4. Kane Moving Company - contract for moving services - preparation of contract.



5. Dadian Hall - Agreement covering arrangements for hotel accommodations for UNRRA transient employees - preparation of contract.

6. Czechoslovak Office of Relief and Rehabilitation - sublease of office space and furniture - examination of contract and opinion.

7. Prepared draft of amendment to Emergency Food Collection contract to provide for the extension of Emergency Food Collection's use of UNRRA furniture at 100 Maiden Lane. Also prepared a release for United National Clothing Collection Inc., releasing them from obligations in their UNRRA contract relative to the same furniture.

### XIII. AGREEMENTS

1. Department of City Hospitals, New York - Nurse Teacher Training Program Agreement - clearance of legal questions involved in agreement with representatives of Department of Hospitals; preparation of agreement for execution by UNRRA and individual candidate nurses for program; arrangements made with State Department concerning visas for Candidate Nurses.

2. Unitarian Service Committee - Medical Teaching Program for Czechoslovakia - clearance of agreement for Health Division.

3. Brethren Service Committee - Farm Tractor Relief Plowing and Training Program - preparation of two preliminary drafts of agreement.

4. Department of Voluntary War Relief, National War Services of Canada - Canadian Clothing Drive - preparation of final agreement.

5. Emergency Food Collection, Inc. - handling of final phases of execution of agreement by parties.

### XIV. MISCELLANEOUS

1. Memorandum opinion to Internal Auditors concerning UNRRA's right to audit accounts of National Clothing Collection, Inc.

2. Preparation of Lease for Finance Division giving notice of transfer of UNRRA's interest in community canning packing contracts to Emergency Food Collection, Inc.

3. Letters to ERO and replies to attorneys regarding claims against various UNRRA overseas employees, in response to letters received by the Director General.

4. Clearance of various parts of Basic Headquarters and Basic Field Manuals for Procedural Control Branch.

5. Clearance of statement on privileges and immunities for Director General's quarterly report.



ARRANGEMENTS FOR WORK ON SATURDAYS

The question of compensatory time off for persons who are required to work on Saturdays was settled. A number of officials will work as usual on Saturdays, by their choice, and will require administrative and secretarial assistance. It will be very difficult to give these persons compensatory time off during the week, as for the most part they are key personnel in the Divisions and the regular work would therefore be interrupted. This matter had been discussed carefully, and it had been agreed in instances where it is not possible for a staff to take the compensatory leave that they would be given this time as terminal leave and payment would therefore be made in a lump sum as part of their accrued annual leave at the time their services are terminated.

CORRECTION: General Counsel's Report, May 1946, page 16, Section XV, paragraph D, 2nd sentence, should read: "It was agreed that action should be taken to prevent UNRRA from being compelled to pay both per diem and living allowances to these doctors."



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8 May 1946

MEMORANDUM

TO: A. E. Davidson  
FROM: Grace W. Tellier

*271 (General Counsel)  
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SUBJECT: Monthly Report for April, 1946.

1. CONTRACTS.

- (a) A supplement to the Lease Contract between UNRRA and Dadian-Hall was prepared for the Administrative Services Division.
- (b) A Contract for the purchase of Newfoundland herring was examined and approved for the Fish and Cod Liver Oil Branch.
- (c) A Lease Agreement between UNRRA and Martin Brothers for warehouse space was examined and rewritten and approved for the Administrative Services Division.
- (d) A Lease Contract between UNRRA and Kalorama Road, Inc., covering lease of warehouse space was prepared for the Administrative Services Division.
- (e) A Contract was prepared for the Welfare Division covering an agreement between UNRRA and the Unitarian Service Committee for a medical teaching project in Poland.
- (f) Negotiations are in process for the procurement of a new lease on Dupont Circle Building to take effect upon the expiration of the present lease which expires 30 June 1946.

2. TAXATION.

- (a) Negotiations are under way to obtain from the United States Government refund of taxes paid by UNRRA on behalf of non-American personnel.



7 May 1946

(b) Advice has been furnished to the several Divisions of the Administration on questions relating to UNRRA's exemption from the various kinds of Federal excise taxes, questions relating to U.S. income taxes, District of Columbia taxes, tax exemptions under Canadian law on per diem and other related subjects.

3. IMMIGRATION.

(a) Advice has been furnished the various Divisions of the Administration and individual personnel of UNRRA regarding immigration matters relating to 3(7) visas, customs duties, immigration laws governing citizenship, naturalization laws governing absence abroad for citizenship purposes and the various exemptions under immigration laws accorded by the Immunities legislation.

4. EMPLOYEES COMPENSATION PLAN.

(a) A letter was written to ERO stating the position of the General Counsel's office on the question of UNRRA's liability under A.O. No. 22 for the deaths of three UNRRA jeep drivers.

(b) A memorandum opinion was furnished the Insurance and Claims Branch on the question of UNRRA's liability under A.O. No. 22 to unsalaried publicity personnel. An Administrative Bulletin on the subject was changed and cleared.

(c) A letter was prepared and sent to ERO giving the interpretation of this office on the phrase "discharged for cause" as used in A.O. No. 22.

5. IMMUNITIES.

(a) Miscellaneous advice has been given on questions relating to the effect of U. S. Immunities legislation in respect to the Administration and its personnel, aside from matters pertaining to specific subjects, such as taxation and immigration. Copies of the interpretative analysis have been furnished in some instances and



follow-up discussions have taken place with the State Department concerning rules and regulations to implement the Immunities bill.

6. MISCELLANEOUS.

(a) Advice was furnished the Health Division concerning the legal sufficiency of a request letter to TVA for purchase of additional DDT thermal aerosol application preliminary to execution of a formal contract by the parties.

(b) Legal advice was furnished the Fish and Cod Liver Oil Branch concerning a change to be made in the bond of John T. Cheeseman in favor of UNRRA, executed in connection with a contract between the parties.

(c) A memorandum opinion was given the Insurance and Claims Branch on the question of the extent of UNRRA's liability under its contract with Greek War Relief for animals lost in transit from the United States to point of delivery to the Greek Government.

(d) Discussions have been had during the month with persons in the Finance Division concerning changes in the form of releases to be obtained from terminated employees.

(e) A number of Administrative Bulletins, Administrative Orders and Parts of Headquarters and Field Manuals have been cleared during the month for the Procedural Control Branch.

(f) Some further work was done on the question of whether UNRRA is subject to the Fair Standards Employment Act. The question has now been satisfactorily disposed of by Mr. Cobb.

(g) Advice was furnished the Finance Division concerning UNRRA's liability and the methods of payment and releases in connection with monies due estates of deceased employees.

(h) Clearance and a memorandum were given on charts prepared by the Controller's Office concerning procedures on contracts - processing contracts chargeable to administrative expense - from the standpoint of the General Counsel's office.



7 May 1946

(i) Advice was furnished the Procedural Control Branch as to the setup of the UNRRA Agreement and Resolutions of the Council in an Appendix to the UNRRA Manual.

(j) Memorandum opinion was given the Insurance and Claims Branch on the question of UNRRA's legal right to prosecute claims against ocean carriers.

(k) An investigation was made and a verbal opinion given the Controller's office on the question of UNRRA's legal right to request reimbursement from the Peruvian Government for monies advanced under a Letter of Credit for the procurement of fish in Peru. After determination of the question it became immaterial in view of new action taken by the parties.

(l) A memorandum opinion has been prepared but not yet transmitted to the Finance Division on the question of UNRRA's liability to pay cash to employees in lieu of repatriation expense where employees remain abroad.

(m) As a result of discussions with the Bureau of Finance and Administration, a review has been made of the question of whether UNRRA is required to pay its USPHS personnel abroad \$7.00 per diem in addition to living and quarters allowances in accordance with USPHS interpretation of Executive Order No. 9655 dated 14 November 1945. The USPHS interpretation is under consideration by the U. S. Bureau of the Budget and clearance of a letter from UNRRA to USPHS and a proposed administrative order to be issued by UNRRA on the subject are being held in abeyance pending receipt of this information.

(n) Discussions were had with the Internal Revenue Department as to UNRRA's probable position if requested to waive its immunity under the U. S. Immunities legislation to permit the Government to attach the salary of an UNRRA employee.

(o) The George E. Clarke claim against UNRRA, referred to in previous reports, has been disposed of.

(p) Assistance has been furnished the Fellowship Training Section in working out arrangements with the State Department for the entry into the United States of persons selected for the program.



A. E. Davidson

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7 May 1946

(q) Assistance was rendered the Office of Public Information in connection with a Power-of-Attorney for customs clearance of news-reel and other film.

CONTRACTS (Cont'd)

A Contract between UNRRA and the Canadian Government for a second clothing drive in Canada was drafted and held in abeyance pending clarification of UNRRA's policy on the subject.



RESTRICTED

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

TO: The Director General  
FROM: Alfred E. Davidson  
SUBJECT: Office of the General Counsel - Report for May 1946

271 (General Counsel)  
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I. APPROPRIATION

Participated in hearings before the House and Senate Conferees on the Second Supplemental Surplus Appropriation Rescission Act, 1946, with respect to the inclusion in that bill of a provision for transferring to UNRRA \$135,000,000 from a lend-lease appropriation. This provision was included in the Conference Report on the bill and was passed by the Senate and House and signed by the President on 27 May, 1946. The material which had been prepared for Congress in connection with the \$600 million appropriation was revised so as to apply to the remaining \$465 million.

II. RELATIONS WITH CONGRESS

A. Senate Small Business Committee. The Chairman of the Senate Small Business Committee will hold hearings as to the effect of the efforts of various world agencies to meet the world famine situation. The chairman is concerned over the tremendous fatal impact on many segments of American small business. The Committee desires hearings starting June 3 on that subject and they plan to examine thoroughly six points.

1. World supplies of various classes of food, including  
(a) grains, with particular reference to flour; (b) fats and oils;  
(c) meat and related commodities; and (d) sugar.
2. The relationship which such supplies and demand bear to one another in particular areas of the world.
3. The world demand for these same classes of food.
4. The contributions which the U.S. will be called upon to make to specific areas in order to eliminate famine and acute shortages.
5. The question of whether or not the contribution which the U.S. is called upon to make bears a reasonable relationship to the contribution which other countries will make.
6. The impact which such contribution as the U.S. makes will have on small business, particularly in the food industry in this country.

The Director General was asked to attend at 10:00, 6 June.



Careful preparation was made of material for the Director General before he goes to the hearings.

The Director General received a letter from Senator Murray, Chairman of the Senate Small Business Committee, which asked for immediate indication that certain information from UNRRA be provided. UNRRA supplied the information, and this office was responsible for assembling the data and dispatching it, in cooperation with the Food Division.

B. Information similar to that which was given to the Senate Small Business Committee was given to the House Agriculture Committee for food hearings. The date for these hearings was not set.

C. Congressional Mail. Letters have been answered covering the following subjects:

1. Information on distribution of UNRRA supplies.
2. Report of fraternization of UNRRA employees in Germany.
3. Sending of individual parcels to Poland, Italy, France, Germany.
4. Food collection inquiries.
5. Report of UNRRA's supply operations in Central Europe.
6. Reports that UNRRA food goes into black market.
7. Report of shipment of clothing collected in UNRRA-sponsored clothing drives.
8. Information on contribution of carload of wheat.
9. Report of misuse of UNRRA supplies in the Philippines.
10. Protest of misuse of private property in the American Zone of Germany by UNRRA for DP camp.
11. Inquiry of high tariffs imposed on gift packages to European countries.
12. Information on C.A.R.E.
13. Request for information regarding UNRRA assistance to Austria and Balkans.
14. Report on UNRRA's use of military food surpluses.
15. Sending money to individuals in Germany.

### III. FIFTH COUNCIL SESSION

This office has had primary responsibility for the agenda for the



Fifth Council Session to be convened August 2nd in Paris. Generally the agenda will include (1) recommendations as to future relief and rehabilitation activities, (2) report of the Director General, (3) consideration of Administration budgetary position for 1947, etc.

#### IV. CENTRAL COMMITTEE

A. The question of increasing the membership of the Committee on Supplies was considered. Mr. Pearson stated that Iceland no longer wanted to become a member. The Central Committee decided that the Ukraine, Greece and Poland are to be added to the Committee, subject to the withdrawal of Iceland.

B. The question of retaining on the Central Committee agenda the requisitioning of land in Austria was discussed. It was reported that at present it will be carried over on the agenda. It may be removed at the next meeting of the Central Committee if no further information is reported.

C. The rules of procedure of the Program Subcommittee of Central Committee were amended to take account of the new members added to the Central Committee.

D. Conclusion was reached at meeting of Subcommittee under Resolution 23, that Poland, Yugoslavia and Czechoslovakia would not be able to pay for relief and rehabilitation supplies in 1946.

#### V. LIAISON WITH INTERNATIONAL ORGANIZATIONS

##### A. FAO Conference

The Director General in his speech May 28 before the Special Session called by FAO, made the position of UNRRA clear. He indicated that only the UNRRA Council itself could divert funds allocated for UNRRA purposes and the existing funds of UNRRA would at the present moment be spent according to the directions of the Council. This means that UNRRA will be drawing up programs for the Far East through March 1947, and for Europe through December 1946. Actual deliveries of food are likely to be completed within that period but non-foodstuffs will undoubtedly run over those dates. The minimum life of UNRRA therefore extends into 1947. A cable making this clear was sent out to all UNRRA missions.

B. ILO Conference. A member of the General Counsel's Office attended the Conference as the UNRRA observer.

C. Economic and Social Council. The General Counsel made the necessary arrangements for UNRRA observers to give their viewpoints at the committee meetings when desirable. The Economic and Social Council at the recent New York meetings covered the obtaining of preliminary reports which had been submitted to the Council by temporary commissions on welfare, health, employment and production.

The creation of an International Health Organization was



discussed and those discussions will lead up to a meeting scheduled for 19 June at which it would consider drawing up a constitution and outlining the functions of the proposed organization.

The Economic and Social Council is to determine the relationship between this new organization and the Council itself. A representative from UNRRA will attend the meeting on 19 June.

There are three important points to be considered by the Council in which UNRRA is particularly concerned -- the problems of health and welfare functions, employment and production problems which would require some continuing organization to handle them after UNRRA operations have ceased, and the report from the Refugee Committee in London. After these reports and discussions have been heard they will be referred to the appropriate subcommittees which will in turn report back to the Social and Economic Council. The Council will then report to the General Assembly in September.

UNRRA experts will be permitted to sit in on the subcommittees and the Director General will be asked to make a statement in the Plenary Council.

#### VI. RELATIONS WITH FOREIGN GOVERNMENTS

A. The extension of the agreements with the Ukraine and Byelorussia was signed. It is a simple extension of the original agreements but continuing the commitment to use our best efforts to deliver the entire program before July 1st.

B. Request was received from the Bulgarian Political Representative in the U.S. for UNRRA assistance for Bulgaria. A reply was prepared stating that the Administration could not undertake such operations without the specific authorization of the Central Committee and offering to transmit to the Central Committee any official request made by the Bulgarian Government with the approval of the ACC. At the same time it was stipulated that any relief program for Bulgarians would be conditional on permission being granted for UNRRA to undertake operations in Bulgaria in accordance with Resolution 57.

C. Jews in Bulgaria. A letter has been received from the Bulgarian representative in Washington requesting an emergency program from UNRRA. The Director General will write a letter to him concerning the appropriate procedure to be followed through the Allied Control Commission in Bulgaria.

D. An inquiry was sent to ERO about a proposal made by the legal adviser for Southern Europe that an agreement should be concluded between UNRRA and the Egyptian Government. Opinions were given on the question of the propriety of the Italian Government collecting customs duties on UNRRA supplies for Italy. It was suggested that the requirements of financial policy and economic rehabilitation were more important than the text of the UNRRA Agreement and that the latter should be amended if necessary.



E. A study was made of comments made by the British War Office on the Draft of the UNRRA-SACMED Agreement. In general, the proposed alterations were acceptable to UNRRA.

F. The Korean Mission has departed. Two directives were given them in establishing a full scale program:

1. There is to be a single mission in Korea;
2. Indigenous and UNRRA supplies should flow freely between the northern and southern areas.

Mr. Sargent has been asked to report as quickly as possible upon arrival.

G. Admission of Turkey to CCE. The admission was approved. The Russians felt strongly that the Turks had not made any contribution and that their membership should be deferred until a real contribution had been made.

H. Mr. Bloom's Cable on Contributions. Mr. Sol. Bloom, chairman of the United Nations Committee on UNRRA, has been asked by the Committee to communicate with each member of UNRRA which has not contributed the full amount of the contributions recommended by the UNRRA Council, in order to secure the prompt availability of these contributions which are so urgently needed at this time. He cabled to Australia, Liberia, New Zealand, South Africa, India and the United States dated April 25, explaining the authority for the communication and saying in part:

"Knowing that you are fully aware of the present critical condition and critical need in countries receiving UNRRA's aid, I have the honor to bring the foregoing to your attention with full confidence that further action will be taken by your Government to help UNRRA meet this urgent need. Will you be good enough to advise me that your Government will join those United Nations who have already taken action in this crisis."

A summary of replies follows:

<u>Chile</u>	- Stocks reserved but no final commitment made.
<u>Philippines</u>	- Share of administrative expenses paid April 20.
<u>Guatemala</u>	- "Best consideration" being given matter.
<u>Colombia</u>	- Part payment -- Balance in September.
<u>Dominican Republic</u>	- Paid
<u>Honduras</u>	- First contribution paid, second contribution pending.



China - Will remit shortly

Yugoslavia- Ordered remittance for full amount of 1946 administrative expenses.

New Zealand-Second contribution will be made, subject to approval of Parliament.

Replies from Ambassadors in Washington for the following countries, indicating that they would get in touch with their governments requesting special attention to this matter, have been received:

Belgium	Haiti	Uruguay
Bolivia	India	U.S.S.R.
Costa Rica	Iraq	Venezuela
Czechoslovakia	Norway	Denmark
Ecuador	Panama	Turkey
Guatemala	Union of South Africa	Peru

Replies have not been received from:

Byelorussian S.S.R.	Liberia
Ukrainian S.S.R.	Iran
Polish Provisional Govt.	Iceland
Paraguay	Cuba
Nicaragua	Australia
Egypt	El Salvador
Netherlands	Ethiopia
Mexico	Greece
Luxembourg	

## VII. SUPPLY

A. An opinion was given that there was no objection to the Italian Government furnishing small quantities of UNRRA supplies to the Republic of San Marino provided that assurances were obtained that these supplies will be distributed in accordance with Council policies, that the Italian Government accounts to the Administration for the proceeds of sale and that it is understood that the Italian supply program will not be supplemented by amounts corresponding to the supplies furnished to San Marino. Letter was prepared for dispatch to ERO accordingly.

B. Balkan Stockpile. The military stockpile was spread three ways, among Greece, Yugoslavia and Albania. At the present time the Military is trying to make an accurate estimate of its value in all three countries. They have reduced the Greek liability by 12 million dollars. The Bureau of Supplies wishes at this time to allocate the saving among the three countries involved, pending the review in the other countries, a procedure with which this office does not agree.

C. Petroleum Contracts in China. In cable 2074 from Shanghai,



the China Office recommends the continuation of the contract for petroleum products with Texaco, in view of the availability of their stocks and facilities. The suggestion that the contract extend from 6 to 12 months to warrant Texaco to expand its facilities for UNRRA use. Hankow will become the major fueling point for CNRRA and UNRRA. The legal and financial implications were noted for this matter and it is a question whether it would be advisable to extend such a contract for as long as 12 months.

D. Protocol Supplies in the United Kingdom. The latest information concerning Russian protocol commodities in the U.K. has been discussed. Approximately 30,000,000 pounds are involved in this transaction. 12,000,000 pounds worth of supplies have already been delivered to the U.S.R.R. 18,000,000 pounds worth are left in the United Kingdom, and it is proposed that these be turned over to UNRRA to send to Byelorussia and the Ukraine as part of the program for these two Republics. The British are anxious to do this as a method of spending the U.K. sterling contribution and the USSR is also enthusiastic about receiving the supplies. Two difficulties have arisen -- a budgetary problem and the fact that the two Soviet programs are already almost entirely committed here in Washington. Consultations are now taking place between the Bureau of Supply and the Soviet Purchasing Commission in an effort to work out a compromise solution.

E. Clothing Collection in Australia. The Director General has agreed that the proposal of clothing collection in Australia shall go forward, with the understanding that no new funds are involved and that special care is given to the condition of the clothing contributed. Cable was sent to Sydney to this effect and the legal contract was begun.

F. Minesweepers in Yugoslavia. It was agreed among representatives of the State Department, U.S. Navy and British Navy, that

1. The previous orders given by the U.S. for withdrawal of its ten minesweepers from the Mediterranean for return to the U.S. are suspended and it is agreed that the sweepers will remain in the Mediterranean pending final clarification of current proposals.

2. The State Department and U.S. Navy have agreed to the use of the minesweepers by the Yugoslavs, subject to (1) their being turned over on the loan to the British Navy (2) a minimum of one Naval Officer being assigned to each sweeper manned by the Yugoslavs.

G. POL for Yugoslavia. There appears to be an unexpected slipup in the shuttle arrangements for POL at the Aquila installation, although it had been understood that the British Army would continue to operate. The tankers have apparently been turned back to the Italians and there is some complication concerning this operation. Inasmuch as the Aquila installation might now be turned over to UNRRA on 30 June, the legal, financial and supply arrangements are being considered to insure a smooth operation.

H. Surprop Procurement in China. The China Office has requested blanket authorization up to \$4,000,000 for surprop procurement in China.



As pointed out in cable 1920 from Shanghai, this procurement is seriously retarded by the present procedure which requires Washington authorization for the procurement of any property not listed on the designated form, and which makes no allowance for emergency requirements. The sudden discontinuance of military installations in China required the immediate disposal of surpluses by OFLC in Shanghai, and the China Office wished to benefit from it. For these reasons it requests blanket authorization up to \$4,000,000 and would keep Washington fully advised of all commitments. This matter is being followed.

I. Clothing Collection in Canada. The clothing collection in Canada will now go on, as a result of requests from the Canadian officials in charge to Prime Minister Mackenzie King and the decision of the Government to sponsor the drive. It will be carried out by the Government using funds left over from the previous drive, with the addition presumably of funds provided by the Government. It has been agreed that UNRRA will arrange to remove the clothing from the seaboard and distribute within the countries. The contract is presently being drawn.

J. Provision of Lire by Italy. Attention was given to cable 1018 from Rome concerning the extent to which UNRRA has made local currency available for other missions. The Italian Mission has cooperated fully in making lire available for other missions at all times without ever raising the issue, with the exception of Trieste. The Italian Government has made no decision as yet as to the acceptance or otherwise of Trieste liability but has requested that UNRRA consider granting relief for sums expended in Trieste, in view of the uncertain future of Trieste. Information has been received concerning the upper limit for the procurement of supplies and services available in Italy for relief and rehabilitation in other areas, and the matter is being considered.

K. Wallace Committee. The General Counsel was in New York the first week in May concerning the legal aspects of the food drive.

1. The services of the previous lawyers have been terminated and negotiations are in progress for a new firm to handle the work.

2. The General Counsel went over the draft contract with representatives of the Wallace Committee. Several operational questions were raised during the discussion: (1) whether the committee will use the cash contributions to make purchases themselves or whether they will turn this money over to UNRRA as a donation, (2) how much of the cash should be used for purchases and how much to keep UNRRA's revolving fund going, and (3) the method of allocation to be used.

Discussions were held in respect to (1) the understanding that the Wallace Committee would use the cash and handle the purchase themselves; (2) it would be necessary to set up a small Board of Directors, since the present 74-man committee would be too unwieldy to direct this action; (3) the voluntary societies would probably not be



brought in, since the New York group felt they would not get anything from the societies although they would wish to maintain their relations. It is understood that the supplies would be allocated to countries and not through any voluntary agencies.

L. Food Report. The Office collaborated with other members of the Administration in drawing up a resolution concerning the food report. It is felt the report should suggest an organization in general terms such as is suggested in the last paragraph of the Director General's report. This resolution will be presented by a Council member but the Administration will prepare a draft.

M. Discussions were held covering the following items:

1. Surplus Property Priorities and Bill (regarding effect of the new Bill), with War Assets Corporation and OWIMR, regarding UNRRA's status. These are the other non-priority purchasers. Negotiations to get UNRRA priority over commercial purchases. Further discussions with War Assets Corporation on individual items and on UNRRA preference position, including review of possible priorities.
2. Surplus Property Procurement - Miscellaneous, regarding procurement against U.K. contribution of U.S. surplus sold by the U.S. to the U.K., in light of Wherry inquiry. Cable sent to ERO.
3. Plan A - Clothing, with State Department regarding deal for provision of total remaining stockpile. Received and revised proposed requisition.
4. Grain, practicability and further increase in domestic extraction ratio. Memoranda for the Director General were prepared.
5. Austria, regarding General Clark's proposal to withhold thirty days' stocks to protect security in United States Zone. State was consulted in this matter.
6. Joint Procurement with Receiving Countries, covering review of proposed policy statement on coordination of UNRRA procurement, with receiving country procuring for its own account. Conferences were held with the various Country representatives.
7. Coal Procurement in Austria. Discontinuance of Military procurement, with State Department in light of present agreement.
8. Soya Flour, with Soya Corporation of America representative regarding means of getting flour to fulfil UNRRA contracts.
9. Greek Surplus Property Purchase, with OFLC and War Department regarding surplus property purchases proposed by the Greek Mission. The procedures to be used were examined.
10. Transshipment Through Czechoslovakia, of the possibility of payment by the Czechs for transshipment of Polish coal for Yugoslavia.



11. Contributed Supplies, regarding policy on budget charge for supplies donated by one country to UNRRA for another country, and covered proposed revision of policy on charging the costs on contributed supplies to Country Budget instead of Shipping Reserve.

N. Surplus Property Food in Hawaii. Review of surplus property act to determine method of getting surplus food in Hawaii without awaiting public offer. Arrangements were made for WAC to instruct Interior Department to allow food to go to UNRRA. Cable was sent to Hawaii giving these instructions (We obtained 90% of the food).

O. Greece. Proposal to borrow business machines from International Business Machine Corporation for Greece. Our position objecting to this proposal was sent to the Bureau of Supplies.

P. POL for Yugoslavia and Italy. The present status was reviewed. The U.K. War Office has agreed to hold on to Aquila until June 30. Consideration of possibility of getting ANPB to make direct shipment to Trieste on consignment to UNRRA. Memorandum was prepared on our current position policy with ANPB and appropriate procedures to be followed.

Q. POL for China. Investigated the proposal for a long-term contract with Texaco.

R. Food Program for Second Half of 1946. Review of proposed program and policy statement to Program Subcommittee.

S. Gondolas. Proposal for purchase of gondolas by UNRRA for exclusive use to ship coal to Italy and Yugoslavia.

T. North African Phosphates. Memorandum prepared on UNRRA's efforts to procure phosphates from North Africa.

U. UNRRA Food Position. Assembled information on UNRRA food position to date and transmitted to Congressman Biemiller, pursuant to his request for data which he could use in support of domestic restrictions.

V. Fats and Oils. Further study of domestic position and methods of increasing export supplies. Discussions and memoranda covering the above, with a letter for the Director General's signature, after review of current UNRRA figures and position.

W. Coal Procurement After June 30. Discussions of procedures and fiscal aspects with the State Department in relation to procurement for UNRRA countries and other liberated areas. The question of UNRRA as a purchasing agent was investigated.

X. Procurement in Germany. Consideration of possibility of using local currency of receiving country for supply and procurement.

Y. CARE. Further arrangements were made for Czechoslovakia. Cable was sent to Czechoslovakia Mission.



Z. Surplus Property Procurement - Miscellaneous. Checked surplus property purchases regarding State Department and Congressional inquiries as to whether UNRRA has acquired surplus property for speculators.

#### VIII. SHIPPING

A. Movement of Craft from U.S. to China. Obtained necessary clearances from State Department and Bureau of Customs to enable fishing craft to fly American flag on trip to China. Crews had refused to make trip over unless they flew U.S. flag. Arranged for Maritime Commission approval for transfer of title to fishing craft to UNRRA. Obtained State Department approval to use seaman's passports for members of crew remaining in China.

B. Method of Operation of Cattle Fitted Vessels. Conferred with WSA with respect to most feasible method of employing cattle fitted vessels for movement of UNRRA animals to Europe. While no final decision has been reached, current negotiations are on basis of consecutive voyage chartering of cattle fitted vessels on lump sum basis, rather than their operation by UNRRA under General Agency contracts with ship operators.

C. Use of Free Funds for Foreign Flag Vessels. Participated in conferences with State Department and WSA officials at which decision was reached that free funds would be used for chartering foreign flag vessels not American-owned.

D. Waiver of Claims Agreement. Participated in conferences to discuss continuation of waiver of claims agreement, handling negotiations with WSA for supplementing paragraph 8 of the Agreement to effect adjustments in freight rates to compensate UNRRA for advantages accruing to WSA under the waiver.

E. UNRRA's Shipping Deadlines. Analysis of industrial rehabilitation program to ascertain needs for extension of deadlines. All major items were covered in a memorandum.

F. Shipping of Receiving Countries. Conferences with Country representatives regarding implementing policy. Memorandum to Bureau of Supplies on proposed policy covering dollar and sterling payments.

#### IX. DISPLACED PERSONS

A. An opinion was given that displaced Polish Jews being repatriated to Poland from the USSR might, according to the principle of equitable distribution according to need, be eligible for certain supplementary supplies if they could be made available. A telegram was dispatched to ERO in accordance with this opinion.

B. At a meeting with the Department of Repatriation and Welfare, it was agreed that the requirement of Resolution 46 about displaced



persons in territories never occupied by the enemy should not be taken to place any definite downward limit on the "congregated groups" which UNRRA will repatriate; it was also agreed that a deadline of September 1 should be set for the receipt of any requests to repatriate displaced persons from such territories.

C. In response to a telegram from Budapest, an opinion was given that Resolution 91 does apply to Hungary, but that the functions of Administration personnel are limited to passing on any relevant information received and not to making inquiries on the spot or undertaking negotiations.

D. In connection with the implementation of Resolution 92, various discussions were held and cables prepared with the Repatriation and Welfare Division. A reply was prepared to the suggestions made by the Polish member of the Council for the implementation of this Resolution.

E. An opinion was given that former inmates of concentration camps in Austria are eligible for UNRRA assistance as displaced persons and telegram was dispatched to London in this sense.

F. U.N. Committee on Refugees. Two cables from London reported the deliberations of the UN Committee on Refugees (cables 5395 and 5396 from London). The Committee has finally voted that a specialized agency should be created with a separate budget, only very loosely linked with UN. Repatriation has been recognized as the most important function of the new organization. The United States has warned against difficulties of assisting in re-establishing persons repatriated in the countries of origin on the grounds of finance. The USSR has urged the retention of this function on the ground that persons being repatriated to devastated areas were in greater necessity of assistance in re-establishment than those resettled in new countries. It was noted that "the provision for the administration of the Refugee Organization appears to be pretty nearly unworkable since no executive authority is given to the Director General". It is felt that the proposed set-up could never work administratively since it is impossible to run an international organization by executive committees and carry out a really effective operation.

G. Jews in Bulgaria. The Allied Control Commission was not making a request in this matter, but the Administration is considering the question again with the State Department.

H. Displaced Persons Desiring to Remain in Germany. Discussions continue on the policy with respect to individuals who desire to remain in Germany. Cable 3919 from London lists the various categories including the following.

1. Persons married to Germans and unable or unwilling to return on that account.

2. Persons who can return but who hesitate to do so because their consciences are not quite clear regarding their behavior during the occupation.



3. Persons whose screening is still subjudice.
4. Persons who have been repatriated and have returned dissatisfied with conditions in their home country.
5. Persons with enemy national dependents in Germany whom they refuse to leave behind.
6. Persons already screened as eligible but awaiting transfer elsewhere by the military.

The cable says that the military are still in charge of a number of camps and screening is their responsibility. Arolsen is satisfied that generally speaking the only ineligibles still in camps administered entirely by UNRRA are those awaiting action by authorities other than UNRRA.

I. Displaced Persons in Italy. Cables 1130 from Rome and 6288 from London give the final arrangements concerning ineligible displaced persons in camps in Italy and UNRRA's responsibilities for these. All UNRRA's personnel have been withdrawn from camps in Bologna and Ancona areas, except ten persons remaining to clear up accounting and remove UNRRA stores and supplies. These persons have no operating or administrative responsibility for ineligibles and will be withdrawn by the end of the month. Certain medical personnel are still in Ancona camps pending the arrival of Allied Commission medical personnel, but will be withdrawn by the end of May. These camps were handed back to the Allied Commission on 21 May.

The only remaining camp to be handed back to the military is one near Naples where military personnel to relieve will not be available until 27 May.

The removal of ineligibles totaling 2000 from camps remaining under UNRRA jurisdiction will be completed by the end of May. Difficulties of transportation preclude an orderly completion of removal earlier than this. The Italian Mission says that although the deadline of 22 May has not been adhered to fully, the bulk of ineligibles are already disposed of and it is guaranteed that all UNRRA assistance, direct or indirect will be withdrawn by the end of May.

The more recent cable from London reports agreement on the deadline for the removal of UNRRA personnel from all camps with a high percentage of ineligibles should be extended to 10 June because, (a) the complete lack of personnel makes it impossible for the military to assume internal administration immediately, (b) immediate removal would leave camps unattended and their administration would become the problem of the Italian Government. (c) Such action would seriously impede repatriation and, (d) the return to the military of property and expendable supplies requires time for inventory and transfer formalities. ERO feels that the removal of ineligibles from camps will probably be completed sooner but that 10 June is a reasonable deadline. It is advised that this is a firm understanding which can be communicated to the Central Committee in the June 1 report.



J. Policy for Western European DP's in U.S. Zones in Germany. A meeting was held with General Hildring, who agreed to modify the USFET order in two respects:

1. The elimination of reference to the fact that action was taken at the request of the Governments, in order to preserve the principles of Resolutions 17 and 29.

2. An explanation of the fact that these Western European DP's are not being excluded because of any political religious or other beliefs but because they have expressed a desire to stay in Germany.

This information was sent by Cable to Arolsen and repeated to London.

K. Polish Displaced Persons in Mexico. It was reported that the Polish Government understood that the present arrangements for the care of 2,500 Polish displaced persons in Santo Rosa in Mexico will cease on 1 July. They were anxious to know UNRRA's position in assuming responsibility for these persons. The Mission requested information on the status of the takeover of these displaced persons and others in Canada, as previously requested for the information of the Polish Government.

#### XI. FINANCE

A. Reichsmarks for German Export Supply. Letter to the U.S. and U.K. dispatched. Letter to the U.K. covered sterling 10% proposal.

B. Surplus Property Price Review, regarding procedures to be followed regarding planes and covering trucks and similar items.

C. Italy. Discussions regarding local currency policy on trans-shipment and supplies.

D. Customs Drawback. Review of past UNRRA position and consideration of present policy.

E. South African Contribution. Coal shipments to Yugoslavia. Analysis of question of who bears expenses in connection with shipments through Trieste.

F. Reichsmarks for Transshipment in Germany. Discussions with U.S. and U.K. representatives to untangle difficulties inherent in the problem of Czechoslovakian shipments. Cables sent to ERO and Prague.

G. Austria. Payment for Soviet supplies under agreement, policy, and cable concerning sterling payment.

H. Brazil Textile Contract. Review and revision modifying price terms.

I. Reichsmarks for Amenity Supplies. Discussions with State, U.K.,



Treasury representative, resulting in cable to Arolsen. Letter of request was sent to the U.S., U.K., and France.

J. War Assets Corporation Surplus Property Procurement. Conferences regarding purchasing procedures after priority list. Revised administrative procedures regarding field purchases, and arrangements were made with Treasury Procurement.

## XII. CONTRACTS AND AGREEMENTS

Following contracts and agreements completed:

- A. Lease on building at 1359 Connecticut Avenue, N.W.-Louis Gaveris
- B. Lease for space in Otis Garage - Jack Stadler
- C. Contract for 1946 catch of Newfoundland codfish - Spain Exporters' Association.
- D. Amendment of Letter of Credit Agreement.
- E. Agreement between UNRRA and Unitarian Service Committee covering medical teaching project in Poland.

Contracts and agreements being negotiated:

- A. Lease on Dupont Circle Building
- B. Agreement between UNRRA and Division of Voluntary War Relief, Department of National War Services of Canada, for clothing drive in Canada.
- C. Agreement between UNRRA and Emergency Food Collection, Inc., for food collection drive.
- D. Agreement between UNRRA and Department of Hospitals of New York City for nurse - teacher program.

## XIII. TAXATION

Procured ruling from Internal Revenue Department on tax exemptions for Emergency Food Collection, Inc.

Procured ruling from Internal Revenue Department respecting UNRRA's exemption from transportation tax on Food Collection shipments.

## XIV. TRANSFER OF TITLE

At a meeting with the State Department a compromise was worked out concerning the retention of title to long-term equipment. UNRRA will retain title to ships and locomotives. As far as ships are concerned, UNRRA will retain title to these assuring the recipient country that they may be turned over at the conclusion of UNRRA's operation if it is



determined that the countries still need them and if they are to be used in accordance with UNRRA's policies.

#### XV. MISCELLANEOUS

A. Food Collections. The question of making further arrangements with paying governments was discussed. A memo has been prepared which reflects additional work for Weintraub's office in the calling forward of cargo, but since Food Collection cannot undertake this task UNRRA will work with the Governments on it.

B. The American Council for Voluntary Agencies met Thursday, May 23, to discuss their report on UNRRA's DP operations and their own future participation in these operations. The report questions the variation in general policy and specific directives to the field. There are several statements in the report which we feel should be challenged and then explained. Among the items is the clarification of UNRRA policy with regard to post-hostility refugees.

C. Women Voters League. Answered inquiries made by this organization on assistance to UNRRA.

D. The question of UNRRA's liability for per diem pay and living and quarters allowances for Public Health doctors working for UNRRA abroad was investigated. It was agreed no action should be taken to commit UNRRA to pay both per diem and living allowances to these doctors.

E. Oscar Schachter is on thirty-day leave of absence, assisting Abe Feller at UN who is preparing the Spanish case.

F. Passports for UNRRA Officials. The State Department has not yet replied on the question of passports for U.S. citizens going abroad for UNRRA but has promised (a) that they will report on specific passports for members of the Byelorussian Mission without fail, and (b) that they are confident that they can establish a procedure whereby Colonel Wood will be informed of the reasons for the denial of any passports to such officials in order that UNRRA may do something about the basis for such action and so that the Director General may decide what he wishes to do. The Director General had raised the question of employing persons before ascertaining whether they would be granted passports by the State Department. After checking, it was agreed that the present procedure does call for advance checking and that the present difficulties were caused because this procedure was not followed properly. The issuance of passports and visas has become a matter of policy rather than a question of decision on the basis of individual merit. It was felt that we should ascertain the reasons and procedures for the granting of passports.



RESTRICTED

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

TO: The Director General

FROM: Alfred E. Davidson

SUBJECT: Office of the General Counsel - Report for May 1946

I. APPROPRIATION

Participated in hearings before the House and Senate Conferees on the Second Supplemental Surplus Appropriation Rescission Act, 1946, with respect to the inclusion in that bill of a provision for transferring to UNRRA \$135,000,000 from a lend-lease appropriation. This provision was included in the Conference Report on the bill and was passed by the Senate and House and signed by the President on 27 May, 1946. The material which had been prepared for Congress in connection with the \$600 million appropriation was revised so as to apply to the remaining \$465 million.

II. RELATIONS WITH CONGRESS

A. Senate Small Business Committee. The Chairman of the Senate Small Business Committee will hold hearings as to the effect of the efforts of various world agencies to meet the world famine situation. The chairman is concerned over the tremendous fatal impact on many segments of American small business. The Committee desires hearings starting June 3 on that subject and they plan to examine thoroughly six points.

1. World supplies of various classes of food, including  
(a) grains, with particular reference to flour; (b) fats and oils;  
(c) meat and related commodities; and (d) sugar.
2. The relationship which such supplies and demand bear to one another in particular areas of the world.
3. The world demand for these same classes of food.
4. The contributions which the U.S. will be called upon to make to specific areas in order to eliminate famine and acute shortages.
5. The question of whether or not the contribution which the U.S. is called upon to make bears a reasonable relationship to the contribution which other countries will make.
6. The impact which such contribution as the U.S. makes will have on small business, particularly in the food industry in this country.

The Director General was asked to attend at 10:00, 6 June.



Careful preparation was made of material for the Director General before he goes to the hearings.

The Director General received a letter from Senator Murray, Chairman of the Senate Small Business Committee, which asked for immediate indication that certain information from UNRRA be provided. UNRRA supplied the information, and this office was responsible for assembling the data and dispatching it, in cooperation with the Food Division.

B. Information similar to that which was given to the Senate Small Business Committee was given to the House Agriculture Committee for food hearings. The date for these hearings was not set.

C. Congressional Mail. Letters have been answered covering the following subjects:

1. Information on distribution of UNRRA supplies.
2. Report of fraternization of UNRRA employees in Germany.
3. Sending of individual parcels to Poland, Italy, France, Germany.
4. Food collection inquiries.
5. Report of UNRRA's supply operations in Central Europe.
6. Reports that UNRRA food goes into black market.
7. Report of shipment of clothing collected in UNRRA-sponsored clothing drives.
8. Information on contribution of carload of wheat.
9. Report of misuse of UNRRA supplies in the Philippines.
10. Protest of misuse of private property in the American Zone of Germany by UNRRA for DP camp.
11. Inquiry of high tariffs imposed on gift packages to European countries.
12. Information on C.A.R.E.
13. Request for information regarding UNRRA assistance to Austria and Balkans.
14. Report on UNRRA's use of military food surpluses.
15. Sending money to individuals in Germany.

### III. FIFTH COUNCIL SESSION

This office has had primary responsibility for the agenda for the



Fifth Council Session to be convened August 2nd in Paris. Generally the agenda will include (1) recommendations as to future relief and rehabilitation activities, (2) report of the Director General, (3) consideration of Administration budgetary position for 1947, etc.

#### IV. CENTRAL COMMITTEE

A. The question of increasing the membership of the Committee on Supplies was considered. Mr. Pearson stated that Iceland no longer wanted to become a member. The Central Committee decided that the Ukraine, Greece and Poland are to be added to the Committee, subject to the withdrawal of Iceland.

B. The question of retaining on the Central Committee agenda the requisitioning of land in Austria was discussed. It was reported that at present it will be carried over on the agenda. It may be removed at the next meeting of the Central Committee if no further information is reported.

C. The rules of procedure of the Program Subcommittee of Central Committee were amended to take account of the new members added to the Central Committee.

D. Conclusion was reached at meeting of Subcommittee under Resolution 23, that Poland, Yugoslavia and Czechoslovakia would not be able to pay for relief and rehabilitation supplies in 1946.

#### V. LIAISON WITH INTERNATIONAL ORGANIZATIONS

##### A. FAO Conference

The Director General in his speech May 28 before the Special Session called by FAO, made the position of UNRRA clear. He indicated that only the UNRRA Council itself could divert funds allocated for UNRRA purposes and the existing funds of UNRRA would at the present moment be spent according to the directions of the Council. This means that UNRRA will be drawing up programs for the Far East through March 1947, and for Europe through December 1946. Actual deliveries of food are likely to be completed within that period but non-foodstuffs will undoubtedly run over those dates. The minimum life of UNRRA therefore extends into 1947. A cable making this clear was sent out to all UNRRA missions.

B. ILO Conference. A member of the General Counsel's Office attended the Conference as the UNRRA observer.

C. Economic and Social Council. The General Counsel made the necessary arrangements for UNRRA observers to give their viewpoints at the committee meetings when desirable. The Economic and Social Council at the recent New York meetings covered the obtaining of preliminary reports which had been submitted to the Council by temporary commissions on welfare, health, employment and production.

The creation of an International Health Organization was



discussed and those discussions will lead up to a meeting scheduled for 19 June at which it would consider drawing up a constitution and outlining the functions of the proposed organization.

The Economic and Social Council is to determine the relationship between this new organization and the Council itself. A representative from UNRRA will attend the meeting on 19 June.

There are three important points to be considered by the Council in which UNRRA is particularly concerned -- the problems of health and welfare functions, employment and production problems which would require some continuing organization to handle them after UNRRA operations have ceased, and the report from the Refugee Committee in London. After these reports and discussions have been heard they will be referred to the appropriate subcommittees which will in turn report back to the Social and Economic Council. The Council will then report to the General Assembly in September.

UNRRA experts will be permitted to sit in on the subcommittees and the Director General will be asked to make a statement in the Plenary Council.

#### VI. RELATIONS WITH FOREIGN GOVERNMENTS

A. The extension of the agreements with the Ukraine and Byelorussia was signed. It is a simple extension of the original agreements but continuing the commitment to use our best efforts to deliver the entire program before July 1st.

B. Request was received from the Bulgarian Political Representative in the U.S. for UNRRA assistance for Bulgaria. A reply was prepared stating that the Administration could not undertake such operations without the specific authorization of the Central Committee and offering to transmit to the Central Committee any official request made by the Bulgarian Government with the approval of the ACC. At the same time it was stipulated that any relief program for Bulgarians would be conditional on permission being granted for UNRRA to undertake operations in Bulgaria in accordance with Resolution 57.

C. Jews in Bulgaria. A letter has been received from the Bulgarian representative in Washington requesting an emergency program from UNRRA. The Director General will write a letter to him concerning the appropriate procedure to be followed through the Allied Control Commission in Bulgaria.

D. An inquiry was sent to ERO about a proposal made by the legal adviser for Southern Europe that an agreement should be concluded between UNRRA and the Egyptian Government. Opinions were given on the question of the propriety of the Italian Government collecting customs duties on UNRRA supplies for Italy. It was suggested that the requirements of financial policy and economic rehabilitation were more important than the text of the UNRRA Agreement and that the latter should be amended if necessary.



E. A study was made of comments made by the British War Office on the Draft of the UNRRA-SACMED Agreement. In general, the proposed alterations were acceptable to UNRRA.

F. The Korean Mission has departed. Two directives were given them in establishing a full scale program:

1. There is to be a single mission in Korea;
2. Indigenous and UNRRA supplies should flow freely between the northern and southern areas.

Mr. Sargent has been asked to report as quickly as possible upon arrival.

G. Admission of Turkey to CCE. The admission was approved. The Russians felt strongly that the Turks had not made any contribution and that their membership should be deferred until a real contribution had been made.

H. Mr. Bloom's Cable on Contributions. Mr. Sol. Bloom, chairman of the United Nations Committee on UNRRA, has been asked by the Committee to communicate with each member of UNRRA which has not contributed the full amount of the contributions recommended by the UNRRA Council, in order to secure the prompt availability of these contributions which are so urgently needed at this time. He cabled to Australia, Liberia, New Zealand, South Africa, India and the United States dated April 25, explaining the authority for the communication and saying in part:

"Knowing that you are fully aware of the present critical condition and critical need in countries receiving UNRRA's aid, I have the honor to bring the foregoing to your attention with full confidence that further action will be taken by your Government to help UNRRA meet this urgent need. Will you be good enough to advise me that your Government will join those United Nations who have already taken action in this crisis."

A summary of replies follows:

<u>Chile</u>	- Stocks reserved but no final commitment made.
<u>Philippines</u>	- Share of administrative expenses paid April 20.
<u>Guatemala</u>	- "Best consideration" being given matter.
<u>Colombia</u>	- Part payment -- Balance in September.
<u>Dominican Republic</u>	- Paid
<u>Honduras</u>	- First contribution paid, second contribution pending.



China - Will remit shortly

Yugoslavia- Ordered remittance for full amount of 1946 administrative expenses.

New Zealand-Second contribution will be made, subject to approval of Parliament.

Replies from Ambassadors in Washington for the following countries, indicating that they would get in touch with their governments requesting special attention to this matter, have been received:

Belgium	Haiti	Uruguay
Bolivia	India	U.S.S.R.
Costa Rica	Iraq	Venezuela
Czechoslovakia	Norway	Denmark
Ecuador	Panama	Turkey
Guatemala	Union of South Africa	Peru

Replies have not been received from:

Byelorussian S.S.R.	Liberia
Ukrainian S.S.R.	Iran
Polish Provisional Govt.	Iceland
Paraguay	Cuba
Nicaragua	Australia
Egypt	El Salvador
Netherlands	Ethiopia
Mexico	Greece
Luxembourg	

## VII. SUMMARY

A. An opinion was given that there was no objection to the Italian Government furnishing small quantities of UNRRA supplies to the Republic of San Marino provided that assurances were obtained that these supplies will be distributed in accordance with Council policies, that the Italian Government accounts to the Administration for the proceeds of sale and that it is understood that the Italian supply program will not be supplemented by amounts corresponding to the supplies furnished to San Marino. Letter was prepared for dispatch to ERO accordingly.

B. Balkan Stockpile. The military stockpile was spread three ways, among Greece, Yugoslavia and Albania. At the present time the Military is trying to make an accurate estimate of its value in all three countries. They have reduced the Greek liability by 12 million dollars. The Bureau of Supplies wishes at this time to allocate the saving among the three countries involved, pending the review in the other countries, a procedure with which this office does not agree.

C. Petroleum Contracts in China. In cable 2074 from Shanghai,



the China Office recommends the continuation of the contract for petroleum products with Texaco, in view of the availability of their stocks and facilities. The suggestion that the contract extend from 6 to 12 months to warrant Texaco to expand its facilities for UNRRA use. Hankow will become the major fueling point for CNRRA and UNRRA. The legal and financial implications were noted for this matter and it is a question whether it would be advisable to extend such a contract for as long as 12 months.

D. Protocol Supplies in the United Kingdom. The latest information concerning Russian protocol commodities in the U.K. has been discussed. Approximately 30,000,000 pounds are involved in this transaction. 12,000,000 pounds worth of supplies have already been delivered to the U.S.R.R. 18,000,000 pounds worth are left in the United Kingdom, and it is proposed that these be turned over to UNRRA to send to Byelorussia and the Ukraine as part of the program for these two Republics. The British are anxious to do this as a method of spending the U.K. sterling contribution and the USSR is also enthusiastic about receiving the supplies. Two difficulties have arisen -- a budgetary problem and the fact that the two Soviet programs are already almost entirely committed here in Washington. Consultations are now taking place between the Bureau of Supply and the Soviet Purchasing Commission in an effort to work out a compromise solution.

E. Clothing Collection in Australia. The Director General has agreed that the proposal of clothing collection in Australia shall go forward, with the understanding that no new funds are involved and that special care is given to the condition of the clothing contributed. Cable was sent to Sydney to this effect and the legal contract was begun.

F. Minesweepers in Yugoslavia. It was agreed among representatives of the State Department, U.S. Navy and British Navy, that

1. The previous orders given by the U.S. for withdrawal of its ten minesweepers from the Mediterranean for return to the U.S. are suspended and it is agreed that the sweepers will remain in the Mediterranean pending final clarification of current proposals.

2. The State Department and U.S. Navy have agreed to the use of the minesweepers by the Yugoslavs, subject to (1) their being turned over on the loan to the British Navy (2) a minimum of one Naval Officer being assigned to each sweeper manned by the Yugoslavs.

G. POL for Yugoslavia. There appears to be an unexpected slipup in the shuttle arrangements for POL at the Aquila installation, although it had been understood that the British Army would continue to operate. The tankers have apparently been turned back to the Italians and there is some complication concerning this operation. Inasmuch as the Aquila installation might now be turned over to UNRRA on 30 June, the legal, financial and supply arrangements are being considered to insure a smooth operation.

H. Surprop Procurement in China. The China Office has requested blanket authorization up to \$4,000,000 for surprop procurement in China.



As pointed out in cable 1920 from Shanghai, this procurement is seriously retarded by the present procedure which requires Washington authorization for the procurement of any property not listed on the designated form, and which makes no allowance for emergency requirements. The sudden discontinuance of military installations in China required the immediate disposal of surpluses by OFLC in Shanghai, and the China Office wished to benefit from it. For these reasons it requests blanket authorization up to \$4,000,000 and would keep Washington fully advised of all commitments. This matter is being followed.

I. Clothing Collection in Canada. The clothing collection in Canada will now go on, as a result of requests from the Canadian officials in charge to Prime Minister Mackenzie King and the decision of the Government to sponsor the drive. It will be carried out by the Government using funds left over from the previous drive, with the addition presumably of funds provided by the Government. It has been agreed that UNRRA will arrange to remove the clothing from the seaboard and distribute within the countries. The contract is presently being drawn.

J. Provision of Lire by Italy. Attention was given to cable 1018 from Rome concerning the extent to which UNRRA has made local currency available for other missions. The Italian Mission has cooperated fully in making lire available for other missions at all times without ever raising the issue, with the exception of Trieste. The Italian Government has made no decision as yet as to the acceptance or otherwise of Trieste liability but has requested that UNRRA consider granting relief for sums expended in Trieste, in view of the uncertain future of Trieste. Information has been received concerning the upper limit for the procurement of supplies and services available in Italy for relief and rehabilitation in other areas, and the matter is being considered.

K. Wallace Committee. The General Counsel was in New York the first week in May concerning the legal aspects of the food drive.

1. The services of the previous lawyers have been terminated and negotiations are in progress for a new firm to handle the work.

2. The General Counsel went over the draft contract with representatives of the Wallace Committee. Several operational questions were raised during the discussion: (1) whether the committee will use the cash contributions to make purchases themselves or whether they will turn this money over to UNRRA as a donation, (2) how much of the cash should be used for purchases and how much to keep UNRRA's revolving fund going, and (3) the method of allocation to be used.

Discussions were held in respect to (1) the understanding that the Wallace Committee would use the cash and handle the purchase themselves; (2) it would be necessary to set up a small Board of Directors, since the present 74-man committee would be too unwieldy to direct this action; (3) the voluntary societies would probably not be



brought in, since the New York group felt they would not get anything from the societies although they would wish to maintain their relations. It is understood that the supplies would be allocated to countries and not through any voluntary agencies.

L. Food Report. The Office collaborated with other members of the Administration in drawing up a resolution concerning the food report. It is felt the report should suggest an organization in general terms such as is suggested in the last paragraph of the Director General's report. This resolution will be presented by a Council member but the Administration will prepare a draft.

M. Discussions were held covering the following items:

1. Surplus Property Priorities and Bill (regarding effect of the new Bill), with War Assets Corporation and OWMR, regarding UNRRA's status. These are the other non-priority purchasers. Negotiations to get UNRRA priority over commercial purchases. Further discussions with War Assets Corporation on individual items and on UNRRA preference position, including review of possible priorities.

2. Surplus Property Procurement - Miscellaneous, regarding procurement against U.K. contribution of U.S. surplus sold by the U.S. to the U.K., in light of Wherry inquiry. Cable sent to ERO.

3. Plan A - Clothing, with State Department regarding deal for provision of total remaining stockpile. Received and revised proposed requisition.

4. Grain, practicability and further increase in domestic extraction ratio. Memoranda for the Director General were prepared.

5. Austria, regarding General Clark's proposal to withhold thirty days' stocks to protect security in United States Zone. State was consulted in this matter.

6. Joint Procurement with Receiving Countries, covering review of proposed policy statement on coordination of UNRRA procurement, with receiving country procuring for its own account. Conferences were held with the various Country representatives.

7. Coal Procurement in Austria. Discontinuance of Military procurement, with State Department in light of present agreement.

8. Soya Flour, with Soya Corporation of America representative regarding means of getting flour to fulfil UNRRA contracts.

9. Greek Surplus Property Purchase, with OFLC and War Department regarding surplus property purchases proposed by the Greek Mission. The procedures to be used were examined.

10. Transshipment Through Czechoslovakia, of the possibility of payment by the Czechs for transshipment of Polish coal for Yugoslavia.



11. Contributed Supplies, regarding policy on budget charge for supplies donated by one country to UNRRA for another country, and covered proposed revision of policy on charging the costs on contributed supplies to Country Budget instead of Shipping Reserve.

N. Surplus Property Food in Hawaii. Review of surplus property act to determine method of getting surplus food in Hawaii without awaiting public offer. Arrangements were made for WAC to instruct Interior Department to allow food to go to UNRRA. Cable was sent to Hawaii giving these instructions (We obtained 90% of the food).

O. Greece. Proposal to borrow business machines from International Business Machine Corporation for Greece. Our position objecting to this proposal was sent to the Bureau of Supplies.

P. POL for Yugoslavia and Italy. The present status was reviewed. The U.K. War Office has agreed to hold on to Aquila until June 30. Consideration of possibility of getting ANPB to make direct shipment to Trieste on consignment to UNRRA. Memorandum was prepared on our current position policy with ANPB and appropriate procedures to be followed.

Q. POL for China. Investigated the proposal for a long-term contract with Texaco.

R. Food Program for Second Half of 1946. Review of proposed program and policy statement to Program Subcommittee.

S. Gondolas. Proposal for purchase of gondolas by UNRRA for exclusive use to ship coal to Italy and Yugoslavia.

T. North African Phosphates. Memorandum prepared on UNRRA's efforts to procure phosphates from North Africa.

U. Domestic Food Position. Assembled information on UNRRA food position to date and transmitted to Congressman Biemiller, pursuant to his request for data which he could use in support of domestic restrictions.

V. Fats and Oils. Further study of domestic position and methods of increasing export supplies. Discussions and memoranda covering the above, with a letter for the Director General's signature, after review of current UNRRA figures and position.

W. Coal Procurement After June 30. Discussions of procedures and fiscal aspects with the State Department in relation to procurement for UNRRA countries and other liberated areas. The question of UNRRA as a purchasing agent was investigated.

X. Procurement in Germany. Consideration of possibility of using local currency of receiving country for supply and procurement.

Y. CARE. Further arrangements were made for Czechoslovakia. Cable was sent to Czechoslovakia Mission.



Z. Surplus Property Procurement - Miscellaneous. Checked surplus property purchases regarding State Department and Congressional inquiries as to whether UNRRA has acquired surplus property for speculators.

### VIII. SHIPPING

A. Movement of Craft from U.S. to China. Obtained necessary clearances from State Department and Bureau of Customs to enable fishing craft to fly American flag on trip to China. Crews had refused to make trip over unless they flew U.S. flag. Arranged for Maritime Commission approval for transfer of title to fishing craft to UNRRA. Obtained State Department approval to use seaman's passports for members of crew remaining in China.

B. Method of Operation of Cattle Fitted Vessels. Conferred with WSA with respect to most feasible method of employing cattle fitted vessels for movement of UNRRA animals to Europe. While no final decision has been reached, current negotiations are on basis of consecutive voyage chartering of cattle fitted vessels on lump sum basis, rather than their operation by UNRRA under General Agency contracts with ship operators.

C. Use of Free Funds for Foreign Flag Vessels. Participated in conferences with State Department and WSA officials at which decision was reached that free funds would be used for chartering foreign flag vessels not American-owned.

D. Waiver of Claims Agreement. Participated in conferences to discuss continuation of waiver of claims agreement, handling negotiations with WSA for supplementing paragraph 8 of the Agreement to effect adjustments in freight rates to compensate UNRRA for advantages accruing to WSA under the waiver.

E. UNRRA's Shipping Deadlines. Analysis of industrial rehabilitation program to ascertain needs for extension of deadlines. All major items were covered in a memorandum.

F. Shipping of Receiving Countries. Conferences with Country representatives regarding implementing policy. Memorandum to Bureau of Supplies on proposed policy covering dollar and sterling payments.

### IX. DISPLACED PERSONS

A. An opinion was given that displaced Polish Jews being repatriated to Poland from the USSR might, according to the principle of equitable distribution according to need, be eligible for certain supplementary supplies if they could be made available. A telegram was dispatched to ERO in accordance with this opinion.

B. At a meeting with the Department of Repatriation and Welfare, it was agreed that the requirement of Resolution 46 about displaced



persons in territories never occupied by the enemy should not be taken to place any definite downward limit on the "congregated groups" which UNRRA will repatriate; it was also agreed that a deadline of September 1 should be set for the receipt of any requests to repatriate displaced persons from such territories.

C. In response to a telegram from Budapest, an opinion was given that Resolution 91 does apply to Hungary, but that the functions of Administration personnel are limited to passing on any relevant information received and not to making inquiries on the spot or undertaking negotiations.

D. In connection with the implementation of Resolution 92, various discussions were held and cables prepared with the Repatriation and Welfare Division. A reply was prepared to the suggestions made by the Polish member of the Council for the implementation of this Resolution.

E. An opinion was given that former inmates of concentration camps in Austria are eligible for UNRRA assistance as displaced persons and telegram was dispatched to London in this sense.

F. U.N. Committee on Refugees. Two cables from London reported the deliberations of the UN Committee on Refugees (cables 5395 and 5396 from London). The Committee has finally voted that a specialized agency should be created with a separate budget, only very loosely linked with UN. Repatriation has been recognized as the most important function of the new organization. The United States has warned against difficulties of assisting in re-establishing persons repatriated in the countries of origin on the grounds of finance. The USSR has urged the retention of this function on the ground that persons being repatriated to devastated areas were in greater necessity of assistance in re-establishment than those resettled in new countries. It was noted that "the provision for the administration of the Refugee Organization appears to be pretty nearly unworkable since no executive authority is given to the Director General". It is felt that the proposed set-up could never work administratively since it is impossible to run an international organization by executive committees and carry out a really effective operation.

G. Jews in Bulgaria. The Allied Control Commission was not making a request in this matter, but the Administration is considering the question again with the State Department.

H. Displaced Persons Desiring to Remain in Germany. Discussions continue on the policy with respect to individuals who desire to remain in Germany. Cable 3919 from London lists the various categories including the following.

1. Persons married to Germans and unable or unwilling to return on that account.

2. Persons who can return but who hesitate to do so because their consciences are not quite clear regarding their behavior during the occupation.



3. Persons whose screening is still subjudice.
4. Persons who have been repatriated and have returned dissatisfied with conditions in their home country.
5. Persons with enemy national dependents in Germany whom they refuse to leave behind.
6. Persons already screened as eligible but awaiting transfer elsewhere by the military.

The cable says that the military are still in charge of a number of camps and screening is their responsibility. Arolsen is satisfied that generally speaking the only ineligibles still in camps administered entirely by UNRRA are those awaiting action by authorities other than UNRRA.

I. Displaced Persons in Italy. Cables 1130 from Rome and 6288 from London give the final arrangements concerning ineligible displaced persons in camps in Italy and UNRRA's responsibilities for these. All UNRRA's personnel have been withdrawn from camps in Bologna and Ancona areas, except ten persons remaining to clear up accounting and remove UNRRA stores and supplies. These persons have no operating or administrative responsibility for ineligibles and will be withdrawn by the end of the month. Certain medical personnel are still in Ancona camps pending the arrival of Allied Commission medical personnel, but will be withdrawn by the end of May. These camps were handed back to the Allied Commission on 21 May.

The only remaining camp to be handed back to the military is one near Naples where military personnel to relieve will not be available until 27 May.

The removal of ineligibles totaling 2000 from camps remaining under UNRRA jurisdiction will be completed by the end of May. Difficulties of transportation preclude an orderly completion of removal earlier than this. The Italian Mission says that although the deadline of 22 May has not been adhered to fully, the bulk of ineligibles are already disposed of and it is guaranteed that all UNRRA assistance, direct or indirect will be withdrawn by the end of May.

The more recent cable from London reports agreement on the deadline for the removal of UNRRA personnel from all camps with a high percentage of ineligibles should be extended to 10 June because, (a) the complete lack of personnel makes it impossible for the military to assume internal administration immediately, (b) immediate removal would leave camps unattended and their administration would become the problem of the Italian Government. (c) Such action would seriously impede repatriation and, (d) the return to the military of property and expendable supplies requires time for inventory and transfer formalities. ERO feels that the removal of ineligibles from camps will probably be completed sooner but that 10 June is a reasonable deadline. It is advised that this is a firm understanding which can be communicated to the Central Committee in the June 1 report.



J. Policy for Western European DP's in U.S. Zones in Germany. A meeting was held with General Hildring, who agreed to modify the USFET order in two respects:

1. The elimination of reference to the fact that action was taken at the request of the Governments, in order to preserve the principles of Resolutions 17 and 29.

2. An explanation of the fact that these Western European DP's are not being excluded because of any political religious or other beliefs but because they have expressed a desire to stay in Germany.

This information was sent by Cable to Arolsen and repeated to London.

K. Polish Displaced Persons in Mexico. It was reported that the Polish Government understood that the present arrangements for the care of 2,500 Polish displaced persons in Santo Rosa in Mexico will cease on 1 July. They were anxious to know UNRRA's position in assuming responsibility for these persons. The Mission requested information on the status of the takeover of these displaced persons and others in Canada, as previously requested for the information of the Polish Government.

#### XI. FINANCE

A. Reichsmarks for German Export Supply. Letter to the U.S. and U.K. dispatched. Letter to the U.K. covered sterling 10% proposal.

B. Surplus Property Price Review, regarding procedures to be followed regarding planes and covering trucks and similar items.

C. Italy. Discussions regarding local currency policy on transshipment and supplies.

D. Customs Drawback. Review of past UNRRA position and consideration of present policy.

E. South African Contribution. Coal shipments to Yugoslavia. Analysis of question of who bears expenses in connection with shipments through Trieste.

F. Reichsmarks for Transshipment in Germany. Discussions with U.S. and U.K. representatives to untangle difficulties inherent in the problem of Czechoslovakian shipments. Cables sent to ERO and Prague.

G. Austria. Payment for Soviet supplies under agreement, policy, and cable concerning sterling payment.

H. Brazil Textile Contract. Review and revision modifying price terms.

I. Reichsmarks for Amenity Supplies. Discussions with State, U.K.,



Treasury representative, resulting in cable to Arolsen. Letter of request was sent to the U.S., U.K., and France.

J. War Assets Corporation Surplus Property Procurement. Conferences regarding purchasing procedures after priority list. Revised administrative procedures regarding field purchases, and arrangements were made with Treasury Procurement.

## XII. CONTRACTS AND AGREEMENTS

Following contracts and agreements completed:

- A. Lease on building at 1359 Connecticut Avenue, N.W.-Louis Gaveris
- B. Lease for space in Otis Garage - Jack Stadler
- C. Contract for 1946 catch of Newfoundland codfish - Spain Exporters' Association.
- D. Amendment of Letter of Credit Agreement.
- E. Agreement between UNRRA and Unitarian Service Committee covering medical teaching project in Poland.

Contracts and agreements being negotiated:

- A. Lease on Dupont Circle Building
- B. Agreement between UNRRA and Division of Voluntary War Relief, Department of National War Services of Canada, for clothing drive in Canada.
- C. Agreement between UNRRA and Emergency Food Collection, Inc., for food collection drive.
- D. Agreement between UNRRA and Department of Hospitals of New York City for nurse - teacher program.

## XIII. TAXATION

Procured ruling from Internal Revenue Department on tax exemptions for Emergency Food Collection, Inc.

Procured ruling from Internal Revenue Department respecting UNRRA's exemption from transportation tax on Food Collection shipments.

## XIV. TRANSFER OF TITLE

At a meeting with the State Department a compromise was worked out concerning the retention of title to long-term equipment. UNRRA will retain title to ships and locomotives. As far as ships are concerned, UNRRA will retain title to these assuring the recipient country that they may be turned over at the conclusion of UNRRA's operation if it is



determined that the countries still need them and if they are to be used in accordance with UNRRA's policies.

#### XV. MISCELLANEOUS

A. Food Collections. The question of making further arrangements with paying governments was discussed. A memo has been prepared which reflects additional work for Weintraub's office in the calling forward of cargo, but since Food Collection cannot undertake this task UNRRA will work with the Governments on it.

B. The American Council for Voluntary Agencies met Thursday, May 23, to discuss their report on UNRRA's DP operations and their own future participation in these operations. The report questions the variation in general policy and specific directives to the field. There are several statements in the report which we feel should be challenged and then explained. Among the items is the clarification of UNRRA policy with regard to post-hostility refugees.

C. Women Voters League. Answered inquiries made by this organization on assistance to UNRRA.

D. The question of UNRRA's liability for per diem pay and living and quarters allowances for Public Health doctors working for UNRRA abroad was investigated. It was agreed no action should be taken to commit UNRRA to pay both per diem and living allowances to these doctors.

E. Oscar Schachter is on thirty-day leave of absence, assisting Abe Feller at UN who is preparing the Spanish case.

F. Passports for UNRRA Officials. The State Department has not yet replied on the question of passports for U.S. citizens going abroad for UNRRA but has promised (a) that they will report on specific passports for members of the Byelorussian Mission without fail, and (b) that they are confident that they can establish a procedure whereby Colonel Wood will be informed of the reasons for the denial of any passports to such officials in order that UNRRA may do something about the basis for such action and so that the Director General may decide what he wishes to do. The Director General had raised the question of employing persons before ascertaining whether they would be granted passports by the State Department. After checking, it was agreed that the present procedure does call for advance checking and that the present difficulties were caused because this procedure was not followed properly. The issuance of passports and visas has become a matter of policy rather than a question of decision on the basis of individual merit. It was felt that we should ascertain the reasons and procedures for the granting of passports.



271 - General Counsel  
RESTRICTED  
UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

*Monthly Rep*  
DIRECTOR GENERAL

TO: The Director General  
FROM: Alfred E. Davidson  
SUBJECT: Office of the General Counsel - Report for May 1946

JUL 2 1946

U. N. R. R. A.

I. APPROPRIATION

Participated in hearings before the House and Senate Conferees on the Second Supplemental Surplus Appropriation Rescission Act, 1946, with respect to the inclusion in that bill of a provision for transferring to UNRRA \$135,000,000 from a lend-lease appropriation. This provision was included in the Conference Report on the bill and was passed by the Senate and House and signed by the President on 27 May, 1946. The material which had been prepared for Congress in connection with the \$600 million appropriation was revised so as to apply to the remaining \$465 million.

II. RELATIONS WITH CONGRESS

A. Senate Small Business Committee. The Chairman of the Senate Small Business Committee will hold hearings as to the effect of the efforts of various world agencies to meet the world famine situation. The chairman is concerned over the tremendous fatal impact on many segments of American small business. The Committee desires hearings starting June 3 on that subject and they plan to examine thoroughly six points.

1. World supplies of various classes of food, including  
(a) grains, with particular reference to flour; (b) fats and oils;  
(c) meat and related commodities; and (d) sugar.
2. The relationship which such supplies and demand bear to one another in particular areas of the world.
3. The world demand for these same classes of food.
4. The contributions which the U.S. will be called upon to make to specific areas in order to eliminate famine and acute shortages.
5. The question of whether or not the contribution which the U.S. is called upon to make bears a reasonable relationship to the contribution which other countries will make.
6. The impact which such contribution as the U.S. makes will have on small business, particularly in the food industry in this country.

The Director General was asked to attend at 10:00, 6 June.



Careful preparation was made of material for the Director General before he goes to the hearings.

The Director General received a letter from Senator Murray, Chairman of the Senate Small Business Committee, which asked for immediate indication that certain information from UNRRA be provided. UNRRA supplied the information, and this office was responsible for assembling the data and dispatching it, in cooperation with the Food Division.

B. Information similar to that which was given to the Senate Small Business Committee was given to the House Agriculture Committee for food hearings. The date for these hearings was not set.

C. Congressional Mail. Letters have been answered covering the following subjects:

1. Information on distribution of UNRRA supplies.
2. Report of fraternization of UNRRA employees in Germany.
3. Sending of individual parcels to Poland, Italy, France, Germany.
4. Food collection inquiries.
5. Report of UNRRA's supply operations in Central Europe.
6. Reports that UNRRA food goes into black market.
7. Report of shipment of clothing collected in UNRRA-sponsored clothing drives.
8. Information on contribution of carload of wheat.
9. Report of misuse of UNRRA supplies in the Philippines.
10. Protest of misuse of private property in the American Zone of Germany by UNRRA for DP camp.
11. Inquiry of high tariffs imposed on gift packages to European countries.
12. Information on C.A.R.E.
13. Request for information regarding UNRRA assistance to Austria and Balkans.
14. Report on UNRRA's use of military food surpluses.
15. Sending money to individuals in Germany.

### III. FIFTH COUNCIL SESSION

This office has had primary responsibility for the agenda for the



Fifth Council Session to be convened August 2nd in Paris. Generally the agenda will include (1) recommendations as to future relief and rehabilitation activities, (2) report of the Director General, (3) consideration of Administration budgetary position for 1947, etc.

#### IV. CENTRAL COMMITTEE

A. The question of increasing the membership of the Committee on Supplies was considered. Mr. Pearson stated that Iceland no longer wanted to become a member. The Central Committee decided that the Ukraine, Greece and Poland are to be added to the Committee, subject to the withdrawal of Iceland.

B. The question of retaining on the Central Committee agenda the requisitioning of land in Austria was discussed. It was reported that at present it will be carried over on the agenda. It may be removed at the next meeting of the Central Committee if no further information is reported.

C. The rules of procedure of the Program Subcommittee of Central Committee were amended to take account of the new members added to the Central Committee.

D. Conclusion was reached at meeting of Subcommittee under Resolution 23, that Poland, Yugoslavia and Czechoslovakia would not be able to pay for relief and rehabilitation supplies in 1946.

#### V. LIAISON WITH INTERNATIONAL ORGANIZATIONS

##### A. FAO Conference

The Director General in his speech May 28 before the Special Session called by FAO, made the position of UNRRA clear. He indicated that only the UNRRA Council itself could divert funds allocated for UNRRA purposes and the existing funds of UNRRA would at the present moment be spent according to the directions of the Council. This means that UNRRA will be drawing up programs for the Far East through March 1947, and for Europe through December 1946. Actual deliveries of food are likely to be completed within that period but non-foodstuffs will undoubtedly run over those dates. The minimum life of UNRRA therefore extends into 1947. A cable making this clear was sent out to all UNRRA missions.

B. ILO Conference. A member of the General Counsel's Office attended the Conference as the UNRRA observer.

C. Economic and Social Council. The General Counsel made the necessary arrangements for UNRRA observers to give their viewpoints at the committee meetings when desirable. The Economic and Social Council at the recent New York meetings covered the obtaining of preliminary reports which had been submitted to the Council by temporary commissions on welfare, health, employment and production.

The creation of an International Health Organization was



discussed and those discussions will lead up to a meeting scheduled for 19 June at which it would consider drawing up a constitution and outlining the functions of the proposed organization.

The Economic and Social Council is to determine the relationship between this new organization and the Council itself. A representative from UNRRA will attend the meeting on 19 June.

There are three important points to be considered by the Council in which UNRRA is particularly concerned -- the problems of health and welfare functions, employment and production problems which would require some continuing organization to handle them after UNRRA operations have ceased, and the report from the Refugee Committee in London. After these reports and discussions have been heard they will be referred to the appropriate subcommittees which will in turn report back to the Social and Economic Council. The Council will then report to the General Assembly in September.

UNRRA experts will be permitted to sit in on the subcommittees and the Director General will be asked to make a statement in the Plenary Council.

#### VI. RELATIONS WITH FOREIGN GOVERNMENTS

A. The extension of the agreements with the Ukraine and Byelorussia was signed. It is a simple extension of the original agreements but continuing the commitment to use our best efforts to deliver the entire program before July 1st.

B. Request was received from the Bulgarian Political Representative in the U.S. for UNRRA assistance for Bulgaria. A reply was prepared stating that the Administration could not undertake such operations without the specific authorization of the Central Committee and offering to transmit to the Central Committee any official request made by the Bulgarian Government with the approval of the ACC. At the same time it was stipulated that any relief program for Bulgarians would be conditional on permission being granted for UNRRA to undertake operations in Bulgaria in accordance with Resolution 57.

C. Jews in Bulgaria. A letter has been received from the Bulgarian representative in Washington requesting an emergency program from UNRRA. The Director General will write a letter to him concerning the appropriate procedure to be followed through the Allied Control Commission in Bulgaria.

D. An inquiry was sent to ERO about a proposal made by the legal adviser for Southern Europe that an agreement should be concluded between UNRRA and the Egyptian Government. Opinions were given on the question of the propriety of the Italian Government collecting customs duties on UNRRA supplies for Italy. It was suggested that the requirements of financial policy and economic rehabilitation were more important than the text of the UNRRA Agreement and that the latter should be amended if necessary.



E. A study was made of comments made by the British War Office on the Draft of the UNRRA-SACMED Agreement. In general, the proposed alterations were acceptable to UNRRA.

F. The Korean Mission has departed. Two directives were given them in establishing a full scale program:

1. There is to be a single mission in Korea;
2. Indigenous and UNRRA supplies should flow freely between the northern and southern areas.

Mr. Sargent has been asked to report as quickly as possible upon arrival.

G. Admission of Turkey to CCE. The admission was approved. The Russians felt strongly that the Turks had not made any contribution and that their membership should be deferred until a real contribution had been made.

H. Mr. Bloom's Cable on Contributions. Mr. Sol. Bloom, chairman of the United Nations Committee on UNRRA, has been asked by the Committee to communicate with each member of UNRRA which has not contributed the full amount of the contributions recommended by the UNRRA Council, in order to secure the prompt availability of these contributions which are so urgently needed at this time. He cabled to Australia, Liberia, New Zealand, South Africa, India and the United States dated April 25, explaining the authority for the communication and saying in part:

"Knowing that you are fully aware of the present critical condition and critical need in countries receiving UNRRA's aid, I have the honor to bring the foregoing to your attention with full confidence that further action will be taken by your Government to help UNRRA meet this urgent need. Will you be good enough to advise me that your Government will join those United Nations who have already taken action in this crisis."

A summary of replies follows:

<u>Chile</u>	- Stocks reserved but no final commitment made.
<u>Philippines</u>	- Share of administrative expenses paid April 20.
<u>Guatemala</u>	- "Best consideration" being given matter.
<u>Colombia</u>	- Part payment -- Balance in September.
<u>Dominican Republic</u>	- Paid
<u>Honduras</u>	- First contribution paid, second contribution pending.



China - Will remit shortly

Yugoslavia- Ordered remittance for full amount of 1946 administrative expenses.

New Zealand-Second contribution will be made, subject to approval of Parliament.

Replies from Ambassadors in Washington for the following countries, indicating that they would get in touch with their governments requesting special attention to this matter, have been received:

Belgium	Haiti	Uruguay
Bolivia	India	U.S.S.R.
Costa Rica	Iraq	Venezuela
Czechoslovakia	Norway	Denmark
Ecuador	Panama	Turkey
Guatemala	Union of South Africa	Peru

Replies have not been received from:

Byelorussian S.S.R.	Liberia
Ukrainian S.S.R.	Iran
Polish Provisional Govt.	Iceland
Paraguay	Cuba
Nicaragua	Australia
Egypt	El Salvador
Netherlands	Ethiopia
Mexico	Greece
Luxembourg	

## VII. SUPPLY

A. An opinion was given that there was no objection to the Italian Government furnishing small quantities of UNRRA supplies to the Republic of San Marino provided that assurances were obtained that these supplies will be distributed in accordance with Council policies, that the Italian Government accounts to the Administration for the proceeds of sale and that it is understood that the Italian supply program will not be supplemented by amounts corresponding to the supplies furnished to San Marino. Letter was prepared for dispatch to ERO accordingly.

B. Balkan Stockpile. The military stockpile was spread three ways, among Greece, Yugoslavia and Albania. At the present time the Military is trying to make an accurate estimate of its value in all three countries. They have reduced the Greek liability by 12 million dollars. The Bureau of Supplies wishes at this time to allocate the saving among the three countries involved, pending the review in the other countries, a procedure with which this office does not agree.

C. Petroleum Contracts in China. In cable 2074 from Shanghai,



the China Office recommends the continuation of the contract for petroleum products with Texaco, in view of the availability of their stocks and facilities. The suggestion that the contract extend from 6 to 12 months to warrant Texaco to expand its facilities for UNRRA use. Hankow will become the major fueling point for CNRRA and UNRRA. The legal and financial implications were noted for this matter and it is a question whether it would be advisable to extend such a contract for as long as 12 months.

D. Protocol Supplies in the United Kingdom. The latest information concerning Russian protocol commodities in the U.K. has been discussed. Approximately 30,000,000 pounds are involved in this transaction. 12,000,000 pounds worth of supplies have already been delivered to the U.S.R.R. 18,000,000 pounds worth are left in the United Kingdom, and it is proposed that these be turned over to UNRRA to send to Byelorussia and the Ukraine as part of the program for these two Republics. The British are anxious to do this as a method of spending the U.K. sterling contribution and the USSR is also enthusiastic about receiving the supplies. Two difficulties have arisen -- a budgetary problem and the fact that the two Soviet programs are already almost entirely committed here in Washington. Consultations are now taking place between the Bureau of Supply and the Soviet Purchasing Commission in an effort to work out a compromise solution.

E. Clothing Collection in Australia. The Director General has agreed that the proposal of clothing collection in Australia shall go forward, with the understanding that no new funds are involved and that special care is given to the condition of the clothing contributed. Cable was sent to Sydney to this effect and the legal contract was begun.

F. Minesweepers in Yugoslavia. It was agreed among representatives of the State Department, U.S. Navy and British Navy, that

1. The previous orders given by the U.S. for withdrawal of its ten minesweepers from the Mediterranean for return to the U.S. are suspended and it is agreed that the sweepers will remain in the Mediterranean pending final clarification of current proposals.

2. The State Department and U.S. Navy have agreed to the use of the minesweepers by the Yugoslavs, subject to (1) their being turned over on the loan to the British Navy (2) a minimum of one Naval Officer being assigned to each sweeper manned by the Yugoslavs.

G. POL for Yugoslavia. There appears to be an unexpected slipup in the shuttle arrangements for POL at the Aquila installation, although it had been understood that the British Army would continue to operate. The tankers have apparently been turned back to the Italians and there is some complication concerning this operation. Inasmuch as the Aquila installation might now be turned over to UNRRA on 30 June, the legal, financial and supply arrangements are being considered to insure a smooth operation.

H. Surprop Procurement in China. The China Office has requested blanket authorization up to \$4,000,000 for surprop procurement in China.



As pointed out in cable 1920 from Shanghai, this procurement is seriously retarded by the present procedure which requires Washington authorization for the procurement of any property not listed on the designated form, and which makes no allowance for emergency requirements. The sudden discontinuance of military installations in China required the immediate disposal of surpluses by OFLC in Shanghai, and the China Office wished to benefit from it. For these reasons it requests blanket authorization up to \$4,000,000 and would keep Washington fully advised of all commitments. This matter is being followed.

I. Clothing Collection in Canada. The clothing collection in Canada will now go on, as a result of requests from the Canadian officials in charge to Prime Minister Mackenzie King and the decision of the Government to sponsor the drive. It will be carried out by the Government using funds left over from the previous drive, with the addition presumably of funds provided by the Government. It has been agreed that UNRRA will arrange to remove the clothing from the seaboard and distribute within the countries. The contract is presently being drawn.

J. Provision of Lire by Italy. Attention was given to cable 1018 from Rome concerning the extent to which UNRRA has made local currency available for other missions. The Italian Mission has cooperated fully in making lire available for other missions at all times without ever raising the issue, with the exception of Trieste. The Italian Government has made no decision as yet as to the acceptance or otherwise of Trieste liability but has requested that UNRRA consider granting relief for sums expended in Trieste, in view of the uncertain future of Trieste. Information has been received concerning the upper limit for the procurement of supplies and services available in Italy for relief and rehabilitation in other areas, and the matter is being considered.

K. Wallace Committee. The General Counsel was in New York the first week in May concerning the legal aspects of the food drive.

1. The services of the previous lawyers have been terminated and negotiations are in progress for a new firm to handle the work.

2. The General Counsel went over the draft contract with representatives of the Wallace Committee. Several operational questions were raised during the discussion: (1) whether the committee will use the cash contributions to make purchases themselves or whether they will turn this money over to UNRRA as a donation, (2) how much of the cash should be used for purchases and how much to keep UNRRA's revolving fund going, and (3) the method of allocation to be used.

Discussions were held in respect to (1) the understanding that the Wallace Committee would use the cash and handle the purchase themselves; (2) it would be necessary to set up a small Board of Directors, since the present 74-man committee would be too unwieldy to direct this action; (3) the voluntary societies would probably not be



brought in, since the New York group felt they would not get anything from the societies although they would wish to maintain their relations. It is understood that the supplies would be allocated to countries and not through any voluntary agencies.

L. Food Report. The Office collaborated with other members of the Administration in drawing up a resolution concerning the food report. It is felt the report should suggest an organization in general terms such as is suggested in the last paragraph of the Director General's report. This resolution will be presented by a Council member but the Administration will prepare a draft.

M. Discussions were held covering the following items:

1. Surplus Property Priorities and Bill (regarding effect of the new Bill), with War Assets Corporation and OWMR, regarding UNRRA's status. These are the other non-priority purchasers. Negotiations to get UNRRA priority over commercial purchases. Further discussions with War Assets Corporation on individual items and on UNRRA preference position, including review of possible priorities.
2. Surplus Property Procurement - Miscellaneous, regarding procurement against U.K. contribution of U.S. surplus sold by the U.S. to the U.K., in light of Wherry inquiry. Cable sent to ERO.
3. Plan A - Clothing, with State Department regarding deal for provision of total remaining stockpile. Received and revised proposed requisition.
4. Grain, practicability and further increase in domestic extraction ratio. Memoranda for the Director General were prepared.
5. Austria, regarding General Clark's proposal to withhold thirty days' stocks to protect security in United States Zone. State was consulted in this matter.
6. Joint Procurement with Receiving Countries, covering review of proposed policy statement on coordination of UNRRA procurement, with receiving country procuring for its own account. Conferences were held with the various Country representatives.
7. Coal Procurement in Austria. Discontinuance of Military procurement, with State Department in light of present agreement.
8. Soya Flour, with Soya Corporation of America representative regarding means of getting flour to fulfil UNRRA contracts.
9. Greek Surplus Property Purchase, with OFLC and War Department regarding surplus property purchases proposed by the Greek Mission. The procedures to be used were examined.
10. Transshipment Through Czechoslovakia, of the possibility of payment by the Czechs for transshipment of Polish coal for Yugoslavia.



11. Contributed Supplies, regarding policy on budget charge for supplies donated by one country to UNRRA for another country, and covered proposed revision of policy on charging the costs on contributed supplies to Country Budget instead of Shipping Reserve.

N. Surplus Property Food in Hawaii. Review of surplus property act to determine method of getting surplus food in Hawaii without awaiting public offer. Arrangements were made for WAC to instruct Interior Department to allow food to go to UNRRA. Cable was sent to Hawaii giving these instructions (We obtained 90% of the food).

O. Greece. Proposal to borrow business machines from International Business Machine Corporation for Greece. Our position objecting to this proposal was sent to the Bureau of Supplies.

P. POL for Yugoslavia and Italy. The present status was reviewed. The U.K. War Office has agreed to hold on to Aquila until June 30. Consideration of possibility of getting ANPB to make direct shipment to Trieste on consignment to UNRRA. Memorandum was prepared on our current position policy with ANPB and appropriate procedures to be followed.

Q. POL for China. Investigated the proposal for a long-term contract with Texaco.

R. Food Program for Second Half of 1946. Review of proposed program and policy statement to Program Subcommittee.

S. Gondolas. Proposal for purchase of gondolas by UNRRA for exclusive use to ship coal to Italy and Yugoslavia.

T. North African Phosphates. Memorandum prepared on UNRRA's efforts to procure phosphates from North Africa.

U. UNRRA Food Position. Assembled information on UNRRA food position to date and transmitted to Congressman Biemiller, pursuant to his request for data which he could use in support of domestic restrictions.

V. Fats and Oils. Further study of domestic position and methods of increasing export supplies. Discussions and memoranda covering the above, with a letter for the Director General's signature, after review of current UNRRA figures and position.

W. Coal Procurement After June 30. Discussions of procedures and fiscal aspects with the State Department in relation to procurement for UNRRA countries and other liberated areas. The question of UNRRA as a purchasing agent was investigated.

X. Procurement in Germany. Consideration of possibility of using local currency of receiving country for supply and procurement.

Y. CARE. Further arrangements were made for Czechoslovakia. Cable was sent to Czechoslovakia Mission.



Z. Surplus Property Procurement - Miscellaneous. Checked surplus property purchases regarding State Department and Congressional inquiries as to whether UNRRA has acquired surplus property for speculators.

### VIII. SHIPPING

A. Movement of Craft from U.S. to China. Obtained necessary clearances from State Department and Bureau of Customs to enable fishing craft to fly American flag on trip to China. Crews had refused to make trip over unless they flew U.S. flag. Arranged for Maritime Commission approval for transfer of title to fishing craft to UNRRA. Obtained State Department approval to use seaman's passports for members of crew remaining in China.

B. Method of Operation of Cattle Fitted Vessels. Conferred with WSA with respect to most feasible method of employing cattle fitted vessels for movement of UNRRA animals to Europe. While no final decision has been reached, current negotiations are on basis of consecutive voyage chartering of cattle fitted vessels on lump sum basis, rather than their operation by UNRRA under General Agency contracts with ship operators.

C. Use of Free Funds for Foreign Flag Vessels. Participated in conferences with State Department and WSA officials at which decision was reached that free funds would be used for chartering foreign flag vessels not American-owned.

D. Waiver of Claims Agreement. Participated in conferences to discuss continuation of waiver of claims agreement, handling negotiations with WSA for supplementing paragraph 8 of the Agreement to effect adjustments in freight rates to compensate UNRRA for advantages accruing to WSA under the waiver.

E. UNRRA's Shipping Deadlines. Analysis of industrial rehabilitation program to ascertain needs for extension of deadlines. All major items were covered in a memorandum.

F. Shipping of Receiving Countries. Conferences with Country representatives regarding implementing policy. Memorandum to Bureau of Supplies on proposed policy covering dollar and sterling payments.

### IX. DISPLACED PERSONS

A. An opinion was given that displaced Polish Jews being repatriated to Poland from the USSR might, according to the principle of equitable distribution according to need, be eligible for certain supplementary supplies if they could be made available. A telegram was dispatched to ERO in accordance with this opinion.

B. At a meeting with the Department of Repatriation and Welfare, it was agreed that the requirement of Resolution 46 about displaced



persons in territories never occupied by the enemy should not be taken to place any definite downward limit on the "congregated groups" which UNRRA will repatriate; it was also agreed that a deadline of September 1 should be set for the receipt of any requests to repatriate displaced persons from such territories.

C. In response to a telegram from Budapest, an opinion was given that Resolution 91 does apply to Hungary, but that the functions of Administration personnel are limited to passing on any relevant information received and not to making inquiries on the spot or undertaking negotiations.

D. In connection with the implementation of Resolution 92, various discussions were held and cables prepared with the Repatriation and Welfare Division. A reply was prepared to the suggestions made by the Polish member of the Council for the implementation of this Resolution.

E. An opinion was given that former inmates of concentration camps in Austria are eligible for UNRRA assistance as displaced persons and telegram was dispatched to London in this sense.

F. U.N. Committee on Refugees. Two cables from London reported the deliberations of the UN Committee on Refugees (cables 5395 and 5396 from London). The Committee has finally voted that a specialized agency should be created with a separate budget, only very loosely linked with UN. Repatriation has been recognized as the most important function of the new organization. The United States has warned against difficulties of assisting in re-establishing persons repatriated in the countries of origin on the grounds of finance. The USSR has urged the retention of this function on the ground that persons being repatriated to devastated areas were in greater necessity of assistance in re-establishment than those resettled in new countries. It was noted that "the provision for the administration of the Refugee Organization appears to be pretty nearly unworkable since no executive authority is given to the Director General". It is felt that the proposed set-up could never work administratively since it is impossible to run an international organization by executive committees and carry out a really effective operation.

G. Jews in Bulgaria. The Allied Control Commission was not making a request in this matter, but the Administration is considering the question again with the State Department.

H. Displaced Persons Desiring to Remain in Germany. Discussions continue on the policy with respect to individuals who desire to remain in Germany. Cable 3919 from London lists the various categories including the following.

1. Persons married to Germans and unable or unwilling to return on that account.

2. Persons who can return but who hesitate to do so because their consciences are not quite clear regarding their behavior during the occupation.



3. Persons whose screening is still subjudice.
4. Persons who have been repatriated and have returned dissatisfied with conditions in their home country.
5. Persons with enemy national dependents in Germany whom they refuse to leave behind.
6. Persons already screened as eligible but awaiting transfer elsewhere by the military.

The cable says that the military are still in charge of a number of camps and screening is their responsibility. Arolsen is satisfied that generally speaking the only ineligibles still in camps administered entirely by UNRRA are those awaiting action by authorities other than UNRRA.

I. Displaced Persons in Italy. Cables 1130 from Rome and 6288 from London give the final arrangements concerning ineligible displaced persons in camps in Italy and UNRRA's responsibilities for these. All UNRRA's personnel have been withdrawn from camps in Bologna and Ancona areas, except ten persons remaining to clear up accounting and remove UNRRA stores and supplies. These persons have no operating or administrative responsibility for ineligibles and will be withdrawn by the end of the month. Certain medical personnel are still in Ancona camps pending the arrival of Allied Commission medical personnel, but will be withdrawn by the end of May. These camps were handed back to the Allied Commission on 21 May.

The only remaining camp to be handed back to the military is one near Naples where military personnel to relieve will not be available until 27 May.

The removal of ineligibles totaling 2000 from camps remaining under UNRRA jurisdiction will be completed by the end of May. Difficulties of transportation preclude an orderly completion of removal earlier than this. The Italian Mission says that although the deadline of 22 May has not been adhered to fully, the bulk of ineligibles are already disposed of and it is guaranteed that all UNRRA assistance, direct or indirect will be withdrawn by the end of May.

The more recent cable from London reports agreement on the deadline for the removal of UNRRA personnel from all camps with a high percentage of ineligibles should be extended to 10 June because, (a) the complete lack of personnel makes it impossible for the military to assume internal administration immediately, (b) immediate removal would leave camps unattended and their administration would become the problem of the Italian Government. (c) Such action would seriously impede repatriation and, (d) the return to the military of property and expendable supplies requires time for inventory and transfer formalities. ERO feels that the removal of ineligibles from camps will probably be completed sooner but that 10 June is a reasonable deadline. It is advised that this is a firm understanding which can be communicated to the Central Committee in the June 1 report.



J. Policy for Western European DP's in U.S. Zones in Germany. A meeting was held with General Hildring, who agreed to modify the USFET order in two respects:

1. The elimination of reference to the fact that action was taken at the request of the Governments, in order to preserve the principles of Resolutions 17 and 29.

2. An explanation of the fact that these Western European DP's are not being excluded because of any political religious or other beliefs but because they have expressed a desire to stay in Germany.

This information was sent by Cable to Arolsen and repeated to London.

K. Polish Displaced Persons in Mexico. It was reported that the Polish Government understood that the present arrangements for the care of 2,500 Polish displaced persons in Santo Rosa in Mexico will cease on 1 July. They were anxious to know UNRRA's position in assuming responsibility for these persons. The Mission requested information on the status of the takeover of these displaced persons and others in Canada, as previously requested for the information of the Polish Government.

## XI. FINANCE

A. Reichsmarks for German Export Supply. Letter to the U.S. and U.K. dispatched. Letter to the U.K. covered sterling 10% proposal.

B. Surplus Property Price Review, regarding procedures to be followed regarding planes and covering trucks and similar items.

C. Italy. Discussions regarding local currency policy on trans-shipment and supplies.

D. Customs Drawback. Review of past UNRRA position and consideration of present policy.

E. South African Contribution. Coal shipments to Yugoslavia. Analysis of question of who bears expenses in connection with shipments through Trieste.

F. Reichsmarks for Transshipment in Germany. Discussions with U.S. and U.K. representatives to untangle difficulties inherent in the problem of Czechoslovakian shipments. Cables sent to ERO and Prague.

G. Austria. Payment for Soviet supplies under agreement, policy, and cable concerning sterling payment.

H. Brazil Textile Contract. Review and revision modifying price terms.

I. Reichsmarks for Amenity Supplies. Discussions with State, U.K.,



Treasury representative, resulting in cable to Arolsen. Letter of request was sent to the U.S., U.K., and France.

J. War Assets Corporation Surplus Property Procurement. Conferences regarding purchasing procedures after priority list. Revised administrative procedures regarding field purchases, and arrangements were made with Treasury Procurement.

### XII. CONTRACTS AND AGREEMENTS

Following contracts and agreements completed:

- A. Lease on building at 1359 Connecticut Avenue, N.W.-Louis Gaveris
- B. Lease for space in Otis Garage - Jack Stadler
- C. Contract for 1946 catch of Newfoundland codfish - Spain Exporters' Association.
- D. Amendment of Letter of Credit Agreement.
- E. Agreement between UNRRA and Unitarian Service Committee covering medical teaching project in Poland.

Contracts and agreements being negotiated:

- A. Lease on Dupont Circle Building
- B. Agreement between UNRRA and Division of Voluntary War Relief, Department of National War Services of Canada, for clothing drive in Canada.
- C. Agreement between UNRRA and Emergency Food Collection, Inc., for food collection drive.
- D. Agreement between UNRRA and Department of Hospitals of New York City for nurse - teacher program.

### XIII. TAXATION

Procured ruling from Internal Revenue Department on tax exemptions for Emergency Food Collection, Inc.

Procured ruling from Internal Revenue Department respecting UNRRA's exemption from transportation tax on Food Collection shipments.

### XIV. TRANSFER OF TITLE

At a meeting with the State Department a compromise was worked out concerning the retention of title to long-term equipment. UNRRA will retain title to ships and locomotives. As far as ships are concerned, UNRRA will retain title to these assuring the recipient country that they may be turned over at the conclusion of UNRRA's operation if it is



determined that the countries still need them and if they are to be used in accordance with UNRRA's policies.

#### XV. MISCELLANEOUS

A. Food Collections. The question of making further arrangements with paying governments was discussed. A memo has been prepared which reflects additional work for Weintraub's office in the calling forward of cargo, but since Food Collection cannot undertake this task UNRRA will work with the Governments on it.

B. The American Council for Voluntary Agencies met Thursday, May 23, to discuss their report on UNRRA's DP operations and their own future participation in these operations. The report questions the variation in general policy and specific directives to the field. There are several statements in the report which we feel should be challenged and then explained. Among the items is the clarification of UNRRA policy with regard to post-hostility refugees.

C. Women Voters League. Answered inquiries made by this organization on assistance to UNRRA.

D. The question of UNRRA's liability for per diem pay and living and quarters allowances for Public Health doctors working for UNRRA abroad was investigated. It was agreed no action should be taken to commit UNRRA to pay both per diem and living allowances to these doctors.

E. Oscar Schachter is on thirty-day leave of absence, assisting Abe Feller at UN who is preparing the Spanish case.

F. Passports for UNRRA Officials. The State Department has not yet replied on the question of passports for U.S. citizens going abroad for UNRRA but has promised (a) that they will report on specific passports for members of the Byelorussian Mission without fail, and (b) that they are confident that they can establish a procedure whereby Colonel Wood will be informed of the reasons for the denial of any passports to such officials in order that UNRRA may do something about the basis for such action and so that the Director General may decide what he wishes to do. The Director General had raised the question of employing persons before ascertaining whether they would be granted passports by the State Department. After checking, it was agreed that the present procedure does call for advance checking and that the present difficulties were caused because this procedure was not followed properly. The issuance of passports and visas has become a matter of policy rather than a question of decision on the basis of individual merit. It was felt that we should ascertain the reasons and procedures for the granting of passports.



RESTRICTED

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

TO: The Director General  
FROM: Alfred E. Davidson  
SUBJECT: Office of the General Counsel - Report for May 1946

*Mr. Wyman -  
you might be  
interested in  
some of the items.*

I. APPROPRIATION

Participated in hearings before the House and Senate Conferees on the Second Supplemental Surplus Appropriation Rescission Act, 1946, with respect to the inclusion in that bill of a provision for transferring to UNRRA \$135,000,000 from a lend-lease appropriation. This provision was included in the Conference Report on the bill and was passed by the Senate and House and signed by the President on 27 May, 1946. The material which had been prepared for Congress in connection with the \$600 million appropriation was revised so as to apply to the remaining \$465 million.

II. RELATIONS WITH CONGRESS

A. Senate Small Business Committee. The Chairman of the Senate Small Business Committee will hold hearings as to the effect of the efforts of various world agencies to meet the world famine situation. The chairman is concerned over the tremendous fatal impact on many segments of American small business. The Committee desires hearings starting June 3 on that subject and they plan to examine thoroughly six points.

1. World supplies of various classes of food, including  
(a) grains, with particular reference to flour; (b) fats and oils;  
(c) meat and related commodities; and (d) sugar.
2. The relationship which such supplies and demand bear to one another in particular areas of the world.
3. The world demand for these same classes of food.
4. The contributions which the U.S. will be called upon to make to specific areas in order to eliminate famine and acute shortages.
5. The question of whether or not the contribution which the U.S. is called upon to make bears a reasonable relationship to the contribution which other countries will make.
6. The impact which such contribution as the U.S. makes will have on small business, particularly in the food industry in this country.

The Director General was asked to attend at 10:00, 6 June.



Z. Surplus Property Procurement - Miscellaneous. Checked surplus property purchases regarding State Department and Congressional inquiries as to whether UNRRA has acquired surplus property for speculators.

#### VIII. SHIPPING

A. Movement of Craft from U.S. to China. Obtained necessary clearances from State Department and Bureau of Customs to enable fishing craft to fly American flag on trip to China. Crews had refused to make trip over unless they flew U.S. flag. Arranged for Maritime Commission approval for transfer of title to fishing craft to UNRRA. Obtained State Department approval to use seaman's passports for members of crew remaining in China.

B. Method of Operation of Cattle Fitted Vessels. Conferred with WSA with respect to most feasible method of employing cattle fitted vessels for movement of UNRRA animals to Europe. While no final decision has been reached, current negotiations are on basis of consecutive voyage chartering of cattle fitted vessels on lump sum basis, rather than their operation by UNRRA under General Agency contracts with ship operators.

C. Use of Free Funds for Foreign Flag Vessels. Participated in conferences with State Department and WSA officials at which decision was reached that free funds would be used for chartering foreign flag vessels not American-owned.

D. Waiver of Claims Agreement. Participated in conferences to discuss continuation of waiver of claims agreement, handling negotiations with WSA for supplementing paragraph 8 of the Agreement to effect adjustments in freight rates to compensate UNRRA for advantages accruing to WSA under the waiver.

E. UNRRA's Shipping Deadlines. Analysis of industrial rehabilitation program to ascertain needs for extension of deadlines. All major items were covered in a memorandum.

F. Shipping of Receiving Countries. Conferences with Country representatives regarding implementing policy. Memorandum to Bureau of Supplies on proposed policy covering dollar and sterling payments.

#### IX. DISPLACED PERSONS

A. An opinion was given that displaced Polish Jews being repatriated to Poland from the USSR might, according to the principle of equitable distribution according to need, be eligible for certain supplementary supplies if they could be made available. A telegram was dispatched to ERO in accordance with this opinion.

B. At a meeting with the Department of Repatriation and Welfare, it was agreed that the requirement of Resolution 46 about displaced



persons in territories never occupied by the enemy should not be taken to place any definite downward limit on the "congregated groups" which UNRRA will repatriate; it was also agreed that a deadline of September 1 should be set for the receipt of any requests to repatriate displaced persons from such territories.

C. In response to a telegram from Budapest, an opinion was given that Resolution 91 does apply to Hungary, but that the functions of Administration personnel are limited to passing on any relevant information received and not to making inquiries on the spot or undertaking negotiations.

D. In connection with the implementation of Resolution 92, various discussions were held and cables prepared with the Repatriation and Welfare Division. A reply was prepared to the suggestions made by the Polish member of the Council for the implementation of this Resolution.

E. An opinion was given that former inmates of concentration camps in Austria are eligible for UNRRA assistance as displaced persons and telegram was dispatched to London in this sense.

F. U.N. Committee on Refugees. Two cables from London reported the deliberations of the UN Committee on Refugees (cables 5395 and 5396 from London). The Committee has finally voted that a specialized agency should be created with a separate budget, only very loosely linked with UN. Repatriation has been recognized as the most important function of the new organization. The United States has warned against difficulties of assisting in re-establishing persons repatriated in the countries of origin on the grounds of finance. The USSR has urged the retention of this function on the ground that persons being repatriated to devastated areas were in greater necessity of assistance in re-establishment than those resettled in new countries. It was noted that "the provision for the administration of the Refugee Organization appears to be pretty nearly unworkable since no executive authority is given to the Director General". It is felt that the proposed set-up could never work administratively since it is impossible to run an international organization by executive committees and carry out a really effective operation.

G. Jews in Bulgaria. The Allied Control Commission was not making a request in this matter, but the Administration is considering the question again with the State Department.

H. Displaced Persons Desiring to Remain in Germany. Discussions continue on the policy with respect to individuals who desire to remain in Germany. Cable 3919 from London lists the various categories including the following.

1. Persons married to Germans and unable or unwilling to return on that account.

2. Persons who can return but who hesitate to do so because their consciences are not quite clear regarding their behavior during the occupation.



3. Persons whose screening is still subjudice.
4. Persons who have been repatriated and have returned dissatisfied with conditions in their home country.
5. Persons with enemy national dependents in Germany whom they refuse to leave behind.
6. Persons already screened as eligible but awaiting transfer elsewhere by the military.

The cable says that the military are still in charge of a number of camps and screening is their responsibility. Arolsen is satisfied that generally speaking the only ineligible persons still in camps administered entirely by UNRRA are those awaiting action by authorities other than UNRRA.

I. Displaced Persons in Italy. Cables 1130 from Rome and 6288 from London give the final arrangements concerning ineligible displaced persons in camps in Italy and UNRRA's responsibilities for these. All UNRRA's personnel have been withdrawn from camps in Bologna and Ancona areas, except ten persons remaining to clear up accounting and remove UNRRA stores and supplies. These persons have no operating or administrative responsibility for ineligibles and will be withdrawn by the end of the month. Certain medical personnel are still in Ancona camps pending the arrival of Allied Commission medical personnel, but will be withdrawn by the end of May. These camps were handed back to the Allied Commission on 21 May.

The only remaining camp to be handed back to the military is one near Naples where military personnel to relieve will not be available until 27 May.

The removal of ineligibles totaling 2000 from camps remaining under UNRRA jurisdiction will be completed by the end of May. Difficulties of transportation preclude an orderly completion of removal earlier than this. The Italian Mission says that although the deadline of 22 May has not been adhered to fully, the bulk of ineligibles are already disposed of and it is guaranteed that all UNRRA assistance, direct or indirect will be withdrawn by the end of May.

The more recent cable from London reports agreement on the deadline for the removal of UNRRA personnel from all camps with a high percentage of ineligibles should be extended to 10 June because, (a) the complete lack of personnel makes it impossible for the military to assume internal administration immediately, (b) immediate removal would leave camps unattended and their administration would become the problem of the Italian Government. (c) Such action would seriously impede repatriation and, (d) the return to the military of property and expendable supplies requires time for inventory and transfer formalities. ERO feels that the removal of ineligibles from camps will probably be completed sooner but that 10 June is a reasonable deadline. It is advised that this is a firm understanding which can be communicated to the Central Committee in the June 1 report.



J. Policy for Western European DP's in U.S. Zones in Germany. A meeting was held with General Hildring, who agreed to modify the USFET order in two respects:

1. The elimination of reference to the fact that action was taken at the request of the Governments, in order to preserve the principles of Resolutions 17 and 29.

2. An explanation of the fact that these Western European DP's are not being excluded because of any political religious or other beliefs but because they have expressed a desire to stay in Germany.

This information was sent by Cable to Arolsen and repeated to London.

K. Polish Displaced Persons in Mexico. It was reported that the Polish Government understood that the present arrangements for the care of 2,500 Polish displaced persons in Santo Rosa in Mexico will cease on 1 July. They were anxious to know UNRRA's position in assuming responsibility for these persons. The Mission requested information on the status of the takeover of these displaced persons and others in Canada, as previously requested for the information of the Polish Government.

## XI. FINANCE

A. Reichsmarks for German Export Supply. Letter to the U.S. and U.K. dispatched. Letter to the U.K. covered sterling 10% proposal.

B. Surplus Property Price Review, regarding procedures to be followed regarding planes and covering trucks and similar items.

C. Italy. Discussions regarding local currency policy on trans-shipment and supplies.

D. Customs Drawback. Review of past UNRRA position and consideration of present policy.

E. South African Contribution. Coal shipments to Yugoslavia. Analysis of question of who bears expenses in connection with shipments through Trieste.

F. Reichsmarks for Transshipment in Germany. Discussions with U.S. and U.K. representatives to untangle difficulties inherent in the problem of Czechoslovakian shipments. Cables sent to ERO and Prague.

G. Austria. Payment for Soviet supplies under agreement, policy, and cable concerning sterling payment.

H. Brazil Textile Contract. Review and revision modifying price terms.

I. Reichsmarks for Amenity Supplies. Discussions with State, U.K.,



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UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

TO: The Director General  
FROM: Alfred E. Davidson  
SUBJECT: Office of the General Counsel - Report for April 1946

*271 (Gen'l Counsel)  
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I. APPROPRIATION

The General Counsel's Office had primary responsibility for the additional UNRRA appropriation. We prepared, in conjunction with the other divisions concerned:

- (1) a statement of further needs covering major points;
- (2) a black book to be presented to the members of the Committee before the hearings, tentatively scheduled for May 6, covering U.S. Funds, World Funds, Current Needs, Country Programs, State Department Activities, Personnel Administration, and summary information;
- (3) "back-up" material, statistical breakdowns and narrative material to support in detail questions which might arise in the hearings;
- (4) an outline with State of the statement to the Committee to be made by Colonel Wood.

It is anticipated 135 million will be made available immediately. This will be included in the Second Deficiency Bill.

Discussion with State Department and Bureau of Budget regarding language of provisions of proposed appropriation act, with specific reference to eliminating restrictive provisions in previous appropriations.

II. RELATIONS WITH CONGRESS

During the month of April Congressional mail was much heavier than previously. The replies prepared included the following subjects: (1) procurement of new machine tools (to the Mead Committee); (2) the Atlantic City "austerity diet"; (3) Displaced Persons; (4) Jews in Greece and in the Balkans; (5) contributed supplies; (6) reestablishment of foreign parcel post services; (7) record of Athens office.

A. Senate Judiciary Committee. The General Counsel testified 26 April before the Senate Judiciary Committee on a bill to increase private shipments of relief supplies to Germany. He was asked why UNRRA was not operating in Germany, and he explained the international agreements under which UNRRA operates. It is believed there is likely



to be some further Congressional pressure on the U.S. Government to permit UNRRA to expand its operations to include Germany, in view of the fact that some Senators feel that since UNRRA is largely supported by U.S. funds, the U.S. Government should have a voice in deciding where UNRRA operates.

B. U.S. Legislation on Surplus Property. It was reported that on April 14 the Senate completed action on a bill which, while primarily intended to aid veterans in securing surplus property, removed UNRRA's priority for procuring such items. The bill originated in the House where this provision was inserted, and now needs only the President's signature. The provision started with nylon stockings for officers' wives and the discussion moved on to UNRRA's purchase of tractors to the detriment of American farmers. Foreign procurement will not be affected. The Bureau of Supply is working on a list of items which must be put under contract. New legislation may eventually be needed to cover the situation.

### III. RELATIONS TO FOREIGN GOVERNMENTS

A. Australia. A letter went to the Australian Legation requesting reduction in export levies on UNRRA supplies (wool and tallow products). We have had no direct reply. However, outside information has been received that the wool levies have been reduced in half. We can assume that SWPA in Australia has been successful in its negotiations.

B. Korea. We have set up a temporary emergency program, with the Military making original arrangements. A mission has already left for Korea. They will survey the requirements of the area; and when this has been done an agreement will be executed with the Korean Government.

Discussions were held concerning UNRRA's responsibility in Korea. It is felt that the primary responsibility rests with the Soviet and United States authorities occupying Korea, but that the War Department, which is planning a large-scale civil affairs program in this area, feels that UNRRA should supply whatever relief and rehabilitation materials are necessary. The Army under its "disease and unrest" clause, is responsible for the security of the area but cannot provide all the relief supplies needed. It was explained that the responsibility of the Third Council Session authorizing UNRRA to operate in Korea was passed before the military occupation began. The Korean mission left during April, with Mr. Sargent in charge. The emergency program will be executed. Colonel Harris will coordinate with the War Department. The Soviet Commander from the northern zone has requested \$27,000,000 for food, but there will be no further action until after the mission survey has been made.

C. Ukraine and Byelorussia - Proposed Amendment Agreement. In Cable 70 to Kiev the Bureau of Supply suggests an amendment to the agreements with the two Soviet Republics concerning the provision of advance information on loading programs. Under present day conditions, the figures called for by the agreements would be completely meaningless, because of the impossibility of obtaining reliable figures to be used for making distribution or any other plans. It points out that previous attempts to give loading programs in advance of month of loading have



only resulted in confusion in the country of destination. While the reasons for such a proposal are understood, it should be checked beforehand with the representatives of these two Republics, and UNRRA should not try to obtain such an amendment to the original agreements unless it is readily acceptable to the governments concerned.

D. China. Confirmation was granted UNRRA-CNRRA committees for planning procurement and distribution in China.

E. Venezia Giulia. The formal request for UNRRA assistance to Venezia Giulia was received. Zone B is covered already by the UNRRA programs for Yugoslavia and the request covers Zone A and Udine in Italy both of which are the responsibility of a joint US-UK Military Government Commission. It also includes Trieste itself, in which about one-half of the people of Zone B live and which is also under Anglo-American control. This responsibility would involve the expenditure of about \$10,000,000 and the British are very anxious to have UNRRA take over the work and are supported in this, although less enthusiastically by the U.S. Government. Notification has been sent to the Combined Chiefs of Staff that UNRRA cannot accept additional responsibility for Venezia Giulia. The above information was sent to ERO and Rome.

F. Request for Aid in Rumania. A cable was sent by the Rumanian Government through the War Department (War T-946) concerning the typhus situation in that country and requesting that UNRRA furnish considerable quantities of medical supplies. This has apparently been dispatched through the U.S. side of the Control Commission which recommends that no such medical aid be given by UNRRA to Rumania, since the Government did not act on earlier suggestions in this matter and because the danger of a serious epidemic this year is now considerably minimized and UNRRA could not arrive in time for use in this season's campaign. A cable was prepared for dispatch by the State Department questioning this view in the light of information here as to the necessity for assistance in typhus control.

G. Lire for Trieste. We have been advised by our mission that the Italian Government is not willing to make lire available as a contribution on the score that Trieste has not been determined to be Italian territory. Italian Mission had made 150,000,000 lire available informally out of Administrative funds for April requirements and if instructed by ERO would continue to do so in May. The Italian Government was requiring settlement for these funds however. It was recommended that (a) ERO will press the Italian Mission to obtain the lire from the Italian Government for Italian needs; (b) we will keep in touch with the Combined Chiefs of Staff as to Trieste, if ERO agrees, in the hope of getting further advances through their support.

H. Ethiopian Agreement. Consideration of proposals for change, including exceptions to the usual principle that receiving countries advance funds for salaries for local mission personnel.

I. Philippines. Memorandum regarding basis for new Philippine emergency program covering separate CC resolution.



J. Austria. Discussion of proposal that USSR stocks be set off against USSR administrative contributions. Cable was sent opposing this suggestion.

K. Procurement in Switzerland. Memo was prepared covering policy and present status. Arranged to have Swiss contribution put on agenda of Contribution Committee.

L. Dodecanese. Discussion on policy in connection with fulfillment of existing program and request for additional assistance.

M. Finland. Proposal for exchange of UNRRA supplies between Lapland and other areas. Cables to mission restating policy on limitations on distribution under program.

#### IV. SHIPPING

A. Shipping for China. Distribution of UNRRA supplies in China is dependent largely upon inland water shipping. At present ships are coming from sources:

1. Some craft in the U.S. (Pacific Coast and St. Lawrence) will be chartered by WSA and moved as cargo on Canadian or U.S. vessels.

2. Tugs which will go as deck cargo will be sent by WSA through the Hawaiian-American Company. These craft will be delivered to Japan where the Luzon Stevedoring Company will deliver them to China.

3. Fishing craft which will go under their own power will go directly to China.

4. Craft located in the Philippine-Saipan area, purchased from FLC, should be moving to China this month. The contract with the Luzon Stevedoring Company was executed early in April for transfer of fishing craft to China.

5. Australia and New Zealand have yet made no vessels available for transfer, though it is indicated some will be forthcoming. We have cabled authority to deal with private company.

B. Shipping Reports. Cable 52 to Kiev states that a semi-monthly berthing cable is to be substituted for the previous tentative monthly loading cable. It was decided these semi-monthly statements should include a listing of what has been shipped to each country up to a given date by commodities plus general predictions of the remainder to be shipped through 30 June. This has been adopted in preference to the monthly report or the quarterly report previously discussed since it gives a forecast as well as a summary of the present situation.

C. Cost of Inland Transport. Reference is made to Cable 4837 from London in which it is stated that it is agreed at ERO that recipient countries should not bear foreign exchange costs of inland transport and cost of handling UNRRA supplies regardless of when title is transferred.



D. Shipping by Receiving Countries. Discussions with State Department regarding financing, use of 90% or 10% part of contribution, and policy to be applied on use of 90%. Established policy and basic agreement with State. Further discussion with State on shipping and fiscal responsibility. Discussions to finalize policy and adjust budget credit system. Additional conferences to revise policy to reflect abandoning budget credit system. Reviewed cable to missions incorporating new policy.

E. Russian Republics. Discussion of the use of Soviet vessels to carry supplies to the Ukraine and Byelorussia. Agreements were checked and letters exchanged regarding ship diversion problem.

V. SUPPLY

A. Consideration of legal aspects of Food Collection Drive, with special reference to licensing by President's War Relief Control Board, relations with voluntary agencies, and inquiries made by external auditors.

B. Preparation of statement on Administration policy regarding procurement in receiving countries announcing withdrawal of budget credit plan.

C. Proposal for communication to missions requesting information called for by Central Committee Resolution on trade and barter agreements.

D. Consultation on method of payment for Soviet stocks taken over by Administration in Austria.

E. Opinion that Administration is not authorized to furnish office supplies to CNRRA as relief goods.

F. Discussion with Chief of Austrian Mission on meaning and implementation of Resolution 91 relating to requisitioning of indigenous resources by occupying armies.

G. P.O.L. for Yugoslavia. (1) War Office was to be requested by ERO to agree to extension of military facilities at Aquila and San Savva through June 1946. (2) ANPB to be requested to agree to continue procurement and shipment of P.O.L. on the basis that supplies be earmarked specifically for UNRRA account at UNRRA nominated ports in Italy and Yugoslavia, and not to be included in General Army pool. (3) Investigation of alternative method of direct shipments to be pursued by Fuel Branch in event ANPB unable to acquiesce to request at paragraph 2 above. (4) Should War Office be unable to extend facilities requested at paragraph 1 above through June, and in any event with a view to UNRRA's assuming responsibility from 1st July, the following were to be explored: (a) negotiation of contract with Italian Company at Aquila to handle petrol on UNRRA account; War Office to be requested to agree to Army installation at San Savva, continuing to take in over-flow as emergency assistance to UNRRA, should Aquila facilities be inadequate from time to time; (c) earliest possible acceptance by Italian Companies of responsibility for receipt and distribution of P.O.L. in Italy.



H. Wheat Purchase Program. Discussions with CCC of "Certificate" Program. A memorandum outlining the terms and legal basis was prepared.

I. Wheat. Review of order on feeds and cattle feeding. Investigation for the Director General of price and legal restriction on size of loaves of bread. Further investigation and memoranda for the Director General covering restrictions on distillery grain stocks in distilleries' hands. Revision of memorandum making recommendations as to domestic food measures in light of current developments.

J. UNRRA-OFLC 100 Million Dollar Basic Purchase. Review of financing provisions of contract. Drafted letter regarding financing 60 million out of next appropriation. Conference with OFLC on financing and shipping.

K. Austro-Czech Seed Potato Deal. Cabled to ERO and Vienna, authorizing consummation with method of financing left open. However, it was specified that payment was not to be on the Nugent plan.

L. Procurement in Germany

1. Discussions on procurement of specific items, with question of financing left open pending discussion of reichsmarks proposal.
2. Consideration of reichsmarks position in the light of Potsdam agreements.
3. Preliminary discussions with State Department.

M. Italy

1. Consultation with Department of Agriculture on direct procurement of flour by Italy.
2. Consultation with Treasury regarding local currency problems and the use of lire for inland costs and supplies for transport.

N. Polish Coal Gift to Yugoslavia. Discussion of methods of meeting transshipment costs. Policy clarified and reviewed cable to ERO.

O. Greece. Discussed the request of the Greek Mission for office supplies. This request was turned down.

P. Surplus Property. Conference with the State Department regarding UNRRA's surplus property position and purchases. A memorandum and letter were sent stating position and explaining purchases of critical items before surplus declaration.

VI. DISPLACED PERSONS

A. Council Resolution on Displaced Persons. Discussions were held concerning the necessary action to be taken as the result of Resolution 92, regarding displaced persons, passed by the Council at Atlantic City. The staff is in general agreement on the action to be taken and have drafted instructions to be sent to ERO. Letter to governments concerned requesting information and recommendations regarding implementation of Resolution 92.



B. Jews in Bulgaria. Mr. Bergson showed a member of this office a copy of a letter signed by a Soviet Lieutenant General who was an assistant on the Allied Control Council in Bulgaria concerning the Jews in Bulgaria. Further inquiry is being made in this matter with the State Department and it has already been mentioned to Mr. Feonov who said that he had not received any information concerning the status of these people.

C. Clearance of agreement with voluntary agencies regarding U.S. immigration programs for displaced persons.

D. Discussion with USSR representative and Bureau of Services on scope of policy relating to post-hostilities refugees.

E. Drafting of telegram on eligibility of DP's deciding to remain in Germany.

F. Opinion to Hungarian representative regarding eligibility of persecuted Hungarians in Sweden desiring repatriation.

G. Opinion to auditors regarding authority of Administration to repatriate Italians in Greece with reference to requirement of Greek Government approval.

H. Discussion with mission chiefs for Austria and Germany regarding displaced persons problems.

I. Opinion that freight cars furnished by UNRRA for Poland may be used to move Polish displaced persons from France to Poland.

J. Discussion with Hadassah regarding possible UNRRA assistance to refugee children in Palestine.

K. Pre-War Displacement. Consideration of policy and interpretation of Resolutions 57 and 60 in cases of victims of persecution displaced before the outbreak of hostilities in 1939.

## VII. FINANCE

A. Delegation of DG powers relating to handling of funds, accounts, commercial paper and letters of credit.

B. Indian proposal that UNRRA utilize U.S.-owned rupees. Preparation of draft reply rejecting proposal. (See Cable No. 422 to New Delhi)

C. Discussion with Polish representatives regarding information requested in connection with determination of Poland's ability to pay.

D. Advances of lire by Italian Government to cover operations on behalf of other areas. (Cable No. 4397 to London)

E. The clarification but not final recommendation of term "unspent balances" as used in Program of Operations for period ending 30 June. Definition covers supplies "uncommitted by the procurement agencies of the supplying governments".



F. Auditing. A memorandum was prepared with regard to independent auditing of the Mixed Commission (Subcommittee on Audits, Committee on Financial Control). (1) It is clear we are not required to make audit as a matter of legal requirement; (2) it is not clear as yet whether we are going to make it; (3) conclusion this is not a matter for the General Counsel to decide.

G. Bank of America. Policy has been established to accept the bank's named by the recipient governments. We do not feel that we should interfere in the selection of banking outlets.

H. Provision of Foreign Exchange for UNRRA Under Resolution 57. Advice from the United Kingdom Treasury Delegation, confirming the understanding that in consideration of the foreign exchange expenditure incurred by UNRRA under Resolution 57, reichsmarks to cover handling and transit expenses, and billeting and messing expenses, for armed guards necessary for the transshipment of UNRRA supplies through Germany will be provided on a non-reimbursable basis by the British Government. This will make any strict accounting unnecessary. The appropriate military authorities in Germany are being advised by the British Government. Negotiations are in process with the U.S. Government to take similar action. Formal approval of the U.S. Government has been received concerning the agreement that reichsmarks will be furnished to cover the transit expenses of shipments to Czechoslovakia through Germany without detailed accounting against our expenditure in Germany.

I. Contracts dealing with (1) purchase of Newfoundland herring (2) medical teaching project in Poland (3) warehousing.

J. Taxation questions covering (1) refunds on taxes for non-American personnel (2) exemptions under U.S., D.C. and Canadian law.

K. Immigration questions covering visas, customs duties, citizenship and other exemptions under immigration laws accorded by the immunities legislation.

#### VIII. GENERAL COUNSEL'S VISIT TO LONDON

A. ERO. One of the purposes of his visit was to become acquainted with ERO and with the General Counsel's Office of ERO in particular. This was a very valuable experience, and the discussions had been entirely satisfactory.

B. United Nations Conference on Displaced Persons. The General Counsel attended meetings of the UN Conference and felt that on the whole the meeting was proceeding very unsatisfactorily. There were two major reasons for the lack of progress: 1. The question of the screening of collaborators and quislings was raised, in particular by the Yugoslav representative, and there was considerable discussion similar to that which took place at the UNRRA Council Session. The proposal of a fact-finding commission to investigate this matter was revived, in spite of the fact that the displaced persons camps referred to are all UNRRA camps and the Refugee Organization could not become effective until late in the year. 2. The notion that the new organization was chiefly concerned with



repatriation instead of resettlement, which was a diversionary development. UNRRA is capable of handling the repatriation of displaced persons and resettlement is the important job for UN.

Because of these two problems which faced the conference, the delegates did not then get around to discussing establishment of a new organization and the kind of financing and staff which it will have. He believes the delegates understood the need for a new organization but they thought they could not consider the questions of finance and staff until they had reached some agreement concerning the definitions of the categories of persons with whom the new organization is to be concerned. The conference established five subcommittees of which only the one established to discuss the definition has been active. There has been discussion in this committee concerning political dissidents which the delegates realize is a very difficult problem. In all probability they will reach agreement on the substantive side of this question, with dissent by the Eastern European countries.

So far, ERO has not made any statement at this conference and has felt it better to observe. It is now felt that it would be wise to present a clearcut statement concerning the need for the establishment of a new organization and to point out the main issues facing UN in the handling of displaced persons. A draft had been prepared in ERO by General Gale, Mr. Dudley Ward and Mr. Davidson. This would be particularly important because there had been a complete neglect of this meeting by the press in London and it was hoped that such a statement would have an important public relations effect on the meeting and might give the conference a better sense of direction. The delegates were under no pressure of public opinion to conduct their business promptly and in orderly fashion, and that unless they realized need for acting quickly, they will not be able to present their report to the full Economic and Social Council at the end of next month as scheduled. This might seriously affect UNRRA's timetables, since UNRRA faces the problem of retaining its staff, and also, UN faces the problem of acquiring a trained staff when the time comes.

#### IX. UN AND OTHER INTERNATIONAL ORGANIZATIONS

A. Draft statement of UNRRA position to be taken at UN Committee on DP's and Refugees.

B. Report on World Bank covering history and provisions relating to interest and commissions charges.

C. Consultation on UNRRA report for Temporary Social Commission.

D. Communications relating to UNRRA representation at I.L.O. Conference in Montreal. Examination of I.L.O. documents preparatory for Conference.

E. Discussion with I.G.C. representative on financing and authority of Committee.



F. Reply to inquiries regarding provisions UNRRA Agreement with UNESCO.

X. PROPOSALS FOR OPERATIONS IN NEW AREAS

A. Questions of medical assistance to Rumania. Communication to State Department requesting clarification of U.S. position and information regarding apparent request from Rumanian Government.

B. Proposals to assist Jews in Bulgaria. Discussed in communications with U.S. State Department and Hebrew Committee of National Liberation. Clarification sought on position of Allied Control Commission following receipt of communication from official of ACC to Hebrew Committee of National Liberation.

C. Memorandum to Director General recommending rejection of invitation from Combined Chiefs of Staff to assume responsibility for Venezia Giulia and Udine Provinces. Communications with ERO and Rome on this subject.

XI. MISCELLANEOUS

A. Review and Clearance of Reports

1. Draft 7th Report by President to Congress
2. Director General's Quarterly Report

B. Basis for Computing Food Requirements. The proposal that a floor be established on a bare subsistence basis was discussed, with consideration given in regard to past consumption.

C. American Council of Voluntary Agencies. Information was given to the American Council of Voluntary Agencies regarding displaced persons operations. At present the Council has established a committee to examine the refugee problem and to make recommendations regarding the future handling of DP's.

D. Fellowship Program. We have asked the USSR to make local currency available for Ukraine and Byelorussian UNRRA fellows wishing to take advantage of educational facilities in the USSR. As yet we have had no reply.

E. Information for UNRRA History. Assistance was given the Historian checking the availability of the files of member governments concerning the origins of UNRRA. The files of the U.S. and U.K. are for the most part already available.

F. Meeting of the International Labor Office. The ILO is holding a meeting on May 23 in Montreal to which UNRRA has been invited to send a representative. It was suggested that the person should appropriately come from the General Counsel's Office.



G. Policy Relating to Long-term Equipment. In Cable 940 from Athens, the Greek Mission asks that it be authorized to transfer title from UNRRA to the Greek Government on all trucks imported by us. It is believed, and should be discussed, this would be mutually advantageous with ERO.

H. Greek War Relief. Transactions with UNRRA involving sale by UNRRA at cost to Greek War Relief and turnover by Greek War Relief for distribution. Letter agreement was approved.

I. Priorities. Discussions with OWMR of UNRRA's priority position. Reviewed Director General's letter to President and prepared draft of proposed directive letter by President to U.S. Agencies.

J. Program of Operations. Review of statement of principles regarding program for second half of 1946 prepared by the Bureau of Supplies for the Program Subcommittee.



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UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

DIRECTOR GENERAL

MAY 29 1946

U. N. R. R. A.

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TO: *K* The Director General

FROM: Alfred E. Davidson

SUBJECT: Office of the General Counsel - Report for April 1946

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II. RELATIONS WITH CONGRESS

During the month of April Congressional mail was much heavier than previously. The replies prepared included the following subjects: (1) procurement of new machine tools (to the Mead Committee); (2) the Atlantic City "austerity diet"; (3) Displaced Persons; (4) Jews in Greece and in the Balkans; (5) contributed supplies; (6) reestablishment of foreign parcel post services; (7) record of Athens office.

A. Senate Judiciary Committee. The General Counsel testified 26 April before the Senate Judiciary Committee on a bill to increase private shipments of relief supplies to Germany. He was asked why UNRRA was not operating in Germany, and he explained the international agreements under which UNRRA operates. It is believed there is likely



to be some further Congressional pressure on the U.S. Government to permit UNRRA to expand its operations to include Germany, in view of the fact that some Senators feel that since UNRRA is largely supported by U.S. funds, the U.S. Government should have a voice in deciding where UNRRA operates.

B. U.S. Legislation on Surplus Property. It was reported that on April 14 the Senate completed action on a bill which, while primarily intended to aid veterans in securing surplus property, removed UNRRA's priority for procuring such items. The bill originated in the House where this provision was inserted, and now needs only the President's signature. The provision started with nylon stockings for officers' wives and the discussion moved on to UNRRA's purchase of tractors to the detriment of American farmers. Foreign procurement will not be affected. The Bureau of Supply is working on a list of items which must be put under contract. New legislation may eventually be needed to cover the situation.

### III. RELATIONS TO FOREIGN GOVERNMENTS

A. Australia. A letter went to the Australian Legation requesting reduction in export levies on UNRRA supplies (wool and tallow products). We have had no direct reply. However, outside information has been received that the wool levies have been reduced in half. We can assume that SWPA in Australia has been successful in its negotiations.

B. Korea. We have set up a temporary emergency program, with the Military making original arrangements. A mission has already left for Korea. They will survey the requirements of the area; and when this has been done an agreement will be executed with the Korean Government.

Discussions were held concerning UNRRA's responsibility in Korea. It is felt that the primary responsibility rests with the Soviet and United States authorities occupying Korea, but that the War Department, which is planning a large-scale civil affairs program in this area, feels that UNRRA should supply whatever relief and rehabilitation materials are necessary. The Army under its "disease and unrest" clause, is responsible for the security of the area but cannot provide all the relief supplies needed. It was explained that the responsibility of the Third Council Session authorizing UNRRA to operate in Korea was passed before the military occupation began. The Korean mission left during April, with Mr. Sargent in charge. The emergency program will be executed. Colonel Harris will coordinate with the War Department. The Soviet Commander from the northern zone has requested \$27,000,000 for food, but there will be no further action until after the mission survey has been made.

C. Ukraine and Byelorussia - Proposed Amendment Agreement. In Cable 70 to Kiev the Bureau of Supply suggests an amendment to the agreements with the two Soviet Republics concerning the provision of advance information on loading programs. Under present day conditions, the figures called for by the agreements would be completely meaningless, because of the impossibility of obtaining reliable figures to be used for making distribution or any other plans. It points out that previous attempts to give loading programs in advance of month of loading have



only resulted in confusion in the country of destination. While the reasons for such a proposal are understood, it should be checked beforehand with the representatives of these two Republics, and UNRRA should not try to obtain such an amendment to the original agreements unless it is readily acceptable to the governments concerned.

D. China. Confirmation was granted UNRRA-CNRRA committees for planning procurement and distribution in China.

E. Venezia Giulia. The formal request for UNRRA assistance to Venezia Giulia was received. Zone B is covered already by the UNRRA programs for Yugoslavia and the request covers Zone A and Udine in Italy both of which are the responsibility of a joint US-UK Military Government Commission. It also includes Trieste itself, in which about one-half of the people of Zone B live and which is also under Anglo-American control. This responsibility would involve the expenditure of about \$10,000,000 and the British are very anxious to have UNRRA take over the work and are supported in this, although less enthusiastically by the U.S. Government. Notification has been sent to the Combined Chiefs of Staff that UNRRA cannot accept additional responsibility for Venezia Giulia. The above information was sent to ERO and Rome.

F. Request for Aid in Rumania. A cable was sent by the Rumanian Government through the War Department (War T-946) concerning the typhus situation in that country and requesting that UNRRA furnish considerable quantities of medical supplies. This has apparently been dispatched through the U.S. side of the Control Commission which recommends that no such medical aid be given by UNRRA to Rumania, since the Government did not act on earlier suggestions in this matter and because the danger of a serious epidemic this year is now considerably minimized and UNRRA could not arrive in time for use in this season's campaign. A cable was prepared for dispatch by the State Department questioning this view in the light of information here as to the necessity for assistance in typhus control.

G. Lire for Trieste. We have been advised by our mission that the Italian Government is not willing to make lire available as a contribution on the score that Trieste has not been determined to be Italian territory. Italian Mission had made 150,000,000 lire available informally out of Administrative funds for April requirements and if instructed by ERO would continue to do so in May. The Italian Government was requiring settlement for these funds however. It was recommended that (a) ERO will press the Italian Mission to obtain the lire from the Italian Government for Italian needs; (b) we will keep in touch with the Combined Chiefs of Staff as to Trieste, if ERO agrees, in the hope of getting further advances through their support.

H. Ethiopian Agreement. Consideration of proposals for change, including exceptions to the usual principle that receiving countries advance funds for salaries for local mission personnel.

I. Philippines. Memorandum regarding basis for new Philippine emergency program covering separate CC resolution.



J. Austria. Discussion of proposal that USSR stocks be set off against USSR administrative contributions. Cable was sent opposing this suggestion.

K. Procurement in Switzerland. Memo was prepared covering policy and present status. Arranged to have Swiss contribution put on agenda of Contribution Committee.

L. Dodecanese. Discussion on policy in connection with fulfillment of existing program and request for additional assistance.

M. Finland. Proposal for exchange of UNRRA supplies between Lapland and other areas. Cables to mission restating policy on limitations on distribution under program.

#### IV. SHIPPING

A. Shipping for China. Distribution of UNRRA supplies in China is dependent largely upon inland water shipping. At present ships are coming from sources:

1. Some craft in the U.S. (Pacific Coast and St. Lawrence) will be chartered by WSA and moved as cargo on Canadian or U.S. vessels.

2. Tugs which will go as deck cargo will be sent by WSA through the Hawaiian-American Company. These craft will be delivered to Japan where the Luzon Stevedoring Company will deliver them to China.

3. Fishing craft which will go under their own power will go directly to China.

4. Craft located in the Philippine-Saipan area, purchased from FLC, should be moving to China this month. The contract with the Luzon Stevedoring Company was executed early in April for transfer of fishing craft to China.

5. Australia and New Zealand have yet made no vessels available for transfer, though it is indicated some will be forthcoming. We have cabled authority to deal with private company.

B. Shipping Reports. Cable 52 to Kiev states that a semi-monthly berthing cable is to be substituted for the previous tentative monthly loading cable. It was decided these semi-monthly statements should include a listing of what has been shipped to each country up to a given date by commodities plus general predictions of the remainder to be shipped through 30 June. This has been adopted in preference to the monthly report or the quarterly report previously discussed since it gives a forecast as well as a summary of the present situation.

C. Cost of Inland Transport. Reference is made to Cable 4837 from London in which it is stated that it is agreed at ERO that recipient countries should not bear foreign exchange costs of inland transport and cost of handling UNRRA supplies regardless of when title is transferred.



D. Shipping by Receiving Countries. Discussions with State Department regarding financing, use of 90% or 10% part of contribution, and policy to be applied on use of 90%. Established policy and basic agreement with State. Further discussion with State on shipping and fiscal responsibility. Discussions to finalize policy and adjust budget credit system. Additional conferences to revise policy to reflect abandoning budget credit system. Reviewed cable to missions incorporating new policy.

E. Russian Republics. Discussion of the use of Soviet vessels to carry supplies to the Ukraine and Byelorussia. Agreements were checked and letters exchanged regarding ship diversion problem.

V. SUPPLY

A. Consideration of legal aspects of Food Collection Drive, with special reference to licensing by President's War Relief Control Board, relations with voluntary agencies, and inquiries made by external auditors.

B. Preparation of statement on Administration policy regarding procurement in receiving countries announcing withdrawal of budget credit plan.

C. Proposal for communication to missions requesting information called for by Central Committee Resolution on trade and barter agreements.

D. Consultation on method of payment for Soviet stocks taken over by Administration in Austria.

E. Opinion that Administration is not authorized to furnish office supplies to CNRRA as relief goods.

F. Discussion with Chief of Austrian Mission on meaning and implementation of Resolution 91 relating to requisitioning of indigenous resources by occupying armies.

G. P.O.L. for Yugoslavia. (1) War Office was to be requested by ERO to agree to extension of military facilities at Aquila and San Savva through June 1946. (2) ANPB to be requested to agree to continue procurement and shipment of P.O.L. on the basis that supplies be earmarked specifically for UNRRA account at UNRRA nominated ports in Italy and Yugoslavia, and not to be included in General Army pool. (3) Investigation of alternative method of direct shipments to be pursued by Fuel Branch in event ANPB unable to acquiesce to request at paragraph 2 above. (4) Should War Office be unable to extend facilities requested at paragraph 1 above through June, and in any event with a view to UNRRA's assuming responsibility from 1st July, the following were to be explored: (a) negotiation of contract with Italian Company at Aquila to handle petrol on UNRRA account; War Office to be requested to agree to Army installation at San Savva, continuing to take in over-flow as emergency assistance to UNRRA, should Aquila facilities be inadequate from time to time; (c) earliest possible acceptance by Italian Companies of responsibility for receipt and distribution of P.O.L. in Italy.



H. Wheat Purchase Program. Discussions with CCC of "Certificate" Program. A memorandum outlining the terms and legal basis was prepared.

I. Wheat. Review of order on feeds and cattle feeding. Investigation for the Director General of price and legal restriction on size of loaves of bread. Further investigation and memoranda for the Director General covering restrictions on distillery grain stocks in distilleries' hands. Revision of memorandum making recommendations as to domestic food measures in light of current developments.

J. UNRRA-OFLC 100 Million Dollar Basic Purchase. Review of financing provisions of contract. Drafted letter regarding financing 60 million out of next appropriation. Conference with OFLC on financing and shipping.

K. Austro-Czech Seed Potato Deal. Cabled to ERO and Vienna, authorizing consummation with method of financing left open. However, it was specified that payment was not to be on the Nugent plan.

L. Procurement in Germany

1. Discussions on procurement of specific items, with question of financing left open pending discussion of reichsmarks proposal.

2. Consideration of reichsmarks position in the light of Potsdam agreements.

3. Preliminary discussions with State Department.

M. Italy

1. Consultation with Department of Agriculture on direct procurement of flour by Italy.

2. Consultation with Treasury regarding local currency problems and the use of lire for inland costs and supplies for transport.

N. Polish Coal Gift to Yugoslavia. Discussion of methods of meeting transshipment costs. Policy clarified and reviewed cable to ERO.

O. Greece. Discussed the request of the Greek Mission for office supplies. This request was turned down.

P. Surplus Property. Conference with the State Department regarding UNRRA's surplus property position and purchases. A memorandum and letter were sent stating position and explaining purchases of critical items before surplus declaration.

VI. DISPLACED PERSONS

A. Council Resolution on Displaced Persons. Discussions were held concerning the necessary action to be taken as the result of Resolution 92, regarding displaced persons, passed by the Council at Atlantic City. The staff is in general agreement on the action to be taken and have drafted instructions to be sent to ERO. Letter to governments concerned requesting information and recommendations regarding implementation of Resolution 92.



B. Jews in Bulgaria. Mr. Bergson showed a member of this office a copy of a letter signed by a Soviet Lieutenant General who was an assistant on the Allied Control Council in Bulgaria concerning the Jews in Bulgaria. Further inquiry is being made in this matter with the State Department and it has already been mentioned to Mr. Feonov who said that he had not received any information concerning the status of these people.

C. Clearance of agreement with voluntary agencies regarding U.S. immigration programs for displaced persons.

D. Discussion with USSR representative and Bureau of Services on scope of policy relating to post-hostilities refugees.

E. Drafting of telegram on eligibility of DP's deciding to remain in Germany.

F. Opinion to Hungarian representative regarding eligibility of persecuted Hungarians in Sweden desiring repatriation.

G. Opinion to auditors regarding authority of Administration to repatriate Italians in Greece with reference to requirement of Greek Government approval.

H. Discussion with mission chiefs for Austria and Germany regarding displaced persons problems.

I. Opinion that freight cars furnished by UNRRA for Poland may be used to move Polish displaced persons from France to Poland.

J. Discussion with Hadassah regarding possible UNRRA assistance to refugee children in Palestine.

K. Pre-War Displacement. Consideration of policy and interpretation of Resolutions 57 and 60 in cases of victims of persecution displaced before the outbreak of hostilities in 1939.

## VII. FINANCE

A. Delegation of DG powers relating to handling of funds, accounts, commercial paper and letters of credit.

B. Indian proposal that UNRRA utilize U.S.-owned rupees. Preparation of draft reply rejecting proposal. (See Cable No. 422 to New Delhi)

C. Discussion with Polish representatives regarding information requested in connection with determination of Poland's ability to pay.

D. Advances of lire by Italian Government to cover operations on behalf of other areas. (Cable No. 4397 to London)

E. The clarification but not final recommendation of term "unspent balances" as used in Program of Operations for period ending 30 June. Definition covers supplies "uncommitted by the procurement agencies of the supplying governments".



F. Auditing. A memorandum was prepared with regard to independent auditing of the Mixed Commission (Subcommittee on Audits, Committee on Financial Control). (1) It is clear we are not required to make audit as a matter of legal requirement; (2) it is not clear as yet whether we are going to make it; (3) conclusion this is not a matter for the General Counsel to decide.

G. Bank of America. Policy has been established to accept the bank's named by the recipient governments. We do not feel that we should interfere in the selection of banking outlets.

H. Provision of Foreign Exchange for UNRRA Under Resolution 57. Advice from the United Kingdom Treasury Delegation, confirming the understanding that in consideration of the foreign exchange expenditure incurred by UNRRA under Resolution 57, reichsmarks to cover handling and transit expenses, and billeting and messing expenses, for armed guards necessary for the transshipment of UNRRA supplies through Germany will be provided on a non-reimbursable basis by the British Government. This will make any strict accounting unnecessary. The appropriate military authorities in Germany are being advised by the British Government. Negotiations are in process with the U.S. Government to take similar action. Formal approval of the U.S. Government has been received concerning the agreement that reichsmarks will be furnished to cover the transit expenses of shipments to Czechoslovakia through Germany without detailed accounting against our expenditure in Germany.

I. Contracts dealing with (1) purchase of Newfoundland herring (2) medical teaching project in Poland (3) warehousing.

J. Taxation questions covering (1) refunds on taxes for non-American personnel (2) exemptions under U.S., D.C. and Canadian law.

K. Immigration questions covering visas, customs duties, citizenship and other exemptions under immigration laws accorded by the immunities legislation.

#### VIII. GENERAL COUNSEL'S VISIT TO LONDON

A. ERO. One of the purposes of his visit was to become acquainted with ERO and with the General Counsel's Office of ERO in particular. This was a very valuable experience, and the discussions had been entirely satisfactory.

B. United Nations Conference on Displaced Persons. The General Counsel attended meetings of the UN Conference and felt that on the whole the meeting was proceeding very unsatisfactorily. There were two major reasons for the lack of progress: 1. The question of the screening of collaborators and quislings was raised, in particular by the Yugoslav representative, and there was considerable discussion similar to that which took place at the UNRRA Council Session. The proposal of a fact-finding commission to investigate this matter was revived, in spite of the fact that the displaced persons camps referred to are all UNRRA camps and the Refugee Organization could not become effective until late in the year. 2. The notion that the new organization was chiefly concerned with



repatriation instead of resettlement, which was a diversionary development. UNRRA is capable of handling the repatriation of displaced persons and resettlement is the important job for UN.

Because of these two problems which faced the conference, the delegates did not then get around to discussing establishment of a new organization and the kind of financing and staff which it will have. He believes the delegates understood the need for a new organization but they thought they could not consider the questions of finance and staff until they had reached some agreement concerning the definitions of the categories of persons with whom the new organization is to be concerned. The conference established five subcommittees of which only the one established to discuss the definition has been active. There has been discussion in this committee concerning political dissidents which the delegates realize is a very difficult problem. In all probability they will reach agreement on the substantive side of this question, with dissent by the Eastern European countries.

So far, ERO has not made any statement at this conference and has felt it better to observe. It is now felt that it would be wise to present a clearcut statement concerning the need for the establishment of a new organization and to point out the main issues facing UN in the handling of displaced persons. A draft had been prepared in ERO by General Gale, Mr. Dudley Ward and Mr. Davidson. This would be particularly important because there had been a complete neglect of this meeting by the press in London and it was hoped that such a statement would have an important public relations effect on the meeting and might give the conference a better sense of direction. The delegates were under no pressure of public opinion to conduct their business promptly and in orderly fashion, and that unless they realized need for acting quickly, they will not be able to present their report to the full Economic and Social Council at the end of next month as scheduled. This might seriously affect UNRRA's timetables, since UNRRA faces the problem of retaining its staff, and also, UN faces the problem of acquiring a trained staff when the time comes.

#### IX. UN AND OTHER INTERNATIONAL ORGANIZATIONS

A. Draft statement of UNRRA position to be taken at UN Committee on DP's and Refugees.

B. Report on World Bank covering history and provisions relating to interest and commissions charges.

C. Consultation on UNRRA report for Temporary Social Commission.

D. Communications relating to UNRRA representation at I.L.O. Conference in Montreal. Examination of I.L.O. documents preparatory for Conference.

E. Discussion with I.G.C. representative on financing and authority of Committee.



F. Reply to inquiries regarding provisions UNRRA Agreement with UNESCO.

X. PROPOSALS FOR OPERATIONS IN NEW AREAS

A. Questions of medical assistance to Rumania. Communication to State Department requesting clarification of U.S. position and information regarding apparent request from Rumanian Government.

B. Proposals to assist Jews in Bulgaria. Discussed in communications with U.S. State Department and Hebrew Committee of National Liberation. Clarification sought on position of Allied Control Commission following receipt of communication from official of ACC to Hebrew Committee of National Liberation.

C. Memorandum to Director General recommending rejection of invitation from Combined Chiefs of Staff to assume responsibility for Venezia Giulia and Udine Provinces. Communications with ERO and Rome on this subject.

XI. MISCELLANEOUS

A. Review and Clearance of Reports

1. Draft 7th Report by President to Congress
2. Director General's Quarterly Report

B. Basis for Computing Food Requirements. The proposal that a floor be established on a bare subsistence basis was discussed, with consideration given in regard to past consumption.

C. American Council of Voluntary Agencies. Information was given to the American Council of Voluntary Agencies regarding displaced persons operations. At present the Council has established a committee to examine the refugee problem and to make recommendations regarding the future handling of DP's.

D. Fellowship Program. We have asked the USSR to make local currency available for Ukraine and Byelorussian UNRRA fellows wishing to take advantage of educational facilities in the USSR. As yet we have had no reply.

E. Information for UNRRA History. Assistance was given the Historian checking the availability of the files of member governments concerning the origins of UNRRA. The files of the U.S. and U.K. are for the most part already available.

F. Meeting of the International Labor Office. The ILO is holding a meeting on May 23 in Montreal to which UNRRA has been invited to send a representative. It was suggested that the person should appropriately come from the General Counsel's Office.



G. Policy Relating to Long-term Equipment. In Cable 940 from Athens, the Greek Mission asks that it be authorized to transfer title from UNRRA to the Greek Government on all trucks imported by us. It is believed, and should be discussed, this would be mutually advantageous with ERO.

H. Greek War Relief. Transactions with UNRRA involving sale by UNRRA at cost to Greek War Relief and turnover by Greek War Relief for distribution. Letter agreement was approved.

I. Priorities. Discussions with OWMR of UNRRA's priority position. Reviewed Director General's letter to President and prepared draft of proposed directive letter by President to U.S. Agencies.

J. Program of Operations. Review of statement of principles regarding program for second half of 1946 prepared by the Bureau of Supplies for the Program Subcommittee.



RESTRICTED

*271 - General Counsel*  
UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

DIRECTOR GENERAL 5 April 1946

MAY 7 1946

U. N. R. R. A.

TO: The Director General  
FROM: Alfred E. Davidson  
SUBJECT: Office of the General Counsel - Report for March 1946

I. U.S. CONTRIBUTION

Renewed inquiries with respect to establishing a reasonable estimate of the United States refund resulting from the renegotiation of UNRRA procurement contracts. After various consultations, concluded that available material will not give us a basis for any reasonable estimate. Further discussions are to be undertaken with the State Department.

Arranged for the reprinting of Public Laws 259, 262 and 267 in President's Report to Congress.

Made arrangements with Internal Revenue and Treasury Procurement for UNRRA staff to undertake an estimate of the amount of the U.S. contribution spent in paying U.S. excise taxes.

Study was made of the amount of the U.S. contribution that has been diminished because of the failure to realize a drawback from the export of items which had been imported. Concluded these drawback losses are minimal.

Met with the State Department to plan material needed for appropriation hearings.

II. ACTION IN REGARD TO CONGRESSIONAL MATTERS

Congressional inquiries were answered with respect to

1. The contribution of clothing and food to the German people and to other European groups;
2. Rumors that the distribution of relief supplies in Poland discriminated in favor of Catholic peoples;
3. The amount of UNRRA shipments to date;
4. UNRRA sales of flour to the Kailan Mining Administration;
5. Voluntary ration programs in U.S.;
6. UNRRA aid in Finland and the acquisition by UNRRA of Norwegian fish.



### III. FOURTH COUNCIL SESSION

This office was charged with primary responsibility for policy matters and for preparation of the agenda. As in February, members of the staff participated in daily staff meetings held in preparation for the Fourth Session. Proposals for the agenda were received from Headquarters, ERO, various missions and from member governments. All suggestions were discussed and considered and final decisions on the agenda were made by this office, after consultation with the Secretariat. A memorandum was also completed explaining the reasons for including the various items in the agenda; this memorandum was circulated to the member governments on the Central Committee for detailed discussion of agenda items and review of Council procedure. Assistance was given the Secretariat in selecting and obtaining the necessary documentation relative to the agenda.

At the Fourth Council Session this office gave assistance in drafting resolutions (A.E. Davidson was drafting officer) and covered questions of procedure (O. Schachter was secretary of the General Committee). An opinion was drafted regarding application of Article I, Section 2C of UNRRA agreement to (1) Central Committee resolution relating to trade and barter agreements and (2) the Budget Credit Proposal. No action was taken on the above two matters. (For further information, see Pamphlet "Resolutions on Policy, 4th Session, UNRRA Council".)

### IV. AGREEMENTS AND RELATIONS WITH RECIPIENT GOVERNMENTS

1. Korea. Prepared a brief summarizing UNRRA operations with respect to Korea up to the present time and making recommendations with respect to action to be taken on the requests of U.S. Military Government and the Russian Military Government for UNRRA relief supplies in these military zones. Consulted with representatives of the State Department to explore U.S. attitude toward UNRRA negotiation for relief to the southern area of Korea independent of the northern area. Prepared cable to Manila advising and instructing with respect to the Russian request for UNRRA relief in northern Korea.
2. China. Prepared letter setting forth UNRRA policies for distribution of supplies. Prepared cable suggesting reconsideration of distribution of food in view of reduced shipments. Cable was sent to check unlimited sales of flour in Shanghai.
3. Manchuria. Discussed plans for securing permission to send a mission into Manchuria to investigate typhus epidemic reports.
4. Soviet Republics. Drafted letters to representatives of Republics formally opening negotiations on agreements pursuant to provisions of Article IX.
5. Hungary. Advised ERO on status of letter agreement with Hungary and cabled authorization to dispatch mission chief to Budapest to finalize arrangements.
6. Austria. Discussions regarding action to be taken
  - (1) By UNRRA and mission in connection with local press inquiries



as to withdrawal of land by Soviet occupying forces. Cable to ERO establishing mission's position. (Cable 2450 - 2328)

(2) In connection with AC statement attributing reduction in rations to UNRRA conditions. Cable ERO suggesting action.

(3) In connection with assumption of UNRRA responsibility for Austria, participated in planning of procedures and accounting and fiscal aspects of take over. Cabled to ERO outlining necessary action and suggesting procedures, including method of payment for military supplies.

(4) In connection with Parminter figures on food stocks and the danger resulting from cessation of military grain shipments in April, participated in meeting with War and State Departments, U.K. representatives and UNRRA covering assurances as to April loadings. Statement agreed to by governments and cabled to Parminter as basis for take over. Further telex discussions with Parminter in connection with final commitments received, authorizing take over. Cable #2745.

(5) In connection with UNRRA finance expenses of Austrian representatives, Cable sent to ERO rejecting suggestion.

7. Ethiopia. Review of modification of agreement proposed by mission and government. Mission instructed as to Administration's position and given acceptable draft of paragraphs in controversy.

8. Trieste Expenses. The status of Administration's proposal that lire be advanced by Italian Government and military was discussed. Advice to mission regarding temporary arrangement pending final decision by CCAC and outcome of Keeny negotiations with Italian Government. (Cables #4355, 2479, 3034)

9. Albania. The proposal for use of UNRRA supplies by Army in absence of available indigenous supplies was discussed.

10. Finland. Gave opinion as to areas in Finland in which UNRRA supplies can properly be distributed in light of terms of Central Committee approval of emergency program and in light of presentation by Finnish Government. Sent cable to mission limiting distribution to Lapland except to extent necessary to take care of evacuees from Lapland still being sheltered in other parts of Finland. (Cable March 18, 1946-Unnumbered)

11. India. Proposal that UNRRA release food and medical supplies to India was discussed. Revised cable stating UNRRA's position.

12. Other Recipient Governments. Letter went to all Country Missions asking that special consideration be given to the distribution of supplies to resourceless persons. Prepared memorandum with regard to the ability to pay of San Marino and Dodecanese Islands. Prepared a letter stating the position of the Administration with regard to the assumption of responsibility for supplies in Venezia Giulia and Udine.



## VI. GENERAL PROCEDURES WITH RECIPIENT GOVERNMENTS

1. Field Memorandum 33. Reviewed Field Memorandum 33 on documentation of direct title of transfer to receiving country.

2. Substitution of Items Without Prior Consent of Receiving Country. Opinion on propriety of substituting items within categories without the consent of the country, under the principles approved by the Central Committee. Discussion with Program Subcommittee on clarification of its recommendations so as to permit substitution without consent of receiving country where a substituted item serves same purpose. Draft of revised recommendation, which was ultimately adopted by the Program Subcommittee and approved by the Central Committee.

## VII. DISPLACED PERSONS

1. The question of the shipping of basic supplies to the French zone in relation to the obligation of the French Government to pay the cost was discussed. The procurement now being done by the French and UNRRA shipment of basic supplies have been stopped.

2. Preliminary discussion was held with Senator Kilgore's office on the request of the Kilgore Committee for copies of the fortnightly displaced persons reports.

3. Prepared cable setting forth procedure for release of unaccompanied children and statement of limits of UNRRA responsibility with respect to adoption of children. (Cable 2104)

4. Assisted in the preparation of the report to the Council Committee for the Far East of the Mission to investigate displaced persons in the Far East.

## VIII. SUPPLY

### 1. Grains and Fats

(1) Further study of U.S. consumption and assembly of information for use in campaign undertaken with respect to increasing export supplies.

(2) UNRRA's position in connection with domestic food measures and policies to be effectuated at meeting of the Famine Emergency Committee was examined.

### 2. Surplus Property

(1) Findings resulting from study of prices paid for trucks, with a view to establishing UNRRA's position were discussed.

(2) The possibility of making credit arrangement to cover purchases from OFLC in the Pacific Theater was explored. Reviewed and revised draft letter to OFLC arranging for payment out of next appropriation, after policy conference with Comptroller and Rooks.



(3) Marseilles Depots. Further discussions with Bureau of Supply and F&A in effort to finalize policies on allocation of charges and inland transportation costs for supplies procured from the U.S. in France.

(4) Discussed UNRRA review of proposed Mead Committee report with Committee Counsel.

(5) Discussed with OFE UNRRA policy on disposition of proceeds derived by UNRRA from sale of non-UNRRA items found in ships cargoes purchases. Shanghai was authorized by cable to use proceeds to meet foreign exchange expenses subject to segregation of additional funds in Headquarters in order to maintain status of account.

### 3. Priorities

(1) Conference with CPA, War Assets Corporation and Department of Commerce on UNRRA's industrial rehab and agrehab programs, with a view to arriving at policies and procedures for recognition of UNRRA priorities.

(2) Reviewed bulletin issued by War Assets Corporation to its field offices establishing that Federal priorities apply to surplus property purchases for UNRRA's account. Bulletin established provisional method of handling items on critical list subject to the ultimate establishment of the general policy by CPA.

4. UTTO. Conference with Bureau of Supply on recommendations made by mission chiefs after meeting in Trieste on establishment of UTTO.

5. Cotton Subsidies. Further discussions with OWMR. (Note: Subsequent information indicates that subsidies were approved as to approximately one-half of our procurement program and steps are now being taken to assert a claim for subsidies on the remainder.)

### 6. Committee on Supplies

(1) Reviewed Bureau of Supply report to Committee on Supply.

(2) Attended meeting with the Committee and discussed the Bureau of Supply questions raised relating to budget charges for long-term equipment, and definition of "unspent balances" as used in conditions attached to approval by Program Subcommittee and Central Committee on program of operations.

### 7. Procurement Matters

(1) Reviewed and approved draft of procedure covering procurement in Australia and New Zealand.

(2) Plan A. Stockpile. Discussed proposals received from OFLC covering price allowances on shoes and clothing. Conferences with OFLC on counter proposals to cancellation of clothing requisitions. Negotiation conducted on basis of agreeing to maintain current requisitions and indicating willingness to take additional clothing carried at value of \$13,000,000 for an additional payment of \$250,000, the figures being justified by revaluation of entire stock pile. Letter to Lane of OFLC stating UNRRA position.



(3) Reviewed and approved letter agreement covering \$25,000,000 cotton purchase, payable out of next appropriation.

(4) Airplanes for Yugoslavia. Discussions with State Department and cables to Belgrade on three planes procured for Yugoslavia. Finalized arrangements for shipment after clearance by State Department. (Cable 1790)

(5) Conferences were held with OPA with reference to proposed procurement of ration books and ration tokens. Reviewed letter agreements and certifications covering the purchase.

(6) Station Wagons. Discussed with F&A steps to be taken in connection with possible default by supplier under contract for 250 station wagons and reviewed alternative procurement possibilities.

(7) Discussed clothing commitments with Counsel for the Polish Government and explained the UNRRA position in connection with the request for a reduction in the program.

(8) Drafted letter to USSR requesting assistance in meeting food shortage problems by making supplies available.

8. War Department

(1) Effected arrangement for receipt from War Department of letter confirming credit to UNRRA for 10-in-1 rations released to CARE.

(2) Reviewed and approved letter agreement covering additional \$25,000,000 purchase of surplus foods from Army.

9. State Department. Discussed with Procurement Coordination Division current difficulties encountered in connection with screening of requisitions by State Department.

10. Contributed Supplies. Conference with Bureau of Supply on position to be taken in connection with failure of USSR to formalize acceptance of his proposed allocation of contributed clothing. Reviewed draft of proposed letter to USSR.

11. Supply for China

(1) Fishing Craft for China. Discussed with officials of State Department protests against UNRRA procurement of fishing craft on Pacific Coast for China program. Arranged for supply of information to State Department to answer questions raised concerning this program.

(2) China Fishing Program. Discussed with State Department officials question of whether any existing treaties would hamper proposed Chinese fishing program for which UNRRA is supplying craft. Determined there would be no treaties limiting program.



## 12. Miscellaneous

- (1) Prepared memorandum regarding UNRRA right to acquire and sell non-relief items as an incidental to the acquisition of ships' cargoes.
- (2) Prepared memorandum regarding proposed methods for supplying our China program with plane service.

## IX. SHIPPING

1. Contract for Movement of Craft from U.S. to China. Arranged and participated in conferences with War Shipping Administration, Maritime Commission, UNRRA Ocean Shipping Division, and representatives of American-Hawaiian Line, concerning a contract with that company to deliver craft from American and Hawaiian ports to China. Worked out agreement with WSA for bareboat chartering such vessels to it so that WSA could enter into agency contract with American-Hawaiian Line.
2. Delivery of Craft from Philippine Area to China. Participated in numerous conferences with members of Ocean Shipping Division and others within UNRRA with respect to means of obtaining delivery of craft to China from Philippine area. Assisted in drafting cables of instruction to Manila with respect to a proposed contract with Luzon Stevedoring Company to handle this movement. Arranged through WSA for loan of WSA attorney in Manila to assist in drafting contract.
3. Delivery of Vessels from Australia and New Zealand Area to China. Arranged for counsel in Sydney to assist in drafting contract for delivery of vessels procured in Australia and New Zealand area for China program.
4. Problems Incident to Operation of Watercraft in China Waters. Participated in conferences with members of Ocean Shipping Division and OFE with respect to UNRRA's assistance to CNRRA and China Waterways Transport organization in operation of watercraft delivered for China program.
5. Coordination with General Marshall's Program. Conferred with representatives of General Marshall's office at the State Department and Dr. Wang, Head of China Supply Mission, with respect to coordination of UNRRA program of procuring vessels for China with larger program planned by General Marshall. Participated in drafting of cable for Dr. Wang to send Dr. Soong.
6. Maritime Insurance. Conferred with members of UNRRA Insurance Section and representatives of general insurance brokers with a view to arranging general average and salvage insurance covering all UNRRA cargo lifted from the Western Hemisphere other than whole cargo on WSA ships covered by WSA waiver. Discussed form and provisions of insurance policy
7. Represented General Counsel's office at conference with Vice-Admiral Farber and Vice-Admiral Badger at the Navy Department with respect to the procurement from the Navy of vessels for our China program and the repair and delivery of such vessels by the Navy.



8. Use of Shipping by Receiving Countries. Prepared memorandum outlining proposed policy as to the use of shipping by receiving countries. Discussed fiscal aspects with the Bureau of Supply and F&A. Cable to ERO setting forth proposed policy. Continuing discussions with Bureau of Supply on various aspects of the proposal, particularly in relation to the implementation of the budget credit system and local currency costs. (Cable #2694)

9. Shipments Through Germany

(1) The difficulties in transshipments set forth in cables from Prague because of failure of military to agree to provision of reichsmarks were discussed. Approved provisional guarantee by UNRRA of payment of costs for billeting armed guards. Had informal preliminary conference with State Department to ascertain present position of U.S. on provision of reichsmarks. Cabled ERO and Prague setting forth policies and confirming provisional arrangements. (Cables 2902, 1076)

(2) Participated in conference with U.S. and U.K. representatives leading to agreement that reichsmarks should be provided to UNRRA on non-reimbursable basis against Resolution 57 expenditures. Prepared letters to U.S. and U.K. Governments seeking confirmation.

10. Policy on Inland Shipments. Conferred with Bureau of Supply and Chief Executive Officer on policies to be adopted in connection with inland freight movements to receiving countries. Prepared letter to State Department indicating that UNRRA would consider itself responsible for freight costs on transshipment of UNRRA supplies through Germany to Czechoslovakia. (Such statement of policy necessary to avoid additional obstacles in connection with negotiation for provision of reichsmarks.)

X. EDUCATION

Fellowship Program. Gave legal opinion that under existing order fellowships not available for non-member nations. Participated in conferences resulting in recommendation that policy be changed to provide for limited number of fellowships for Italy, Austria and Albania.

XI. FINANCE

1. Commitment of UNRRA Funds

(1) Further consideration of methods of avoiding tie-up of funds with regard to actual obligations incurred under existing requisition system. Conferences with State Department and C.C.C. accounting representatives. Memoranda proposing possible methods of revising existing system in Department of Agriculture and Treasury Procurement.

(2) Meeting with Treasury Procurement to set up new procedures for future obligation of UNRRA funds and for "unfreezing" of funds charged against outstanding unobligated requisitions.

(3) Meeting with the Department of Agriculture to agree on and



finalize revised procedures. Review of letter agreement between UNRRA and Department of Agriculture on new commitment arrangements.

2. System of Reimbursement to Receiving Countries Through Budget Credits. Questions had been raised by Comptroller in connection with the use of the budget credit system as a means of reimbursing receiving countries for supplies or shipping services furnished to UNRRA.

3. Procurement in Receiving Countries. Conferences on presentation of the Administration's proposal to the Central Committee. Discussed fiscal and budget credit aspects of the plan. Conferences and memoranda on propriety of use of local currency proceeds to finance purchase by country of supplies which UNRRA procures from it through the budget credit system.

4. Export Taxes on UNRRA Supplies. Arranged for investigation by Bureau of Supply of situations in which UNRRA is called upon to pay export taxes in supplying countries.

5. Import Taxes. Reviewed Czech agreement and UNRRA policy in connection with proposal by Czech Government to impose import and transfer taxes on UNRRA supplies. (Cable 3010, 1095)

6. Renegotiations, Drawbacks and Excise Taxes. Discussed these items as potential claims which might be asserted by UNRRA in connection with its next appropriation. Arranged for study by Bureau of Supply and F&A amounts paid with a view to assembling statistics for presentation to Congress.

7. Losses in Transit. Participated in formalization of policy as to method of handling budget charges where supplies are lost or damaged in transit to countries. Cable to Missions reviewed and approved.

8. Exchanges Between Receiving Governments. Proposed Austria-Czechoslovakia seed potato transaction was revised. Authorized Parminster to permit consummation of transaction with question of financing left open for later settlement (Ultimately approved payment in sterling on basis of direct purchase by UNRRA.)

9. UNRRA Financial Responsibility for Supplies and Equipment Furnished by Army for Organizational Overhead or Maintenance of Personnel of DP Camps. Study of agreements and discussions with headquarters and ERO personnel as to UNRRA's responsibility for such a cost indicated, under existing agreements for three zones in Germany, UNRRA responsible for reimbursing Army for supplies furnished.

10. Miscellaneous

(1) Greek War Relief. Conferred with auditors on problem of whether UNRRA assumed financial responsibility for supplies in Greece on April 1, 1945. Cleared letters to Greece requiring additional information.



(2) Reichsmarks for Supplies Procured in Germany

(a) Informal discussions with U.S. representatives on UNRRA position in connection with provision of reichsmarks on non-reimbursable basis to cover procurement of supplies in Germany.

(b) Reviewed and approved provisional arrangement for procurement of salt on basis of agreement that sterling should be paid if reichsmarks settlement was not authorized.

(c) Confirmed with U.K. representative the U.K. position that sterling would be accepted in any event for supplies procured in the British zone.

11. Domestic Finance

(1) Withholding Tax. Conference with officials of the Bureau of Internal Revenue and Mrs. Tellier at which agreement was reached that UNRRA could continue to withhold tax for employees as their agent.

12. Contracts

(1) Norwegian Government - Purchase of Codfish. At the request of the Fish and Cod Liver Oil Branch, a contract between UNRRA and the Norwegian Government for the purchase of codfish was examined and approved for legal sufficiency.

(2) Clothing Collection Contracts. Several conferences were had during the month with representatives of the Comptroller's office concerning the various contracts between UNRRA and Clothing Collection, Inc., and UNRRA and Dan A. West, as Executive Director of the Community Canning Program.

(3) Brethren Service Committee Contract. Conferences were had during the month with persons in the War Shipping Administration and the Agricultural Rehabilitation Division regarding UNRRA's liability to WSA for travel expenses and per diem paid by WSA to cattle tenders employed by UNRRA to accompany livestock shipped abroad. The rules and regulations of WSA under which the payments were made were obtained and examined. A memorandum was written the Agricultural Rehabilitation Division recommending the position which UNRRA should take in the matter and a letter was written to WSA agreeing to reimburse it for the expense which it was required to pay to such employees.

13. Immunities

(1) Taxation. Several conferences were had with representatives of Pan American Union concerning questions arising under the International Organizations Immunities Act.

Legal advice was given the Management and Budget Division regarding the necessity for exit permits for income tax purposes in view of the Immunities legislation.

A conference was had with a representative of the Food and



Agriculture Organization regarding UNRRA's interpretation of the Immunities Act with respect to refunds due non-American employees.

Throughout the month advice was given numerous individual non-American personnel concerning their rights to file claims for refund of U.S. taxes pursuant to the International Organizations Immunities Act.

Legal advice was given regarding deductibility of contributions to UNRRA under U.S. income tax laws.

Replies were prepared to several letters addressed to the Administration concerning the tax status of UNRRA employees serving abroad.

Advice has been given UNRRA employees who have returned from overseas concerning filing of income tax returns.

(2) Immunities Accorded by Member Governments. Final work was done on the Memorandum covering immunities accorded UNRRA by its member governments. Conferences were had with persons in the Latin American Branch, the Diplomatic Adviser's office and the Office of the Far East. A basic memorandum was prepared for the use of the General Counsel's office and a further memorandum was furnished the Accounts and Audits Division in response to inquiries raised by the outside auditors in staff meetings.

In response to an inquiry from the Sydney office, a letter was prepared furnishing that office with a list of the member governments which provide reciprocal tax immunities to Australian nationals.

(3) Immigration. Conferences were had and advice was given to the Management and Budget Division concerning changes to be made in the General Bulletin issued on the subject of Immunities accorded by the International Organizations Immunities Act.

## XII . PUBLIC RELATIONS

The Administration's policy on assistance to writers, travelling to or through UNRRA countries was discussed. Reviewed and approved draft memorandum stating the proposed policy.

## XIII. MISCELLANEOUS

### 1. Personnel

Experts and Technicians for UNRRA Headquarters and ERO.  
Participated in conferences and assisted in drafting cables outlining UNRRA policy with respect to the temporary employment of supply experts from mission personnel.

Note: All cables referred to are outgoing from Washington office.



## UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

5 February 1946

TO: The Director General

FROM: Alfred E. Davidson

SUBJECT: Office of the General Counsel - Report for January 1946

I. U.S. CONTRIBUTION

A. Plans for Requesting Additional \$600,000,000. During the month this office, together with other divisions, gave consideration to the question of the appropriate time for requesting the additional \$600,000,000 still to be appropriated by the U.S. Congress under the authorization bill passed in December. An examination was begun of the question of need and of supporting evidence. The problem was discussed with representatives of the State Department. Discussions are continuing.

B. Follow-up on Authorization of Second 1%

1. Comparison of December Estimates. As a follow-up of evidence presented to Congress during hearings on the authorization bill, consultations were held for comparison of December estimates supplied by the Division of Statistics and Reports.

2. Interpretation of Recommendations in Authorization Language. A cable was drafted to ERO, in connection with preparation of the Austrian agreement, explaining that the four points recommended by the U.S. Congress in the authorization of a second 1% contribution were not to be interpreted as conditions upon the granting of UNRRA aid, and hence need not be included in the Austrian agreement. It was suggested that this information be given to all missions.

C. Information in Connection with Congressional Action

1. Congressional Record. A daily review was made of the Congressional Record in order to follow discussions in Congress of matters concerning UNRRA.

2. Information to Members of Congress. This office assumed responsibility for the handling and review of all Congressional mail, except for that portion relating to specific personnel matters or individual displaced persons. In addition to letters referred to other divisions for preparation of the reply, a large number of Congressional letters, including inquiries or criticisms forwarded by constituents, were answered. These related to such matters as UNRRA's authority to operate in enemy and ex-enemy territories, the present scope of contributed supply activities, arrangements with respect to gift packages, and the availability of assistance from voluntary relief agencies. In



addition, a number of telephone inquiries by Members of Congress were referred to this office relating principally to UNRRA's authority to assist particular areas and groups of persons.

## II. FOURTH COUNCIL SESSION

In collaboration with other divisions, this office participated in plans and preparations for the Fourth Council Session to be held during the latter half of March. Responsibility for all policy matters has been vested in this office. An examination was made of subjects to be considered, pursuant to existing resolutions. Particular consideration was given to Resolutions 71 and 80.

Consultations were held with the Secretariat regarding procedure for the Council Session and topics for the agenda. Assistance was also given to the Division of Administrative Services in preliminary investigations of an appropriate site.

## III. CENTRAL COMMITTEE

Meetings of the Central Committee were attended by the General Counsel, and close contact was maintained with the head of the Secretariat and with other staff members of the Administration in the preparation of the agenda and of material for these meetings. Discussions were also held with members of the Committee and of its subcommittees.

## IV. AGREEMENTS AND RELATIONS WITH RECIPIENT GOVERNMENTS

A. Austria. Discussions were continued with representatives of the Governments occupying Austria concerning the extent and time of the UNRRA take-over of relief responsibility for that country.

This office replied to inquiries from the field concerning negotiations of agreements on operations in Austria and submitted proposals on the specific provisions of these agreements.

B. Hungary. Assistance was given to the U.S. State Department in the preparation of a resolution adopted by the Central Committee authorizing emergency relief to Hungary in the amount of \$4,000,000. Particular attention was given by this office to the formulation of limitations on the program; namely that relief should be provided only in the form of medical aid and sanitary supplies and other emergency relief supplies for persons in greatest need, such as children and nursing and expectant mothers.

C. China. The China Office was requested by cable to have the language on labeling authority, which had apparently been omitted by inadvertence from the China agreement, restored by an exchange of letters. Information was later received from China that this request had been complied with.

The distribution of a small portion of UNRRA supplies to Free China was approved by cable to Shanghai, with note being made that the size of the China program need not be increased because of this. It was further stipulated that observing and reporting responsibilities of the Administration should be extended to the area into which the supplies were to go.



Consideration was given by this office, in consultation with other divisions, to the problem of agreements entered into by CNRRA with two corporations, whereby a substantial part of UNRRA raw textiles in China were committed without clarification of the end use or policy of distribution. This office endorsed a letter to CNRRA, prepared by the Director of the China Office, protesting these agreements and pointing out the need for adherence to Resolution 7 governing distribution.

D. Greece. Members of the staff participated in conferences concerning the situation in Greece and its relation to the Administration's activities in that country. Assistance was given in the drafting of a statement for the member governments most closely concerned with the problem, setting forth the Administration's view of the extent of its responsibility in the situation. A cable was drafted to ERO urging that this aide memoire be handed to the government.

The question of the use of dollars by the Greece Mission to cover ATC and other costs, in view of the instability of the drachma, was discussed with interested divisions. Review was made of a memorandum and cable to the Greece Mission proposing a procedure to be adopted in the light of the War Department directive along this line.

E. Philippines. Staff discussions were continued, and a meeting with a representative of the Philippine Government was held, in connection with the proposed exchange of letters in the use of proceeds of the emergency program. A cable on the subject of the use of proceeds was reviewed. In view of Philippine objections to UNRRA's proposal on the use of proceeds, and pressure for a decision on ability to pay, conferences were held with the Office for the Far East, and it was tentatively agreed that the Philippines would be asked to reconsider their objections, with the explanation that the two problems must be considered separately.

F. Poland. A cable was drafted to ERO agreeing to their proposal that if the Polish Government desires voluntary agency personnel, the Mission should approach the Government regarding a provision in the basic agreement assimilating voluntary agency personnel to UNRRA personnel.

G. Korea. Members of the staff participated in discussions of an emergency relief program for Korea, and of the conditions under which general relief assistance would be given.

H. Rumania. Discussions were held with other divisions on the extent to which the Administration could assist voluntary agencies in the shipment of supplies which they wished to contribute to Rumania. Assistance was given in the preparation of a cable to the Allied Control Commission offering to assist such agencies in shipping medical and sanitary supplies to Rumania, if this would be agreeable to the Control Commission.

I. Finland. The exchange of letters, constituting an agreement with the Government of Finland, was completed on 11 January with the receipt of a letter from the Minister of Finland in Washington stating that his Government agreed to the provisions set forth in the Director General's letter of 18 December 1945. This office was consulted further concerning principles and arrangements for UNRRA activities in Finland.



J. Czechoslovakia. During his visit to Washington, discussions were held with the Senior Deputy Chief of the Czechoslovak Mission concerning problems in Czechoslovakia arising under the UNRRA agreement and resolutions, particularly with regard to the utilization of proceeds of sale, payment of transit charges incurred in Germany, and responsibility for displaced persons.

V. DISPLACED PERSONS

A. USFEF Agreement. A cable was dispatched to ERO on 19 January stating that the agreement with military authorities in the U.S. Zone of occupation in Germany had been approved by the Joint Chiefs of Staff in Washington and forwarded to the theatre for signature. The position had been taken earlier by this office that no further changes in the agreement could be proposed by UNRRA at this end.

B. Special Categories of Displaced Persons. The problem of UNRRA's authority under the Council resolutions to assist special categories of displaced persons was considered repeatedly throughout the month. Special groups presenting controversial issues were the Volksdeutsche, Balts, collaborators and post-hostilities refugees. This office drafted a statement of UNRRA's policy against aiding collaborators, in which a definition was made of the respective responsibilities of military authorities and UNRRA in the determination of who is a collaborator. The question of displaced Baltic nationals who are not collaborators was considered at the same time. A statement was also prepared of UNRRA's policy concerning the eligibility of Volksdeutsche and other German groups for UNRRA assistance under the displaced persons program.

A memorandum was prepared and submitted to the Central Committee setting forth the Administration's policy with respect to post-hostilities refugees. The principles in this memorandum were transmitted to ERO in Cable No. 8855. The question of the evidence of internal displacement was presented to ERO with the suggestion that field offices be advised concerning it.

During General Morgan's visit to Headquarters these problems were discussed with him, and the intent which prompted recent decisions on these matters was explained to him.

C. Persecuted Groups. Consideration was given to a recommendation by ERO that Resolution 46 be extended to cover persons of ex-enemy nationality displaced for reasons of race, religion or activities in favor of the United Nations.

D. Assistance by Voluntary Agencies to Displaced Persons in Germany.

The question of the admission of American voluntary agencies into Germany for the purpose of assisting displaced persons was discussed, particularly with regard to the problem of consultation with the Governments concerned regarding the applications of these groups.

E. Displaced Persons in Italy. Discussions were held with representatives of the Bureau of Supply and of Services on the problem of the transfer of responsibility for Displaced Persons in Italy from the



Military to UNRRA, and on the question of whether or not the displaced persons program to be undertaken with this transfer should be included in UNRRA's Italian budget.

F. Europeans Displaced in Shanghai. The question of UNRRA's responsibility for Europeans displaced in Shanghai was discussed in meetings with the Director General and the Deputy Director General for Supply. A program of UNRRA assistance was agreed upon, with UNRRA assuming responsibility for supplemental care without charge against the China program. It was also agreed that UNRRA will initiate action to repatriate those displaced persons seeking repatriation to Europe.

## VI. SUPPLY AND SHIPPING

A. Grain. The staff of the General Counsel participated throughout the month in the serious consideration given to the grain shortage. Many meetings were attended by the General Counsel and other members of the staff. Conferences were attended on allocations and on steps to be taken for improving UNRRA's position. Review was made of a statement by the D.G. to the President on UNRRA's position with regard to wheat and on action considered necessary in the situation. Members of the staff attended meetings of the Committee on Supplies and of the subcommittee on food shortages, and assistance was given in the drafting of a proposed report and recommendations of the ad hoc subcommittee. A memorandum was prepared outlining the problem of supply, especially with regard to the bottle-necks of U.S. shipments.

### B. Procurement

1. Programming of UNRRA Procurement. Discussions were held with representatives of the Bureau of Supply and with the U.S. State Department on the programming of UNRRA procurement in connection with standing instructions by the State Department to Treasury Procurement to contract for delivery prior to 30 September 1946, unless other specified. Preliminary arrangements of procedure were made with the State Department, Treasury Procurement and Civilian Production Administration for clearance of requisitions on long-lead items where delivery cannot be made by the supplier substantially before 31 December. A memorandum was transmitted to the Bureau of Supply explaining the situation with regard to limitation on the period of UNRRA shipments.

2. State Department Clearance of Requisitions. The problem of State Department review of UNRRA requisitions was discussed with State Department officials, in light of the President's Executive Order and letter pursuant to the UNRRA appropriation act. Advice was given to the Procurement Coordination Division with regard to this question, especially as to State Department functions in connection with the propriety of requisitioning particular types of items for country programs.

Informal discussions were held with State Department representatives on "end use" questions in general, and conferences held by State Department and Bureau of Supply people on proposals for an "end use" clause in Russian requisitions were attended by a member of the staff.



This office now has under review a draft of a set of rule of thumb standards proposed by the State Department for use in clearing requisitions.

3. Treasury Procurement Accessorial Charges. Preliminary discussions were held with Bureau of Supply members on accessorial charges set aside by Treasury Procurement. A study of the situation is pending, with a view to taking up with Treasury Procurement the matter of accounting involved, and a possible reduction of the charges.

4. Payment of Commissions to Foreign Agents. The question of the payment of commissions to Foreign agents of domestic suppliers was taken up with the Procurement Coordination Division, and a letter to Treasury Procurement was redrafted to cover UNRRA's position in this matter.

5. Price and Purchase Problems. An examination was made, with the Procurement Coordination Division, of price and purchase problems in connection with certain export price ceilings. A study of the question is pending.

6. Supply Discrepancies and Defects. Procedures were tentatively formulated for claiming credit to UNRRA's account in cases of discrepancy between invoice and bill of lading or of defects or non-conformity to specifications. The procedure formulated contemplates handling through the State Department and procurement agencies.

7. Cotton Requisitions. In connection with the purchase of raw cotton, inquiries were made of this office with regard to possible limitation in the use of the appropriation for the acquisition of cotton. Advice was given that the appropriation can be applied against the purchase of raw cotton, and an effort was made to expedite the clearance of current cotton requisitions.

8. Procurement in Recipient Countries. This office participated in discussions of a proposal for facilitating procurement in recipient countries by stimulating exchange of indigenous supplies. The basis of the proposal was studied, and consideration was given to the propriety of UNRRA's interest therein. An analytical memorandum was prepared on the subject, and a review was made of the proposal.

Discussions were held with the Bureau of Supply on a proposed arrangement with Italy for the manufacture of piece goods. These discussions also involved the general problem of procurement in a recipient country and the barter arrangements referred to above. This office initiated an effort to obtain information from the Army as to its procedures in connection with similar transactions in France.

The question of the exchange of wheat for corn in Yugoslavia was considered, with the opinion being given that the exchange should be on the basis of equal value. This opinion was modified to allow for the "ton for ton" basis, provided that determination be made that each exchange would benefit the civilian population at least as much as the UNRRA supplies would have done.

9. Captured Enemy Property. In connection with a cable on the



subject of German machine tools, further discussions were held with Bureau of Supply representatives on our policy with reference to the procurement of captured enemy property.

10. Procurement and Transit in Germany. Consultations were continued with the U.S. State Department and British Embassy representatives concerning UNRRA's request for German currency to cover transit and handling charges incurred in moving Czechoslovak supplies through Germany. In cooperation with the Financial Adviser, this office submitted to the U.S. and British officials the grounds, under the UNRRA resolutions and existing agreements, for this request. Also included in these discussions was the question of a contribution from Germany to cover the procurement of relief and rehabilitation supplies for UNRRA recipient countries.

A cable was drafted to ERO reporting State Department action in requesting U.S. Military authorities to make available German currency to cover these transport and handling charges. The suggestion was made that British authorities be approached by ERO on the same basis.

11. Procurement for Soviet Republics. This office reviewed and discussed with the Bureau of Supply a request by the Soviet Republics for the inclusion of elaborate conditions and specifications in equipment contracts, as well as for participation in inspection. A memorandum was prepared setting forth UNRRA's position in the matter, with the proposal that the difficulties might best be handled on an informal basis. Arrangements were made for discussions with Treasury Procurement and with Soviet purchasing representatives, and agreement among Treasury Procurement, UNRRA, State Department and the Soviet representatives was ultimately reached.

Meetings were attended with State Department and Bureau of Supply representatives on industrial rehabilitation requisitions for the Soviet Republics, and a review was made of the justification of the program prepared by the Industrial Rehabilitation Division.

12. Australian Procurement Agreement. The Australian Procurement Agreement was reviewed, and a covering letter was sent to the Southwest Pacific Area Office.

13. Purchase of Station Wagons. This office participated in preliminary negotiations and arrangements with the Civilian Production Administration in connection with the proposed purchase of 250 station wagons for displaced persons operations. A conference held with CPA for the purpose of seeking removal of conditions imposed by that Agency resulted in a change in the method of procurement which will represent a substantial saving to UNRRA if consummated.

14. Procurement of Hides. Conferences were held with the Bureau of Supply on procedures to be used for the procurement of hides. Arrangements were made with U.S. Commodity Credit attorneys to assist in obtaining clearance of existing requisitions. Discussions were held concerning arrangements for confirmation of procedures and State Department approval in connection with future allocations and procurement.



15. Flour Mills. In response to an inquiry from the House Small Business Committee, arrangements were made for information to be compiled and furnished to the committee with regard to the procurement of portable flour mills for use in China.

16. Machine Tool Procurement. A letter was drafted to a Member of Congress in which an outline was given of UNRRA's practice in the procurement of machine tools.

17. Airplanes. Discussions were held with Bureau of Supply staff members as to the method of handling certain airplanes procured by UNRRA in the United States.

18. POL. Arrangements were made for discussions to be held on the views held by U.S. Agencies on POL procurement by UNRRA.

#### C. Subsidies

1. Cotton. UNRRA's position on domestic cotton subsidies was reconsidered, and discussions were held with representatives of the Bureau of Supply and with CCC attorneys. Applicable statutes were reviewed. A letter was prepared for the signature of the Director General to the Director of OWMR stating UNRRA's claims and requesting the assistance of OWMR.

2. Wheat Flour. Application for wheat flour subsidies was reviewed, and advice was given to the Procurement Coordination Division as to the background of procedure adopted and arrangements for payments.

#### D. Priorities

1. General Position of UNRRA. A study was made and a draft report prepared at the request of a representative of the Polish Government on the general position of UNRRA in seeking priority over other claimants with respect to items in scarce supply.

2. Priority Claims. This office participated in a meeting with Treasury Procurement and Civilian Production Administration representatives on UNRRA priority claims. The meeting resulted in further crystallization of procedures and methods for disposing of particular items pending.

#### E. Contributed Supplies

1. Clothing Drive. In connection with the United Clothing Collection Drive, this office developed arrangements and revision of requisitions to cover the procurement of Army trucks, rent free, for use in the drive. Arrangements were also made, in agreement with the Bureaus of Finance and Administration and Supply, for insurance coverage by UNCC to minimize contingent UNRRA liabilities. A letter of agreement with UNCC confirming this transaction was prepared.

2. Sale of Contributed Clothing. A proposal by one of the recipient governments for permission to sell particularly valuable items of contributed clothing was considered, and the opinion was given that no exception can be made to our general commitment to distribute collected clothing free of charge.



3. National Clothing Collection of Canada. A memorandum was prepared to the Executive Director of Clothing Collection, Inc., and to the Deputy Director General in charge of Finance and Administration in connection with the final report of the National Clothing Collection of Canada.

4. Dyeing of Army Uniforms. Efforts were renewed to have the War Department relax its requirement that contributed Army uniforms shipped to Europe would have to be dyed. The problem was presented to the Assistant Secretary of War. Pending the desired action by the War Department, however, a number of conferences were held with Bureau of Supply representatives to consider alternative courses of action. It was found necessary to revise the contracts for the baling of contributed clothing in order to separate Army uniforms from other contributed clothing. A memorandum was prepared for the War Department explaining in detail the difficulties imposed by the dyeing requirements.

5. Supplies for Ex-Enemy Countries. A form letter was prepared, in response to numerous individual inquiries, regarding the shipment of gift packages and other contributions to Germany and other ex-enemy countries. Advice was given to the Contributed Supplies Division with reference to the acceptance of contributions for Austria and Hungary.

#### F. Surplus Property

1. Price Studies and Analyses. This office participated in conferences with the Procurement Coordination Division for the setting up of price studies and analyses, in connection with the purchase of surplus property.

2. Army Depots. A check was made of the situation with reference to the acquisition of Army depots, by Gailer, and cable instructions sent by the Surplus Property Branch were reviewed.

3. Balkan Stockpile. Background information on the Balkan stockpile was given to the Procurement Coordination Division. A study of this matter is pending.

4. Operating Arrangements. Discussions were held with representatives of the Surplus Property Branch for the purpose of ascertaining the possibility of formalizing operating arrangements between Surplus Property and Army representatives which are now being handled orally.

5. China. A request was made for a policy decision with regard to the disposition of unessential items received in China, and for clarification of the method of charging costs against the China program. A meeting was attended with all interested offices, and a statement was obtained that only items essential to the program (and so considered in bidding) are chargeable against the program, and at actual cost. Items obtained at token price or without cost are so transferred to the China program.

G. Vehicles at Granville. A further examination was made of the CID Report on operations at Granville, particularly with regard to the alleged transfer of certain vehicles to the French Army. A cable was sent



to ERO requesting the forwarding of a subsequent report made with regard to vehicles mentioned in the CID Report, and an attempt was made to clarify this point..

#### H. C A R E

A member of the staff participated in conferences held in the Bureau of Supply on 10-in-1 rations being released to Cooperative for American Remittances for Europe, Inc. A letter was drafted to the Army releasing the rations in exchange for credit to UNRRA. A memorandum was prepared reviewing a telegram to CARE particularly with regard to shipping arrangements.

#### I. Supply Contracts

1. Rolling Stock Contract. A revised draft of the rolling stock contract was prepared, and a memorandum was drafted outlining the charges made in the earlier draft and explaining the legal necessity for embodying the policy on title to rolling stock in an agreement. An interpretation was submitted to ERO concerning the acceptability of local currency under the proposed rolling stock contract.

2. Renegotiation. A re-examination was made of UNRRA's position in connection with proceeds of renegotiation which reflect, in part, profits on items procured for UNRRA. The absence of any direct means of recoupment was confirmed, but it was proposed to the Bureau of Finance and Administration that the matter be taken up in connection with the next U.S. appropriation, as a factor which operated to reduce the actual amount of the U.S. contribution. Arrangements were made for a statistical study of the proceeds of renegotiation and of UNRRA's contract in the case of procurement agencies with which UNRRA deals.

3. Review of Contracts. Various minor contracts were reviewed, including IFA and EITC transactions.

#### J. Misuse of UNRRA Supplies

1. Czechoslovakia. A study was made of a report received from the UNRRA Czechoslovak Mission and the Czech Ministry of Food with regard to the diversion of approximately 10,000 pounds of UNRRA tinned meat at Brno. A memorandum outlining the transaction as reported was prepared..

2. United States. On the basis of information received in UNRRA, it appeared possible that supplies from the U.S. Department of Agriculture obtained for delivery to UNRRA were being diverted to a black market instead. UNRRA records were checked on a confidential basis in order to identify the supplies in question, and it was decided to refer all the information to the appropriate U.S. investigative authority..

K. Shipping Rate Study. Consideration was given to the problem of shipping rates charged by U.S.A. and to plans for obtaining modification of these rates. A memorandum was prepared for the Bureau of Supply on this subject.

L. Demurrage Charges. Demurrage charges made by the War Shipping Administration were discussed with the Bureau of Supply, and a review was



made of the UNRRA-U.S.A. position and arrangements. This office has under consideration the desirability of a clearer formulation of arrangements, since these are now largely a matter of practice rather than of a secure formal understanding.

This subject was considered particularly in relation to shipping allocations to Poland, which were discussed with Bureau of Supply and Polish Government representatives.

M. Indemnity from UNRRA. Discussions were held with the Shipping Branch and WSA on claim of master of vessel for indemnity from UNRRA before proceeding to unloading port. WSA attorneys agree in principle that this is not a matter which should fall upon UNRRA.

N. Preparations for Post-UMA Period. This office participated in meetings of the Subcommittee on Shipping with reference to UNRRA preparations for the post-UMA period. Assistance was given in the drafting of a proposed report.

Advice was given to the Shipping Division as to the position of UNRRA in relation to the State Department and WSA on shipping matters and the right to utilize commercial sources under present arrangements and Council resolutions.

A member of the staff participated in a meeting held with representatives of the Canadian Export Board for the purpose of establishing procedures for freight payments when UNRRA uses Canadian commercial shipping channels after the expiration of UMA.

O. Procedures for POL Shipments. Procedures for POL shipments were discussed in conferences between WSA, the State Department and UNRRA. A redraft was made of a letter to WSA covering UNRRA's position on tanker shipments, with confirmation being sought of the understanding that UNRRA is in the same position as a U.S. Government agency.

P. Proposed Arrangements for the Use of Salonika. Proposed arrangements for the use of Salonika for Yugoslav cargoes were considered at a meeting of the Greek and Yugoslav Missions in which this office participated.

## VII. EDUCATION

In the absence of Mr. Robertson, the permanent chairman, Mr. Jacobson acted as chairman of the Educational Policy Committee, which held its first meeting on 25 January 1946. This committee will maintain liaison with UNESCO and will review all policy questions in educational assistance by UNRRA.

Meetings were attended establishing UNRRA fellowships for member recipient countries. The allotment of these fellowships was discussed with ERO by cable and letter, and with representatives of the Office of the Far East and the Philippines Government.

## VIII. EXTENT OF UNRRA AUTHORITY

A. French Indo-China. The subject of possible assistance by



UNRRA to French Indo-China in the form of procurement and mission services, for which repayment would be made, was discussed with the Office for the Far East, following an informal request by the French Embassy. Advice was given that this should be taken up formally at a higher level.

B. Netherlands East Indies. A cable was prepared, including a statement for the press, on the limitation of UNRRA's authority to supervise the distribution of supplies of the Netherlands East Indies Government in her own territory.

Redraft was made of a cable to Sydney requesting information with regard to a press report that UNRRA Australia would handle dispatch of supplies to Java, in view of Headquarter's unwillingness to authorize this action.

C. Malaya. In collaboration with the Deputy Director General for Supply, a cable was sent to an UNRRA representative in New Delhi concerning the food situation in Malaya and UNRRA's inability to give assistance without an official request from a member government.

D. Agricultural Industries in China. Review was made of a proposed program for UNRRA assistance in rehabilitating small agricultural industries essential to the increased production of food. Advice was given that this program conforms with UNRRA authority.

E. Norwegian Engineers. The Bureau of Supply was advised regarding a proposal that UNRRA extend financial assistance to a group of Norwegian engineers for the purpose of study in the U.S. and U.K. A cable was drafted to London and Oslo outlining the conditions under which such assistance could be extended by UNRRA.

F. Recruitment for China. Job specifications for the China Office were reviewed, and were approved as conforming with the Administration's authority.

## IX. FINANCE AND ADMINISTRATION

### A. Contributions from Member Governments

1. Brazilian Contribution. A letter was drafted to the UNRRA liaison officer for procurement in Brazil, informing him of the Administration's wishes with regard to the disposal of the 1946 installment of the Brazilian contribution to UNRRA. Limitations of this letter were pointed out in a memo to the Acting Deputy Director General for Finance and Administration, in that it did not stipulate the cancellation of outstanding letters of credit.

A letter to the Audit Subcommittee was drafted for the signature of the Director General, summarizing the Administration's views with regard to free fund procurement in Latin America and emphasizing the fact that our letters of credit were a part of our procurement program and did not constitute a loan to Brazil.

2. Committee on Contributions. A member of the staff of the General Counsel participated in discussions and meetings with the



Committee on Contributions, with special reference to Denmark, Turkey and the Northwestern European countries.

B. Administrative Budget. Discussions were held with Finance and Administration representatives on the interpretation of resolutions relating to the allocation of expenses for new member countries and the problem of submitting the administrative budget to the Central Committee and Council.

C. Granville Center. This office participated in an informal hearing concerning charges of irregularities in the handling of finances at the Granville base, and the views of the office were submitted to the Bureau of Finance and Administration.

D. Insurance and Claims

1. Marine Claims. A draft of a procedure for handling Marine claims was worked out in conjunction with the Insurance and Claims Branch and with a representative of ERO. The tentative proposal was submitted to ERO. The possibility of working out arrangements with U.K. for the waiver of marine claims was considered. The plan was abandoned for the time being in view of the probability of the termination of UMA.

Consideration was given to questions raised by the auditors in connection with the U.S. waiver of claims agreement, and a form of certificate presented by USA for execution by UNRRA pursuant to the Waiver agreement was examined and approved.

The question of UNRRA's liability in connection with damages to specific vessels and cargo was investigated in the case of the "SS Prometheus", the SS Nathaniel Bacon", the "SS Empire Rhodes", and the "Rockland Victory"; and, in the case of the "Empire Patrol", for loss of life and property.

2. Claims By and Against UNRRA Personnel. Examination was made and advice given in connection with claims against the Administration for loss of personal luggage; by one employee against another for difficulties arising at Granville; by the family of an UNRRA employee for support from the employee; by a discharged employee for compensation from the Administration for one year's services.

3. Claims Against Vendors. A proposed procedure on the handling of claims against vendors is under review.

4. Accident in Italy. Examination was made of UNRRA's possible liability in connection with an accident in Italy, in which 24 hitchhikers who were riding on an UNRRA truck were killed.

5. Indemnity Coverage for Locally Employed Personnel. A memorandum was prepared with regard to arrangements which might be made to protect locally employed personnel in overseas missions who are not covered by the Employees' Compensation Plan.

6. Malpractice Insurance. Consideration was given to the advisability of UNRRA's obtaining malpractice insurance against claims



growing out of the operation of the Administration's emergency room.

7. Workmen's Compensation Insurance. In connection with the passage of the U.S. immunities legislation, the question has been raised as to whether or not this will effect UNRRA's continuation of its Workmen's Compensation Insurance.

8. Claims Under the Employee's Compensation Plan. These included a review of an earlier decision on a claim for compensation in the death of an UNRRA employee of Czech nationality and claims by the families of three UNRRA drivers who were killed while driving an UNRRA jeep in Germany.

F. Immigration. Legal advice was given during the month on immigration questions involving expiring immigration visas; residence requirements in connection with naturalization; and the obtaining of re-entry permits, citizenship papers, and permanent immigration visas.



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G. Immunities

1. U.S. Immunities Legislation. Following passage of the U.S. immunities bill, this office followed the status of the executive order naming UNRRA as one of the organizations to which the Act is applicable. Considerable work was done in interpretation of the bill and its effect upon UNRRA.

2. Immunity from Suit in China. This question was brought up by the Insurance and Claims Branch and was considered by members of the staff.

H. Provident Fund. Advice was given to former U.S. Government employees regarding the relation of the UNRRA Provident Fund to the U.S. Retirement Act. Conferences were held regarding the qualifications of the Provident Fund as a pension trust under the Internal Revenue Code.

I. Taxation

1. Australian Wool Export Levy. Consideration was given to the status of negotiations concerning export taxes on UNRRA shipments of woolens from Australia.

2. Miscellaneous. Advice was given concerning refund of taxes paid by the Administration for certain non-U.S. employees, on tax liability of overseas personnel, and on necessity of filing tax returns in certain case.

J. Customs Matters. A Power of Attorney was prepared for execution by the D.D.G. for Supply in favor of an UNRRA representative in New York for use in customs matters.

Legal advice was furnished regarding UNRRA's liability for customs duties on material in the hands of customs authorities.

K. Contracts. Work was done during the month on the lease covering



office space in the Grafton Hotel, on the Yugoslav Shipping Office Contract No. 83.; and on drafts of contracts with the Mennonite Central Committee, the International Film Association, and the European Central Inland Transport Organ.

L. Personnel. An outline was prepared of the procedure to be followed in connection with suspension and dismissal hearings of certain personnel.

Conferences were held concerning per diem to be paid USPHS personnel assigned to UNRRA.

M. Compilation of Agreements. The General Counsel's Office assumed responsibility for supervising and coordinating the compilation of agreements involving commitment of funds under UNRRA control.

#### X. REPORTS AND CLEARANCES

A. S.W.P.A. Directive. The draft directive setting forth the authority of the S.W.P.A. Office was reviewed and approved.

B. Clearance of Director General's Report to Council. Following up suggestions from the Military, certain changes were proposed in the Director General's Quarterly Report to the Council.

C. Preparation of Material for Director General's Report. Material to be used in the next report of the Director General to the Council was prepared for the Secretariat.

#### XI. PERSONNEL

A. Harry K. Lamberton, formerly with the Department of Agriculture, joined the staff on 30 January as an Assistant General Counsel.

B. Ritchie Davis was appointed Associate Legal Counselor to the China Office on 30 January and will leave for China within the next few weeks. He was recently a Lieutenant Commander in the U.S. Navy.

C. Ruth B. Sonnenberg, formerly with the Foreign Economic Administration, joined the secretarial staff on 30 January.



RESTRICTED

271- General Council  
UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

DIRECTOR GENERAL

5 February 1946

MAR 5 1946

UNRRA

TO: The Director General

FROM: Alfred E. Davidson

SUBJECT: Office of the General Counsel - Report for January 1946

I. U.S. CONTRIBUTION

A. Plans for Requesting Additional \$600,000,000. During the month this office, together with other divisions, gave consideration to the question of the appropriate time for requesting the additional \$600,000,000 still to be appropriated by the U.S. Congress under the authorization bill passed in December. An examination was begun of the question of need and of supporting evidence. The problem was discussed with representatives of the State Department. Discussions are continuing.

B. Follow-up on Authorization of Second 1%

1. Comparison of December Estimates. As a follow-up of evidence presented to Congress during hearings on the authorization bill, consultations were held for comparison of December estimates supplied by the Division of Statistics and Reports.

2. Interpretation of Recommendations in Authorization Language. A cable was drafted to ERO, in connection with preparation of the Austrian agreement, explaining that the four points recommended by the U.S. Congress in the authorization of a second 1% contribution were not to be interpreted as conditions upon the granting of UNRRA aid, and hence need not be included in the Austrian agreement. It was suggested that this information be given to all missions.

C. Information in Connection with Congressional Action

1. Congressional Record. A daily review was made of the Congressional Record in order to follow discussions in Congress of matters concerning UNRRA.

2. Information to Members of Congress. This office assumed responsibility for the handling and review of all Congressional mail, except for that portion relating to specific personnel matters or individual displaced persons. In addition to letters referred to other divisions for preparation of the reply, a large number of Congressional letters, including inquiries or criticisms forwarded by constituents, were answered. These related to such matters as UNRRA's authority to operate in enemy and ex-enemy territories, the present scope of contributed supply activities, arrangements with respect to gift packages, and the availability of assistance from voluntary relief agencies. In



addition, a number of telephone inquiries by Members of Congress were referred to this office relating principally to UNRRA's authority to assist particular areas and groups of persons.

## II. FOURTH COUNCIL SESSION

In collaboration with other divisions, this office participated in plans and preparations for the Fourth Council Session to be held during the latter half of March. Responsibility for all policy matters has been vested in this office. An examination was made of subjects to be considered, pursuant to existing resolutions. Particular consideration was given to Resolutions 71 and 80.

Consultations were held with the Secretariat regarding procedure for the Council Session and topics for the agenda. Assistance was also given to the Division of Administrative Services in preliminary investigations of an appropriate site.

## III. CENTRAL COMMITTEE

Meetings of the Central Committee were attended by the General Counsel, and close contact was maintained with the head of the Secretariat and with other staff members of the Administration in the preparation of the agenda and of material for these meetings. Discussions were also held with members of the Committee and of its subcommittees.

## IV. AGREEMENTS AND RELATIONS WITH RECIPIENT GOVERNMENTS

A. Austria. Discussions were continued with representatives of the Governments occupying Austria concerning the extent and time of the UNRRA take-over of relief responsibility for that country.

This office replied to inquiries from the field concerning negotiations of agreements on operations in Austria and submitted proposals on the specific provisions of these agreements.

B. Hungary. Assistance was given to the U.S. State Department in the preparation of a resolution adopted by the Central Committee authorizing emergency relief to Hungary in the amount of \$4,000,000. Particular attention was given by this office to the formulation of limitations on the program; namely that relief should be provided only in the form of medical aid and sanitary supplies and other emergency relief supplies for persons in greatest need, such as children and nursing and expectant mothers.

C. China. The China Office was requested by cable to have the language on labeling authority, which had apparently been omitted by inadvertence from the China agreement, restored by an exchange of letters. Information was later received from China that this request had been complied with.

The distribution of a small portion of UNRRA supplies to Free China was approved by cable to Shanghai, with note being made that the size of the China program need not be increased because of this. It was further stipulated that observing and reporting responsibilities of the Administration should be extended to the area into which the supplies were to go.



Consideration was given by this office, in consultation with other divisions, to the problem of agreements entered into by CNRRA with two corporations, whereby a substantial part of UNRRA raw textiles in China were committed without clarification of the end use or policy of distribution. This office endorsed a letter to CNRRA, prepared by the Director of the China Office, protesting these agreements and pointing out the need for adherence to Resolution 7 governing distribution.

D. Greece. Members of the staff participated in conferences concerning the situation in Greece and its relation to the Administration's activities in that country. Assistance was given in the drafting of a statement for the member governments most closely concerned with the problem, setting forth the Administration's view of the extent of its responsibility in the situation. A cable was drafted to ERO urging that this aide memoire be handed to the government.

The question of the use of dollars by the Greece Mission to cover ATC and other costs, in view of the instability of the drachma, was discussed with interested divisions. Review was made of a memorandum and cable to the Greece Mission proposing a procedure to be adopted in the light of the War Department directive along this line.

E. Philippines. Staff discussions were continued, and a meeting with a representative of the Philippine Government was held, in connection with the proposed exchange of letters in the use of proceeds of the emergency program. A cable on the subject of the use of proceeds was reviewed. In view of Philippine objections to UNRRA's proposal on the use of proceeds, and pressure for a decision on ability to pay, conferences were held with the Office for the Far East, and it was tentatively agreed that the Philippines would be asked to reconsider their objections, with the explanation that the two problems must be considered separately.

F. Poland. A cable was drafted to ERO agreeing to their proposal that if the Polish Government desires voluntary agency personnel, the Mission should approach the Government regarding a provision in the basic agreement assimilating voluntary agency personnel to UNRRA personnel.

G. Korea. Members of the staff participated in discussions of an emergency relief program for Korea, and of the conditions under which general relief assistance would be given.

H. Rumania. Discussions were held with other divisions on the extent to which the Administration could assist voluntary agencies in the shipment of supplies which they wished to contribute to Rumania. Assistance was given in the preparation of a cable to the Allied Control Commission offering to assist such agencies in shipping medical and sanitary supplies to Rumania, if this would be agreeable to the Control Commission.

I. Finland. The exchange of letters, constituting an agreement with the Government of Finland, was completed on 11 January with the receipt of a letter from the Minister of Finland in Washington stating that his Government agreed to the provisions set forth in the Director General's letter of 18 December 1945. This office was consulted further concerning principles and arrangements for UNRRA activities in Finland.



J. Czechoslovakia. During his visit to Washington, discussions were held with the Senior Deputy Chief of the Czechoslovak Mission concerning problems in Czechoslovakia arising under the UNRRA agreement and resolutions, particularly with regard to the utilization of proceeds of sale, payment of transit charges incurred in Germany, and responsibility for displaced persons.

V. DISPLACED PERSONS

A. USFEF Agreement. A cable was dispatched to ERO on 19 January stating that the agreement with military authorities in the U.S. Zone of occupation in Germany had been approved by the Joint Chiefs of Staff in Washington and forwarded to the theatre for signature. The position had been taken earlier by this office that no further changes in the agreement could be proposed by UNRRA at this end.

B. Special Categories of Displaced Persons. The problem of UNRRA's authority under the Council resolutions to assist special categories of displaced persons was considered repeatedly throughout the month. Special groups presenting controversial issues were the Volksdeutsche, Balts, collaborators and post-hostilities refugees. This office drafted a statement of UNRRA's policy against aiding collaborators, in which a definition was made of the respective responsibilities of military authorities and UNRRA in the determination of who is a collaborator. The question of displaced Baltic nationals who are not collaborators was considered at the same time. A statement was also prepared of UNRRA's policy concerning the eligibility of Volksdeutsche and other German groups for UNRRA assistance under the displaced persons program.

A memorandum was prepared and submitted to the Central Committee setting forth the Administration's policy with respect to post-hostilities refugees. The principles in this memorandum were transmitted to ERO in Cable No. 8855. The question of the evidence of internal displacement was presented to ERO with the suggestion that field offices be advised concerning it.

During General Morgan's visit to Headquarters these problems were discussed with him, and the intent which prompted recent decisions on these matters was explained to him.

C. Persecuted Groups. Consideration was given to a recommendation by ERO that Resolution 46 be extended to cover persons of ex-enemy nationality displaced for reasons of race, religion or activities in favor of the United Nations.

D. Assistance by Voluntary Agencies to Displaced Persons in Germany.

The question of the admission of American voluntary agencies into Germany for the purpose of assisting displaced persons was discussed, particularly with regard to the problem of consultation with the Governments concerned regarding the applications of these groups.

E. Displaced Persons in Italy. Discussions were held with representatives of the Bureau of Supply and of Services on the problem of the transfer of responsibility for Displaced Persons in Italy from the



Military to UNRRA, and on the question of whether or not the displaced persons program to be undertaken with this transfer should be included in UNRRA's Italian budget.

F. Europeans Displaced in Shanghai. The question of UNRRA's responsibility for Europeans displaced in Shanghai was discussed in meetings with the Director General and the Deputy Director General for Supply. A program of UNRRA assistance was agreed upon, with UNRRA assuming responsibility for supplemental care without charge against the China program. It was also agreed that UNRRA will initiate action to repatriate those displaced persons seeking repatriation to Europe.

## VI. SUPPLY AND SHIPPING

A. Grain. The staff of the General Counsel participated throughout the month in the serious consideration given to the grain shortage. Many meetings were attended by the General Counsel and other members of the staff. Conferences were attended on allocations and on steps to be taken for improving UNRRA's position. Review was made of a statement by the D.G. to the President on UNRRA's position with regard to wheat and on action considered necessary in the situation. Members of the staff attended meetings of the Committee on Supplies and of the subcommittee on food shortages, and assistance was given in the drafting of a proposed report and recommendations of the ad hoc subcommittee. A memorandum was prepared outlining the problem of supply, especially with regard to the bottle-necks of U.S. shipments.

### B. Procurement

1. Programming of UNRRA Procurement. Discussions were held with representatives of the Bureau of Supply and with the U.S. State Department on the programming of UNRRA procurement in connection with standing instructions by the State Department to Treasury Procurement to contract for delivery prior to 30 September 1946, unless other specified. Preliminary arrangements of procedure were made with the State Department, Treasury Procurement and Civilian Production Administration for clearance of requisitions on long-lead items where delivery cannot be made by the supplier substantially before 31 December. A memorandum was transmitted to the Bureau of Supply explaining the situation with regard to limitation on the period of UNRRA shipments.

2. State Department Clearance of Requisitions. The problem of State Department review of UNRRA requisitions was discussed with State Department officials, in light of the President's Executive Order and letter pursuant to the UNRRA appropriation act. Advice was given to the Procurement Coordination Division with regard to this question, especially as to State Department functions in connection with the propriety of requisitioning particular types of items for country programs.

Informal discussions were held with State Department representatives on "end use" questions in general, and conferences held by State Department and Bureau of Supply people on proposals for an "end use" clause in Russian requisitions were attended by a member of the staff.



This office now has under review a draft of a set of rule of thumb standards proposed by the State Department for use in clearing requisitions.

3. Treasury Procurement Accessorial Charges. Preliminary discussions were held with Bureau of Supply members on accessorial charges set aside by Treasury Procurement. A study of the situation is pending, with a view to taking up with Treasury Procurement the matter of accounting involved, and a possible reduction of the charges.

4. Payment of Commissions to Foreign Agents. The question of the payment of commissions to Foreign agents of domestic suppliers was taken up with the Procurement Coordination Division, and a letter to Treasury Procurement was redrafted to cover UNRRA's position in this matter.

5. Price and Purchase Problems. An examination was made, with the Procurement Coordination Division, of price and purchase problems in connection with certain export price ceilings. A study of the question is pending.

6. Supply Discrepancies and Defects. Procedures were tentatively formulated for claiming credit to UNRRA's account in cases of discrepancy between invoice and bill of lading or of defects or non-conformity to specifications. The procedure formulated contemplates handling through the State Department and procurement agencies.

7. Cotton Requisitions. In connection with the purchase of raw cotton, inquiries were made of this office with regard to possible limitation in the use of the appropriation for the acquisition of cotton. Advice was given that the appropriation can be applied against the purchase of raw cotton, and an effort was made to expedite the clearance of current cotton requisitions.

8. Procurement in Recipient Countries. This office participated in discussions of a proposal for facilitating procurement in recipient countries by stimulating exchange of indigenous supplies. The basis of the proposal was studied, and consideration was given to the propriety of UNRRA's interest therein. An analytical memorandum was prepared on the subject, and a review was made of the proposal.

Discussions were held with the Bureau of Supply on a proposed arrangement with Italy for the manufacture of piece goods. These discussions also involved the general problem of procurement in a recipient country and the barter arrangements referred to above. This office initiated an effort to obtain information from the Army as to its procedures in connection with similar transactions in France.

The question of the exchange of wheat for corn in Yugoslavia was considered, with the opinion being given that the exchange should be on the basis of equal value. This opinion was modified to allow for the "ton for ton" basis, provided that determination be made that each exchange would benefit the civilian population at least as much as the UNRRA supplies would have done.

9. Captured Enemy Property. In connection with a cable on the



subject of German machine tools, further discussions were held with Bureau of Supply representatives on our policy with reference to the procurement of captured enemy property.

10. Procurement and Transit in Germany. Consultations were continued with the U.S. State Department and British Embassy representatives concerning UNRRA's request for German currency to cover transit and handling charges incurred in moving Czechoslovak supplies through Germany. In cooperation with the Financial Adviser, this office submitted to the U.S. and British officials the grounds, under the UNRRA resolutions and existing agreements, for this request. Also included in these discussions was the question of a contribution from Germany to cover the procurement of relief and rehabilitation supplies for UNRRA recipient countries.

A cable was drafted to ERO reporting State Department action in requesting U.S. Military authorities to make available German currency to cover these transport and handling charges. The suggestion was made that British authorities be approached by ERO on the same basis.

11. Procurement for Soviet Republics. This office reviewed and discussed with the Bureau of Supply a request by the Soviet Republics for the inclusion of elaborate conditions and specifications in equipment contracts, as well as for participation in inspection. A memorandum was prepared setting forth UNRRA's position in the matter, with the proposal that the difficulties might best be handled on an informal basis. Arrangements were made for discussions with Treasury Procurement and with Soviet purchasing representatives, and agreement among Treasury Procurement, UNRRA, State Department and the Soviet representatives was ultimately reached.

Meetings were attended with State Department and Bureau of Supply representatives on industrial rehabilitation requisitions for the Soviet Republics, and a review was made of the justification of the program prepared by the Industrial Rehabilitation Division.

12. Australian Procurement Agreement. The Australian Procurement Agreement was reviewed, and a covering letter was sent to the Southwest Pacific Area Office.

13. Purchase of Station Wagons. This office participated in preliminary negotiations and arrangements with the Civilian Production Administration in connection with the proposed purchase of 250 station wagons for displaced persons operations. A conference held with CPA for the purpose of seeking removal of conditions imposed by that Agency resulted in a change in the method of procurement which will represent a substantial saving to UNRRA if consummated.

14. Procurement of Hides. Conferences were held with the Bureau of Supply on procedures to be used for the procurement of hides. Arrangements were made with U.S. Commodity Credit attorneys to assist in obtaining clearance of existing requisitions. Discussions were held concerning arrangements for confirmation of procedures and State Department approval in connection with future allocations and procurement.



15. Flour Mills. In response to an inquiry from the House Small Business Committee, arrangements were made for information to be compiled and furnished to the committee with regard to the procurement of portable flour mills for use in China.

16. Machine Tool Procurement. A letter was drafted to a Member of Congress in which an outline was given of UNRRA's practice in the procurement of machine tools.

17. Airplanes. Discussions were held with Bureau of Supply staff members as to the method of handling certain airplanes procured by UNRRA in the United States.

18. POL. Arrangements were made for discussions to be held on the views held by U.S. Agencies on POL procurement by UNRRA.

#### C. Subsidies

1. Cotton. UNRRA's position on domestic cotton subsidies was reconsidered, and discussions were held with representatives of the Bureau of Supply and with CCC attorneys. Applicable statutes were reviewed. A letter was prepared for the signature of the Director General to the Director of OWMR stating UNRRA's claims and requesting the assistance of OWMR.

2. Wheat Flour. Application for wheat flour subsidies was reviewed, and advice was given to the Procurement Coordination Division as to the background of procedure adopted and arrangements for payments.

#### D. Priorities

1. General Position of UNRRA. A study was made and a draft report prepared at the request of a representative of the Polish Government on the general position of UNRRA in seeking priority over other claimants with respect to items in scarce supply.

2. Priority Claims. This office participated in a meeting with Treasury Procurement and Civilian Production Administration representatives on UNRRA priority claims. The meeting resulted in further crystallization of procedures and methods for disposing of particular items pending.

#### E. Contributed Supplies

1. Clothing Drive. In connection with the United Clothing Collection Drive, this office developed arrangements and revision of requisitions to cover the procurement of Army trucks, rent free, for use in the drive. Arrangements were also made, in agreement with the Bureaus of Finance and Administration and Supply, for insurance coverage by UNCC to minimize contingent UNRRA liabilities. A letter of agreement with UNCC confirming this transaction was prepared.

2. Sale of Contributed Clothing. A proposal by one of the recipient governments for permission to sell particularly valuable items of contributed clothing was considered, and the opinion was given that no exception can be made to our general commitment to distribute collected clothing free of charge.



3. National Clothing Collection of Canada. A memorandum was prepared to the Executive Director of Clothing Collection, Inc., and to the Deputy Director General in charge of Finance and Administration in connection with the final report of the National Clothing Collection of Canada.

4. Dyeing of Army Uniforms. Efforts were renewed to have the War Department relax its requirement that contributed Army uniforms shipped to Europe would have to be dyed. The problem was presented to the Assistant Secretary of War. Pending the desired action by the War Department, however, a number of conferences were held with Bureau of Supply representatives to consider alternative courses of action. It was found necessary to revise the contracts for the baling of contributed clothing in order to separate Army uniforms from other contributed clothing. A memorandum was prepared for the War Department explaining in detail the difficulties imposed by the dyeing requirements.

5. Supplies for Ex-Enemy Countries. A form letter was prepared, in response to numerous individual inquiries, regarding the shipment of gift packages and other contributions to Germany and other ex-enemy countries. Advice was given to the Contributed Supplies Division with reference to the acceptance of contributions for Austria and Hungary.

#### F. Surplus Property

1. Price Studies and Analyses. This office participated in conferences with the Procurement Coordination Division for the setting up of price studies and analyses, in connection with the purchase of surplus property.

2. Army Depots. A check was made of the situation with reference to the acquisition of Army depots, by Gallier, and cable instructions sent by the Surplus Property Branch were reviewed.

3. Balkan Stockpile. Background information on the Balkan stockpile was given to the Procurement Coordination Division. A study of this matter is pending.

4. Operating Arrangements. Discussions were held with representatives of the Surplus Property Branch for the purpose of ascertaining the possibility of formalizing operating arrangements between Surplus Property and Army representatives which are now being handled orally.

5. China. A request was made for a policy decision with regard to the disposition of unessential items received in China, and for clarification of the method of charging costs against the China program. A meeting was attended with all interested offices, and a statement was obtained that only items essential to the program (and so considered in bidding) are chargeable against the program, and at actual cost. Items obtained at token price or without cost are so transferred to the China program.

G. Vehicles at Granville. A further examination was made of the CID Report on operations at Granville, particularly with regard to the alleged transfer of certain vehicles to the French Army. A cable was sent



to ERO requesting the forwarding of a subsequent report made with regard to vehicles mentioned in the CID Report, and an attempt was made to clarify this point.

#### H. C A R E

A member of the staff participated in conferences held in the Bureau of Supply on 10-in-1 rations being released to Cooperative for American Remittances for Europe, Inc. A letter was drafted to the Army releasing the rations in exchange for credit to UNRRA. A memorandum was prepared reviewing a telegram to CARE particularly with regard to shipping arrangements.

#### I. Supply Contracts

1. Rolling Stock Contract. A revised draft of the rolling stock contract was prepared, and a memorandum was drafted outlining the charges made in the earlier draft and explaining the legal necessity for embodying the policy on title to rolling stock in an agreement. An interpretation was submitted to ERO concerning the acceptability of local currency under the proposed rolling stock contract.

2. Renegotiation. A re-examination was made of UNRRA's position in connection with proceeds of renegotiation which reflect, in part, profits on items procured for UNRRA. The absence of any direct means of recoupment was confirmed, but it was proposed to the Bureau of Finance and Administration that the matter be taken up in connection with the next U.S. appropriation, as a factor which operated to reduce the actual amount of the U.S. contribution. Arrangements were made for a statistical study of the proceeds of renegotiation and of UNRRA's contract in the case of procurement agencies with which UNRRA deals.

3. Review of Contracts. Various minor contracts were reviewed, including IFA and EITC transactions.

#### J. Misuse of UNRRA Supplies

1. Czechoslovakia. A study was made of a report received from the UNRRA Czechoslovak Mission and the Czech Ministry of Food with regard to the diversion of approximately 10,000 pounds of UNRRA tinned meat at Brno. A memorandum outlining the transaction as reported was prepared.

2. United States. On the basis of information received in UNRRA, it appeared possible that supplies from the U.S. Department of Agriculture obtained for delivery to UNRRA were being diverted to a black market instead. UNRRA records were checked on a confidential basis in order to identify the supplies in question, and it was decided to refer all the information to the appropriate U.S. investigative authority.

K. Shipping Rate Study. Consideration was given to the problem of shipping rates charged by U.S.A. and to plans for obtaining modification of these rates. A memorandum was prepared for the Bureau of Supply on this subject.

L. Demurrage Charges. Demurrage charges made by the War Shipping Administration were discussed with the Bureau of Supply, and a review was



made of the UNRRA-U.S.A. position and arrangements. This office has under consideration the desirability of a clearer formulation of arrangements, since these are now largely a matter of practice rather than of a secure formal understanding.

This subject was considered particularly in relation to shipping allocations to Poland, which were discussed with Bureau of Supply and Polish Government representatives.

M. Indemnity from UNRRA. Discussions were held with the Shipping Branch and WSA on claim of master of vessel for indemnity from UNRRA before proceeding to unloading port. WSA attorneys agree in principle that this is not a matter which should fall upon UNRRA.

N. Preparations for Post-UMA Period. This office participated in meetings of the Subcommittee on Shipping with reference to UNRRA preparations for the post-UMA period. Assistance was given in the drafting of a proposed report.

Advice was given to the Shipping Division as to the position of UNRRA in relation to the State Department and WSA on shipping matters and the right to utilize commercial sources under present arrangements and Council resolutions.

A member of the staff participated in a meeting held with representatives of the Canadian Export Board for the purpose of establishing procedures for freight payments when UNRRA uses Canadian commercial shipping channels after the expiration of UMA.

O. Procedures for POL Shipments. Procedures for POL shipments were discussed in conferences between WSA, the State Department and UNRRA. A redraft was made of a letter to WSA covering UNRRA's position on tanker shipments, with confirmation being sought of the understanding that UNRRA is in the same position as a U.S. Government agency.

P. Proposed Arrangements for the Use of Salonika. Proposed arrangements for the use of Salonika for Yugoslav cargoes were considered at a meeting of the Greek and Yugoslav Missions in which this office participated.

## VII. EDUCATION

In the absence of Mr. Robertson, the permanent chairman, Mr. Jacobson acted as chairman of the Educational Policy Committee, which held its first meeting on 25 January 1946. This committee will maintain liaison with UNESCO and will review all policy questions in educational assistance by UNRRA.

Meetings were attended establishing UNRRA fellowships for member recipient countries. The allotment of these fellowships was discussed with ERO by cable and letter, and with representatives of the Office of the Far East and the Philippines Government.

## VIII. EXTENT OF UNRRA AUTHORITY

A. French Indo-China. The subject of possible assistance by



UNRRA to French Indo-China in the form of procurement and mission services, for which repayment would be made, was discussed with the Office for the Far East, following an informal request by the French Embassy. Advice was given that this should be taken up formally at a higher level.

B. Netherlands East Indies. A cable was prepared, including a statement for the press, on the limitation of UNRRA's authority to supervise the distribution of supplies of the Netherlands East Indies Government in her own territory.

Redraft was made of a cable to Sydney requesting information with regard to a press report that UNRRA Australia would handle dispatch of supplies to Java, in view of Headquarter's unwillingness to authorize this action.

C. Malaya. In collaboration with the Deputy Director General for Supply, a cable was sent to an UNRRA representative in New Delhi concerning the food situation in Malaya and UNRRA's inability to give assistance without an official request from a member government.

D. Agricultural Industries in China. Review was made of a proposed program for UNRRA assistance in rehabilitating small agricultural industries essential to the increased production of food. Advice was given that this program conforms with UNRRA authority.

E. Norwegian Engineers. The Bureau of Supply was advised regarding a proposal that UNRRA extend financial assistance to a group of Norwegian engineers for the purpose of study in the U.S. and U.K. A cable was drafted to London and Oslo outlining the conditions under which such assistance could be extended by UNRRA.

F. Recruitment for China. Job specifications for the China Office were reviewed, and were approved as conforming with the Administration's authority.

## IX. FINANCE AND ADMINISTRATION

### A. Contributions from Member Governments

1. Brazilian Contribution. A letter was drafted to the UNRRA liaison officer for procurement in Brazil, informing him of the Administration's wishes with regard to the disposal of the 1946 installment of the Brazilian contribution to UNRRA. Limitations of this letter were pointed out in a memo to the Acting Deputy Director General for Finance and Administration, in that it did not stipulate the cancellation of outstanding letters of credit..

A letter to the Audit Subcommittee was drafted for the signature of the Director General, summarizing the Administration's views with regard to free fund procurement in Latin America and emphasizing the fact that our letters of credit were a part of our procurement program and did not constitute a loan to Brazil.

2. Committee on Contributions. A member of the staff of the General Counsel participated in discussions and meetings with the



Committee on Contributions, with special reference to Denmark, Turkey and the Northwestern European countries.

B. Administrative Budget. Discussions were held with Finance and Administration representatives on the interpretation of resolutions relating to the allocation of expenses for new member countries and the problem of submitting the administrative budget to the Central Committee and Council.

C. Granville Center. This office participated in an informal hearing concerning charges of irregularities in the handling of finances at the Granville base, and the views of the office were submitted to the Bureau of Finance and Administration.

D. Insurance and Claims

1. Marine Claims. A draft of a procedure for handling Marine claims was worked out in conjunction with the Insurance and Claims Branch and with a representative of ERO. The tentative proposal was submitted to ERO. The possibility of working out arrangements with U.K. for the waiver of marine claims was considered. The plan was abandoned for the time being in view of the probability of the termination of UMA.

Consideration was given to questions raised by the auditors in connection with the U.S. waiver of claims agreement, and a form of certificate presented by WSA for execution by UNRRA pursuant to the waiver agreement was examined and approved.

The question of UNRRA's liability in connection with damages to specific vessels and cargo was investigated in the case of the "SS Prometheus", the SS Nathaniel Bacon", the "SS Empire Rhodes", and the "Rockland Victory"; and, in the case of the "Empire Patrol", for loss of life and property.

2. Claims By and Against UNRRA Personnel. Examination was made and advice given in connection with claims against the Administration for loss of personal luggage; by one employee against another for difficulties arising at Granville; by the family of an UNRRA employee for support from the employee; by a discharged employee for compensation from the Administration for one year's services.

3. Claims Against Vendors. A proposed procedure on the handling of claims against vendors is under review.

4. Accident in Italy. Examination was made of UNRRA's possible liability in connection with an accident in Italy, in which 24 hitchhikers who were riding on an UNRRA truck were killed.

5. Indemnity Coverage for Locally Employed Personnel. A memorandum was prepared with regard to arrangements which might be made to protect locally employed personnel in overseas missions who are not covered by the Employees Compensation Plan.

6. Malpractice Insurance. Consideration was given to the advisability of UNRRA's obtaining malpractice insurance against claims



growing out of the operation of the Administration's emergency room.

7. Workmen's Compensation Insurance. In connection with the passage of the U.S. immunities legislation, the question has been raised as to whether or not this will effect UNRRA's continuation of its Workmen's Compensation Insurance.

8. Claims Under the Employee's Compensation Plan. These included a review of an earlier decision on a claim for compensation in the death of an UNRRA employee of Czech nationality and claims by the families of three UNRRA drivers who were killed while driving an UNRRA jeep in Germany.

F. Immigration. Legal advice was given during the month on immigration questions involving expiring immigration visas; residence requirements in connection with naturalization; and the obtaining of re-entry permits, citizenship papers, and permanent immigration visas.

G. Immunities

1. U.S. Immunities Legislation. Following passage of the U.S. immunities bill, this office followed the status of the executive order naming UNRRA as one of the organizations to which the Act is applicable. Considerable work was done in interpretation of the bill and its effect upon UNRRA.

2. Immunity from Suit in China. This question was brought up by the Insurance and Claims Branch and was considered by members of the staff.

H. Provident Fund. Advice was given to former U.S. Government employees regarding the relation of the UNRRA Provident Fund to the U.S. Retirement Act. Conferences were held regarding the qualifications of the Provident Fund as a pension trust under the Internal Revenue Code.

I. Taxation

1. Australian Wool Export Levy. Consideration was given to the status of negotiations concerning export taxes on UNRRA shipments of woolens from Australia.

2. Miscellaneous. Advice was given concerning refund of taxes paid by the Administration for certain non-U.S. employees, on tax liability of overseas personnel, and on necessity of filing tax returns in certain case.

J. Customs Matters. A Power of Attorney was prepared for execution by the D.D.G. for Supply in favor of an UNRRA representative in New York for use in customs matters.

Legal advice was furnished regarding UNRRA's liability for customs duties on material in the hands of customs authorities.

K. Contracts. Work was done during the month on the lease covering



growing out of the operation of the Administration's emergency room.

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K. Contracts. Work was done during the month on the lease covering



office space in the Grafton Hotel, on the Yugoslav Shipping Office Contract No. 83.; and on drafts of contracts with the Mennonite Central Committee, the International Film Association, and the European Central Inland Transport Organ.

L. Personnel. An outline was prepared of the procedure to be followed in connection with suspension and dismissal hearings of certain personnel.

Conferences were held concerning per diem to be paid USPHS personnel assigned to UNRRA.

M. Compilation of Agreements. The General Counsel's Office assumed responsibility for supervising and coordinating the compilation of agreements involving commitment of funds under UNRRA control.

#### X. REPORTS AND CLEARANCES

A. S.W.P.A. Directive. The draft directive setting forth the authority of the S.W.P.A. Office was reviewed and approved.

B. Clearance of Director General's Report to Council. Following up suggestions from the Military, certain changes were proposed in the Director General's Quarterly Report to the Council.

C. Preparation of Material for Director General's Report. Material to be used in the next report of the Director General to the Council was prepared for the Secretariat.

#### XI. PERSONNEL

A. Harry K. Lamberton, formerly with the Department of Agriculture, joined the staff on 30 January as an Assistant General Counsel.

B. Ritchie Davis was appointed Associate Legal Counselor to the China Office on 30 January and will leave for China within the next few weeks. He was recently a Lieutenant Commander in the U.S. Navy.

C. Ruth B. Sonnenberg, formerly with the Foreign Economic Administration, joined the secretarial staff on 30 January.