

U.S.S.R. GENERAL  
RUSSIA  
USSR

1944



• 9503-3R



30 APR 1946

4100 Mr. N. Feonov  
Soviet Government Purchasing Commission  
3355 16th Street, N.W.  
Washington, D. C.

Dear Mr. Feonov:

In leaving UNRRA I am writing notes to a number of associates whose cooperation with me has in my opinion been outstanding. While you have left UNRRA and are engaged in other work now, any correspondence of the type I have indicated would be incomplete without a note to you.

I think that you did an outstanding piece of work in London. Your cooperation with our supply operations here was always excellent. You never let your eye get off the real ball, which was to get a maximum amount of the needed supplies to the peoples of the liberated areas UNRRA was established to assist.

It happens that from the outset you and I personally tended to see eye to eye almost more than any other two among the top officials of UNRRA in terms of simplicity of structure, simplicity of program. I think it was partly that both of us realized what a mammoth task obtaining and moving the supplies to the areas of need would be, that in fact UNRRA could not well afford to have any ornamental trimmings. It had to be lean and organized for its special task.

I am glad that you are in a position where you can keep an eye on UNRRA and assist it in its work; because while the formative period is over and a big part of the work has been done, there is still important work to do.

I am returning to private life and look forward to my first vacation since the summer of 1941. It was then that I took on the task of obtaining the food in this country for shipment under Lend-Lease, and the program was of a substantial character. When I came to UNRRA I had expected action to begin somewhat sooner than it did. While the amount of food obtained by UNRRA wasn't large compared to what we purchased under Lend-Lease, the difficulties in connection with getting ours have been infinitely greater. This is partly the result of the weaknesses inherent in an international organization of this kind. It is much easier to get something done if you are a part of a sovereign government.



Mr. N. Feonov

Page 2

From time to time I will be in Washington and I hope very much to be in touch with you. It had been my intention to leave as of 1 May, but I am acceding to the wishes of the new Director General and on his behalf making a brief trip to Europe, but this should not require a very long time I am sure.

With best personal wishes and again my fullest appreciation.

Sincerely yours,

Roy F. Hendrickson  
Deputy Director General

RFH/emc





8 June 1945

PERSONAL

400  
Mr. Nicolai Feonov  
Deputy Director General, UNRRA  
European Regional Office  
11-A Portland Place  
London W-1, England

Dear Feonov:

I have heard you are back on the job and this is good news to me. I heard also that you had been ill while home in Russia and I hope you are fully recovered. We are now in the full swing of operations on supply and have by no means reached our peak. I hope that every possible effort will be made to speed up both the procurement and shipping of such supplies as are to be obtained from the U.K. and colonies. We need to know in all cases as quickly as possible what you will have available so that we can mesh them into an overall program that will meet as definitely as possible the needs of the nations which are so lamentably short of important supplies.

I do not plan to come to the Council Meeting, but Weintraub, Funkhouser, Henson, Gold, and perhaps one more from the Bureau of Supply will be coming--as well as a substantial delegation from the Headquarters Office at large. I feel I should stay here and if possible keep moving in the direction of getting cargo and filling ships. I hope that the Council will not in any way have the effect of reducing the hard, steady attack of the London Supply people on procurement and shipping; these are not secondary in importance to any activities which UNRRA faces at this time--including council meetings.

We are looking forward to a visit from Mr. Herbert. In the fall perhaps I will be over again.

Mr. Menshikov and I have just had lunch together today, sort of celebrating his acceptance of responsibility of heading the Bureau of Services in which capacity he will furnish leadership for the Health, Welfare, and Displaced Persons activities. We are very happy that he has now assumed this responsibility.

43458  
Sincerely yours,

Roy F. Hendrickson  
Deputy Director General

CC: Mr. Menshikov  
Mr. Xanthaky

RFH:igp

UNRESTRICTED





400 Feenov, H. J.

21 JAN 1946

Mr. Vasili Alexseevich Sergeev  
Vice Commissar for Foreign Trade  
Moscow, Russia

Dear Mr. Sergeev:

I have been informed that it is the Soviet Government's desire that Mr. H. I. Feenov, who has served the United Nations Relief and Rehabilitation Administration as a Deputy Director General for Supply since 1944, should relinquish his position in order to assume that of Deputy Council Member for the U.S.S.R. in succession to Mr. Vlas A. Klentsov.

May I, therefore, express my great appreciation to the Soviet Government for its action in releasing Mr. Feenov to UNRRA, to which he has given excellent and devoted service during the past two years.

I regret that Mr. Klentsov should be severing his association with UNRRA and would like to assure your Government of the excellent relationship which has existed between him and the Administration. We have benefited greatly by his cooperation with us.

I look forward with pleasure to the assumption by Mr. Feenov of his duties as Deputy Council Member for the U.S.S.R. and shall at all times be ready to discuss with him matters affecting the Administration's operations falling within his sphere of interest.

Sincerely yours,

Herbert H. Lehman  
Director General

060 Klentsov Vas Andreevich

JACKSON.

DG:HEC:astin/hh

5 Jan 46



JAN 7  
Rec'd



400 Feenov, N. D.

31 JAN 1946

Mr. N. I. Feenov  
Deputy Director General  
Department of Supply  
European Regional Office  
11 Portland Place  
London, W.1.

Dear Mr. Feenov:

I very much regret that it is necessary for you now to leave the Administration's service in order to take up a new official appointment. I should like to put on record my gratitude to you for your long and devoted service to UNRRA in a position of much responsibility and to express my appreciation for the results which you have achieved.

My regret at losing your services is, however, tempered by the knowledge that we shall benefit in the future by your work in Washington as the Deputy to the U.S.S.R. Council Member. You will, I am sure, with your detailed knowledge of UNRRA's problems, be able to give the Administration and the Central Committee very valuable assistance and I look forward to working with you in this capacity.

Please accept my best wishes to you on your new appointment.

Very sincerely yours,

Herbert H. Lehman  
Director General

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JACKSON  
DG:KECaustia/hh  
5 Jan/1946



JAN 7 Rec'd



Retype as  
amended/for

in order to  
take up a  
new official  
appointment

Mr. N. I. Feonov  
Deputy Director General  
Department of Supply  
European Regional Office  
11 Portland Place  
London, W.1.

Dear Mr. Feonov:

I very much regret that it is  
no longer

Necessary for  
you to

It is with regret that I learned of your intention to  
leave the Administration's service. I should like to  
put on record my gratitude to you for your long and de-  
voted service to UNRRA in a position of ~~difficulty~~ and much  
responsibility, and I express my appreciation for  
the results which you have achieved.  
My regret at losing your services is, however, tempered  
by the knowledge that we shall benefit in the future by  
your work in Washington as the Deputy to the U.S.S.R.  
Council Member. You will, I am sure, with your detailed  
knowledge of UNRRA's problems, be able to give the Ad-  
ministration and the Central Committee very valuable  
assistance and I look forward to working with you in this  
capacity.

Please accept my best wishes to you on your new appoint-  
ment.

Very sincerely yours,

Herbert H. Lehman  
Director General

JAN 2 Rec'd

DG:HECaust:fmh  
2 Jan 46



*Russia*

30 December 1944

TO: Mary Charles Cole  
FROM: V. J. Tereshtenko *V.T.*  
SUBJECT: Data on Northwest U.S.S.R.

Reference is made to your memorandum of 20 December in which you advised me that the War Department reported that no special report had been prepared on Northwest U.S.S.R.

It is quite possible that when I first asked you for this report I was wrong in using the word "report". It is quite possible that the War Department does not have any special report on Northwest U.S.S.R. as such. The text on pages 4, 5, and 6 of the "Soviet Far East in 1943", prepared by the War Department, makes me definitely think that they must have some material on the subject either in the form of a few short releases or excerpts from the Soviet newspapers in dealing with the subject under consideration. On the above pages 4 and 6 of the report "The Soviet Far East in 1943", there is a section under the name "Similarities and Differences Between the Soviet Far East and Northwest U.S.S.R. (Murmansk - Archangel Area)". In this section the comparisons made are summed up under the headings "Food Supply"; "Lumber Industry"; "Railroads"; etc. In each of these sections parallels are drawn between the corresponding phases of the economic life in the Far East and that in the Northwest U.S.S.R. In other words, it is clearly seen that in order to make such comparisons some material on the subject under consideration had to be used.

I shall appreciate, therefore, your making an additional check, emphasizing the fact that we do not know the name(s) of the report(s) which we are looking for. It(they) must deal, however, with the various aspects of the economic life in the Northwest USSR.

VJT/rm

cc: *Mr. Tereshtenko*



*Russia*

Mr. E. C. Ropes  
Chief, Russian Unit  
Bureau of Foreign and  
Domestic Commerce  
Department of Commerce  
Washington 25, D. C.

Dear Mr. Ropes:

Thank you very much for sending me the copy of  
the American-Russian Institute Quarterly.

I shall return it to you as soon as possible.

Sincerely yours,

M. Menshikov  
Deputy Director General  
Bureau of Areas

BEckhaus/mcs  
29 December 1944

Ans. 523242 - 12-27-44



C O P Y

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

27 December 1944

TO: Mr. Hendrickson  
Mr. Corson  
Mr. Sokolowski  
Mr. Sayre

From: Hugh R. Jackson

I send you herewith copy of a memorandum from Sir Frederick Leith-Ross attaching copies of his letter to Mr. Iliuschenko and an inclosure relating to the proposed approaches to the Swedish and Swiss Governments.

I also attach a copy of Sir Frederick's note on the question of our relations with neutrals.



UNITED NATIONS  
RELIEF AND REHABILITATION ADMINISTRATION

1344 CONNECTICUT AVENUE  
WASHINGTON 25, D. C.

247  
OFFICE OF AERIAL (D.D.G.)  
RECEIVED

DEC 28 1944

TIME \_\_\_\_\_

*Russia*

26 December 1944

TO: Michail Menshikov  
and Frank Weisl  
FROM: V. J. Tereshtenko *q.T.*  
SUBJECT: Report of Dr. Oscar Lange

Please find attached the report on the Conference of the Russian Economic Institute, which I attended on 20 December 1944, in New York. At this conference Professor Oscar Lange was the main speaker. A summary of his report and the discussion which took place later are attached hereto.

Attachment



## Report of Professor Oscar Lange

The Conference of the Russian Economic Institute took place at the Men's Faculty Club of Columbia University, New York City, on December 20, 1944. The topic of the Conference was "The Soviet Union in World Politics". The speaker, a member of the Board of Directors of the Institute, was Professor Oscar Lange, who had recently been in the U.S.S.R. in connection with the Polish question; had had an interview with Marshal Stalin and had met the members of the Polish Committee of National Liberation, Lublin. About seventy people were present at the Institute's dinner, after which about seventy more persons were admitted to listen to the report. The audience consisted mainly of representatives of various business firms, academic circles, various foreign legations, and members of the Russian Economic Institute. Dr. Lange's report was followed by a discussion of which the most interesting questions and answers also are reported below.

Dr. Lange's address may be summed up as follows:

1. The greatest change which took place in the world in the course of this war is the change in the position of the Soviet Union. Twenty-five years ago the U.S.S.R. was treated like an "outcast" among other nations. At present, it is one of the three greatest countries of the world, whose friendship is sought by Great Britain and the United States. The Russian Revolution aroused the unanimous hostility of the capitalistic world. Russia met the challenge and staked everything on the world revolution. Neither side achieved its aims: the capitalistic world was unable to crush the Russian Revolution; nor could the U.S.S.R.



organize a world revolution, being unable on the one hand to get the active support of the working classes in foreign countries, and on the other hand, being faced with much greater internal strength in the capitalistic countries than the leaders of the Russian Revolution had estimated.

As a result of this, a period of co-existence of the two systems began: the system of the Soviets and the capitalistic system of the rest of the world. This co-existence was full of suspicion on both sides. The Soviet Union lived in constant fear of new interventions, while the capitalistic world dreaded the "spreading Bolshevism". Some of the Soviet leaders thought that "revitalizing" the Third International and its active policy would be the best course for Russia. Others believed that strengthening the internal forces of Russia and making Russia a mighty military power would be the best course. The internal struggle followed. The latter course of action was accepted. The Soviet Government, looking for security and trying to safeguard herself against foreign aggression, proceeded to make Russia a first-class military power. This required drastic industrialization of the country. The original accepted policy of "NEP" had to be discarded and consumers' interests had to be sacrificed to achieve the immediate industrialization of the country. Any internal opposition had to be crushed. Only after the success of the industrialization could the Soviet Government afford to start the course of more liberal internal policy. The Constitution of 1936 is the best illustration of the more liberal trend which the Soviet Government could afford to follow by the end of the second Five-Year Plan.

In the meantime Hitler had come into power and the Soviet Government had to reevaluate the whole international situation. Partnership with

with the capitalistic democracies appeared to the Soviet Government the only means of preserving peace. Mr. Litvinoff emphasized repeatedly that the Soviet Union's place would be in the camp of the democracies, should the latter unite into a democratic coalition directed against Fascism. A part of the world was ready to accept this course of action. Unfortunately, however, there were too many statesmen who feared Bolshevism more than they feared Fascism. Even among the laboring classes some friction took place. This rift in the capitalistic countries and a policy of appeasement did not help to make possible a united front against Fascism.

The Soviet Union looked at the future realistically. They felt that the war was approaching. The imminence of war caused the Soviet Government to broaden the social and ideological bases of the regime. In addition to loyalty to the ideas of the revolution, the Soviet Government appealed to the people for loyalty to their history, traditions, the historical role of the Orthodox Church, patriotism, etc. The Soviet Government was very successful in broadening the basis for the regime, and at times its action and new internal policy were accepted with spontaneously favorable reaction on the part of the Soviet people. Unfortunately, the policy of appeasement, and not the united front against Fascism, won. This forced the U.S.S.R. to isolate itself in 1939 from the rest of the world. The German invasion placed the world democracies and the U.S.S.R. into the same camp in the fight of the Allied Nations against Fascism. The question now is what can be expected in the future.

Two ideas dominate and predetermine the future policy of the Soviet Union: prevention of future aggression and war; and economic reconstruction. The first requires a return to the old policy of collective security which



had been advocated by the Soviet Government before the war. The Soviet Government believes, however, that collective security must be based primarily on an alliance of the United States, Great Britain and the Soviet Union. Without this alliance any collective security organization will have no practical value whatsoever. The Soviet Union also believes that within international understanding there is place also for regional understanding between nations who have a particular interest in the fate of a certain region of the world. Along the same lines as the United States has specific interest in the Western Hemisphere, the Soviet Union has its specific interest in Eastern and Central Europe. The question is not of interference in the internal affairs of these countries. The question is of having in these countries friendly governments on whose policies in foreign affairs the Soviet Government can rely. The Government of pre-war Belgium did not want to cooperate with Great Britain and France. The result was Dunkirk. The United States does not tolerate the Government of Argentina whose foreign policy differs not only from that of the United States but also from that of other Latin-American countries. Likewise, the Soviet Union will not tolerate in its neighboring states any Governments which may lead to future "Dunkirks" for the Soviet Union. Besides, the internal consolidation of life in the neighboring countries is also of interest to the Soviet Union because, without sound economic conditions, such countries will be a source of constant disturbance at the borders of the Soviet Union. This is why the Soviet Union supports the "Populist" revolutions in these countries. One should stress that such revolutions are not proletarian revolutions. They are revolutions of small peasant owners, intelligentsia, the middle classes and workers. Their purpose is to integrate different parties and classes,

rather than to separate the working class from the rest of the population; and such a revolution is going on today not only in Eastern Europe and in the Balkans, but also in France and Belgium. This is the type of revolution which is endorsed by the Polish Forces fighting under the guidance of the Red Army for the liberation of Poland. I (Lange) had the opportunity of speaking with about 3,000 soldiers and officers of the Polish Army. They all wish to have a new revolutionized Poland which will do away with large estates, industrial monopolies, and the remnants of all kinds of feudalism. Similar ideas prevail in Italy, and even in China. There is no question that there is a great ideological solidarity between the ideology of such revolutions and the regime in the U.S.S.R. This is why so many countries are looking for guidance to the U.S.S.R. They even seek the protection of the U.S.S.R. because they are afraid that the armies of Great Britain and the United States bring with them not new life, but the reinstatement of the same things which prevailed before the war and which are no longer acceptable to the population of the liberated countries. The Soviet Union is fully aware of a certain conflict in this regard, and yet the second guiding factor of their future policy - the reconstruction of Russia and future peace - is of such importance to Soviet leaders that they are ready to sacrifice ideological interests in order to maintain good relations with the United States and Great Britain. The Soviet Union will not accept any compromises in Eastern Europe. However, as to Western Europe, Italy and Greece, the Soviet Union prefers to keep as far away as possible from the conflicts which take place in these countries, as they do not want to have any collision of ideologies with the United States or Great Britain. More than that, they use the Communist parties in these countries as moderators



and practically refuse to support those groups which are looking for the assistance of the Soviet Union.

The future may greatly depend upon how far the United States and Great Britain will insist on the restoration of pre-war order. One should also not forget that in Great Britain a "Populist" revolution is going on, although lack of the peasant class weakens its cause. In the United States the decisive factor after the war will be the question of maintaining 100 percent employment. If unemployment should return, it will be difficult to maintain prosperity on the basis of the traditional form of American enterprise. "In this case, I will not make any prediction as to what may happen".

One often accuses the Soviet Union of changing its policy unexpectedly. How long will the present course - i.e., the policy of determined collaboration with the United States and the United Kingdom - continue? The answer depends not only upon the Soviet Union but also upon the United States and Great Britain. The Soviet Union is determined to continue the policy of harmony and collaboration with us as long as the policy will work. If it does not work, this course will be "scrapped". The future, therefore, depends not only upon the Soviet Union, but also upon us.

In the discussion which followed Dr. Lange's report many rather sharp questions were raised. The most important questions and answers were these:

1. Will Russia promote the liquidation of feudalism in East Prussia also?

This question will be decided by new Poland. East Prussia

will belong to Poland. The agrarian reform which is taking place today in liberated Poland is of much greater importance than anything else going on at present in Eastern Europe.

2. Do you think that the Soviet system is really established in the minds of the Soviet people?

In one of my (Lange's) own writings, published by the Russian Economic Institute some time ago, I made a few statements which I will not endorse at present. As a result of my trip to Russia, contacts with the Soviet leaders and interviews with the representatives of the cross section of the Soviet population, I definitely came to the conclusion that the Soviet people are not any more conscious of the fact that they have a "peculiar system". For them the present system is simply a very natural, national system. They feel about it the same way as Americans feel about the system in this country. There is not the slightest trend toward capitalism whatsoever. The question is not of terminology, - "Socialism", "Communism", etc. The fact remains that they have a system of their own in which they believe, and this creates tremendous solidarity among the Russian people.

3. Do the Soviet people criticize their Government?

Definitely so, and how! But only in matters of efficiency and local affairs and not in matters of basic policies.

4. Why does the Soviet Union maintain the Free German Committee?

Probably there are two reasons. First, the Committee was



created before the Teheran Conference, that is at the time when the Soviet Government still was afraid that the United States and the United Kingdom would sooner or later return to the policy of appeasement and would attempt to build up a "new great Germany". For such a case, the Soviet Government wanted to have an answer of their own, - the Free German Committee.

The Soviet Government hoped that a nucleus of liberal minded Germans could be created to build up a future democratic Germany. For two years the Government tried to educate its prisoners. They completely failed in their attempts in the same way in which the attempt to approach German prisoners in this country also was a failure. I (Lange) interviewed many members of the Free German Committee. It is not a homogeneous group of people. One is an American German, another a former priest, etc. Each of them has different ideas. The Free German Committee was not successful in capturing the imagination of the German people. The Soviet Government no longer takes it seriously and has decided, instead, to crush Germany completely. "Poland up to Oder" is the best solution.

5. Did Hitler really capture the imagination of the German people?

Yes. This is what the Soviet Union believes. Hitler succeeded in capturing even the imagination of the laboring class who was won over by the illusion of a chance to play

in conquered countries that role which white workers play in South Africa in relation to local colored workers. The Soviet Union does not believe in the possibility of an internal revolution in Germany.

6. What would be the fair solution for Poland?

The question of frontiers is of secondary importance. The press in this country exaggerates the importance of the Curzon Line problem. What is actually important is the question of the Government. What new Poland needs is a "Polish Benes". The Polish Benes has to do away with the remnants of feudalism, monopolies, etc., and this should be done before the war is over, since the suffering people in Poland cannot afford to wait for reforms until the end of the war. The agrarian reform in the liberated part of Poland is endorsed by Mickolaczyk as well.

V. J. Tereshtenko

23 December 1944



C O P Y

To: Mr. Hugh Jackson  
From: Sir Frederick Leith-Ross

I attach herewith copy of a letter to Mr. Iliuschenko and an enclosure relating to the proposed approaches to the Swedish and Swiss Governments. Would you be good enough to see that this goes back to Washington, and if you think fit, communicate a copy of the note to the State Department. I am sending a copy to the Foreign Office.

You will note that the letter to Iliuschenko is drafted in such a way as to enable us to go ahead without waiting for the Soviet reply. In fact, the approaches to the Swedish and Swiss Legations here will certainly take a little time and Mr. Iliuschenko may meanwhile ask us to hold up action, but I hope not.

(Sgd.) Ross

15th December 1944

C O P Y

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15th December 1944

My dear Monsieur Iliuschenko,

The question of the relations between UNRRA and European neutral countries has been under consideration by the Administration recently, and I now enclose for your information and, if you think fit, for communication to your Government, a note setting out the views of the Administration of the subject.

The United States and United Kingdom authorities have been similarly informed of the action proposed.

With kind regards,

Yours sincerely,

(Sgd.) F. W. Leith-Ross

Monsieur I. A. Iliuschenko



C O P Y

To: Director General  
(Copies to Mr. Jackson Mr. Mooney  
Mr. Corson Mr. Rhatigan  
Mr. Peonov Mr. Dudley Ward)

From: Sir Frederick Leith-Ross

The policy of the Administration as regards negotiations with Sweden and other neutrals needs to be cleared up. The relationship between UNRRA and these countries is completely different from our relationship to liberated countries. What we want is to get the maximum amount of assistance. But our relationship with the various neutrals will also vary according to political conditions.

#### I. Sweden and Switzerland

Sweden and Switzerland have established or are establishing substantial relief funds. They are acutely conscious of the fact that their future position in Europe will depend largely on the extent to which they contribute handsomely to post-war relief and reconstruction. The Allied countries will expect them to contribute on a much more generous scale than the 1% contribution before they could be admitted to membership of UNRRA. The U. S. Government has indicated that there is no objection to our going ahead with negotiations: the British Government's view has not yet been communicated but I gather that their main concern will be that we should press for maximum assistance to be provided.

Until an armistice is concluded, these countries cannot actually ask to join UNRRA. Consequently their relief plans will have for the time being to be developed independently of UNRRA but they are ready to coordinate their plans with ours. There may be some difficulties in doing this completely, e. g. both countries attach some importance to their relief contribution being identified with their country and not internationalised: and both countries will prefer to contribute to the needs of their neighbors rather than to the Allied country where the needs are greatest (e.g. France has received and accepted donations from Sweden and Switzerland as well as Argentina). These differences of standpoint may have to be accepted but we may be able to smoothe them out as contact becomes closer. For the time being our policy should be (a) to obtain full information as to what relief supplies are or can be made available by these countries either directly or through UNRRA; (b) to press that any supplies which we need should be fitted into their national programme and financed by their national funds without any question of UNRRA commercial contacts with them.

We are in a pretty good bargaining position. So far as indigenous products are concerned, these countries have funds available. Insofar as we want manufactures in these countries which require raw materials, these

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raw materials can be imported only with the agreement of the blockade authorities and in some industries at least there is risk of unemployment. If, therefore, we can secure the agreement of the blockade authorities to the import of additional raw materials for the purpose of producing relief supplies, we should be able to persuade the government to finance either the whole operation or at any rate the internal costs of manufacture.

Having regard to our objective any representation of UNRRA in these countries need not be of the same kind as we send to liberated areas, and in my opinion the most appropriate course would be to secure for our representative a national of these countries who is of as high a standing as possible and in close touch with the Government and its relief organizations. For this purpose we want the type of person who would be eventually selected as the representative on the Council if and when these countries came into UNRRA. The sort of man whom I have in mind would probably not require payment of any salary but would of course have to be reimbursed out of pocket expenses for travelling, and would probably want a junior assistant who would know the general organization of UNRRA.

As regards Sweden, Count Bernadotte told me that he would be ready to suggest suitable names for our consideration, and I should be glad to know if I can pursue discussion with him, always reserving any commitment until you have considered the names suggested. As regards Switzerland, the position is complicated by the fact that we have already appointed Tyler as UNRRA representative in Switzerland. Mr. Feonov and I recommend that this appointment should be reconsidered. This could more easily be done if we could say that it had been decided to appoint a Swiss national as a representative and I should be glad to



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know if I can approach Prof. Rappart (or possible Dr. Burckhardt) for their confidential suggestions.

For the same reasons as preclude the neutral countries from joining UNRRA, it is at any rate questionable whether the Governments of these countries will welcome any formal negotiating mission at the present time. Any discussion of the question should be handled in the first instance in London, and it is absurd to suggest that such conversations should be initiated "at once both in Washington, London, and in Stockholm". It may be desirable to send some one over to Sweden and Switzerland but this would have to be arranged beforehand from London and should not be publicised.

## II. PORTUGAL

Portugal is in a different position from Sweden and Switzerland as she is an ally of Great Britain and is not contiguous to Germany. Her financial position is strong but there has been a good deal of friction with the blockade authorities who are now negotiating a new agreement. The Government is a benevolent dictatorship and I have reason to believe that Dr. Salazar wishes Portugal to play her part in economic reconstruction after the war. He is particularly sympathetic to Italy and it is probable that he would be readier to assist Italy than e.g. Yugoslavia or Poland. I think that in this case we should ask the State Department and the Foreign Office whether they have any objection to our approaching Portugal and if they agree, I think a small delegation should be sent out from London to discuss possibilities. I have had some personal acquaintance with Dr. Salazar in the past and if such a visit had been arranged, I should be prepared to go out with it.

## III. TURKEY

As regards Turkey it would be waste of money to send a special mission to that country. The extent of any assistance from Turkey (Government or voluntary funds) would be negligible and any supplies we need would probably have to be paid for at exaggerated prices. At present practically the whole export trade of Turkey is done through U.K.C.C. and U.S.C.C. who have a very competent organisation in Turkey, and in accordance with the principle of using existing machinery I think UNRRA should certainly use this organisation for any purchases which we want to undertake and we could probably use it for any enquiries as to possible contributions. I think that you agreed with this proposal.

I should be glad to know whether we can go ahead on these lines, subject to any views which we may obtain from the State Department or the Foreign Office.

(sgd.) F. W. Leith-Ross

11th December, 1944

P.S. In the above note I have not dealt with Spain as economically Spain is not in a position to help UNRRA and politically there would be difficulty approaching here. If we want supplies from Spain, we could probably negotiate for their purchase best, as in the case of Turkey, through the U.K.C.C. and U.S.C.C.



C O P Y

U. N. R. R. A.

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EUROPEAN REGIONAL OFFICE

The United Nations Relief and Rehabilitation Administration has been considering the question of securing the participation of neutral countries, and particularly of Sweden and Switzerland, in relief work in Europe.

2. By reason of their neutral status these countries are not at present in a position to associate themselves directly with UNRRA but they have established national relief programmes and the Administration feels that considerable benefit might accrue if these relief programmes were co-ordinated with those which UNRRA is itself preparing, and if, in particular, certain important goods and services could be procured from them which are not otherwise available.
3. The Swedish Government and the Swedish people, for example, might be willing to participate in the relief of Poland; and if suitable arrangements could be made, Sweden appears particularly fitted by reason both of the supplies and shipping which she has available and her geographical situation, to furnish effective assistance much sooner than could be provided in any other way.
4. Similarly the Government and people of Switzerland have already taken measures to provide or to facilitate the provision of certain relief supplies and services in territories accessible to them and plans are now being prepared, it is believed, for the extension of this work.
5. Accordingly the Administration proposes as soon as possible to initiate informal discussions with those countries in order to ascertain the extent to which they could assist and the methods which could best be adopted to integrate the relief programmes of these countries with those of the Administration. Similar discussions might thereafter be initiated with other neutral countries of Europe, as and when it appeared opportune.
6. In these negotiations it is, of course, understood that nothing will be done which might in any way derogate from the Administration's responsibilities under the UNRRA Agreement and the Resolutions of the Council; and steps will be taken to ensure that any relief which is provided is in accordance with the principles laid down therein. Nothing in the UNRRA Agreement or the Resolutions, however, appears to preclude the Administration from seeking the help of neutral countries, and in present circumstances it is felt that such help might be of very immediate value in the task with which UNRRA is confronted.



DRAFT

NOTE OF A MEETING BETWEEN THE  
DIRECTOR GENERAL AND MR. ILIUSCHENKO  
SOVIET MEMBER etc.

Tuesday 19th December 1944

BUREAU OF AIRS (D.D.G.)  
RECEIVED

JAN 5 1945

423

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Appointment of Yugoslav Mission Chief

The Director General described very briefly the present situation regarding the Yugoslav Mission and said that the UNRRA Mission to Yugoslavia was now in an advanced state of preparation. The Director General said that five months or more ago he had appointed Mr. Sergeichik as the Senior Deputy to the Chief of Mission but that since that time no further news had been received of Mr. Sergeichik nor has he any information as to his whereabouts or the time of his arrival in the Balkans. He had given the whole question of the appointment of the Yugoslav Chief of Mission serious consideration and had reached the conclusion that if Mr. Sergeichik could join the Mission at an early date he would be prepared to appoint him as the Mission Chief. The Director General said that this was wholly dependent upon Mr. Sergeichik's arriving within possibly two or three weeks time since there was now a very serious need to have someone in charge of the organisation of the Mission.

The Director General said that there was a similar urgency about the other Soviet appointments which he had made and he greatly hoped that it would be possible for the arrival of these officials also to be expedited. Mr. Iliuschenko said he was surprised that the Director General had not heard anything of Mr. Sergeichik's whereabouts and promised to send a telegram immediately to Moscow reporting the Director General's proposal and asking to be informed immediately as to the possibility of Mr. Sergeichik joining the Yugoslav Mission at once. It was agreed that Mr. Iliuschenko should inform Mr. Rhatigan of the ERO of any reply received and that Mr. Rhatigan would notify the Director General and the Balkan Mission Chief.

Soviet Displaced Persons in France

Mr. Iliuschenko enquired whether the Director General had formed any impressions of the camps for Soviet Displaced Persons which he had inspected in France. The Director General said that he had visited such a camp and found it extremely well run and thought that conditions there were as good as could be expected.

Mr. Iliuschenko commented that in other camps conditions were less satisfactory and he feared that many more soviet citizens would be encountered by the advancing Allied armies on the West Front. He asked whether UNRRA proposed to take any action in respect of these camps. The Director General explained that the French Government had assumed responsibility for camps for Displaced Persons and while the Administration stood ready to give help, the French Government's present position was that it could handle the problem and did not require UNRRA's assistance.

Supplies to Poland

In a general discussion of the existing shipping shortage Mr. Iliuschenko asked the Director General whether UNRRA had been successful in obtaining any shipping for supplies to Poland and Czechoslovakia. He suggested that consideration should be given to the possibility of getting supplies into Poland through the Black Sea. He pointed out that the over-land journey would be very much easier than that involved if the supplies were sent to Murmansk or Vladivostock. The Director General pointed out that he had requested the Soviet authorities for assurances regarding the handling of supplies passing in transit through Soviet territory to Poland about six or seven months ago. He was very concerned about this problem

but although he had repeated his request on several occasions he had so far received no reply from the Soviet Government. As to whether a Northern or Southern route should be used, the Director General said that naturally he would expect the Soviet Government to indicate which route would be most suitable from the Soviet Authorities' point of view but up to the present no indication has been given. In the circumstances therefore it had been impossible to ask for shipping since the shipping authorities naturally wished to know to what ports vessels would be required to go. On therefore when the Soviet Government indicated its position in the matter would he be able to get tonnage allocated for the transport of supplies to Poland.

H. E. Caustin  
20 December 1944



C O P Y

CONFIDENTIAL

47

MEMORANDUM OF CONVERSATION

Participants: Mr. Vlas Andreevich Klentsov  
Mr. Francis B. Sayre

Subjects: Relationships between UNRRA and  
Soviet Government

Date: 13 December 1944

At the close of a long conversation with Mr. Klentsov covering numerous matters (see memorandum of 13 December 1944), I spoke very confidentially and intimately with him, asking his interpreter to withdraw so that he and I were quite alone. I said that I wondered whether there was anything which I or he could do to improve relationships between UNRRA and the Soviet Government. I said that I feared misunderstandings had arisen now and again; that I felt sure the Soviet Government and UNRRA had common objectives, and that both wished to do everything possible to bring relief to human suffering and need. I said that I was talking entirely unofficially and I hoped that he and I might open our minds to each other. I asked whether there was anything in his opinion which was standing in the way of more cordial and understanding relationships. He replied that he knew of nothing standing between us and that so far as he could judge there was no difference between the relationships between UNRRA and the Soviet Government and UNRRA's relations with every other government. He said that nevertheless he felt insufficiently informed with regard to what UNRRA is doing and found it difficult to keep himself informed about UNRRA's activities and plans. He said also that often matters were presented at committee meetings as to which he was insufficiently informed in advance of the meetings, - as for instance, the meeting of the Central Committee last Monday afternoon. I think his feeling is that if matters could be explained and he could be informed in advance he would have time to give due consideration to the matters in issue and also to communicate with his Government and receive instructions so that he could act more promptly in the meetings. However this may be, I feel that it would be time well spent to go over issues to be taken up at committee meetings sufficiently in advance so that the Soviet viewpoint could be ascertained and Soviet support gained for measures which should be passed. (Of course this advance preparation and explanation should not be confined to the Soviet representative but should be accorded to the representatives of all countries particularly interested in the matter at issue).

I told Mr. Klentsov that I could sympathize with his desire to be more fully informed as to UNRRA's activities and plans and that I should be very happy to take whatever steps might be practical to meet the situation. I suggested that I should be happy to meet with him from time to time to explain about UNRRA's activities. He said that he would be glad to meet with me at any times I suggested.

I suggested meeting with him for lunch every now and again and inviting the Acting Director General to join in such meetings whenever he can.

I asked Mr. Klentsov whether he got homesick over here in Washington. He said that it was true he did get anxious to get back home. He added that he was an engineer and not a diplomat, - that he did not like being assigned to diplomatic work.

Mr. Klentsov seemed to warm up quite appreciably during our conversation and I think that the suggested meetings will serve a really useful purpose.

cc: Hendrickson  
Weintraub  
Feller  
Menshikov  
Veatch  
Habicht

DA:FBSayre:abn;gs



✓  
12 December 1944

EDWARD OSUBKA MORAWSKI

LUBLIN VIA MOSCOW

1. Prior to receipt your cable 6 November we began negotiations with shipping authorities for separate allocation of shipping space each month to UNRRA for relief supplies to be sent via Soviet ports. Since then formal application for space has been filed by us. Hopeful that some amount will be made available to UNRRA promptly despite tremendous demands for shipping created by critical state of war in Europe and Pacific but no decision has been rendered yet. We will advise you when we receive an answer. Will you initiate transshipment arrangements with USSR and notify us of <sup>detailed</sup> (possible) arrangements.
2. Supplementing the foregoing suggest you explore with Soviet authorities possibility of shipping to Poland small amounts of suitable items as broken stowage. Under this arrangement UNRRA would have cargo available in US and UK and other ports to be called forward by Soviet representatives for loading on ships destined for Soviet ports preferably Murmansk now and Black Sea ports when open. (These supplies would not displace any Soviet cargo but would be loaded in space otherwise available.) *this sentence left out*
3. Monthly shipments under paragraph two would necessarily be quite small. UNRRA has available now for this purpose adequate quantities

EDWARD OSUBKA MORAWSKI

-2-

suitable items particularly clothing shoes medical supplies soap.

4. Please advise us results your discussion on broken stowage proposal. If you establish this procedure we could complete detailed loading arrangements with Soviet representatives here and London and would be guided by any priorities you indicate.
5. In addition to above we would like to send special emergency shipment medical supplies total weight four metric tons consisting of sulfathiazol sulfadiazine sulfaguanadine sulfanilamide succinol-sulfathyzol DDT louse powder with pumps penicillin ascorbic acid Vitamin A and D concentrate Liver extract digitalis strophanthine iodine crystals potassium iodide crystals morphine sulfate opium tincture napharsen syringes needles and adaptors. This shipment could go as broken stowage but refrigeration must be provided for penicillin. Suggest you discuss with Soviet authorities possibility sending these supplies on planes being flown from US or UK by Soviet flyers and advise us. We would welcome your comments on selection of items.
6. Technical delegation will be ready to leave for Lublin promptly after receipt of Soviet transit visas.



UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

12 December 1944

TO: Mr. Menshikov

FROM: B. Eckhaus

- get if this was published*
1. You recently requested that Mr. Tereshtenko provide you with information as to the terms of the armistice between the USSR and Finland.
  2. Mr. Tereshtenko submitted a copy of the armistice dated March 1942.
  3. Evidently this was not the one you wanted. This matter was brought to Mr. Tereshtenko's attention.
  4. Mr. Tereshtenko agreed that he was in error, and promised to obtain the proper document which represents the more recent relations between the two countries.
  5. I will see to it that Mr. Tereshtenko obtains the information you desire.

C O P Y of carbon file copy

Mr. V. A. Klentsov

- 2 -

39  
11 December 1944

11 December 1944

In our letter to the Combined Shipping Adjustment Board, we  
Mr. V. A. Klentsov any division of the Board requested between  
Soviet Government Purchasing Department  
3355 16th Street., N. W.  
Washington D. C.

If there is any additional information on this general subject  
Dear Mr. Klentsov: shall be glad to supply it. As you know, I  
should be happy to discuss these matters with you at any time.  
We are sending you herewith for your information copies of  
the following:

Letter to Combined Shipping Adjustment Board  
dated 6 December 1944

Yours sincerely,

Letter to Mr. Karel Brumlik dated 8 December 1944

Cable to Mr. Edward Osubka Morawski dated  
11 December 1944

Ray W. Hendrickson

Deputy Director General

All of these documents deal with the shipment of relief and  
rehabilitation supplies to Poland and Czechoslovakia and all  
necessarily involve the question of transshipment of such  
supplies across Soviet territory. As you will note, we are  
looking to the Czechoslovak and Polish authorities respectively  
to initiate the necessary arrangements with the USSR for such  
transshipment. Anything that you may be able to do to facil-  
itate their efforts in this regard will be greatly appreciated.  
We shall advise you when a reply is received from the Board.

(Supply)  
In the cable to Mr. Morawski we have made certain additional  
suggestions which, although of a secondary nature, may lead to  
some slight alleviation of the distress in Poland.

Weiss

Gregg

12/11



MEMORANDUM OF CONVERSATION

Participants: The Russian Ambassador  
Mr. Francis B. Sayre  
Mr. John Gregg

Subject: Polish Mission:  
Privileges and Immunities for UNRRA Officials

Date: 7 December 1944

Mr. Gregg and I called by appointment upon the Russian Ambassador at four o'clock this afternoon. I said to the Ambassador that I was anxious to bring Mr. Gregg, the head of the UNRRA mission to Poland, over to meet him so that he would have an opportunity to know Mr. Gregg and to question him with regard to the mission which UNRRA hopes to send to Poland. I next took up the question of the request which was made on 6 November for Soviet transit visas for the Polish mission and left with the Ambassador a memorandum, a copy of which is attached, stating the names of those on the mission. I asked the Ambassador what would be his advise as to how to hasten securing an answer to our letter of a month ago. The Ambassador informed me that the requests for transit visas had been transmitted by him to his Government at once upon receipt. He said that he would be very glad to communicate with his Government again and let us know as soon as he received a reply.

The Ambassador then asked a number of questions about the UNRRA mission to Poland. He asked whether we had supplies available, whether or not shipping was available, whether we had entered into direct communication with the Lublin Committee and other analogous questions. He asked particularly about what we had done in order to secure shipping. We replied that we had been in communication with the Combined Shipping Adjustment Board, and had requested space for shipment of relief supplies to Poland. The situation was admittedly difficult because of urgent military requirements in both the European and Pacific theatres. UNRRA had not yet been successful in getting the space. The Ambassador

inquired as to the amount of supplies which might be available. We informed him that we believed tonnage in the amount of 15,000 to 25,000 tons monthly could be made available for shipment to Poland in the event shipping space could be found.

I went on to speak about the question of securing diplomatic privileges and immunities for UNRRA officials in line with the Resolution adopted at Atlantic City at the Council Meeting at which the Ambassador had been present, and I said that other governments were responding by the enactment of appropriate legislation, by administrative measures, or by drafting bills preparatory to enactment. I said that the United Kingdom had just enacted an appropriate law, that the Canadian Government had taken similar action and that a bill for this purpose had recently been introduced into the United States Congress but that it had not yet passed. I reminded the Ambassador that we had written an official letter to his government on 24 February, 1944 inquiring what steps the Soviet Government intended to take to give effect to the Atlantic City Resolution, and that to this letter we had as yet received no reply. The Ambassador said that he would make inquiries of his Government about this matter.

Our conversation was very pleasant throughout, and the Ambassador expressed his interest and desire to be of effective service to UNRRA.

Francis B. Sayre

Attachment

cc @ Mr. Hendrickson  
Mr. Menshikov  
Mr. Gregg  
Mr. Feller

DA:FBSayre:gs



*Soviet Union*  
BUREAU OF AREAS (D.D.G.)  
RECEIVED

NOV 1 1944

TIME 11:00 P.M.

Excerpt from address of Admiral W. H. Standley, OCS  
November 14, 1944 - New York City - before the Plastic  
Convention: Entitled "Russia in the Post-War World".  
(Pages 16-23)

Marshal Stalin has said that, when he signed up with Germany in 1939, he knew that the Red Army was the eventual target of the German war machine, and events bear out the fact that he lost no time in taking positive action. From that moment, every effort was directed toward preparation for war. Factories and industries of every kind were turned to war production. Gains which had been made in standards of living were lost.

Actually, during this war, which has demanded from the Russian people untold hardships and suffering, sacrifice inconceivable to us here, consumer goods of every category have almost entirely disappeared. Outwardly, the country and everything in it is in a wretched state of deterioration. Repairs, upkeep, and maintenance, such as we know them, are almost non-existent. Buildings and structures of every nature are obsolete and in bad state of disrepair. Inadequate water services and lighting, disorganized and overloaded transportation, lack of essential facilities are encountered everywhere. There is scarcity of farm machinery and utensils. Industry and agriculture have been entirely geared to sustaining the military power, and the evacuation resulting from German occupation has fully served to increase the difficulties of living.

But any dissatisfaction and grumbling which might have ensued were dissipated and replaced by a patriotic fervor, combined with confidence in their leaders, which has resulted in a stupendous war machine. Every man, woman, and youth in the Soviet Union has demonstrated a self-sacrificing devotion, a tenacity and power of resistance which the world hardly imagined possible. This is the guiding spirit and driving power which motivates the entire country--the Government, the military, and the people behind the lines--and which has resulted in the success of our Soviet Ally. But this complete unity of purpose, this magnificent spirit and stubborn fortitude in the face of what we should call insupportable privations--while it has brought the Russians victory--leaves them with a peacetime task of reconstruction which is monumental.

The objective of the Soviet government, headed by Marshal Stalin, is to raise the standards of living of the Russian people. Once victory is finally attained, they will be faced with a terrific problem and Marshal Stalin will want to proceed at once toward the fulfillment of this mission. The Soviet Union will have to replace material, repair services, and worn-out buildings--in short, convert her industries and factories, as well as her efforts, to peacetime needs. She cannot do this and maintain her present war machine, but even with immediate demobilization of the military, she will be faced with the mighty problem of relieving the condition of her people. In time, she will be able to do this, but her people will become impatient if there is delay, and time will not wait. Therefore, Russia will need help to tide her over the conversion period. This aid must continue for some time, but will cease when Russia can get her industry adjusted and her economy adapted to full peacetime needs. Marshal Stalin knows this. He knows he needs help and the Russians are looking to America for this help.

Our plastic industries in particular can provide those products which are greatly desired and acutely needed by Russia, products which would relieve the terrible pressure now upon the Russian people for the attainment of the barest necessities in the way of clothing and housing, machinery, and other equipment, to enable them to carry on a normal existence. The extent to which such products could be utilized there is almost incredible, when we take into consideration the products' variety as well as the Russians' enormous needs.

This all-embracing field of plastic production, which provides building materials as well as the most delicate materials for clothing, which provides essential material in our mechanical construction and electricity industries, which provides the stuff that airplanes are made of, as well as composition for the tiniest ornaments, which provides furniture, artificial leather, tooth-brushes, and phonograph records--to outline only roughly its limits--is a field from which Russia will buy highly developed products, consumer goods for which she is starving and which her own industry will not be able to provide her for many years.

During the banquet at the Teheran conference in December of last year, Marshal Stalin gave a toast. This toast was, "Without American machines, the United Nations could never have won the war."

He is equally aware that, without American products, the Soviet Union will not be able to realize her peacetime goals. She will not achieve the living standard which is her objective. She will not become a flourishing country--one which has no more need for the overstatements of idealists and for misrepresentation of fact--because she is woefully impoverished now in all that comprises our general living standard.

In Russia, industry was already geared to production for national security and the war has not only prolonged but increased this concentration of industry on war production. At the end of the war, Russia will be able to utilize her entire industrial effort in improving the basic utilities, such as transport, power, housing, etc., and developing her vast resources. She cannot provide quickly the essential consumer goods to meet her requirements.

Russia is the largest country in the world with a comparatively small density of population. She is the most nearly self-sustaining in raw materials of any country, but she lacks the technical skill and the machinery with which to make the best and immediate use of these raw materials, some of which she has in excess of her own needs. We have the technical skill and the machinery, and we need certain of her raw materials.

Here in our own country the war has also resulted in a general upsetting of the peacetime effort and industry is geared to war production. But we have an economy which has been comparatively little disturbed by the war effort, an abundance of consumer goods as compared with Russia, and services in good state of preservation. Demobilization will return to our labor market millions of



men and women who have been engaged in war activity, and we shall be confronted by a very serious unemployment condition. For a short time, we can absorb some of the surplus labor in production of consumer goods and heavy machinery, but for a short time only.

With our war experience and with full-time employment, we can supply in one month enough consumer goods of every category to meet the needs of our own people for a year or longer. It is in this situation that we turn to Russia. We should be able to supply her at once with consumer goods and thus help her and, at the same time, solve our own problem during the conversion period. On both sides, this outlet for our products will be most welcome.

But to accomplish this we must assume two important premises. First, that Russia's security is vital to her and that she cannot turn into industrialization and development of her raw material resources unless she has that security. The accomplishment of her ultimate goal of improved living conditions not only requires a return to peace status, but an extended continuance of that status. Hence, while the immediate, primary objective is winning the war, the second objective is providing for security which will insure an extended period of peace. Herein lies the motivating intention and desire of Marshal Stalin. This will enable him to demobilize his military forces in order to continue industrialization and development. And only then will he be upon the direct road to the improvement of the living standard.

I should like to mention here, by way of an aside, that consideration of the foregoing sequence and plan will account for the seeming vagaries of the Soviet Government, and indicate the absolute necessity for Russia's post-war cooperation with the other three Great Powers. No other course is consistent with the announced purpose of the Soviet program. After victory, security is their next consideration. Unless a world organization is set up which will provide them with real security, they will have to proceed on their own to provide it. My answer is always "Yes", when I am asked, as I so frequently am, whether or not I believe that Marshal Stalin will cooperate with the Powers in post-war organization.

The second premise which we must assume in our relations with the Soviet Union in future is that the Russian conception of economy excludes the profit system. We cannot expect great profits in our negotiations with the Russian market. The market itself is a most valuable profit to us, assisting in the handling of our own employment problems after the war and lending an impetus to our industry, which might otherwise lag dangerously in that period.

Again, particularly in the realm of plastics, the market of demand itself is of profit, since the development of these industries appears to have run immediately behind the requirement for their existence, and the development of organic chemistry through these industries seems limitless. Progress in this remarkable field may yet be in its early stages.

I feel confident that we are on the threshold of a post-war period of collaboration in the fullest sense of the word. And the ties which we have forged in

battle will be transformed into even closer unity of effort and cooperation in peace. The Anglo-Soviet Treaty and the Soviet-American Agreement of last May are firm foundations for the development of such collaboration. These agreements were signed in battle and are being strengthened by the ever-increasing deliveries of war materials to the U.S.S.R.. I am confident Marshal Stalin will agree that, when victory is finally won, it will be our duty to transform this fighting alliance into a concordat dedicated to peacetime construction and to the betterment of the commonwealth.

The U.S.S.R. and the U.S.A. are interdependent and complementary in their post-war requirements and abilities, and will continue in that status for quite a period of time. I am sure that, by the end of the honeymoon period, we shall have evolved plans to stand on our own feet and to provide useful employment for all our people.



*Louise G. Givens*

FILED UNDER: *London Office - General*

DATE: \_\_\_\_\_

FROM:

TO:

DRAFTED BY:

TYPE OF COMMUNICATION:

SUBJECT: *Note of Meeting Between Director  
General and Mrs. K. Lenton re reorgani-  
zation of London Regional Office*

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

36

16 November 1944

Mr. Vlas A. Klentsov  
Soviet Government Purchasing Commission  
3355 - 16th Street N.W.  
Washington, D. C.

Dear Mr. Klentsov:

I am enclosing a list of UNRRA staff now assigned from Washington and London to the technical delegation which is expected will go to Poland, together with a brief biographical sketch of each one.

You will note the name of Colonel Ross as the Displaced Persons Officer. He was recruited in London, and we have no biographical information about him as yet. I understand he has worked in displaced persons activities in Teheran, principally with Polish refugees, although I have nothing definite about this.

I am hoping to recruit one additional person--probably American of Polish descent who speaks Polish fluently. So far, we have no one in the Delegation who has sufficient knowledge of the Polish language to act as a personal interpreter and translator for the Delegation.

I am also enclosing a copy of the last telegram which we received from Mr. Osobka Morawski dated November 6th--this being in reply to our telegram to them of October 28 which I think you have.

Respectfully yours,

John P. Gregg

John P. Gregg/SO  
16 November 1944

*Attachment with this letter to Ciechanowski  
in file on Poland - London*



*Soviet Union* ✓

UNITED NATIONS  
RELIEF AND REHABILITATION ADMINISTRATION

1344 CONNECTICUT AVENUE  
WASHINGTON 25, D. C.

RECEIVED  
NOV 6-1944

2 November 1944

TO: Michail Menshikov

FROM: V. J. Tereshtenko *V.J.*

SUBJECT: The U.S.S.R. purchases the rights of the  
Anglo-Canadian concessionaires, regarding  
nickel mines in Petsamo, Finland.

A Soviet domestic broadcast of October 20th announced that in accordance with article seven of the Soviet-Finnish armistice agreement which provided for Finland's return of the Petsamo province to the Soviet Union, the governments of the USSR, Great Britain and Canada negotiated with the Anglo-Canadian concessionaires who held the rights to exploit the Petsamo nickel mines. A protocol, regarding these negotiations, was signed in accordance with which the Soviet Government expressed its consent to pay to the Government of Canada over a period of six years, in equal parts, the sum of twenty million American dollars to cover the cost of the entire equipment and installations which have been exploited in the territory under consideration to the profit of the Mont Nickel Society and the International Nickel Company of Canada. American dollars will be valued at the rate of thirty-five dollars for every ounce of gold.

The above information appeared in the Federal Communications Commission's Foreign Broadcast Intelligence Survey of October 25, 1944.

1

22 11/1/44  
UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

Note of Meeting between DG & Kleutsov  
Aug. 22, '44, re adm. contribution from  
Russia - soviet personnel for Balkans-  
Mission to Poland & Czech-

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Note of Meeting between DG & Kleutsov  
July 14, '44, re aid to prop-  
Mission to Moscow

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Letter from Malakin to Canstin,  
June 10, '44, re Kleutsov's comments  
on notes of meetings with DG &  
Satter transmitted in letter  
of May 12 & June 3, '44

---

Note of conversation between  
Kleutsov & Satter - April 5

---

Memo of conversations between  
Van Kelder, Novosilov, Kleutsov,  
Malakin March 20, '44



UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

19 July 1944

TO: Mr. Menshikov  
FROM: L. Leonard

Attached are the minutes of the Klentsov meeting with the Director General of July 14. Since a portion of the minutes deal with the Yugoslav question, you will probably wish Mr. Cohen and Mr. Xanthaky to see them.

However, these minutes also deal with ~~four~~ <sup>three</sup> other points which have no direct concern to Cohen and Xanthaky.

1. Do you wish them to see the complete minutes nevertheless, or
2. Should the portion pertaining to Mr. Cohen's and Mr. Xanthaky's interests be copied for them?

Attachment 1

V USSR  
UNHRA

24 October 1944

AMEMBASSY

LONDON

UNHRA FROM LEBERMAN

Your telegram 925. CCS representatives indicate that you should not at this time attempt to obtain authorization from USSR since displaced persons problem as regards USSR should first be coordinated through Allied Control Commission for Germany. Suggest you discuss problem with Wickersham and Kirby and inform us their views so that we can discuss further with CCS.



*Mission - Russia*

✓

FOR THE PRESS  
FOR IMMEDIATE RELEASE

20 October 1944

Herbert H. Lehman, Director General of the United Nations Relief and Rehabilitation Administration, announced today that at the suggestion of the government of the Union of Soviet Socialist Republics, the departure of an UNRRA mission to the U.S.S.R. has been postponed for the time being.

Acceptance of an invitation from the Soviet Government to dispatch a mission to Moscow was announced by the Director General during the Second Session of the UNRRA Council at Montreal in September.

UNRRA  
Office of Director General

33

NOTE OF MEETING BETWEEN THE DIRECTOR GENERAL AND MR. KLENTSOV.

14 October 1944

Also Present: Mr. Malakhin  
Mr. Corson  
Mr. Feller  
Mr. Caustin

Mr. Klentsov apologized on the part of Mr. Sergeev whom, he said, was unwell and, therefore, could not keep the appointment which had been made with the Director General to discuss the Soviet Government's administrative contribution for the year 1944. Mr. Klentsov indicated that he would be prepared to discuss the matter with the Director General.

Mr. Klentsov then said that the position of the Soviet Government with respect to the administrative contribution had already been stated several times both in correspondence and in discussion. There were no changes in the Soviet Government's attitude. He understood that the Director General wished to have certain points clarified.

The Director General said that while he welcomed an opportunity to discuss the question with Mr. Klentsov, he had understood that Mr. Sergeev had certain new points to raise. Mr. Klentsov said that if it were impossible to reach an understanding on the matter, a further meeting with Mr. Sergeev could, of course, be arranged before his departure.

Mr. Klentsov said that the Soviet Government's position had first been stated in a letter sent by Mr. Novozhilov. Subsequently the subject had been discussed with the Director General and with Mr. Corson. This position was, he believed, quite clear. Meanwhile the Soviet Government were now employing several hundred people who were in fact working for UNRRA on both displaced persons activities and health work. The fact that the Soviet Government was employing people for this work meant that the expenditures of UNRRA were proportionately reduced and it was the Soviet Government's view that this fact should be taken into account in determining the amount of the Soviet contribution.

Mr. Corson said that during the discussion of the Soviet Government's administrative contribution for 1945 in the Committee on Financial Control at Montreal, the Chairman had asked specifically whether that contribution was to be a net amount and whether the Soviet Government intended to ask for any offset to be made on account of its own expenditures in Soviet territory. Mr. Corson said that the Soviet representative there had stated that the contribution agreed upon was a net sum. Mr. Corson asked whether Mr. Klentsov thought that the same principle might be applied to the contribution for 1944.

Mr. Klentsov said that he could not discuss the 1945 contribution; the only matter he could discuss was the 1944 contribution. He pointed out that the Montreal discussion had related solely to the



share of the administrative expenses which each country should bear and not the purpose to which the contribution should be put. 34

Mr. Corson referred again to the Soviet representative's statement on the 1945 contribution and explained that the purposes for which the administrative contribution might be used were explicitly set out in the basic documents of the Administration and that the use of the Soviet contribution for 1945 was clearly known to the Soviet representative.

The Director General said that the general position in relation to the administrative contribution from any country seemed to him to be perfectly clear. Every member government upon joining the Administration undertook to contribute towards its general expenses. These were not expenses due to any specific operation and so far practically all member governments had either made their contribution or had indicated their readiness to do so. The entire budgetary position of the Administration would become impossible if member governments had once established the budget. The Director General said he understood the Soviet Government's intention to handle its own relief problems but this in no way relieved the Administration of the administrative expenses connected with it. The 600 Soviet relief workers were in no sense a part of or a responsibility of UNRRA, for the Administration had no control over them, no knowledge of the work they were doing, and no responsibility for it. There was not, however, any connection between the Administrative contribution and the operations undertaken by the Administration in a given country. Many countries had already paid contributions although there was no expectation on their part that they would receive any service whatever from UNRRA; on the other hand, a number of the occupied countries, as for example Greece, had also paid administrative contributions although the amount paid bore no relation whatever to the very considerable supplies and services which would be provided to their populations.

Mr. Klentsov said that he felt that no comparison could be made between the Soviet Government and Greece. While the Greek Government would no doubt engage a number of people to assist in relief work, UNRRA would have to bear a considerable part of the total burden of relief which would not be the case in the Soviet. As another example, Mr. Klentsov referred to the Chinese technicians who were being given some training by UNRRA; the Soviet Union did not propose to ask UNRRA to provide any such service. As to the unoccupied territories which had contributed to UNRRA, Mr. Klentsov said that any such comparison was, he thought, misleading since there was not in these countries any serious problems, destruction or suffering attributable to the war, and their burdens were very much lighter than those which the Soviet Union had to bear. Mr. Klentsov said that he fully understood the principle on which UNRRA was based and there was not, he wished to emphasize, any intention as to Soviet participation in the work of UNRRA. The first installment of the Soviet contribution had been paid as promptly, he believed, as that of any other government.

In further discussion of the question, it was made clear to Mr. Klentsov that the only question being raised by the Administration was whether the Soviet Government was prepared to fulfill the undertaking it had



made at Atlantic City to contribute a stated amount towards UNRRA's administrative budget. It was explained that the Director General had no authority to modify the Council's decision in this matter and that the task was solely one for the Soviet Government to deal with. If the Soviet Government wished to reduce the amount of its contribution, then the appropriate course for it to take would be to inform the Council and secure a fresh decision upon the matter. 35

The Director General stated that the principle put forward by Mr. Klentsov was, in his view, a bad principle which would destroy the foundation of the Administration but that the matter was not one on which he could negotiate. If the decision of the Soviet Government was unchanged, the only action he could take would be to report the position to the Council in the next financial statement.

Mr. Klentsov said he would take note of the Director General's views and would report the matter to Mr. Sergeev and that he thought it would be necessary for a further discussion to be held with Mr. Sergeev before his return to Moscow.

H. E. Caustin  
14 October 1944

DG/Caustin/gc



COPY OF THE FILE CARBON COPY

31

COPY OF THE FILE CARBON COPY

13 October 1944

My dear Mr. Sergeev:

I hand you herewith a note addressed to  
the People's Commissar for Foreign Affairs of  
the Union of Soviet Socialist Republics, which I  
would ask you to transmit to your Government at  
your early convenience.

Very sincerely yours,

I had very much looked forward to visiting  
Moscow and of having the opportunity of discussing  
matters of mutual interest with your Government. My

Enclosure: I hope that your Government will find it

Note to the People's Commissar  
for Foreign Affairs of the Union  
of Soviet Socialist Republics

Mr. Vasili A. Sergeev,

Soviet Government Purchasing Commission,

Washington, D. C.

His Excellency

Vyacheslav Mikhailovich Molotov,

The People's Commissar for Foreign Affairs

of the Union of Soviet Socialist Republics.

815512

COPY OF THE FILE CARBON COPY

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Very sincerely yours,

Director General

Enclosure:

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for Foreign Affairs of the Union  
of Soviet Socialist Republics

Mr. Vasili A. Sergeev,

Soviet Government Purchasing Commission,

Washington, D. C.



COPY OF THE FILE CARBON COPY

13 October 1944

Excellency:

Mr. Vasilii Sergeev, member of the UNRRA Council for the U.S.S. R., has advised me that your Government has suggested a postponement of the visit to Moscow of representatives of this Administration which was originally proposed by me on the twenty-third of June and agreed to by your Government on September fourth.

I had very much looked forward to visiting Moscow and of having the opportunity of discussing matters of mutual interest with your Government. May I express the hope that your Government will find it possible to renew its invitation at an early date.

Accept, Excellency, the assurances of my most distinguished consideration.

Director General

His Excellency

Vyacheslav Mikhailovich Molotov,

The People's Commissar for Foreign Affairs  
of the Union of Soviet Socialist Republics.

COPY OF THE FILE CARBON COPY

6 October 1944

TO: Frank Weisl  
FROM: J. J. Polak  
SUBJECT: Questionnaire for Moscow

The following insert could be used to fill the gap in the present questionnaire with respect to prices:

- "7. What are prices in each of these currencies,  
a) official prices  
b) free or black-market prices?
8. What degree of price variation is there between different localities, particularly between rural areas and the cities?
9. To what extent are rents and utility rates controlled?"

Renumber questions 7 to 13 as 10 to 16.



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Renumber questions 7 to 13 as 10 to 16.

COPY OF THE FILE CARBON COPY

30

5 October 1944

TO: Harold Stein  
From: W. G. Dominick  
Subject: Russian Mission

Bill Armstrong of FEA and John Hutchins of WSA, who together run the Russian protocol shipping program, suggested that the UNRRA Mission to Moscow should get in touch with Major General Sidney P. Spalding, head of the supply division of the military mission in Moscow, as soon as possible after arrival.

General Spalding knows all supply procedures and all arrangements that must be made respecting transportation through the Soviet Union, and should be extremely helpful in providing information to the Mission.



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COPY OF THE FILE CARBON COPY

4 October 1944

TO: M. Menshikov

FROM: F. Weisl

According to your wish, I am submitting a list of Area Reports, studies, and Documents, available in the Eastern and Central European Branches, which are now being assembled for your use in Moscow.

The few reports, monthly on Polish Economy, which are not yet finished are expected to be available in a very short time.

I would appreciate if you would indicate:

- 1) reports or studies of those listed which you do not want to take along with you.
- 2) reports or studies of other material which you want us to prepare or obtain for you before you leave.

In addition to the material listed in the enclosure, we are compiling a questionnaire for you and the other members of the Mission to Moscow out of separate questionnaires submitted by the following units of UNRRA, in accordance with the decisions arrived at the last meeting of the Working Party on Eastern Europe about which I reported to you.

1. Bureau of Areas:  
Distribution Division, Transportation Unit,  
Camps Division
2. Bureau of Supplies:  
Ocean Shipping Branch, Agricultural Rehabilitation  
Division, Industrial Rehabilitation Division, Food  
Division, Medical Supplies Division.
3. Health Division
4. Division of Displaced Persons
5. Division of Social Welfare
6. Financial Adviser

Enclosure 1



LIST OF REPORTS, STUDIES, AND DOCUMENTS ON AREAS

I. Czechoslovakia

A. Available Reports

1. Population Study
2. Government and Political Parties
3. The Food Situation (Czechoslovak Research Institute, London)
4. Agriculture (Memo by Prof. Vaclav Myslivec)
5. Food Processing
6. Railroads
7. Social Services
8. Social Legislation
9. Social Legislation for Miners
10. Displaced Persons
11. Changes in the Monetary Structure under Occupation
12. Areas of Agricultural Production According to Commodities
13. List of Mineral Industries, Production Figures.  
Utilization of Power Resources. List of Other  
Industries (Number of Enterprises, and Output in value).

B. A Report in Preparation

1. Czechoslovakian Textile and Clothing Industry

II. Poland

A. Available Reports

1. Population
  - (a) Population in pre-war Poland
  - (b) Survey of Population estimates for Poland by  
Leith Ross, UNRRA, and others.
2. Displacement of population in and from Poland
3. Polish Government in Exile
4. Polish Jewry
5. Catholic Charities in Poland
6. Present situation of the Children in Poland
7. Nutritional Rehabilitation of Poland
8. Polish Agrarian Reform
9. Polish Industrial Development
10. Consumers Cooperatives
11. A few selected publications of the Polish Information  
Office in New York
12. Various estimates of Relief Requirements

B. Reports in Preparation (expected to be finished in about  
eight days).

1. Report on Coal Industry
2. Report on Transportation
3. Report on Oil Industry
4. Report on Lumber Industry
5. Report on Textile and Clothing Industry
6. Data on Polish National Committee in Lublin.

### III. Finland

Notes on Finland, Part I, II, III, IV, V as submitted to you in June, July, 1944.

### IV. Germany

#### A. Available Report

1. Welfare in Nazi Germany - the National Socialist Welfare. (prepared by Central European Branch)
2. Average Weekly Food Rations in Enemy and Enemy Occupied Countries. (British Embassy)
3. The Regional Incidence of Disease. (Prepared by O.S.S.)
4. Population Study (Prepared by O.S.S.)
5. The German National Registration System as Means of Police Control of Population. (edited by Institute of World Affairs)
6. Germany's Political Subdivisions. (edited by Institute of World Affairs)
7. German Supply of Natural Textile Fibers. (prepared by Board of Economic Warfare, now FEA)
8. German Transportation Policy during the War. (Prepared by Graduate Faculty of New School for Social Research)
9. Recent Trends in German Foreign Trade (prepared by European Unit of Foreign and Domestic Commerce)
10. European Food Requirements During the First Year of Occupation. (Prepared by O.S.S.)
11. German Methods of Allocating Labor. (Research Project of Graduate Faculty of New School for Social Research)
12. Labor- Civil Affairs Handbook. (Office of the Provost Marshal General)
13. Entailed Estates Law & the German Peasant. (Prepared by O.S.S.)

### V. Austria

#### A. Available Report

1. Distribution of Agricultural Area and Agricultural Production. (Prepared by Central European Branch)
2. Transportation and Inland Navigation. (Prepared by Library of Congress)
3. Money and Credit Institutions. (Prepared by Federal Reserve Board)
4. Labor- Civil Affairs Handbook (Office of the Provost Marshal General)



VI. Hungary

A. Available Report

1. Population Study. (Prepared by Central European Branch)
2. Distribution of Agricultural Area and Agricultural Production. (Prepared by Central European Branch)
3. Inventory of Hungary's Industrial and Mineral Enterprises. (Prepared by FEA)
4. Cooperation in Hungary. (Prepared by International Cooperative Alliance, London)
5. Labor- Civil Affairs Handbook. (Office of the Provost Marshal General)

VII. Report Prepared by Working Party of Central and Eastern European Division, UNRRA. (F. Weisl)  
Problems of Utilization of Resources and Facilities in Enemy Countries by UNRRA.

VIII. Military Estimates of Relief Requirements for Enemy Countries, (Germany, Austria, Hungary, Bulgaria, Rumania), as submitted to you on June 1, 1944.

*Moscow Mission*

3 October 1944

TO: Mr. Menshikov  
FROM: L. Leonard  
SUBJECT: Assembly of Material for Moscow Mission

1. If each member of the Mission to Moscow proceeds to assemble materials independently of the other, we may find a good deal of overlapping, and perhaps some gaps arising out of the fact that some will assume that others are taking the material and therefore not take it themselves.
2. It may therefore be desirable to have a small group set up representing Areas, Supply, Finance and the Functional Divisions which would have as its function the assembly of all material which might be of use at Moscow and the preparation of a sufficient number of copies for the use of the members of the Mission and the organization of this material so that it can be readily used. You may wish to take this up with the Director General, and inform him that your office is prepared to assume the major responsibilities for this.
3. Attached is a check list of materials which you may wish to take with you. If it is decided not to use the procedure indicated above for assembling material, to what extent do you wish Supply and other materials assembled, or will you depend upon the Supply members of the Mission to provide you with that type of information?

Attachment 1



## CHECKLIST OF MATERIALS

### MISSION TO MOSCOW

#### I. General Information on Specific Countries

##### 1. Countries included

- |                   |             |
|-------------------|-------------|
| a. Greece         | i. Germany  |
| b. Albania        | j. Austria  |
| c. Yugoslavia     | k. France   |
| d. Roumania       | l. Belgium  |
| e. Hungary        | m. Holland  |
| f. Poland         | n. Norway   |
| g. Czechoslovakia | o. Denmark  |
| h. Italy          | p. Far East |

##### 2. Information on current conditions within the countries

##### 3. Requirements figures

##### 4. Population figures

##### 5. Advance purchases

##### 6. Financial position

##### 7. Government structure

##### 8. Transport facilities

#### II. Balkan Mission

##### 1. Budget

##### 2. Organizational structure including top personnel

- a. under Military
- b. during non-military period

##### 3. Principal policy directives

##### 4. Agreements with Military

##### 5. Principal problems:

- a. Tito blast at UNRRA
- b. Inadequacy of military supplies
- c. Organizational line of authority under Military

##### 6. Selected documents (i.e. Aide Memoire on Yugoslavia)

III. Other European Missions - plans and status of recruitment

IV. Special Operating Problems

1. Philippeville Camps
2. Casablanca Camp
3. Middle East Camps
4. Mission to China
5. Latin American Mission
6. Iran request for medical assistance
7. Ethiopian Mission
8. Training Chinese Technicians
9. Yugoslavia
  - a. Negotiation on pre-military relief
  - b. Recent difficulties involving distribution
10. Italy
  - a. Observers Mission
  - b. Operating plans - letter to McCloy
11. Czechoslovakia
  - a. Nemec letter on rehabilitation
  - b. Request for assistance via USSR
12. Poland
  - a. Correspondence with the Polish Committee of Liberation
  - b. Correspondence with the Polish Government-in-Exile
13. France - problem of relations
14. Requests of governments for UNRRA services

V. Supply Problems

1. Requirements
2. Import schedules
3. Summary of Combined Boards Requests and Allocations



4. Summary of Advance Purchases
5. Supply arrangements with Army
6. Stockpiles
7. Procurement arrangements with contributing governments
8. Summary of contributions

VI. Displaced Persons

1. Multilateral Agreement
2. Arrangements with the Army

VII. Health Agreements

VIII. Council Decisions - Analysis by topics of decisions at Montreal and Atlantic City

IX. Organization of Headquarters and the Regional Office

1. Budgets
2. Functions and responsibilities of the organizational units
3. Orders and Bulletins

3 October 1944

MEMORANDUM

TO: Herman Spitzer

FROM: Carl Bergithon

SUBJECT: Questions for UNRRA Mission to Russian and Eastern Europe.

The following are some of the broader questions on which we would appreciate information for each of the three countries concerned:

1) USSR

Is this country in a position to supply any of UNRRA's needs in the field of clothing, textiles and footwear?

More particularly, we should like to know whether Russia will be in a position to supply any hides or leather.

Does any rebuilding of leather footwear take place in Russia, and if so, would any of it be available for liberated areas?

What raw fibres are obtainable in Russia, and would there be any possibility of obtaining cotton or woolen yarns in Russia?

Are any tanning materials available?

2) Poland

We should like to know to what extent the factories in the textile centers are operating and if so, what they are producing at the present time. Are facilities presently available for the spinning of cotton or wool and, alternatively, how long would it take to get spinners operating after liberation.

What is the anticipated output of clothing, textiles and footwear during the first six months after liberation?

3) Czechoslovakia

What is the present rate of production in Czechoslovakia and what products are being made.

What are the most urgently needed items of clothing and footwear?



COPY OF THE CARBON FILE COPY

2 October 1944

TO: Frank Weisl  
FROM: M. Sokolowski  
SUBJECT: Financial questions to be raised at Moscow

Attached is a revised draft of the financial questions to be raised by the Moscow Mission.

I have omitted questions concerning prices, the system of distribution and the availability of local supplies as I understand that detailed questions on these three subjects have been drafted by other divisions.

Attachment

Financial Questions to be Raised at Moscow

Revised Draft

It is desired to have an idea of the general economic and monetary situation in the liberated areas. The following questions exemplify what kind of information would be helpful.

Any information of the same nature which could be obtained concerning the parts of Poland and Czechoslovakia now occupied by the enemy would also be helpful, but would not be of comparable importance to our operations.

1. What is the kind of currency
  - a) introduced by the Red Army?
  - b) issued by the civilian authorities in the liberated areas?
  - c) other, in circulation in the liberated areas?
2. How were each of these currencies introduced?
3. What is the volume of circulation of each of these currencies and how is it controlled?
4. What is the exchange ratio between the various currencies mentioned in 1 above as between them and the regular Russian ruble?
5. What are the limitations on the circulation and on the use of the currencies referred to under 1 above:
  - a) as to expiration of their validity?
  - b) as to their interchange?
  - c) as to their exchange into regular Russian rubles and other currencies?
  - d) with respect to the amounts that can be withdrawn from bank accounts?
6. By what methods and with what degree of success is the price level in these areas being kept in hand?
7. What are the authorities in this area who would open an account for UNRRA if it started operations, and what type of currency would be made available to UNRRA in that situation.



8. Are the currencies circulating in these areas being accepted generally, especially by the farmers, or are farm supplies being obtained:
  - a) by requisition against receipt?
  - b) by requisition against payment of the official price?
  - c) by barter?
9. Are wages being paid in money or to a large extent in kind? In the latter case, to what extent are they paid in foodstuffs?
10. Are there large cash holdings - by the farmers or in the cities - or have the Germans withdrawn this cash?
11. To what extent is the banking system in these areas operating? Can either the branches of the central banks or private banks, or the post office system be used by UNRRA for the distribution of cash to its local officers or to deposit whatever local currency it may collect?
12. What is the foreign exchange control system at present?
13. What are the revenues and expenditures of the local authorities and how are essential public services being financed?

COPY OF THE FILE CARBON COPY

2 October 1944

TO: Milton P. Siegel  
FROM: M. Sokolowski  
SUBJECT: Financial questions to be raised at Moscow

Attached is a copy of the revised draft of the financial questions to be raised at Moscow which I am sending to Mr. Weisl.

You will notice that I have taken account of the suggestions made in your memorandum of 22 September with the exception of detailed questions concerning prices which, as I have been informed by Mr. Weisl, have been raised by other divisions.

Attachment (None)



*S. J. K. K. K.*

FILED UNDER: Central & Eastern Division: Poland

DATE: *2 October 1944*

FROM:

TO:

DRAFTED BY:

TYPE OF COMMUNICATION: *Excerpt from News Broadcast*

SUBJECT: *Acceptance of aid from America and other organizations by Polish Committee of National Liberation.*

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

1344 Connecticut Avenue, N. W.

Washington (25) D. C.

26 September 1944

MEMORANDUM

TO: Herman Spitzer

FROM: C. H. Willson

SUBJECT: UNRRA Mission to Russia, Poland and Czechoslovakia

In reply to your recent inquiry concerning information that the Agricultural Rehabilitation Division would like to have obtained by the Mission in Russia, Poland, and Czechoslovakia, the following questions are submitted:

Fertilizer

1. General questions for all three countries on nitrogen, phosphate rock, superphosphates, and potash.
  - a. What supplies or stocks are available in the countries now?
  - b. What are the latest estimated import requirements for the first crop year after liberation:
    - (1) Quantities?
    - (2) Latest date required in country to meet first crop year's requirements?
  - c. What are the estimated surpluses that will be available?
    - (1) Quantities?
    - (2) Estimated date of availability?

Specific Questions - U. S. S. R.

1. What quantities of potash and rock phosphate (apatite) will ~~be~~ the U. S. S. R. have available for export?
  - a. Within the next six months?
  - b. Within the next year?
2. Will the U.S.S.R. have any excess capacity for the production of superphosphate for export within the next six months?
  - a. If so, what are the quantities and earliest dates of availability for export?



26 September 1944

Specific Questions - Czechoslovakia and Poland

1. Do these countries still have the capacity to produce their own nitrogen to meet the requirements for their first crop year?
2. What is the latest information on the condition of their superphosphate plants?
  - a. How much rock phosphate will these plants be able to process in the next six months?
3. When are the chemical fertilizers applied?
  - a. Nitrogen?
  - b. Phosphates?
  - c. Potash?
4. How much of the chemical fertilizers are applied as mixed or complete fertilizers?

Seeds

1. Are seed supplies sufficient to meet 1945 spring and fall planting requirements in Poland and Czechoslovakia?
  - a. If not, what percentage of total requirements must be imported and what does this amount to in metric tons?
  - b. If surpluses exist, what tonnage is available for use in other countries?

It will be necessary, if we are to meet all the demands for seed, to locate sources of some scarce seeds within Europe itself. We are anxious to have an estimate of both needs and indigenous surpluses. Any details that can be given regarding varieties of surplus seed will be helpful to this office.

In addition to the questions listed above, it is possible that U.S.S.R. may be able to supply certain seed. If there are any seeds on the list given below that Russia can supply, we would appreciate knowing the kind and quantity. In preparing the list given below, we have made no attempt to sort those items which we anticipate may be in short supply within the countries and those that may be available for export.

List of Seeds in Short Supply or Available for ExportVegetable

Carrots  
Cauliflower  
Cucumber  
Garden beets  
Garden peas (green peas)  
Haricots (green beans)  
Onions  
Tomato

Pulses

Victoria - yellow and  
Austrian winter peas  
Peluska  
Lentils  
Dried beans & other beans

26 September 1944

Root Crops

Mangels (mangols)  
Rutabaga (Swedish turnips)  
Field turnips  
Sugar beets  
Potatoes

Cereals

Barley  
Maize (corn)  
Rye  
Oats  
Wheat

Miscellaneous

Flax (fiber & oil)  
Sunflower (oil)  
Rape (oil)  
Soybeans (oil & other purposes)  
Hemp (fiber)  
Sesame (oil)  
Mustard (oil & other purposes)

Forage

Alfalfa (lucerne)  
Alsike clover  
White clover  
Crimson clover  
Red clover  
Perennial ryegrass  
Italian ryegrass  
Lupines, white, yellow & blue varieties  
Vetches, winter & spring species  
Seradella  
Sanfoin  
Horse beans  
Rape, Dwarf Essex  
Fodder sunflower  
Avena flavescens  
Tall meadowoat grass

Food Processing Equipment

1. What supplies or stocks are available in the respective countries now?
2. What are the latest estimated import requirements for the first six months after liberation?
3. What production methods are employed in the respective countries?

Veterinary Supplies and Information

1. Answers to the following questions, concerning horses, cattle, sheep, and swine, in U.S.S.R., Poland, and Czechoslovakia would be appreciated:
  - a. Approximate animal populations?
  - b. Increase or decrease of animals since war began?
  - c. Prevalence of diseases among the horses, cattle, sheep, and swine?
2. How many veterinarians in these countries before the war?
  - a. What is probable number of veterinarians available not for livestock disease control?
  - b. What disease is especially destructive?



26 September 1944

3. What is the status of available veterinary supplies (instruments and drugs)?
4. What is the extent of outside assistance (personnel and supplies)?
  - a. If assistance is needed, what areas require same?

Fisheries and Fishing Equipment

1. What is the latest fish production - by species, if possible?
2. What is the number of fishing craft engaged in fishing - by year and tonnage?
3. What is the number of fishing craft available for fishing after cessation of hostilities - by fishing gear and tonnage?
4. What is the supply situation in connection with fibers, preservatives, paints, and related items, to be used in fishery rehabilitation work?
5. What is the number of commercial fisherman that will be available for fishing during the period immediately following the war?
6. Any information on fisheries of the countries concerned, particularly production and the state of existing fishing craft, will be most helpful.

Agricultural Machinery, Farm Tools, Repair Centers

1. In connection with the field power situation, what was the total number of horses, oxen, and other draft animals used Before the war?
  - a. What percentage and number of these have been lost during the war?
  - b. How can this loss of power be replaced?If possible, these facts should be presented by major agricultural districts.

1. In connection with data needed on field machinery, what were the main pre-war sources of field machines, such as, plows, harrows, planters, harvesters, etc.?
  - a. What implements were made in the country in question?
  - b. What is the present status of the shops and factories that made these instruments?
    - (1) Can they be restored to full production in a short time?
2. Pictures or illustrations of types of animal or tractor drawn implements commonly used would be most helpful.
3. What proportions of farm machinery were destroyed or carried away during the war?
4. What has been the policy of maintenance or repair of farm machinery during the war?

26 September 1944

- a. What percentage of machines mentioned above need repair?
5. What is the approximate number of hand tools needed? List them. Size, weight, and other points of specifications would be helpful in connection with transportation.
6. What were the pre-war sources of these tools?
  - a. Which, if any, can be made locally, if materials are supplied?
  - b. What raw materials are needed for these hand tools to supply local shops or factories?
    - (1) Can handles be supplied locally?
  - c. Illustrations of tools such as hoes, rakes, forks, spades, shovels, sickles, scythes, etc., will be helpful.
7. Are local repair blacksmith shops to be found in nearly all communities?
  - a. What percentage of these shops have lost their tools and their shop workers as a result of the war?
  - b. What amount of bars, rods, sheet iron and steel, nails, mild steel for horse shoes and oxen shoes, nails, bolts, screws, etc., will be needed?
  - c. What tools and equipment will be needed for these shops, such as, tongs, anvils, hammers, sledges, files, hacksaws, drill bits, wrenches, measuring tools in connection ~~in~~ with the metal work?
  - d. What tools will be needed in wood working shops, such as brace-and-bits, chisels, hand saws, drawing knives, spoke-shaves, adzes, axes, hatchets, etc?
  - e. What general shop equipment, such as post drills, pliers, bellows, ~~x~~ vices, grinders, etc?
8. Were there any well equipped tractor and motor repair shops prior to the war?
  - a. What is the present status of these shops?
  - b. Are additional shops needed to maintain tractors sent in for rehabilitation ~~for~~ purposes?
9. What type of fences were used prior to the war?
  - a. Have these been destroyed or allowed to deteriorate?
  - b. Will electric fences supply emergency needs in most instances?
    - (1) If so, how many are needed?



COPY OF FILE CARBON COPY

22 September 1944

TO: J. J. Polak

FROM: Milton P. Siegel

SUBJECT: Financial Questions to be Raised by Members of Mission to Moscow

In reply to your memorandum of 16 September attaching a copy of the questions prepared by your office on the above subject, we are listing below some additional questions which we believe should be included. They are numbered to indicate their relative position to those drafted by your office.

- 2-a How are currencies (1) and (2) introduced?
- 2-B In what volume have they been circulated, and how is the volume controlled?
- 3-A What is the volume of circulation of (3)?
- 3-B What is the exchange ratio between (1), (2), and (3), and between them and the regular Russian Ruble?
- 3-C. What are the limitations on the use of (1), (2), and (3) respectively:
  - a. as to expiration of their validity?
  - b. as to their interchange?
  - c. as to their exchange into regular Russian Rubles or other currencies?
- 4-A What degree of price variation is there as between different localities, particularly between rural and urban districts?
- 5-A In particular, how are food prices controlled in the rural districts and in the urban centers?
- 5-B Are purchases by the military from the civilian population on the same price scale as purchases by civilians?
- 5-C To what extent are rent controls and utility rate controls exercised?
- 5-D To what extent is rationing employed?
- 7 (Suggest rephrasing to indicate whether "requisition" is forcible surrender against receipt or forcible sale against payment of normal purchase price.)
- 8-A In particular, <sup>are</sup> ~~are~~ wages being paid in food, and to what extent?
- 9-A To what extent have the liberation authorities controlled the use of such currency?

COPY OF THE FILE CARBON COPY

16 September 1944

To: Mr. Sokolowski  
From: J. J. Polak  
Subject: Financial questions to be raised at Moscow

The Working party on Eastern Europe agreed at its last meeting that the various offices would compile questionnaires as a background for the information which the Mission to Moscow might want to obtain there. I attach a questionnaire which I sent to Mr. Weisl and which will be discussed along with the other questionnaires next Wednesday.

It is not intended that the people who go to Moscow will be requested to ask each of these questions, but rather that they be informed what sort of information would be helpful to the organization if it could be obtained.

I wonder if you might have any comments or additions to the questions I have put down?



COPY OF FILE CARBON COPY

16 September 1944

To: J. J. Corson  
Attention: M. J. Uhlman  
From: J. J. Polak

At a meeting of the working party on operations in Eastern Europe under the chairmanship of Mr. Weisl it was agreed that the various officers would prepare questionnaires containing various questions which the members of the Mission to Moscow would do well to bear in mind and to ask if an opportunity should present itself, with a view to facilitating operations in Eastern Europe.

Attached is a copy of the questions which this office has prepared. If you should have any comments or additions, I would be glad if you would direct them either to Mr. Weisl or to me.

Attachment

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Attachment



COPY OF FILE CARBON COPY

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11 September 1944

My dear Mr. Klentsov:

It would be deeply appreciated if you will transmit the enclosed note to the People's Commissar for Foreign Affairs of the Union of Soviet Socialist Republics.

Two copies of the note are enclosed also, one for your files as representative of the Soviet Government on the Council and the other for the Soviet Embassy.

Very sincerely yours,

Director General

Enclosure:

Note to the People's Commissar for  
Foreign Affairs of the Union of  
Soviet Socialist Republics and  
Two copies.

Mr. Vlas Andreevich Klentsov,

Soviet Government Purchasing Commission,  
Washington, D. C.

11 September 1944

Excellency:

I have the honor to acknowledge your recent communication in which you advise that the Soviet Government would be ready to receive me or my representatives in Moscow for the discussion of the tasks of the United Nations Relief and Rehabilitation Administration which are of mutual concern to the Soviet Government and the Administration. In view of the forthcoming meeting of the Second Session of the Council of the United Nations Relief and Rehabilitation Administration at Montreal, it will be necessary to delay the departure of the mission until after the Council Session. In the meantime, I would propose that discussions on the subjects enumerated in my note of 23 June be held by me and my associates with the member of the Council for the USSR and the other members of the Soviet Delegation at the Second Session of the Council in order to clarify the position of your Government and the Administration on these issues. This will, in my judgment, expedite and make more effective the discussions subsequently to be held in Moscow.

I am most grateful for the kind invitation extended to me to come to Moscow, I hope very much that conditions will permit me to personally accompany the delegation. I will advise your Government in the near future as to whether this will be possible and will also notify the composition of the group and the proposed time of departure.

Accept, Excellency, the assurances of my most distinguished consideration.

Director General

His Excellency

Vyacheslav Mikhailovich Molotov,

The People's Commissar for Foreign Affairs  
of the Union of Soviet Socialist Republics.



*Menchikov*  
*11 September 1944*

Mr. V. A. Klentsov  
Soviet Purchasing Commission  
3355 16th Street, N. W.  
Washington 10, D. C.

*26*

Dear Mr. Klentsov:

As the Soviet armies are progressing, I am becoming increasingly concerned about the problems of meeting the relief needs of those liberated areas in Eastern Europe which will require UNRRA's assistance. I have had several conversations with Czechoslovakian and Polish representatives, both of whom indicated that their Governments will require the assistance of the Administration. They were, therefore, interested in the actions that UNRRA WILL be prepared to take immediately upon liberation toward relief and rehabilitation in the territories represented by them.

As you know, the existing arrangements for Western and Southern Europe call for the assumption on the part of the U.S.- U.K. Combined Military authorities of the responsibility for civilian relief supplies during the first six months period after liberation. In view of the fact that no such arrangements exist with respect to the territories of Eastern Europe, the Administration has requested the Combined Boards to allocate to UNRRA the relief and rehabilitation supplies which it is estimated will be needed in that area during the first six months period after liberation. The Administration has also undertaken, if necessary, to finance the procurement of the needed supplies. Furthermore, we are proceeding with plans for locating immediately available supplies and shipping space in order that the Administration may be prepared to lend expeditious aid when called upon.

The Administration is preparing to move along the following lines:

1. UNRRA to start shipments of initial supplies by the nearest feasible routes as soon as possible after arrangements can be made for the receipt of the goods.
2. As a means of meeting the urgent immediate needs before the imports could arrive, UNRRA to arrange with the Soviet Union for loans of available supplies under mutually satisfactory arrangements for the replacement of supplies.

3. UNRRA staff technicians to observe the import needs in the field and to consult with appropriate representatives of the territories concerned, concerning further plans.

I hope that it will be possible to consider these as well as other related matters in the forthcoming conferences in Moscow to which I am looking forward with great anticipation. However, the urgency of the imminent relief and rehabilitation problems in connection with these Eastern European areas is such that I am anxious to make all advance preparation possible without delay. We are confronted with the likelihood that the Administration may be called upon to give assistance in these territories on very short notice, and it is clear that no such assistance possibly could be rendered without immediate and most intimate cooperation with the Soviet Union.

I and some of my associates will wish as soon as possible to discuss with Mr. Sergeev and you the operating problems which will confront us if relief supplies and services are to be made available promptly to these territories.

Among the specific questions which we would like to discuss with you are the following:

1. Would it be possible for the Soviet Union to continue or to initiate a limited supply of relief goods available from the Soviet Union and required to meet the immediate and urgent needs of the liberated areas of Eastern Europe with the understanding that mutually satisfactory arrangements could be made with respect to the replacement of such supplies.
2. Will it be possible to dispatch to the liberated areas of Eastern Europe at once a small group of UNRRA technical representatives for the purpose of determining, in consultation with the appropriate authorities, the character and quantities of relief and rehabilitation requirements.
3. Would it be possible to make arrangements with the Soviet Union which will facilitate the unloading of supplies at Soviet ports and the transport of those supplies across territories of the Soviet Union into the liberated areas?

We shall be happy to talk to you about these matters at your earliest convenience.

Sincerely yours,

Director General

DWeintraub:iec/at  
11 September 1944



COPY OF FILE CARBON COPY

11 September 1944

My dear Mr. Klentsov:

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Accept, Excellency, the assurances of my most distinguished consideration.

Director General

His Excellency

Vyacheslav Mikhailovich Molotov,

The People's Commissar for Foreign Affairs  
of the Union of Soviet Socialist Republics.



COPY OF FILE COPY

The Honorable Herbert H. Lehman  
Director General of  
the United Nations Relief and  
Rehabilitation Administration,  
1344 Connecticut Avenue,  
Washington 25, D. C.

September 4, 1944

My dear Director General:

I take pleasure in transmitting to you  
the attached letter of the People's Commissar for  
Foreign Affairs of the Union of Soviet Socialist  
Republics concerning your letter dated 21 July,  
1944.

Sincerely yours,

sgd. V. A. Klentsov

V. A. Klentsov,  
Acting Council Member  
of UNRRA for the USSR.

Mr. Director,

The Soviet Government has become acquainted with your letter, in which you set forth your views on the tasks of UNRRA and express your desire to come to Moscow for the discussion with the officials of the Soviet Government of the questions concerning these tasks. At the present time I can advise you that the Soviet Government would be ready to see you as its guest in Moscow or, if your coming will appear inconvenient, to receive your representatives Messrs. Allen Wardwell and Hugh Jackson accompanied by some members of technical staff. I hope that the discussion with you or with your representatives of the questions planned by you will be fruitful and propitious for deciding the problems of interest to us.

Accept, Mr. Director General, the assurances of my most distinguished consideration.

V. Molotoff

The Honorable Herbert H. Lehman  
The Director General of the  
United Nations Relief and  
Rehabilitation Administration.



COPY OF CARBON FILE COPY

MEMORANDUM OF CONVERSATION

Participants: The Russian Ambassador and Herbert H. Lehman, Director General of UNRRA

Date: August 31, 1944

Subject: Mission to Russia and Eastern European Situation

Yesterday afternoon, at my request, I visited the Russian Ambassador, Mr. Cromyko. I had previously talked to him over the telephone and, in reply to his inquiry, I had advised him of the purpose of my visit.

I brought to his attention again a copy of the note to the Soviet Government dated June 23 suggesting that an UNRRA Mission be sent to Moscow. I explained the purpose of the request and expressed surprise and concern that, although ten weeks had now elapsed since the dispatch of the note, we had received no reply. I explained that I came to him direct as I knew that he had been in Moscow at the time the note was received by the Soviet Government, and I therefore felt that in all probability he had some direct knowledge of the situation.

He advised me that he had been in Moscow at the time the note was received, but that he had no specific knowledge of what had transpired thereafter. His general impression, however, was that the note met with a sympathetic reception and he was under the impression that an answer had been dispatched. He stressed the fact that, in his opinion, there was no political or other significance in the delay in making a reply and that he did not think it in any way reflected a lessened interest and sympathy for UNRRA and its purposes. He promised to make inquiry and advise me as promptly as possible.

I then outlined in a general way the very great handicaps under which we are now working in connection with planning and preparation for relief in Czechoslovakia and Poland. I explained that in spite of our efforts we had not been able to get any information with regard to the plans of the Red Army or the Soviet Government; we did not know whether the people of the liberated countries would be fed by the Army or the Soviet Government or relief ~~be~~ be turned over to the indigenous governments. I explained to him that it was

necessary to have this information, as well as information with regard to the manner in which supplies could be brought to the liberated areas. I drew his attention to the fact that under any circumstances, at least for the present, all supplies would have to go through Soviet territory. I told him further that we had asked that authority be given to us to send missions to Czechoslovakia and Poland to survey the situation and to form a nucleus of a larger operating mission later on. I think he fully understood the difficulties and expressed sympathy, but could not give us any assurances, as he claimed to be entirely unfamiliar with the plans or attitude of his Government.

I expressed my friendship and confidence and that of my associates in Mr. Klentsov and stressed the fact that he was already cooperating with us. I explained that I merely wished the Ambassador to be familiar with the whole situation in order to obtain his fullest cooperation. I have no doubt that if his present duties at Dumbarton Oaks permit, he will discuss the matter with Mr. Klentsov promptly and possibly take it up directly with his Government. He assured me a number of times of his desire to be helpful.

I asked him who would be in the Soviet Delegation to the Council Meeting, but he did not know.

There was one rather significant point which he injected very informally into the conversation. When I spoke about doing relief work in Czechoslovakia and Poland he added the name of Rumania. I did not comment on this, save to draw his attention to the fact that for the present under the UNRRA Resolutions we were prohibited from doing any work for the peoples of enemy or ex-enemy countries.

Herbert H. Lehman  
September 1, 1944



C O P Y

UNRRA  
Office of the Director General

NOTE OF MEETING BETWEEN THE DIRECTOR GENERAL  
AND MR. KLENTSOV, SOVIET MEMBER OF THE COUNCIL

22 August 1944

Also present: Mr. Malakhin  
Sir Arthur Salter  
Mr. Corson  
Mr. Feller  
Mr. Caustin

1. Administrative Contribution by the Soviet Government.

Mr. Corson explained that he had proposed a meeting between the Director General and Mr. Klentsov in order that the question of the Soviet Union's administrative contribution to the Administration might be discussed and a provisional arrangement made to meet Mr. Klentsov's views.

The Director General said he was glad to have an opportunity to discuss the matter with Mr. Klentsov. He had hoped that the 1.5 million dollar contribution from the Soviet Union would have been available already. As far as his report to the Council was concerned, he felt that all he could do was to show the situation as it existed, namely, that the Soviet Union had in fact paid \$200,000 only with the statement of the balance still due.

Mr. Klentsov replied that he had hoped that in any statement on the Soviet contribution, the Director General's report would make some reference to the conversations which had been held on the subject. He did not wish it to appear that the Soviet Union was in default on its payment, nor that the impression should be given that the Soviet Union was the Administration's chief debtor.

The Director General said that there could be no implication that the Soviet Union were in default. Contributions might be paid at any time until the end of the year, and there were, of course, a number of other governments whose contributions were not yet paid. However, it would be difficult to explain why the full amount of the contribution had not been paid should this question be raised, for the Soviet Government's argument that it wished to charge in terms of administrative expenses against its administrative contribution was not an argument which he could accept.

In further discussion Mr. Klentsov said that as he had not been present at the discussions on this question with the Director General he was not familiar with all the arguments which had been presented. He knew, however, that the Soviet Government's views had been presented to the Director General and he believed that these were under consideration. He felt, therefore, that it would be more appropriate if some indication were to be given in the Director General's report that discussions were proceeding and the Soviet Union had in effect reserved its position as regards the balance of its contribution.

In replying to Mr. Klentsov, the Director General pointed out that at Atlantic City the Soviet Government had accepted the Resolution requiring an administrative contribution from the Soviet Government and, as far as



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he was aware, no protest had then been raised against this decision. It was not possible for the Director General to modify a decision taken at Atlantic City and the decision, as he saw it, was with the Council who agreed to an administrative budget of 10 million dollars of which the Soviet Union was to provide 1.5 million dollars. He feared that if an exception were to be inserted in the Director General's report upon this point it would only serve to draw attention to the question which it was not at the present time desirable to have raised in public since he saw no way in which a reconciliation of the Soviet Government's views that those of the Administration could be achieved. Meanwhile, of course, the Administration had of necessity to make administrative expenditures, and it was important that the Council should have an accurate picture of the situation.

Mr. Feller drew attention to the language of Section 20 of the Financial Plan which was read to Mr. Klentsov.

The Director General said his understanding of the position was that every country which had agreed to become a member of UNRRA had simultaneously agreed to support the work of the Administration even though no question of direct benefit to that country arose. It was a cooperative effort by all the member governments to which each would contribute according to the arrangements agreed upon at Atlantic City.

Mr. Klentsov said he quite agreed with the purpose of Section 20 of the Financial Plan but he thought it necessary to make a distinction between the local offices of the Administration which might be set up in a country to undertake relief and rehabilitation operations there. In the Russian view, it was not necessary for UNRRA to provide personnel for work in Russia and for this reason his Government was not prepared to pay the whole of the administrative contribution.

Mr. Feller pointed out that in this matter the Director General was given no discretionary powers; his policy was directed by the Council and it was not within his competence to make any separate arrangements with individual country members.

Mr. Klentsov in further discussion took the position that the main question as to whether the Soviet Government should or should not pay its full contribution might be left over for later consideration. His chief concern, at the present time, was to see that the Soviet Union's position was made clear in the text of the Director General's report.

The Director General said that he could not see how it would be possible to present in his report a statement of the two conflicting attitudes, the Soviet Government's and the Administration's. Question would inevitably arise during the Montreal Conference on the next administrative budget and the contribution expected from other member governments depended upon the fact that the Soviet Government was expected to contribute themselves. It was his assumption that the Soviet Government had accepted the Atlantic City financial proposals as a part of their general participation in the Administration's work and he felt that a statement now by the Soviet Government would be most unfortunate, both for the Soviet Government itself as well as for the Administration. Any such statement might also lead to misunderstanding and differences with other member governments who might feel encouraged to take the same position.

Mr. Klentsov said that he fully understood the explanations given by the



Director General and Mr. Feller and that he agreed that there should be no detailed statement of the position adopted on both sides; all he was asking for was an indication that the amount of the Soviet contribution was under discussion and that no decision had as yet been reached.

Sir Arthur Salter suggested that it might be possible to meet Mr. Klentsov's point by adding a footnote to the table showing the administrative contributions which had been received from the member governments, saying, for example, that "discussions were now proceeding with respect to the use of the USSR contributions".

During the discussion of this proposal, Mr. Corson asked whether the reservation was understood to cover the question of Soviet participation in the Administration's work in the Far East only or whether it covered this and the question of the Administration's work within Soviet territories. Mr. Klentsov was understood to say that while he did not wish to ~~xxx~~ mention the two points these were still in his mind and would be taken up by the Soviet Government.

Mr. Feller pointed out that the question would be raised again on at least three other occasions during the current year and it was, therefore, desirable to have the matter disposed of in the near future.

After further discussion, the following footnote was agreed upon as an addition to the table in the Director General's report on administrative contribution:

"Discussions are now proceeding with respect to the use of administrative contribution of the USSR".

The Director General said he wished to make his position on this amendment perfectly clear. In his view it related solely to the use of the Soviet Union's contribution to the Far East. In his view there could be no debate on the further question which had been raised by Mr. Klentsov. Should he be asked at the Council Meeting as to the meaning of this footnote, he would explain that it related solely to the Far East. In his judgment the second question raised by Mr. Klentsov had not a sound basis in fact and he would not wish to let it be thought that he had been negotiating with the Soviet Government on this question with a view to some compromise settlement.

Mr. Klentsov said he agreed to this understanding and assumed that the question would come up for discussion again after the Second Session of the Council.

## II. Soviet Personnel for the Balkan Mission.

Mr. Klentsov said he had received replies from Messrs. <sup>Calix</sup> Phillin, <sup>Gruber</sup> Rassuzhdayev, and <sup>Alekseev</sup> Alekseev. In each case these gentlemen had agreed to accept the positions which had been offered them as deputy chiefs of mission.

Mr. Klentsov said he had heard from Mr. Sergeichich who agreed to take the suggested position of Senior Deputy Chief of the UNRRA Mission for Yugoslavia with the understanding that the Director General was not able to appoint a chief of this mission at present. Further, Mr. Klentsov said he was able to advise the Director General that he could make three additional recommendations for other personnel for the Balkan Mission and he would provide details on this as soon as possible.



There was some discussion as to whether the four Soviet candidates should report to Washington or to Cairo. The Director General said that he wished to impress upon Mr. Klentsov his great anxiety that these four gentlemen should take up their duties in Cairo at the earliest possible date; the Administration was being pressed by the military authorities to fill these positions and it was, in his judgment most important that the candidates should report as soon as possible to Cairo. It was agreed that arrangements regarding this matter should be settled between Mr. Klentsov and Mr. Corson.

### III. UNRRA Mission to Moscow.

In reply to a question Mr. Klentsov said that he regretted that he had nothing to report on this subject.

### IV. Mission to Poland and Czechoslovakia.

The Director General said that he was certain that Mr. Klentsov would appreciate his anxiety to give assistance and relief in the liberated areas of Poland and Czechoslovakia as quickly and as adequately as was humanly possible. However, the Administration was very seriously handicapped by the lack of information as to conditions and as to the needs of these territories. It appeared to him to be necessary to send a small group of persons to Poland and Czechoslovakia as soon as possible and he was prepared to do this at once if the Soviet Government were prepared to make available the necessary facilities and give permission to such a group to make the investigations needed. Considerable thought had already been given to this question by the Administration, and he thought that a group such as he had suggested could be ready in a few days if Mr. Klentsov was able to secure approval.

Sir Arthur Salter said he would like to emphasize to Mr. Klentsov that the Administration was asking the Soviet authorities to arrange the passage now to and through Soviet territories of a group of UNRRA observers. He added that he wished Mr. Klentsov to understand that what was required was an assurance as to the passage of this group in the course of a few days with the understanding that the group would have the full cooperation of the Soviet authorities.

Mr. Klentsov replied that he would certainly give the matter his immediate consideration and would do everything in his power to meet the Director General's request.

The Director General thanked Mr. Klentsov and said he hoped that he would take the matter up urgently with the Soviet authorities and impress upon them his anxiety that such a mission should start as soon as possible.

H. E. Caustin  
23 August 1944

DG/HECaustin/gc



18 August 1944

MEMORANDUM FOR THE FILES

Subject: Luncheon Conversation with Mr. Klentsov. (+ J. J. Conson)

Mr. Klentsov, the Soviet representative on the UNRRA Council, and I met for lunch at the Statler Hotel, Thursday, 17 August. The topics we discussed are briefly described as follows:

- (1) Mr. Klentsov opened our discussion by inquiring as to what plans we were making for Poland and Czechoslovakia. I indicated that UNRRA had requested an allocation from the Combined Boards of the supplies tentatively set up for Eastern Europe under Plan A, but added that we were handicapped in preparing for the assistance to be rendered in these countries by lack of knowledge as to what might be expected of us.
- (2) I added specifically that it would be very helpful if we could learn what the reaction of Mr. Klentsov's Government was to the Director General's note suggesting that a mission from UNRRA visit Moscow. Mr. Klentsov replied that he had not yet had any information from his Government. He went on to state rather firmly that we knew we would be expected to assist in Czechoslovakia and Poland and he assumed we were making preparations. I replied that of course we were making preparations for assistance in these countries, but as well in Russia, but that we would not prepare effectively without more precise knowledge of our obligations.
- (3) I raised the question as to when the four Russian men referred to in the Director General's letter to Mr. Klentsov of 21 July could be available to UNRRA. Mr. Klentsov replied that he hoped he would be able to give us word of these men within a "few days." He indicated that he had had difficulty contacting some of the men who were away from Moscow at the time he wrote to them, adding that he had had word from one or two of them. I assured him that we were anxious to have them available in Cairo as soon as practicable and hoped that this might be as early as 1 September. He could not give me any assurance on this point but indicated that he would let us know of these men "in a few days."



- 16
- (4) Mr. Klentsov returned again to the question of preparations for activities in Eastern Europe. He pleasantly consented that if it took us as long to make up our minds with respect to what assistance we would render in Eastern Europe as it had in Yugoslavia, there might be unfortunate delays. We discussed the reasons for delay in Yugoslavia pleasantly and humorously for a few moments. I made the point that the situation in Yugoslavia was complicated by the existence of two Governments and the difficulties with which UNRRA was confronted in dealing with Yugoslavia. I then apprised Mr. Klentsov of the letter we had sent to Mr. McCloy requesting assistance in Yugoslavia. He was glad to learn of this step but this did not seem to overcome fully his disappointment in our earlier action on Yugoslavia.

He further commented that he had had "unofficial" information from a friend of his in Italy that a representative of UNRRA had contacted the Military at Bari and had been informed by the Military that the Military would not object to asking the supplies requested available ~~in~~ to Marshal Tito at Bari. I replied that this was quite contrary to the information we had received; that we had asked our representatives in Cairo to discuss the problem with the Military and had received a reply indicating definite and clear objections on the part of the Military. He was not convinced that his "unofficial" source of information was incorrect. I closed this point with the remark that certainly if the Military was prepared to assist, our letter to Mr. McCloy should result in the obtaining of such assistance. As a result of this conversation, and after further consultation with Mr. Feller, I thought it well to let Mr. Klentsov have a copy of our letter to Mr. McCloy in order that he might be informed of the step we took.

- (5) Mr. Klentsov referred to the Council Meeting at Montreal. He inquired as to how long the Council Meeting would take. I replied that we could not tell but we hoped the meeting might be concluded in from ten days to two weeks. He said this could be better assured if we would let his Government and other Governments have all of the "suggestions" which would be discussed at the Council Meeting as early as possible. I endeavored to ascertain what he meant by the term "suggestions" and was not successful. I inquired if he had discussed the agenda with Mr. Feller and his associates and was told that he had. I assured him that I would ask Mr. Feller to get in touch with him and assure that whatever additional information could be supplied to him with regard to the agenda and possible topics of discussion were made available to him promptly. I inquired as to whether the Russian Delegation had been named and when they might be coming to America; Mr. Klentsov replied that his Government had not yet advised him.



- (6) Mr. Klentsov referred to the Director General's Report. He had received it and seemingly was pleased with it. He, however, noted some objection to the indication in the report that the Russian Administrative Contribution had not been paid. I asked how he would expect us to portray the status of the Russian Administrative Contribution. He then referred to the understanding which he believed existed between Mr. Sergeev and the Director General. I advised him that I was not fully informed of these early incidents but I was sure that from what I had learned of the status of the Russian Administrative Contribution there was some misunderstanding between Mr. Sergeev and the Director General as to the efforts that could be made against the Russian Administrative Contribution for (a) activities in the Far East, and (b) Russia's own expenses in her liberated areas. I asked Mr. Klentsov if he were familiar with the Director General's letter of 10 March. He indicated he was but he had not had an opportunity to discuss the matter with Mr. Sergeev in the brief time they had met in Alaska.
- (7) Our discussion of the Russian Administrative Contribution led to one further point relative to the presence in Russia of any UNRRA representatives. Mr. Klentsov implied that there should be a deduction of the expenses Russia would incur in distributing supplies provided by UNRRA, since in other countries UNRRA would itself have to provide personnel to carry on these activities. I assured him that we would expect each country to provide local personnel to assist in carrying on activities within their country but that immediately I expected that UNRRA would feel obliged to have in each country where it was providing assistance some representatives in order that it might account to the Council for its activities wherever they were carried on. The point was not pursued further, although Mr. Klentsov rather indicated he doubted whether UNRRA representatives would be needed in Russia.

Our conversation was thoroughly enjoyable and pleasant, yet the differences of opinion that it reflected seemed to emphasize to me the necessity for more frequent contacts between key officials of UNRRA and Mr. Klentsov, in order that he may feel a greater sense of participation, and that a fuller mutual understanding may be developed.

John J. Corson  
Deputy Director General  
Bureau of Finance and Administration



C O P Y

Russia

UNRRA

Office of the Director General

NOTE OF MEETING BETWEEN THE DIRECTOR GENERAL  
AND MR. KLENTSOV, SOVIET MEMBER OF THE COUNCIL

22 August 1944

Also present: Mr. Malakhin  
Sir Arthur Salter  
Mr. Corson  
Mr. Feller  
Mr. Caustin

1. Administrative Contribution by the Soviet Government.

Mr. Corson explained that he had proposed a meeting between the Director General and Mr. Klentsov in order that the question of the Soviet Union's administrative contribution to the Administration might be discussed and a provisional arrangement made to meet Mr. Klentsov's views.

The Director General said he was glad to have an opportunity to discuss the matter with Mr. Klentsov. He had hoped that the 1.5 million dollar contribution from the Soviet Union would have been available already. As far as his report to the Council was concerned, he felt that all he could do was to show the situation as it existed, namely, that the Soviet Union had in fact paid \$200,000 only with the statement of the balance still due.

Mr. Klentsov replied that he had hoped that in any statement on the Soviet contribution, the Director General's report would make some reference to the conversations which had been held on the subject. He did not wish it to appear that the Soviet Union was in default on its payment, nor that the impression should be given that the Soviet Union was the Administration's chief debtor.

The Director General said that there could be no implication that the Soviet Union were in default. Contributions might be paid at any time until the end of the year, and there were, of course, a number of other governments whose contributions were not yet paid. However, it would be difficult to explain why the full amount of the contribution had not been paid should this question be raised, for the Soviet Government's argument that it wished to charge in terms of administrative expenses against its administrative contribution was not an argument which he could accept.

In further discussion Mr. Klentsov said that as he had not been present at the discussions on this question with the Director General he was not familiar with all the arguments which had been presented. He knew, however, that the Soviet Government's views had been presented to the Director General and he believed that these were under consideration. He felt, therefore, that it would be more appropriate if some indication were to be given in the Director General's report that discussions were proceeding and the Soviet Union had in effect reserved its position as regards the balance of its contribution.

In replying to Mr. Klentsov, the Director General pointed out that at Atlantic City the Soviet Government had accepted the Resolution requiring an administrative contribution from the Soviet Government and, as far as



he was aware, no protest had then been raised against this decision. It was not possible for the Director General to modify a decision taken at Atlantic City and the decision, as he saw it, was with the Council who agreed to an administrative budget of 10 million dollars of which the Soviet Union was to provide 1.5 million dollars. He feared that if an exception were to be inserted in the Director General's report upon this point it would only serve to draw attention to the question which it was not at the present time desirable to have raised in public since he saw no way in which a reconciliation of the Soviet Government's views that those of the Administration could be achieved. Meanwhile, of course, the Administration had of necessity to make administrative expenditures, and it was important that the Council should have an accurate picture of the situation.

Mr. Feller drew attention to the language of Section 20 of the Financial Plan which was read to Mr. Klentsov.

The Director General said his understanding of the position was that every country which had agreed to become a member of UNRRA had simultaneously agreed to support the work of the Administration even though no question of direct benefit to that country arose. It was a cooperative effort by all the member governments to which each would contribute according to the arrangements agreed upon at Atlantic City.

Mr. Klentsov said he quite agreed with the purpose of Section 20 of the Financial Plan but he thought it necessary to make a distinction between the local offices of the Administration which might be set up in a country to undertake relief and rehabilitation operations there. In the Russian view, it was not necessary for UNRRA to provide personnel for work in Russia and for this reason his Government was not prepared to pay the whole of the administrative contribution.

Mr. Feller pointed out that in this matter the Director General was given no discretionary powers; his policy was directed by the Council and it was not within his competence to make any separate arrangements with individual country members.

Mr. Klentsov in further discussion took the position that the main question as to whether the Soviet Government should or should not pay its full contribution might be left over for later consideration. His chief concern, at the present time, was to see that the Soviet Union's position was made clear in the text of the Director General's report.

The Director General said that he could not see how it would be possible to present in his report a statement of the two conflicting attitudes, the Soviet Government's and the Administration's. Question would inevitably arise during the Montreal Conference on the next administrative budget and the contribution expected from other member governments depended upon the fact that the Soviet Government was expected to contribute themselves. It was his assumption that the Soviet Government had accepted the Atlantic City financial proposals as a part of their general participation in the Administration's work and he felt that a statement now by the Soviet Government would be most unfortunate, both for the Soviet Government itself as well as for the Administration. Any such statement might also lead to misunderstanding and differences with other member governments who might feel encouraged to take the same position.

Mr. Klentsov said that he fully understood the explanations given by the



Director General and Mr. Feller and that he agreed that there should be no detailed statement of the position adopted on both sides; all he was asking for was an indication that the amount of the Soviet contribution was under discussion and that no decision had as yet been reached.

Sir Arthur Salter suggested that it might be possible to meet Mr. Klentsov's point by adding a footnote to the table showing the administrative contributions which had been received from the member governments, saying, for example, that "discussions were now proceeding with respect to the use of the USSR contributions".

During the discussion of this proposal, Mr. Corson asked whether the reservation was understood to cover the question of Soviet participation in the Administration's work in the Far East only or whether it covered this and the question of the Administration's work within Soviet territories. Mr. Klentsov was understood to say that while he did not wish to ~~mention~~ mention the two points these were still in his mind and would be taken up by the Soviet Government.

Mr. Feller pointed out that the question would be raised again on at least three other occasions during the current year and it was, therefore, desirable to have the matter disposed of in the near future.

After further discussion, the following footnote was agreed upon as an addition to the table in the Director General's report on administrative contribution:

"Discussions are now proceeding with respect to the use of administrative contribution of the USSR".

The Director General said he wished to make his position on this amendment perfectly clear. In his view it related solely to the use of the Soviet Union's contribution to the Far East. In his view there could be no debate on the further question which had been raised by Mr. Klentsov. Should he be asked at the Council Meeting as to the meaning of this footnote, he would explain that it related solely to the Far East. In his judgment the second question raised by Mr. Klentsov had not a sound basis in fact and he would not wish to let it be thought that he had been negotiating with the Soviet Government on this question with a view to some compromise settlement.

Mr. Klentsov said he agreed to this understanding and assumed that the question would come up for discussion again after the Second Session of the Council.

## II. Soviet Personnel for the Balkan Mission.

Mr. Klentsov said he had received replies from Messrs. Phillin, Rassuzhdayev, and Alekseev. In each case these gentlemen had agreed to accept the positions which had been offered them as deputy chiefs of mission.

Mr. Klentsov said he had heard from Mr. Sergeichich who agreed to take the suggested position of Senior Deputy Chief of the UNRRA Mission for Yugoslavia with the understanding that the Director General was not able to appoint a chief of this mission at present. Further, Mr. Klentsov said he was able to advise the Director General that he could make three additional recommendations for other personnel for the Balkan Mission and he would provide details on this as soon as possible.



There was some discussion as to whether the four Soviet candidates should report to Washington or to Cairo. The Director General said that he wished to impress upon Mr. Klentsov his great anxiety that these four gentlemen should take up their duties in Cairo at the earliest possible date; the Administration was being pressed by the military authorities to fill these positions and it was, in his judgment most important that the candidates should report as soon as possible to Cairo. It was agreed that arrangements regarding this matter should be settled between Mr. Klentsov and Mr. Corson.

### III. UNRRA Mission to Moscow.

In reply to a question Mr. Klentsov said that he regretted that he had nothing to report on this subject.

### IV. Mission to Poland and Czechoslovakia.

The Director General said that he was certain that Mr. Klentsov would appreciate his anxiety to give assistance and relief in the liberated areas of Poland and Czechoslovakia as quickly and as adequately as was humanly possible. However, the Administration was very seriously handicapped by the lack of information as to conditions and as to the needs of these territories. It appeared to him to be necessary to send a small group of persons to Poland and Czechoslovakia as soon as possible and he was prepared to do this at once if the Soviet Government were prepared to make available the necessary facilities and give permission to such a group to make the investigations needed. Considerable thought had already been given to this question by the Administration, and he thought that a group such as he had suggested could be ready in a few days if Mr. Klentsov was able to secure approval.

Sir Arthur Salter said he would like to emphasize to Mr. Klentsov that the Administration was asking the Soviet authorities to arrange the passage now to and through Soviet territories of a group of UNRRA observers. He added that he wished Mr. Klentsov to understand that what was required was an assurance as to the passage of this group in the course of a few days with the understanding that the group would have the full cooperation of the Soviet authorities.

Mr. Klentsov replied that he would certainly give the matter his immediate consideration and would do everything in his power to meet the Director General's request.

The Director General thanked Mr. Klentsov and said he hoped that he would take the matter up urgently with the Soviet authorities and impress upon them his anxiety that such a mission should start as soon as possible.

H. E. Caustin  
23 August 1944

DG/HECaustin/gc

*Russia*  
FILED UNDER: Central & Eastern European Division: Poland

DATE: 4 August 1944

FROM: Director General's Office

TO:

DRAFTED BY:

TYPE OF COMMUNICATION: Notes

SUBJECT: Meeting Between D.G. and Polish Ambassador  
and Polish Minister of Finance.

Relief for Poland



COPY OF THE FILE CARBON COPY

18 August 1944

MEMORANDUM FOR THE FILES

Subject: Luncheon Conversation with Mr. Klentsov.

Mr. Klentsov, the Soviet representative on the UNRRA Council, and I met for lunch at the Statler Hotel, Thursday, 17 August. The topics we discussed are briefly described as follows:

- (1) Mr. Klentsov opened our discussion by inquiring as to what plans we were making for Poland and Czechoslovakia. I indicated that UNRRA had requested an allocation from the Combined Boards of the supplies tentatively set up for Eastern Europe under Plan A, but added that we were handicapped in preparing for the assistance to be rendered in these countries by lack of knowledge as to what might be expected of us.
- (2) I added specifically that it would be very helpful if we could learn what the reaction of Mr. Klentsov's Government was to the Director General's note suggesting that a mission from UNRRA visit Moscow. Mr. Klentsov replied that he had not yet had any information from his Government. He went on to state rather firmly that we knew we would be expected to assist in Czechoslovakia and Poland and he assumed we were making preparations. I replied that of course we were making preparations for assistance in these countries, but as well in Russia, but that we would not prepare effectively without more precise knowledge of our obligations.
- (3) I raised the question as to when the four Russian men referred to in the Director General's letter to Mr. Klentsov of 21 July could be available to UNRRA. Mr. Klentsov replied that he hoped he would be able to give us word of these men within a "few days." He indicated that he had had difficulty contacting some of the men who were away from Moscow at the time he wrote to them, adding that he had had word from one or two of them. I assured him that we were anxious to have them available in Cairo as soon as practicable and hoped that this might be as early as 1 September. He could not give me any assurance on this point but indicated that he would let us know of these men "in a few days."

- (4) Mr. Klentsov returned again to the question of preparations for activities in Eastern Europe. He pleasantly consented that if it took us as long to make up our minds with respect to what assistance we would render in Eastern Europe as it had in Yugoslavia, there might be unfortunate delays. We discussed the reasons for delay in Yugoslavia pleasantly and humorously for a few moments. I made the point that the situation in Yugoslavia was complicated by the existence of two Governments and the difficulties with which UNRRA was confronted in dealing with Yugoslavia. I then apprised Mr. Klentsov of the letter we had sent to Mr. McCloy requesting assistance in Yugoslavia. He was glad to learn of this step but this did not seem to overcome fully his disappointment in our earlier action on Yugoslavia.

He further commented that he had had "unofficial" information from a friend of his in Italy that a representative of UNRRA had contacted the Military at Bari and had been informed by the Military that the Military would not object to asking the supplies requested available ~~to~~ to Marshal Tito at Bari. I replied that this was quite contrary to the information we had received; that we had asked our representatives in Cairo to discuss the problem with the Military and had received a reply indicating definite and clear objections on the part of the Military. He was not convinced that his "unofficial" source of information was incorrect. I closed this point with the remark that certainly if the Military was prepared to assist, our letter to Mr. McCloy should result in the obtaining of such assistance. As a result of this conversation, and after further consultation with Mr. Feller, I thought it well to let Mr. Klentsov have a copy of our letter to Mr. McCloy in order that he might be informed of the step we took.

- (5) Mr. Klentsov referred to the Council Meeting at Montreal. He inquired as to how long the Council Meeting would take. I replied that we could not tell but we hoped the meeting might be concluded in from ten days to two weeks. He said this could be better assured if we would let his Government and other Governments have all of the "suggestions" which would be discussed at the Council Meeting as early as possible. I endeavored to ascertain what he meant by the term "suggestions" and was not successful. I inquired if he had discussed the agenda with Mr. Feller and his associates and was told that he had. I assured him that I would ask Mr. Feller to get in touch with him and assure that whatever additional information could be supplied to him with regard to the agenda and possible topics of discussion were made available to him promptly. I inquired as to whether the Russian Delegation had been named and when they might be coming to America; Mr. Klentsov replied that his Government had not yet advised him.



- (6) Mr. Klentsov referred to the Director General's Report. He had received it and seemingly was pleased with it. He, however, noted some objection to the indication in the report that the Russian Administrative Contribution had not been paid. I asked how he would expect us to portray the status of the Russian Administrative Contribution. He then referred to the understanding which he believed existed between Mr. Sergeev and the Director General. I advised him that I was not fully informed of these early incidents but I was sure that from what I had learned of the status of the Russian Administrative Contribution there was some misunderstanding between Mr. Sergeev and the Director General as to the efforts that could be made against the Russian Administrative Contribution for (a) activities in the Far East, and (b) Russia's own expenses in her liberated areas. I asked Mr. Klentsov if he were familiar with the Director General's letter of 10 March. He indicated he was but he had not had an opportunity to discuss the matter with Mr. Sergeev in the brief time they had met in Alaska.
- (7) Our discussion of the Russian Administrative Contribution led to one further point relative to the presence in Russia of any UNRRA representatives. Mr. Klentsov implied that there should be a deduction of the expenses Russia would incur in distributing supplies provided by UNRRA, since in other countries UNRRA would itself have to provide personnel to carry on these activities. I assured him that we would expect each country to provide local personnel to assist in carrying on activities within their country but that immediately I expected that UNRRA would feel obliged to have in each country where it was providing assistance some representatives in order that it might account to the Council for its activities wherever they were carried on. The point was not pursued further, although Mr. Klentsov rather indicated he doubted whether UNRRA representatives would be needed in Russia.

Our conversation was thoroughly enjoyable and pleasant, yet the differences of opinion that it reflected seemed to emphasize to me the necessity for more frequent contacts between key officials of UNRRA and Mr. Klentsov, in order that he may feel a greater sense of participation, and that a fuller mutual understanding may be developed.

John J. Corson  
Deputy Director General  
Bureau of Finance and Administration

C  
O  
P  
Y

*Personnel - General*

15 August 1944

14

My dear Mr. Kisselev:

This Administration wishes to secure qualified nationals of the various member nations for its staff both in Washington and overseas. The Division of Personnel and Training is sending one of its officers, Miss Florence Kirlin, to New York City to consult with officials in the Consulates General of a number of the member governments regarding qualified individuals who may be available for appointment to various positions in the organization. It will be greatly appreciated if you or others on your staff will cooperate with Miss Kirlin. She will telephone you in advance for an appointment.

Sincerely yours,

Edwin D. Dickinson  
Acting Diplomatic Adviser

Evgueni Dmitrievitch Kisselev, Esquire  
Consul General of the Union of Soviet  
Social Republics  
New York, New York

DA:RVeatch/ms  
15 aug 44



Soviet Union

MATERIALS SENT BY RUSSIAN WAR RELIEF DURING THE  
SIX MONTHS PERIOD JULY 1, 1943 TO JANUARY 1, 1944

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|   | <u>Value</u>   |
|---|----------------|
| Clothing  | \$8,253,452.12 |
| Clothing and Shoes                                  | 741,067.00     |
| Food  | 32,401.00      |
| Kits  | 34,240.00      |
| Medicines and Drugs                                 | 1,322,298.03   |
| Medical Instruments and Supplies                    | 2,398,491.23   |
| Razors, Razor Blades, etc.                          | 49,423.00      |
| Recreational Facilities                             | 1,215.10       |
| Seeds   | 77,917.00      |
| Textiles (including sheets, blankets,<br>and cloth) | 643,942.12     |
| Tobacco and Cigarettes                              | 1,425.00       |
| Toilet Articles                                     | 1,008.11       |
| Shoes   | 181,432.37     |
| Stoves and Equipment                                | 19,760.00      |
| Watches   | 164,059.00     |

(This information was given us by telephone on March 8, 1944 by  
Mr. Moore's office - Soviet Supply Division of Foreign Economic  
Administration - )

15922

Final COPY

21 July 1944

actually sent on 22nd July  
Personnel - Cairo

Mr. Vlas Andreevich Klentsov  
Soviet Purchasing Commission  
Room 609, 3355 Sixteenth Street, N.W.  
Washington, D. C.

Dear Mr. Klentsov:

As I informed you during our discussion on Friday, 14 July 1944, I have given further careful consideration to the four candidates whom you submitted for positions in the Balkan Mission which the Administration is now organizing.

You will recall that I explained to you in previous discussions of these applicants that it was the Administration's policy to assign individuals only provisionally to positions in the Balkan Mission on the understanding that their final assignments in all cases would be determined by me in the light of developments in the Balkans.

In accordance with this principle and after full discussion with Mr. Menshikov, who has been good enough to amplify the details which you provided as to these candidates' qualifications, I am prepared to make the following assignments for these individuals:-

1. Mr. Pavel Nikiforovich Phillin as Deputy Chief of Mission for Requirements, Coordination and Supply. Two persons have already been appointed to comparable positions and Mr. Phillin's appointment would be made on the same terms as those which apply to the present Deputy Chiefs for Requirements, i.e., that his permanent assignment to Cairo or one of the Balkan countries mission will be determined by the Director General on the basis of Sir William Matthews' recommendation after experience in Cairo with all three individuals assigned to these positions.
2. Mr. Peter Ivanovich Alekseev as Deputy Chief of Mission in Albania.
3. I note that in your letter of 16 June, you suggest that Mr. Sergeichich be appointed Chief of Mission of the Yugoslav Mission. I find myself unable to fill this position at the present time. However, I shall be glad to appoint Mr. Sergeichich as Senior Deputy Chief of Mission in Yugoslavia.
4. Mr. Vassili Stepanovich Rassushdayev as a Deputy Chief of Mission in Greece, to be assigned to specific duties on his arrival in Cairo.

I am grateful to you for having obtained the submission of these candidates' names to us and I am confident that we shall benefit from having them attached to the Balkan Mission.

You will recall that you previously suggested submitting fourteen names in all to the Administration; I should be pleased to receive the names of any further candidates with full details for our consideration and determination.

Very sincerely yours,

Herbert H. Lehman  
Director General



COPY OF THE FILE COPY

Translation

21 July 1944

Mr. Director,

The Soviet Government has become acquainted with your letter, in which you set forth your views on the tasks of UNRRA and express your desire to come to Moscow for the discussion with the officials of the Soviet Government of the questions concerning these tasks. At the present time I can advise you that the Soviet Government would be ready to see you as its guest in Moscow or, if your coming will appear inconvenient, to receive your representatives Messrs. Allen Wardwell and Hugh Jackson accompanied by some members of technical staff. I hope that the discussion with you or with your representatives of the questions planned by you will be fruitful and propitious for deciding the problems of interest to us.

Accept, Mr. Director General, the assurances of my most distinguished consideration.

V. Molotoff

The Honorable Herbert H. Lehman  
The Director General of the  
United Nations Relief and  
Rehabilitation Administration.

OUTGOING TELEGRAM

UTMRA

Delivered to State Department  
1:00 p.m., June 29, 1944

AMEMBASSY

LONDON

UTMRA FROM LEHMAN NO. 355

Your telegram No. 407.

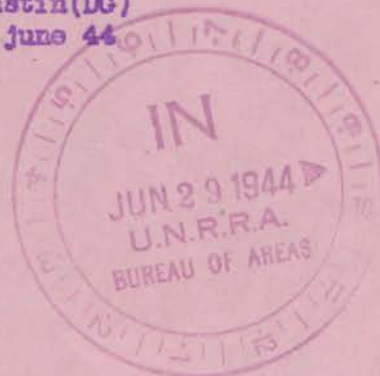
*Slaps reply re our operations in Russian Territory*

We would not wish you to take up with Russians the further discussion of topics raised by Ilyuschenko and Russian reply.

Drafted by:  
Caustin(DG)  
28 June 44

DISTRIBUTION

Lehman  
Feller  
Sayre  
Jackson  
Menshikov  
Hendrickson  
Hoehler  
McGeachy  
Sawyer  
Fried  
Dayton





COPY OF THE FILE CARBON COPY

23 June 1944

My dear Mr. Klentsov:

It would be appreciated if you will transmit to the People's Commissar for Foreign Affairs of the Union of Soviet Socialist Republics the enclosed note regarding the possible sending of a small group of representatives of the Administration to Moscow for discussions with appropriate Soviet officials on matters of mutual concern to the Soviet Government and the Administration. In view of the urgency of this matter, I hope that the enclosed note can be transmitted by cable at the earliest possible moment. Two copies of the note are enclosed also, one for your files as representative of the Soviet Government on the Council and the other for the Soviet Embassy.

Sincerely yours,

Director General

Enclosure:

Note to the People's Commissar for  
Foreign Affairs of the Union of Soviet  
Socialist Republics and two copies

Mr. Vlas Andreevich Klentsov,  
Soviet Government Purchasing Commission

Washington, D. C.

COPY OF THE FILE CARBON

23 June 1944

Excellency:

The victories of the United Nations armies and the liberation of territories from enemy occupation have rapidly advanced the date when the United Nations Relief and Rehabilitation Administration may be expected to furnish assistance to liberated Europe. Cognizant of its responsibilities, the Administration has been making every effort to prepare itself for the huge task of furnishing essential relief and rehabilitation supplies and services. We feel that we have made considerable progress in this direction.

However, it has already become necessary to go beyond the preparatory stage and to reach specific agreements as to the Administration's operations in liberated territory. Accordingly, the Administration has been discussing with the governments of the several countries to be liberated the nature and scale of assistance which these countries will require when civilian authority has again been established in these countries. Of even greater immediate importance, however, is the question of the assistance to be rendered by UNRRA during the period of military control which will precede the reestablishment of civilian authority, and the establishment of relationships with the military authorities which will permit an orderly continuation of relief efforts from the military to the civilian period. Extensive discussions have already been held with the British and American Governments with respect to the functions which the United Nations Relief and Rehabilitation Administration may have during the period of military control in areas which will be liberated by the combined Anglo-American armies. The successes of the Red Army, and its certain future victories suggest the desirability of similar consultation between Soviet authorities and representatives of the United Nations Relief and Rehabilitation Administration.

It would likewise be desirable to discuss the nature and scale of the requirements for relief and rehabilitation in the liberated areas of the Soviet Union so that both UNRRA and the USSR may know what resources are available to meet this task and in order that the Administration may be enabled to carry out effectively its functions with respect to relief and rehabilitation requirements, supplies, and services for liberated areas.

I would, moreover, welcome the opportunity of having the Soviet officials concerned with these matters learn at first hand from representatives of the staff of the Administration of the various steps taken and the progress to date in the work of this organization in which the USSR plays such an important part. This would complement the close relationship established by the Soviet Union representatives on the committees of UNRRA, both in Washington and London, and the very valuable representation of your Government's views to the Administration by Mr. Sergeev and more recently by Mr. Klentsov.



It would seem to us that the scope and detail of such discussions require that they be held with appropriate officials of your Government in Moscow. If your Government is of the same opinion I would be prepared to send a mission to Moscow for this purpose. I would suggest the following as the main objectives of such discussions:

1. To consider and clarify the role which the United Nations Relief and Rehabilitation Administration should have with respect to relief and rehabilitation supplies and services in the liberated areas of the USSR.
2. To discuss the relationships of the Administration with the Soviet Military Command as contemplated in Section 4 of Resolution No. I, entitled "A Resolution Relating to the Scope of the Activities of the Administration," with respect to territories outside of the Soviet Union which are liberated by the Red Army.
3. To discuss plans for the United Nations Relief and Rehabilitation Mission to the Balkans, and to consider the recruitment of personnel from the USSR for this Mission.

I would feel it an honor to come to Moscow myself for such discussions, but unfortunately the accident which I suffered recently in Algiers, and the present pressure of work, make this impossible in the immediate future. I would, therefore, propose, if acceptable to your Government, to send Mr. Allen Wardwell to Moscow as High Commissioner for such conversations. I am sure that I do not need to describe in detail Mr. Wardwell's background or his prominent position in his own country. As you know, he is one of the outstanding attorneys in the United States and is the President of the Bar Association of the City of New York. He is the Honorary Chairman of Russian War Relief, Inc. in the United States. It will be recalled that he accompanied Messrs. Harriman and Beaverbrook to Moscow in 1941, and at that time served as the Chairman of the American Red Cross Delegation.

Mr. Wardwell would be accompanied by Mr. Hugh R. Jackson, The Deputy Director General for Regional Liaison, who has played an important part in the development of the United Nations Relief and Rehabilitation Administration since its inception and is thoroughly familiar with the background, organization and policies of the Administration. He would also be accompanied by a few members of our technical staff who would be qualified to discuss in detail such matters as health, displaced persons and supplies. While the technical advisers will be chosen on the basis of their technical competence and availability for this particular mission, it is my hope that it will prove to be possible to include persons of more than one nationality in keeping with the international character of this organization.

If your Government agrees that such discussions would be desirable, I would hope that the group might leave for Moscow during the latter part of July and be able to return to Washington by early September. I shall be grateful if you will advise me as to the views of your Government on this matter.

Accept, Excellency, the assurances of my most distinguished consideration.

Director General

His Excellency

Vyacheslav Mikhailovich Molotov,

The People's Commissar for Foreign Affairs

of the Union of Soviet Socialist Republics.



(COPY)

UNRRA  
European Regional Office  
LONDON, W.1.

*Russia  
Services Requested*  
22nd June, 1944

Dear Governor,

With reference to my telegram 407, I enclose herewith copy of the reply from the Soviet Government to our enquiry as to whether they wish assistance from UNRRA in regard to health, welfare and displaced persons, together with a short note of my conversation with Mr. Iliuschenko when he delivered this reply.

I shall be glad if you would let me know whether you wish me to make any further enquiries through Mr. Iliuschenko or whether you would prefer to handle the issue directly in Washington.

Yours sincerely,

/S/ F. W. LEITH ROSS

The Hon. Herbert H. Lehman

21st June 1944

Dear Sir Frederick,

Referring to your letter of the 2nd June, I have pleasure in submitting to you the reply of the Government of the USSR with regard to the questions raised in your above mentioned letter.

UNRRA's operations in the territory of the USSR in respect of health, welfare and repatriation of displaced persons found in this territory, will be carried out directly by the respective authorities of the Soviet Union. Similar operations in the territories temporary under the control of Soviet Military Authorities will be carried out during such period by the Military Authorities of the USSR, in so far as some other procedure is not established by agreement between the Government of the Soviet Union and the Government of the liberated territory.

With regard to the question of UNRRA's participation in the repatriation of displaced Soviet citizens found in enemy or other territories, the Government of the USSR will communicate with UNRRA on this matter in due time, when the necessity arises.

Yours sincerely,

/s/ I. ILIUSCHENKO

Sir Frederick Leith-Ross

(COPY)

Note of Conversation with Mr. Iliuschenko on 22nd June, 1944

Mr. Iliuschenko brought me the attached reply from the Soviet Government to the enquiry as to whether they wish assistance from UNRRA in dealing with health, welfare and displaced persons. I read it over and asked Mr. Iliuschenko whether the statement that UNRRA's operations would be carried out directly by the respective authorities of the Soviet Union meant that they did not wish for any assistance from UNRRA. Mr. Iliuschenko said that he did not understand it this way: he thought that the Soviet Government would certainly want any assistance which UNRRA could give in regard to supplies, but that their intention was to undertake to deal with operations through their own organizations. I asked whether this meant that no representatives of UNRRA would be admitted to keep the Director General informed as to the arrangements and to report on the needs in Soviet territory. Mr. Iliuschenko thought that the appointment of some liaison officers from UNRRA was not excluded, but he had no direct information on this subject and he thought that it ought to be the subject of further discussion between UNRRA and his Government.

As regards the statement that operations in territories temporarily under the control of Soviet military authorities would be carried out by the Soviet military authorities insofar as some other procedure were not established by agreement between the Soviet Government and the Government of the liberated territory. Mr. Iliuschenko emphasized that this related only to the military period. During that period, the question whether any assistance should be obtained from UNRRA would depend on the decision of the military authorities. The position after the military period was, of course, left open. I told Mr. Iliuschenko that I would have to transmit his reply to the Director General and would ask whether he wished me to obtain any further elucidation or whether he would handle the further discussions himself.

Before leaving, Mr. Iliuschenko asked whether the military authorities were providing supplies for the relief of the civilian population in Western Europe. I said that they had undertaken to do so. Mr. Iliuschenko then asked whether similar supplies ought not to be provided for the liberated territories both of the Soviet Union and of Allied countries which might be liberated by the Soviet armies. It appeared to him inequitable that supplies were being provided for Western Europe and that nothing so far as he knew was being provided for Eastern Europe. I told Mr. Iliuschenko that I understood that this was a question of shipping transport, and in any case it was not a question for which we were responsible.



FILED UNDER: *London Office: General*

DATE: *19 June 1944*

FROM: *L. Osborne*

TO: *H. R. Jackson*

DRAFTED BY:

TYPE OF COMMUNICATION: *memo & attachments*

SUBJECT: *Conversations with Mr. Klutson  
re proposals by Russian delegates  
to sub. committee on bases for Soviet  
assistance to member governments*

Return to  
Personnel 313

June 16, 1944

The Honorable Herbert H. Lehman  
The Director General,  
United Nations Relief and  
Rehabilitation Administration,  
1344 Connecticut Avenue, N. W.  
Washington 25, D. C.

Re: Personnel recommendations for Cairo and Balkan  
Missions of UNRRA.

My dear Director General:

In accordance with our agreement on the point in question I am hereby recommending you four Soviet responsible workers for employing them in the staff of the Cairo and Balkan Missions of UNRRA for the following positions:

1. Mr. Mikhail Alekseevich SERGEICHIC - for Chief of Mission of UNRRA in Yugoslavia.

Mr. M. A. Segreichik was born in 1909, his nationality is Ukrainian, he has a university technical education. At the present time Mr. Sergeichik holds the position of Chief of Division in the Main Office in Iran of the All-Union Association "Sovirantrans". He has considerable experience in responsible administrative work.

2. Mr. Pavel Nikiphorovich PHILLIN - for Deputy Chief of Mission of UNRRA in Cairo.

Mr. P. N. Phillin was born in 1902, his nationality is Russian, he has a university technical education. At the present time Mr. P. N. Phillin is Deputy President of the All-Union Association "technopromimport". He had been working in England for four and a half years (from 1939 to the end of 1943) as Deputy Trade Representative of the U.S.S.R. in Great Britain.

3. Mr. Vasili Stepanovich RASSUZHDAYEV - for Deputy Chief of Mission of UNRRA in Greece.

Mr. V. S. Rassuzhdayev was born in 1901, his nationality is Russian, he has a university education in economics. At the present time Mr. V. S. Rassuzhdayev is working in Iran in the capacity of a responsible official of the All-Union Association "Sovirantrans". From 1939 to 1941 Mr. Rassuzhdayev worked in the trade Mission of the U.S.S.R. in Greece acting temporarily as official Trade Representative of the U.S.S.R.

4. Mr. Peter Ivanovich ALEKSEEV - for Deputy Chief of Mission of UNRRA in Albania.

Mr. P. I. Alekseev was born in 1896, his nationality is Russian, he has a university technical education. From 1939 to 1942 Mr. P. I. Alekseev worked in Iran as official Trade Representative of the U.S.S.R. At the present time he is Deputy Chief of Eastern Division of the People's Commissariat for Foreign Trade of the U.S.S.R.



In regard to the names and qualifications of the rest of the candidates indicated in my letter to you of May 19, 1944, I will be glad to communicate with you further.

Sincerely yours,

V. A. Klentsov,  
Acting Council Member of UNRRA for  
the U.S.S.R.

cc: Bureau of Areas of UNRRA,  
Mr. M. A. Menshikov,  
Mr. E. R. Fryer

C  
O  
P  
Y

*Russia*

MATERIALS ON RELATIONS WITH RUSSIA

1. 16 June - Letter from Klentsov to DG re Personnel Recommendations for Cairo and Balkan Missions of UNRRA.
2. 22 June - Correspondence between Leith-Ross and Russia Government re UNRRA services.
3. 23 June - Letter to Peoples' Commissar for Foreign Affairs from DG re possible UNRRA mission to Moscow - transmitted through letter to Klentsov.
4. 22 July - Letter from DG to Klentsov re Personnel for Balkan Missions.
5. 15 Aug. - Letter from Dickinson to Kisselev, Consul General in New York, re UNRRA personnel interviewer in New York.
6. 18 Aug. - Memo to Files from Corson re Luncheon Conversation with Mr. Klentsov.
7. 22 Aug. - Note of Meeting between DG and Mr. Klentsov.
8. 31 Aug. - Memo of Conversation between Russian Ambassador and DG.
9. 4 Sept. - Letter from Klentsov to DG transmitting reply from Peoples' Commissar.
10. 11 Sept. - Letter to Klentsov from DG re negotiations with USSR for movement of supplies to Eastern Europe.
11. 11 Sept. - Letter to Klentsov from DG transmitting letter to Peoples' Commissar re Moscow Mission.
12. 5 Oct. - Memo to Stein from Dominick re Gen. Spalding in Moscow.
13. 13 Oct. - Letter to Sergeev from DG transmitting letter to Peoples' Commissar re postponement of Moscow Mission.
14. 14 Oct. - Note of Meeting between DG and Mr. Klentsov.
15. 16 Nov. - Letter from Gregg to Klentsov listing UNRRA staff assigned to Mission.
16. Nov. - Draft cable to Morawski re shipment of relief supplies.
17. 7 Dec. - Memo of Conversation between Russian Ambassador, Sayre and Gregg.
18. 11 Dec. - Letter from Hendrickson to Klentsov with enclosures re shipment of relief supplies to Poland and Czechoslovakia.
19. 13 Dec. - Memo of Conversation between Mr. Klentsov and Mr. Sayre re Recent Meeting of Central Committee, Polish Mission, etc.



20. 13 Dec. - Memo of Conversation between Mr. Klentsov and Mr. Sayre on Relationships between UNRRA and Soviet Government
21. 27 Dec. - Copy of Correspondence between Leith-Ross and Mr. Iliuschenko re proposed approaches to Swedish and Swiss Governments.

May 4, 1944

NOTE ON CONVERSATION BETWEEN MR. KLENTSOV AND SIR ARTHUR SALTER

Mr. Malakin (USSR), Mr. Hendrickson, Mr. Sayre and Mr. Caustin also present.

Sir Arthur briefly outlined UNRRA's present position in respect to the request made by the Czech Government for assistance in relation to the needs of the Carpathian Ukraine; he also indicated the character of the arrangements now under discussion with the Allied military in relation to the Balkans. He said that UNRRA was at present without information as to supplies or services which they might be called upon to provide (1) in respect of Russian territory recently liberated and (2) as to non-Russian territory now being or likely to be liberated, assuming that in both cases the territory would be for some time under the control of the USSR Army. He enquired whether Mr. Klentsov had any information from his Government which would throw any light on these questions.

Mr. Klentsov asked whether any other territories were likely to be involved. Sir Arthur explained that while the present request related only to the Carpathian Ukraine similar questions would arise about Polish territories. Nevertheless, the immediate issue was limited to the Carpathian Ukraine. This situation was clearly affected by the recently announced Soviet-Czech Agreement and Sir Arthur inquired whether, in the course of discussions upon this Agreement, the question of personnel and supplies needed for relief operations had been dealt with.

Mr. Klentsov said that as regards Poland he had no information as to the exact position reached by the USSR Army nor had he any information which would throw light upon the manner in which relief was to be provided in Polish territories. He could only speak of the Czech territory, and in his view, the matter seemed to be primarily one for negotiation between the Czech and Russian Governments as to relief during the military period. Unofficially, he was aware that discussions had commenced upon this problem and he assumed that relief operations after the military period would proceed in accordance with the Council Resolutions.

Sir Arthur pointed out that provision of supplies to any Czech territory would only be possible through the same channels as those now used for the supply of goods under the Protocol to Russia.

Mr. Klentsov said that he believed Czech and Russian negotiations were dealing with this point and when these were completed he hoped it would be possible to ask UNRRA whether it could provide any assistance. Sir Arthur said that in respect of services UNRRA might well be able to help if they had sufficient notice - UNRRA would certainly do its utmost to help both in respect of recruitment of personnel and the provision of services. It was, he suggested, even more urgent for the Soviet Government to consider whether it desired any special or additional supplies and if so to take up the matter with the Protocol authorities.

There was then some discussion as to whether the port capacity was a limiting factor or not. Mr. Klentsov took the position that a larger volume of supplies could in fact be handled both through the Northern ports and through Persia. Mr. Klentsov said he did not therefore consider that the matter was solely one



for the Soviet Government to settle. Sir Arthur agreed that the problem would in fact have to be discussed between the Soviet Government and the Protocol powers. UNRRA would of course be interested in the decision reached, both as to any supplies required for Russian territory as well as other non-Russian territories.

Mr. Klentsov then said that he knew the question of the capacity of the Russian ports was continuously under discussion with the military authorities and asked whether Sir Arthur could give him any advice as to the best method for having these problems taken into consideration in these discussions.

Sir Arthur said that his personal suggestion would be that the Soviet Government should discuss with the Protocol authorities here whether any increase in the total shipments was possible, and what changes it desired within whatever total was agreed to be practicable. If UNRRA could also receive copies of these estimates in respect of the relief element in them, it would keep in touch with the appropriate authorities and do everything in its power to assist the consideration of them.

Mr. Klentsov said that he would consider this proposal and the steps he should take.

Sir Arthur added that the numbers of displaced persons seemed likely to be a serious problem in the Carpathian Ukraine. Mr. Klentsov said that he understood this subject was also being considered in the Soviet-Czech discussions and he would see that UNRRA was informed as soon as any decision had been reached.

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

April 4, 1944

TO: M. Menshikov  
FROM: Larry Leonard  
SUBJECT: Soviet Lend-Lease

AKK

I spoke with Mr. Hazard this afternoon, and learned the following:

1. Insofar as Mr. Hazard knew, there was no truth in the report that the Soviet Union is seeking a 3-year lend-lease arrangement. He had checked with State Department officials, and they too doubted the story.
2. The reduction in lend-lease shipments to the Soviet Union, according to Mr. Hazard, was due primarily to the ice conditions in the Pacific.
3. The limiting factors on shipments to the Soviet Union are as follows:
  - a. The poor port facilities in the Persian Gulf
  - b. The limits of the convoys in the North Atlantic
  - c. The limited shipping available in the Pacific



Soviet Union

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

March 16, 1944

TO: Mr. Menshikov

FROM: L. Leonard

SUBJECT: Luncheon with Lend Lease Officials on  
March 16, 1944

1. Participants: Major General C. M. Wesson, Director for the Division for Soviet Supply; Brigadier General John Y. York, Jr., Acting Executive of the President's Soviet Protocol Committee and also Acting Executive of the Munitions Assignment Board of the Combined Chiefs of Staff Offices; John Hazard, Chief Liaison Officer for the Division of Soviet Supply; M. Menshikov and L. Leonard.
2. The principal point raised by the Lend Lease officials particularly Mr. Hazard was whether UNRRA would provide relief for the Soviet Union. Both he and General York stressed the importance of knowing in advance because of the shortage of shipping. It was their view that since shipping was limited the amount of UNRRA commodities would require a reduction in the amount of Lend Lease commodities shipped.
3. The question of Russian relief requirements was raised as well as the channel for communications with the Soviet Government on relief matters.
4. The form which the Soviet relief agency would take within the Soviet Union was raised.
5. The extent to which UNRRA would carry on rehabilitation was discussed. General Wesson was particularly anxious to know whether UNRRA would require portable generators since he had heard that we were planning to procure \$600 million worth. If we were considering portable generators he wondered whether it would be possible to standardize them in order to reduce the costs.
6. It was generally agreed that a close working relationship was desirable and that there should be a mutual exchange of information.

Soviet Union

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

March 15, 1944

TO: Mr. Menshikov

FROM: L. Leonard

hhr

SUBJECT: Conversation with Mr. Hazard at Lend Lease.

1. Most of the discussion <sup>yesterday</sup> centered on UNRRA and its organization. Mr. Hazard was particularly interested in the organization of the Bureau of Areas Central and Eastern European Division.

2. The question was raised whether there were any plans with regard to the relief of the Soviet Union particularly whether the Soviet Union would use UNRRA funds or continue to use Lend Lease. He stated that so long as the war continued he saw no reason why Lend Lease could not be used but once the war ceased this would not be possible. Since the number of ships available for the movement of commodities to the Soviet Union is limited it would be possible to move UNRRA supplies only at the expense of limiting Lend Lease supplies. He said it was important for Lend Lease to know in order to be able to cut back on their program to the extent to which they knew that UNRRA was going to be responsible for the movement of relief commodities.

3. He emphasized the importance of a working relationship with the Bureau of Areas since if it became necessary for Lend Lease to withdraw UNRRA could carry on in the relief field.

4. Mr. Hazard asked how things were going at UNRRA and said the general impression outside of UNRRA was that things were going slowly since at a recent meeting of welfare agencies to every question put to Mr. Harry Greenstein he replied "No decision had yet been reached."



C O P Y

13 March 1944

My dear Mr. Ambassador:

In the absence of the Director General may I express the very sincere appreciation of the Administration for the check for Two Hundred Thousand Dollars (\$200,000.00) on account of the contribution of the Government of the Union of Soviet Socialist Republics toward the Administrative expenses of the Administration. Will you be kind enough to extend our thanks to the appropriate officials of your Government.

I take pleasure in enclosing a receipt in duplicate.

Sincerely yours,

Kenneth Dayton  
Treasurer

His Excellency  
Andrei A. Gromyko  
Ambassador of the Union of Soviet Socialist Republics  
1125 Sixteenth Street  
Washington, D. C.

KD/r1  
Enclosures (2)

C O P Y

1734 New York Avenue  
Washington, D. C.  
March 10, 1944

Mr. P. P. Novojilov  
Acting UNRRA Council Member  
for the U.S.S.R.  
Soviet Purchasing Commission  
3355 16th Street, N.W.  
Washington, D. C.

Dear Mr. Novojilov:

In reply to your letter of March 8, 1944, may I first express my pleasure at your statement that a sum of \$200,000.00 will be transferred to the current account of UNRRA in the early part of March, this sum representing a partial payment by the U.S.S.R. of its share of administrative expenses of UNRRA.

With regard to the other matters contained in your letter, I believe it necessary to point out that an unfortunate misunderstanding seems to have arisen in consequence of my conversation with Mr. Sergeev. We are prepared to give your Government assurances that no part of the contribution of the U.S.S.R. will be used to pay for the expenses of the Committee for the Far East. This, however, would not involve a reduction of the Soviet contribution. It would involve only an earmarking on the books of UNRRA of the Soviet contribution to insure its not being used for a purpose for which your Government does not desire it to be used.

Your letter also suggests that expenditures for the maintenance on the U.S.S.R. territory of the necessary Soviet administrative staff for carrying out UNRRA activities will be considered as a part of the U.S.S.R. contribution towards the administrative expenses of UNRRA and will be deducted from the amount of the Soviet contribution. I should like to make clear that there also appears to be a misunderstanding on this point. All or most recipient and supplying governments will have certain administrative staffs within their own territories for the purpose of



carrying out certain activities connected with UNRRA. The expenses incurred by such operations would clearly seem to be expenses to be borne by the particular government involved. Contributions towards the administrative expenses of UNRRA were calculated on the basis of the amount necessary to pay for the salaries and other expenses of the officials appointed by UNRRA and operating under its direction. The salary of an official appointed by a member government to operate within the territory of that government would have to be borne by the government itself. It does not therefore seem appropriate for such expenses of a member government to be deducted from its UNRRA contribution.

May I ask you to convey these observations to Mr. Sergeev, and, in particular, to express to him my sincere personal regret that any misunderstanding on this matter should have arisen.

Very sincerely yours,

Herbert H. Lehman  
Director General

AHFeller:MGC  
10 mar 44

C O P Y

March 8, 1944

The Honorable Herbert H. Lehman  
Director General of UNRRA,  
1734 New York Avenue, N. W.,  
Washington, D. C.

My dear Governor Lehman:

I am pleased to inform you that a sum of \$200,000 will be transferred to the current account of UNRRA in the early part of March, this sum representing a partial payment by the U.S.S.R. of its share of administrative expenses.

In connection with Mr. Sergeev's conversation with you, and your consent to the exclusion from the determined contribution to the administrative expenses of UNRRA to be made by the U.S.S.R. of appropriate share of expenses for the maintenance of the UNRRA organization in the Far East, it would be most desirable that we be informed as soon as possible of the total amount of administrative expenses for the Far East, with a view to determining the exact amount of the U.S.S.R. contribution toward administrative expenses of UNRRA.

Estimates are being prepared at present by the Soviet Government, for your consideration, on the expenditures for 1944 for the maintenance on U.S.S.R. territory of the necessary soviet administrativestaff for carrying out UNRRA activities. As agreed upon between you and Mr. Sergeev, these expenditures will be considered as a part of the U.S.S.R. contribution toward administrative expenses of UNRRA, and will be deducted from the total amount to be transferred.

Sincerely yours,

P. P. Novojilov  
Acting UNRRA Council  
Member for the U.S.S.R.



# AMERICAN-SOVIET TRADE

By VALERY J. TERESHTENKO

Sound commercial relations with the USSR viewed as a prime necessity for our national welfare and international stability.

IT IS a truism that a comprehensive international trade policy, suited to the needs and conditions of the post-war world, is an integral part of the whole system of international economic and security relationships toward which all Allied nations are now working. In turn, eventual trade relations with the Soviet Union constitute a factor which cannot be overlooked in shaping any comprehensive post-war policy of international trade. This is the reason why post-war trade relations with Russia attract so much attention at present, particularly in this country. These relations are often discussed in the United States and are approached as a "problem". What makes them a "problem"?

Perhaps three factors should be mentioned, which are involved in future American-Soviet trade relations and which seem to be so "unusual" for the new student of this subject that he often elevates it to the degree of a "problem". These factors are: the peculiarity of the organizational set-up of Soviet foreign trade, the magnitude of its financial phase, and its socio-political aspect.

## Soviet Foreign Trade Set-Up

Foreign trade in the USSR is a monopoly of the State. Many changes have been made in the organization of Soviet foreign trade since the time of the issuance of the decree of April 22, 1918, when nationalization was first effected. The fundamental prin-

ciples, however, remain at present the same as they were 26 years ago. More than that: the Soviet method of selling and buying abroad, worked out after years of trial and error, proved to be so efficient, that there is no justification whatsoever for thinking that any basic changes in it may take place after the war, although some further technical improvements might be made.

According to this system the administration of foreign trade is vested in the All-Union People's Commissariat of Foreign Trade, organized by the decree of November 22, 1930, which decree divided the former Commissariat of Trade into two separate bodies—the Commissariat of Supply and the Commissariat of Foreign Trade. In collaboration with appropriate planning and financial agencies, the Commissariat of Foreign Trade prepares an export-import plan, directs the execution of this plan, and manages the customs.

The so-called combines, or export and import corporations, constitute a network of operating organs of the Commissariat of Foreign Trade. Each of these combines deals with a specific line of commodities. Thus, "Soyuzugleexport" exports soft coal and anthracite; "Soyuzpushnina" exports fur, dressed and manufactured furs; "Lekhtekhsyrio" handles medicinal herbs, drugs and tobacco, etc. Some of the combines are engaged in the import of goods of a given type, while the others are both export and import organizations; for instance, "Mezhdunarod-

naya Kniga" not only exports, but also imports books and office supplies. In addition to the above combines dealing with a selected line of commodities, there are also a few special agencies operating on a "regional" basis. To this group belong the Soviet-Sinkiang Trading Corporation; the organization for trade with Afghanistan; and other similar agencies, whose functioning is justified by the special nature of the commercial relations with Eastern countries.

Another link in the system consists of the operating organs outside the USSR, where the Commissariat of Foreign Trade is represented by "Torgpreds" (Trade Delegations), which form an integral part of the respective Diplomatic Missions. At the head of each Trade Delegation is a Trade Representative appointed by the Council of People's Commissars. Trade Delegations have been established in virtually all countries with which the Union has concluded trade treaties. Such "Torgpreds" correlate the transactions of various combines, serve as their clearing agencies, and fulfill for them various functions.

On the basis of the goods available for export, the combines make and place orders either directly or through the Torgpreds. In the case of imports, the respective organizations submit statements of their requirements from foreign countries, within the limits of their annual plan, to the relevant importing organizations. The latter present their summary requirements to the Commissariat of Foreign Trade. After the necessary approval has been secured, the importing organizations issue separate licenses for specific purchases abroad.

On the basis of estimates submitted by various institutions concerned with foreign trade, the planning section of the Commissariat of Foreign Trade compiles a general yearly plan of the export-import trade and submits it to the State Planning Commission where the plan is considered in conjunction with the views of other Commissariats. The above Planning Section prepares also quarterly plans of marketing and shipment of goods to and from foreign countries. Such plans are adjusted to



Soviet trawlers in the harbor at Murmansk, port of entry for much American lend-lease goods



general conditions on the world market.

The outlined organizational set-up is supplemented by a few special agencies for shipping, marine insurance, etc. "Sovfrakht" for instance, charters boats for export goods; "Lenvnesh-trans" handles cargoes at Leningrad; and so on.

In the case of the United States the Amtorg Trading Corporation is the center of trade with the Soviet Union. It was organized in New York City in 1924 and is manned by American and Soviet technical personnel. The peak for exports which passed through the channels of Amtorg was reached in 1930 when the total value of the American exports to Russia was \$113,400,000. More than 200 various commodities were imported by this country during the period from 1925 to 1941, the maximum in imports having been reached in 1937 (\$27,200,000).

The "philosophy" behind the Soviet system of foreign trade is rather simple: it makes foreign trade an integral part of the Russian planned economy and establishes a close connection between export and import operations. Such integration of foreign trade with the economic life of the country gives the USSR a mighty economic weapon to strengthen both her internal economic system and her international position. Undoubtedly, the Soviet system of foreign trade differs greatly from that prevailing in the rest of the world. However, it provides a number of advantages for those who trade with Russia. They can deal with a buyer and a purchaser whose credit record is unimpaired—no case of default in Soviet trade ever having been reported—whose potential market is as extensive as Russia herself, and whose unlimited natural resources can serve as the best guarantee for payment.

### *Financing American-Soviet Trade*

From the practical standpoint, the question of financing American-Soviet post-war trade constitutes one of the most important phases of the whole vast problem of economic relations with the Soviet Union. The importance of private credit on the part of American banks should not be bypassed in this case. It is questionable, however, whether private credit can be found available in such amounts that it could become a decisive factor in financing American-Soviet trade. Sug-

gestions are made that loans by the Reconstruction Finance Corporation to American exporters could be used for this purpose. Governmental guarantees of purchaser's bills are mentioned as another method of achieving the same goal. Both suggestions would undoubtedly have certain merits if it were not for the magnitude of the credit which will be needed by the Soviet Union.

It would be a rather hazardous undertaking to estimate at present what amount of credit Russia will ask for. If, however, on the one hand, we take into consideration that between \$150,000,000,000 to \$200,000,000,000 is suggested as the amount of the world's capital needs for the reconstruction and continuance of normal economic activity, and that on the other hand, Soviet reconstruction needs may largely determine the nature of post-war trade with the Soviet Union, the needed loans to Russia may run into astronomical figures. The handling of such credits will require adequate financial machinery.

In connection with this, the proposed International Bank for Reconstruction and Development may come into the picture of future American-Soviet trade. The plan for such a bank was discussed and agreed upon by representatives of forty-four nations at the United Nations Monetary and Financial Conference which met at Bretton Woods, N. H., from July 1 to 22, 1944. The story of this project goes back to early 1942 when Dr. Harry White of the United States Treasury Department prepared a plan for an international stabilization fund and an investment bank, which plan he presented confidentially to a small group in Washington. Discussions on the same subject were under way also in England where Lord Keynes offered a proposal for an "International Clearing Union". In the Spring of 1943, a special Cabinet committee was appointed by President Roosevelt, consisting of the heads of the Departments of State, Commerce, and a few other governmental agencies. Together with an established technical commission of government financial experts, they were to consider the plan. Early in 1944 a group of Russian experts came to Washington to discuss the proposal. These discussions made it clear that agreement with Russia on both the Fund and the Bank was possible in spite of the differences between the Soviet economic system and the

systems of the other countries involved in the project.

### *The Bretton Woods Project*

At the Bretton Woods Conference the Bank for Reconstruction and Development was designated as a companion institution to the International Monetary Fund agreed upon at the Conference. The Bank is visualized as an instrument facilitating the flow of long-term capital on proper terms, and for productive purposes. Promotion of the long-range balanced growth of international trade, and the maintenance of equilibrium in balances of payments involved in such a trade, are among the purposes of the Bank. The Bank should be administered by a Board of Governors, each member-nation appointing one Governor. Each member of the Board will have 250 votes plus one vote for each share of stock held. As a result of this provision, and on the basis of the quotas agreed upon at the conference, the United States will have 32,000 votes (i.e., 31.4 per cent of the total); the United Kingdom will have 13 per cent of the total number of votes; Russia—12 per cent; and China—6.1 per cent. Twelve Executive Directors, five of whom will be appointed by the five members having the largest number of shares, will be in charge of conducting the Bank's operations. The Bank also will have an Advisory Council of not less than seven persons selected by the Board of Governors, and representing commercial, banking, industrial, agricultural, and labor interests. The headquarters of the Bank will be in the United States; the Bank may, however, establish branches also in other countries. In other words, it may have an agency in the Soviet Union, the latter also being represented on the Board of Executive Directors.

The Bank, according to its statutes, may not interfere in the political affairs of a member-nation; nor may it be influenced in its financial policy by the political character of the member concerned. Membership in the Bank is open only to members of the International Monetary Fund, and its resources are not available for the benefit of non-members. The authorized capital of the Bank is ten billion United States dollars; the total of the prescribed minimum subscriptions is established at \$9,100,000,000. Of the latter amount, \$3,175,000,000 is the share of the United States; \$1,300,-



000,000 of the United Kingdom; and \$1,200,000,000 of the USSR. The Bank is expected to provide funds to borrowers by guaranteeing loans or by making loans directly. The risks will be spread among the members in proportion to their shares of stock. The agreement regarding the Bank shall go into effect when approved by members of the International Monetary Fund, whose minimum subscriptions to the Bank constitute 65 per cent of the total subscriptions scheduled.

Taking into consideration that eventual American-Soviet trade relations cannot be separated from international post-war economics and, on the other hand, assuming that the Bank will provide a basis for the development of international financial transactions, one can hardly overestimate the significance of the Bretton Woods project. It definitely represents a step towards balanced, coordinated, and supervised lending between countries. Since the loaning power of the Bank will be greatly increased by re-lending the sums once loaned, the proposed Bank may become an institution more able to meet the needs of American-Soviet trade, than any one banking institution which has existed in the past. At the same time, from a practical standpoint, the significance of the proposed Bank should not be overestimated. First of all, it exists only as a project. The agreement worked out at the Conference does not commit any government which participated in the Conference. The decisions of the Conference are now before the governments of the United Nations for their consideration and action. Even if the agreement is approved by all the governments who participated at the Bretton Woods Conference, some time will still be required to make the Bank a going concern. International agencies are also often more involved than national financial institutions. Therefore, to meet the immediate needs of post-war American-Soviet trade another institution may be required, which later could work with and through the international institution. From this standpoint, the Export-Import Bank functioning in Washington, D. C., at present, may acquire great importance.

#### *Role of the Export-Import Bank*

Although actually the latter Bank has never granted any credit to the USSR (because of the breakdown in debt negotiations), the whole idea of

organizing the Export-Import Bank originated in the problem of financing trade with the Soviet Government. The Bank was organized in accordance with the President's Executive Order #6581 of February 2, 1934. Originally it was planned to have special banks for various countries; however, this plan was changed and when in connection with economic relations with Cuba, a second Export-Import Bank was created in March of the same year, its task was declared to be to deal with "all countries except Russia". On May 7, 1934, this second Bank merged with the first one under the President's Executive Order #7365. A portion of the preferred stock of the Export-Import Bank was purchased by the Reconstruction Finance Corporation, with which the Bank coordinated its activities throughout the later years. Some of its transactions were also coordinated with those of the Commodity Credit Corporation. The preferred stock of the Bank amounted to \$174,000,000 in November 1944, while the total of outstanding loans and the balance of commitments not yet disbursed equalled \$590,348,916 on November 15, 1944.

The Board of Trustees of the Bank consists at present of representatives of the Departments of Agriculture, Commerce, State, Treasury, the Reconstruction Finance Corporation, the Foreign Economic Administration, and officials of the Bank. Warren Lee Pierson is the President of the Bank.

With the failure of the original idea of facilitating trade with the USSR, the Bank's transaction in the first few years were merely concerned with the disposal of American agricultural surplus commodities. Loans were granted for marketing cotton in Latvia, Poland, Yugoslavia, Italy, and Germany, and tobacco in Spain; loans were made also to Chile, Cuba, Brazil, Finland, and the Chinese-owned Universal Trading Corporation of New York, the latter loan having been recognized as a sign of official support of China in her war against Japan. All these loans were granted usually under more liberal conditions than otherwise obtainable; for instance, the rate of interest on various development projects was usually four per cent.

Since the beginning of the war the emphasis in the Bank's activities was placed on the development of resources of the other American Republics, such as strengthening war production in

Brazil, financing of capital expenditures in Cuba, a series of loans in connection with the construction of the Inter-American Highway, etc. The technique of individual loans usually takes the form of revolving credits set up locally by the government concerned, commercial banks being used as agent wherever possible. The length of credits varies from 10 to 16 years, although a few loans were made for longer periods. In the cases of loans for financing the export of capital goods, the assistance of other institutions is usually rendered in the form of the purchase of the obligations issued by the foreign borrower.

#### *Effect of the Johnson Act*

Although the Act creating the Export-Import Bank was later amended and the over-all potential limit of the loans outstanding at any time was increased to \$700,000,000, the latter small figure underscores the limited significance of the Bank, in its present form, from the standpoint of the possibility of using it as an instrument for financing trade with the Soviet Union. The Act regulating the activities of the Bank also contains a provision originating in the Johnson Act of April 13, 1934, according to which, loans should not be extended to borrowers whose governments were in default to the U. S. Government on April 13, 1934. And yet the Export-Import Bank may be considered as that point from which the development of plans for the future trade with the USSR may be started. An increase from the present allowed maximum of \$700,000,000, to three and even five billion dollars is proposed, and bills to this end have already been presented to Congress. Also, the repeal of the above mentioned Johnson Act has met with the constantly growing approval of the public in this country.

In his speech on "The Interest of the American Businessman in International Trade", delivered before the War and Reconversion Congress of American Industry, New York City, December 8, 1944, Dean Acheson, Assistant Secretary of State, stated: "It will be necessary to supplement the operations of the proposed International Bank (Bretton Woods project) by expanded operations through the Export-Import Bank. In order to do this, and to provide for the satisfactory revival of private lending, the Johnson Act and similar restrictions on private



as well as governmental investment in certain countries should be eliminated."

What could make the Export-Import Bank especially adaptable for financing trade with Russia are its record of leadership as a public institution in the field of foreign investments, and its record of a commercial policy based on a financial statesmanship coordinated with the foreign policy of the United States.

Being a sound business undertaking, the Export-Import Bank at the same time is not a "mercantilistic" undertaking in the narrow meaning of this word. It has a tradition of a long-range constructive trade outlook of that type, which, and only which, could serve as a sound operating basis for the development of post-war economic relations with the Soviet Union. If the present resources of the Bank could be increased to meet post-war needs, and the provisions of the Act which created the Bank could be revised in the light of the magnitude of the problem of American-Soviet trade, the Export-Import Bank could become an effective instrument for solving the financial aspects of the problem. The only better solution perhaps would be the creation of a new special bank for trade with Russia, a bank of larger resources and a larger scope of operations adjusted to the long-range international interests of both the United States and Russia.

### ***A Vital Factor for Unity and Peace***

The last but not the least aspect of the problem of future American-Soviet trade is its socio-political aspect. Nothing contributed so greatly to the present world disorder as the pre-war network of economic relations separated from socio-political relations. It is true that technical efficiency and sound business interests should always constitute an integral part of national trade. However, they should not be considered the only decisive factors. In the light of building a new and better world for which we are fighting today, the universe of "economic man" and abstract economies in which all human elements disappear, should integrate with a social economy based on the foundation of spiritual values and social justice. There must be adequate room provided for profit-making in order to stimulate the export-import transactions of man. Profit making, however, should not be regarded as something which by itself

necessarily will bring about the welfare and prosperity of the world. International trade, international peace, and international political cooperation are interlocked. None of them will work alone.

There is nothing unnatural in an individual importer or exporter doing business for the sake of business. International trade as a whole, however, and trade with Russia in particular, must not be visualized as an arithmetical total of all export and import transactions. It must be more than that if we wish to achieve the well-being and prosperity of all. It must be an integral part of the international economic, social, and political collaboration directed toward the peace and lasting health of both great nations and the world as a whole. The measures directed toward the creation of an effective trade machinery should be coordinated with the diplomatic and political measures. A well balanced policy of constructive commercial statesmanship will be needed.

Many new factors brought by the war will have to be taken into consideration in shaping this policy. One of these factors is the war contribution of Russia to the cause of the Allied Nations, a contribution made possible at a tremendous price—through the devastation of Russian land and the suffering of its people. This does not call necessarily for charity. Sound commercial relations cannot be based on a foundation of charity; neither would the national dignity of the Soviet Union permit charity on a scale commensurate with her war contribution. What will be needed are constructive assistance and sympathetic consideration of a type illustrated, for instance, by the Lend-Lease arrangement with Russia. By helping Russia with Lend-Lease shipments, the United States, in the final analysis, is also helping herself.

Perhaps the measures needed for organizing trade with Russia—at least for the period immediately following the end of military operations—will not be able to stand the standard commercial test. And yet, if approached from the angle of long-range commercial statesmanship they may be "profitable" to this country as well. Not only does the Soviet Union need American goods and commodities, but the economic interests of the United States need the Soviet market as well. Last fall at the conference with Eric A. Johnston, President of the Chamber of

Commerce of the United States, Marshal Stalin stated: "We can furnish any quantity (of raw materials for export) you wish, if we can get equipment to produce it. That is the reason that we are interested in long-term credits. We can get along without them, but it will be slower."\*

A long period of reconstruction, however, will mean a long period of new hardships for the Russian people. It will mean the same also for the United States, if American industry, which has expanded tremendously during this war, will be deprived of the limitless potentialities of the Russian market.

The recent report of the Chamber of Commerce of the United States on post-war readjustments states: "While in total volume, foreign trade represents a small portion of our total trade, the percentage is large enough in the aggregate to effect materially our national economy and, in some branches, it represents a large portion of the total transactions."\*\* The magnitude of the quantities which this country will need to export after the war can be illustrated by the fact that in order to merely fill the gap left by Lend-Lease exports, present American exports must be raised from \$2,800,000,000 to \$14,300,000,000 a year. Among the potential purchasers of this country's export surpluses, the Soviet Union may play an extremely important role.

Under these conditions the problem of future American-Soviet trade is not only a Russian problem; it is a national problem of the United States as well. If so, the solution of the problem of American-Soviet trade should not be reduced to finding a form for from-day-to-day export-import transactions. The solution calls for a long-range policy dominated by the spirit of good will and cooperation.

The unity between the two greatest nations of the world—a unity established on the battlefields of this war—must be maintained at any price. Once political wisdom is displayed, the technique of American-Soviet trade relations will be easily shaped. Once the spirit of cooperation prevails, there will be no problem which cannot be solved. We believe that this spirit *will* prevail, because it *must* prevail.

\*E. A. Johnston, "My Talk with Joseph Stalin" (*The Reader's Digest*, October 1944).

\*\*Chamber of Commerce of the United States of America, Bulletin No. 12, page 18, "Economic Policy—Means and Ends," 1944.



UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

March 4, 1944

TO: Mr. Menshikov  
FROM: L. Leonard *LL*  
SUBJECT: Russian War Relief

*F*  
*///*

1. The Russian War Relief is a private relief agency headed by Edward Carter with the principal function of obtaining contributions of funds and in kind for relief work in the Soviet Union.
2. Each year the National War Fund has a drive and a certain percentage of the funds resulting from this drive are contributed to Russian War Relief. Any private contributions received by Russian War Relief other than those in kind result in a deduction from the amount which will be obtained from the National War Fund.

3. The following figures are available for the twelve months of 1943:

|  |              |
|--|--------------|
| Funds received   | \$7,573,232. |
| Funds spent for relief   | 5,857,443.   |
| Unexpended balance   | 2,364,090.   |
| Estimated value of contributions of gifts in kind sent to Russia | 6,285,295.   |
| Contributions in kind on hand at end of year                     | 189,125.     |

4. At the present time a drive is being carried on to obtain contributions in kind in the form of kitchen utensils

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

March 9, 1944

To: Mr. Menshikov

From: L. Leonard R

Subject: Supplementary information on  
Russian War Relief

1. Attached is a table of shipments of relief materials to the Soviet Union by Russian War Relief during the six months July 1, 1943 to January 1, 1944.

2. The head of Russian War Relief is Edward Carter and their offices are in New York City. Discussions on the shipments of these commodities is held with a number of people, some of whom are on the Soviet Purchasing Commission. Mr. Moore at FEA working on Lend-Lease shipments can provide us with additional data; you may wish to speak with him.

3. Insofar as Lend-Lease knows, these commodities go to Moscow, but the Soviet Union does not provide detailed information on the destination of these shipments.



C O P Y

13 March 1944

My dear Mr. Ambassador:

In the absence of the Director General may I express the very sincere appreciation of the Administration for the check for Two Hundred Thousand Dollars (\$200,000.00) on account of the contribution of the Government of the Union of Soviet Socialist Republics toward the Administrative expenses of the Administration. Will you be kind enough to extend our thanks to the appropriate officials of your Government.

I take pleasure in enclosing a receipt in duplicate.

Sincerely yours,

Kenneth Dayton  
Treasurer

His Excellency  
Andrei A. Gromyko  
Ambassador of the Union of Soviet Socialist Republics  
1125 Sixteenth Street  
Washington, D. C.

KD/r1  
Enclosures (2)

C O P Y

1734 New York Avenue  
Washington, D. C.  
March 10, 1944

Mr. P. P. Novojilov  
Acting UNRRA Council Member  
for the U.S.S.R.  
Soviet Purchasing Commission  
3355 16th Street, N.W.  
Washington, D. C.

Dear Mr. Novojilov:

In reply to your letter of March 8, 1944, may I first express my pleasure at your statement that a sum of \$200,000.00 will be transferred to the current account of UNRRA in the early part of March, this sum representing a partial payment by the U.S.S.R. of its share of administrative expenses of UNRRA.

With regard to the other matters contained in your letter, I believe it necessary to point out that an unfortunate misunderstanding seems to have arisen in consequence of my conversation with Mr. Sergeev. We are prepared to give your Government assurances that no part of the contribution of the U.S.S.R. will be used to pay for the expenses of the Committee for the Far East. This, however, would not involve a reduction of the Soviet contribution. It would involve only an earmarking on the books of UNRRA of the Soviet contribution to insure its not being used for a purpose for which your Government does not desire it to be used.

Your letter also suggests that expenditures for the maintenance on the U.S.S.R. territory of the necessary Soviet administrative staff for carrying out UNRRA activities will be considered as a part of the U.S.S.R. contribution towards the administrative expenses of UNRRA and will be deducted from the amount of the Soviet contribution. I should like to make clear that there also appears to be a misunderstanding on this point. All or most recipient and supplying governments will have certain administrative staffs within their own territories for the purpose of



3

carrying out certain activities connected with UNRRA. The expenses incurred by such operations would clearly seem to be expenses to be borne by the particular government involved. Contributions towards the administrative expenses of UNRRA were calculated on the basis of the amount necessary to pay for the salaries and other expenses of the officials appointed by UNRRA and operating under its direction. The salary of an official appointed by a member government to operate within the territory of that government would have to be borne by the government itself. It does not therefore seem appropriate for such expenses of a member government to be deducted from its UNRRA contribution.

May I ask you to convey these observations to Mr. Sergeev, and, in particular, to express to him my sincere personal regret that any misunderstanding on this matter should have arisen.

Very sincerely yours,

Herbert H. Lehman  
Director General

AHFeller:MGC  
10 mar 44

C O P Y

March 8, 1944

The Honorable Herbert H. Lehman  
Director General of UNRRA,  
1734 New York Avenue, N. W.  
Washington, D. C.

My dear Governor Lehman:

I am pleased to inform you that a sum of \$200,000 will be transferred to the current account of UNRRA in the early part of March, this sum representing a partial payment by the U.S.S.R. of its share of administrative expenses.

In connection with Mr. Sergeev's conversation with you, and your consent to the exclusion from the determined contribution to the administrative expenses of UNRRA to be made by the U.S.S.R. of appropriate share of expenses for the maintenance of the UNRRA organization in the Far East, it would be most desirable that we be informed as soon as possible of the total amount of administrative expenses for the Far East, with a view to determining the exact amount of the U.S.S.R. contribution toward administrative expenses of UNRRA.

Estimates are being prepared at present by the Soviet Government, for your consideration, on the expenditures for 1944 for the maintenance on U.S.S.R. territory of the necessary soviet administrative staff for carrying out UNRRA activities. As agreed upon between you and Mr. Sergeev, these expenditures will be considered as a part of the U.S.S.R. contribution toward administrative expenses of UNRRA, and will be deducted from the total amount to be transferred.

Sincerely yours,

P. P. Novojilov  
Acting UNRRA Council  
Member for the U.S.S.R.



✓ USSR  
Mission

POSSIBLE UNRRA MISSION TO THE USSR

UNRRA preparations for large scale relief and rehabilitation might be much more realistic and effective if a few UNRRA officials could have an opportunity to see at first hand the kinds of problems which must be faced in territory liberated from the enemy. There will be some opportunity to gain this first-hand view in Italy, but the one great area which has been recaptured from the enemy after large-scale military operations is Western Russia. A visit of UNRRA observers to this territory might supply invaluable knowledge of the nature and extent of the problems created by heavy fighting and deliberate destruction by the enemy in retreat.

It may be that the Soviet Government would welcome such an UNRRA mission or would take the initiative in extending an invitation to UNRRA to send such a mission to liberated Soviet territory. The Soviet Government is rightfully proud of the success of the Red Army in freeing much more territory from the enemy than has been liberated in all other areas of allied military operations. At the same time the Soviet Government faces tremendous problems of supply and reorganization in the liberated areas and it might welcome an opportunity to demonstrate the extent and nature of destruction in its territory and of its own needs for supplies.

From UNRRA's point of view an opportunity to visit the devastated recaptured areas would be valuable not only for the

purpose of seeing the problems of the victims of war at first hand and on a vast scale, but also because much could be learned from the Soviet Government's programs of relief, rehabilitation and reconstruction. That Government has had great experience during the past twenty-five years in developing the productive capacity of the country and in organizing economic activity under difficult conditions. Building upon that experience the Soviet authorities apparently are now achieving <sup>remarkable</sup> ~~almost unbelievable~~ success in restarting civilian economic life and in rebuilding productive capacity in the devastated regions under almost unbelievable handicaps. The Soviet Government could make an extremely valuable contribution to relief and rehabilitation elsewhere by demonstrating to an UNRRA mission the effective methods and forms of organization developed in Soviet Russia to meet the challenge of Nazi destruction.

Should it be found that the Soviet Government would welcome such a mission UNRRA should be fully justified in financing the visit of at least three or four carefully picked people for a thorough tour of liberated Soviet territory. If the Soviet Government should desire, UNRRA might even send a considerably larger mission including experts in certain technical or functional fields and people preparing to do field work in the Balkans and elsewhere. The Soviet authorities might even be



willing to put some of our technical people through a course of training or experience in the midst of actual operations now being carried out in the devastated regions.

If such a program is feasible it would seem desirable for the Soviet Government and UNRRA TO work out arrangements as promptly as possible so that UNRRA might have the advantage of the observations and experiences of its officials in Soviet Russia before it undertakes large-scale field operations of its own.

RUSSIA

November tentative cargo schedule

|             |                                       | <u>Tons</u> | <u>Cubic Feet</u> |
|-------------|---------------------------------------|-------------|-------------------|
| November 12 | <u>NEW YORK (RU-1)</u>                |             |                   |
|             | <u>Ukraine</u>                        |             |                   |
|             | Cheese                                | 1,000       | 50,000            |
|             | Milk, evap.                           | 2,000       | 100,000           |
|             | Milk, dry whole                       | 700         | 70,000            |
|             | " roller dry                          | 650         | 65,000            |
|             | Milk, evap. (Pier 4)                  | 500         | 25,000            |
|             | Peas, dry                             | 450         | 27,000            |
|             | Soap, toilet                          | 125         | 6,250             |
|             | Coffee beans                          | 350         | 22,750            |
|             | Milk, dry whole                       | 185         | 18,500            |
|             | Milk, evap.                           | 700         | 35,000            |
|             | Cheese                                | <u>470</u>  | <u>23,500</u>     |
|             |                                       | 7,130 ✓     | 443,000           |
| November 19 | <u>NEW YORK (RU-4)</u>                |             |                   |
|             | <u>Byelorussia</u>                    |             |                   |
|             | Cheese                                | 375         | 18,750            |
|             | Milk, evap.                           | 650         | 32,500            |
|             | Milk, dry whole                       | 375         | 37,500            |
|             | Milk, roller dry                      | 325         | 32,500            |
|             | Milk, evap. (Pier 4)                  | 175         | 8,750             |
|             | Peas, dry                             | 350         | 51,000            |
|             | Coffee beans                          | 150         | 9,750             |
|             | Soap, toilet                          | 45          | 2,250             |
|             | Semolina                              | 300         | 16,500            |
|             | Milk, evap.                           | 270         | 13,500            |
|             | Milk, dry whole                       | 54          | 5,400             |
|             | Milk, dry skim                        | 369         | 36,900            |
|             | Cheese                                | 225         | 11,250            |
|             | Meats, canned                         | 650         | 35,750            |
|             | Meats, canned (Canadian)              | 450         | 24,750            |
|             | New clothing                          | 10          | 1,000             |
|             | Footwear                              | <u>17</u>   | <u>3,000</u>      |
|             |                                       | 5,280       | 341,050           |
|             | <u>Ukraine</u>                        |             |                   |
|             | Meats, canned                         | 3,000       | 165,000           |
|             | Meats, canned (Canadian)              | <u>800</u>  | <u>44,000</u>     |
|             |                                       | 9,080 ✓     | 550,050           |
| November 20 | <u>SEATTLE (RU-5) - Ukraine</u>       |             |                   |
|             | QM foods                              | 7,000 ✓     |                   |
| November 25 | <u>SEATTLE (RU-6) - Byelorussia</u>   |             |                   |
|             | QM foods                              | 7,000 ✓     |                   |
| November 30 | <u>GALVESTON (RU-7) - Ukraine</u>     |             |                   |
|             | QM foods                              | 7,000 ✓     |                   |
| November 25 | <u>GALVESTON (RU-8) - Byelorussia</u> |             |                   |
|             | QM foods                              | 7,000 ✓     |                   |



RUSSETA

Tons

Cubic Feet

November 30 NEW YORK (RU-2)

Ukraine

|                |       |         |
|----------------|-------|---------|
| Semolina       | 700   | 38,500  |
| Milk, dry skim | 1,000 | 100,000 |
| Meats, canned  | 2,025 | 111,375 |
| New clothing   | 17    | 2,000   |
| Footwear       | 77    | 9,000   |

3819 ✓

*Rem on 48,000 tons*

AJindra  
UNRRA  
Ocean Shipping Division  
26 October 1945