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WAR CABINET

COMMITTEE ON RECONSTRUCTION PROBLEMS

POST-WAR RELIEF POLICY

MEMORANDUM BY THE PRESIDENT OF THE BOARD OF TRADE

More than eighteen months have passed since the Prime Minister announced the policy of His Majesty's Government in regard to the organisation of relief for post-war Europe:

"We can and we will arrange in advance for the speedy entry of food into any part of the enslaved area, when this part has been wholly cleared of German forces and has genuinely regained its freedom. We shall do our best to encourage the building up of reserves of food all over the world, so that there will always be held up before the eyes of the peoples of Europe, including - I say it deliberately - the German and Austrian peoples, the certainty that the shattering of the Nazi power will bring to them all immediate food, freedom and peace".

Last September a meeting of the Allied Governments was convened at St. James's Palace and a Resolution (Appendix A) was adopted (subject to a reservation on the question of organisation by the U.S.S.R.) which was intended to give practical effect to post-war relief plans on the basis of joint and coordinated action by the Allied Governments. In accordance with this Resolution, estimates of Allied requirements are being prepared; some progress has been made in settling the general lines on which post-war relief is to be organised on an international basis, but no purchases have yet been made specifically for relief stocks. Indeed, the only substantial step taken has been the organisation of a relief stock of wheat, which has fortunately resulted from the wheat discussions at Washington.

The delay has been due partly to the political difficulty of getting the Inter-Allied Committee to work owing to the questions raised by the Russian Government, to the reluctance which the Treasury feel in agreeing to any commitments in advance, and to the difficulty of building up any relief stock owing to the supply shortages which now affect so many commodities. But it has been mainly due to our uncertainty as to how, and how far, the United States Government would be willing to cooperate.

This uncertainty has now been removed by the United States memorandum on relief questions (Appendix B). The United States Government has accepted in a most helpful manner the principle that they should take the lead in organising post-war relief on an international basis. They propose that a programme should first be discussed between the United States, the United Kingdom, the U.S.S.R. and China, and then put to a Conference, to be summoned at Washington, of the United Nations. Relief operations would be handled by a small executive committee drawn mainly from the above four Allies, in conjunction with a Council of the United Nations which would secure the necessary political coordination between all the Governments concerned. The Inter-Allied Committee set up at the St. James's Palace meeting would be maintained as a European Advisory Committee, but it would become part of a wider organisation centralised at Washington to deal with post-war relief throughout the world. This is a natural development, having regard to the extension of the war, and the proposals outlined in the United States note are generally acceptable to us, although they may be less

so to certain of the Allied Governments. In practice, it will probably be necessary to establish a branch of the Executive organisation in London, working closely with the inter-allied Advisory Committee, to deal with European relief and it may be hoped that something of this kind can be arranged.

The United States have not yet indicated their views on the financing of relief, and the extent and manner of their own participation in this and in the pooling of supplies. Our own preliminary examination of the problem shows, however, that, when these subjects come up for discussion, certain questions will arise as to the part which the United Kingdom will play in post-war relief and as to the coordination of Allied purchasing. These questions include the following:-

1. Independent Purchasing by certain Allied Governments:

Certain of the Allied Governments, particularly the Dutch, Norwegians and Belgians, have become increasingly restive at the absence of any practical indication that effect is being given to the policy announced by the St. James's Palace meeting. These Governments feel that they have a direct responsibility to their peoples in the occupied territories to ensure that relief will be available immediately the war ends. They believe that the resistance of their peoples to the enemy will be sustained by knowledge that effective provision is being made. They have repeatedly enquired what we were doing to build up stocks, and in the absence of such action, they have started making purchases on their own account. Such purchases are unwelcome to our Supply Departments and to the United States Supply Organisation, as they may involve competition with purchases made for war requirements. They are unwelcome to the Board of Trade because they may conflict with our plans for the supply of our own civilian population. After consultation with Washington, we have informed the Dutch and Norwegians that such independent purchases are not in the best interests of the United Nations; that they should consult the Anglo-American purchasing organisations before undertaking any purchases in future; but that we hope that they will suspend such purchases for the time being until a programme has been formulated for the consideration of the United Nations. The United States Government authorised us to add that it is their intention, in asking for a suspension of independent purchasing, to proceed as rapidly as possible to discussion in the hope that common policy and action will be developed in the near future (Washington telegram No. 2335). The Dutch and Norwegian Governments were informed of this on the 8th May and the request will be considered by their respective Cabinets. The Belgian Government was also informed and readily agreed to suspend action pending Anglo-American consultations. The Norwegian Government have now agreed in principle but have asked that the Board of Trade should allow their contracts in the United Kingdom to be executed.

Hitherto, therefore, not only have we not done anything ourselves to reassure the Allied Governments, but we have found it necessary to prevent them taking any action. It may be hoped that, as the result of the American proposals for dealing with post-war relief, it may now be possible to make more rapid progress in working out a practical programme, but we should take some account of the feelings of the Allied Governments in forming our own policy.

2. General Organisation of Relief Supplies:

The first question that arises, as a consequence of the international treatment of relief, is whether post-war supplies for Europe from overseas should be organised under a single international purchasing and distributing agency, which would itself handle all the supplies available, selling the appropriate supplies to countries which can finance their purchases and providing supplies on credit or as gifts to the countries in need. It is likely that for some time after the war there will be a world shortage of certain foodstuffs, e.g. meat and fats, and some central control of such supplies and their allocation according to needs will be essential. Similarly, a central control and allocation of shipping will be required for some time after the war. The joint Anglo-American purchasing and

shipping organisations now being built up for war purposes should provide a basis for such a general international control of supplies and shipping.

We should not, however, centralise more than necessary, and it may in practice prove most convenient that the Allied countries which have financial resources should be free to purchase supplies for their own requirements, provided:

- (a) that any such purchases are made through, or coordinated with, the Anglo-American purchasing authorities;
- (b) that the Anglo-American purchasing organisations have a right to call for any part of the supplies which are required for the prosecution of the war; and
- (c) that the Relief Organisation has a right in consultation with the National Supply organisations, to call for any part of these supplies purchased by particular Allied Governments, if required for urgent relief needs elsewhere or for the more economical use of shipping, it being understood that any supplies taken over would be replaced as soon as possible.

The latter method would be more in accord with the September resolution which was based on the principle that Allied Governments should each be primarily responsible for making provision for their own peoples. Further, it would avoid some of the difficulties of payment involved in a single pool, for, under this scheme, each Allied country will finance its own purchases, and financial arrangements will only be necessary for countries without, or with limited, exchange resources. Whether such assistance will be arranged through a general relief fund under the control mainly of the lending countries, or direct with the lending countries, will depend largely upon the attitude of the United States.

Although the United States Government have accepted the principle of an international organisation, they have not yet given any indication of the methods which they consider suitable for coordinating purchases and distributing supplies.

Whichever method is adopted will probably depend upon the ultimate development of war-time pooling arrangements between the United Kingdom, the United States and the U.S.S.R., but it will not be reasonable to ask the Allied Governments to agree to either proposal unless His Majesty's Government in the United Kingdom and, so far as necessary, the Government of the United States are prepared to accept in the post-war period participation either in a centralised pool of supplies or in a scheme of coordination of individual purchases. I should be disposed to agree to whichever of these methods is most acceptable to the United States.

3. The Use of Stocks in the United Kingdom:

Acceptance of the principle of pooling referred to in the preceding paragraph will involve some control by the Relief Organisation over stocks and contracts held by the United Kingdom, if these are required for urgent relief. The Relief Organisation would, therefore, in consultation with the Ministry of Food, have a priority right to call on stocks held in, or supplies moving towards, the United Kingdom. But this should be subject to two conditions, first, that stocks should be called on by the Relief Organisation only for the urgent relief needs of other countries and, second, that the exercise of such a claim should not involve a decrease in the prevailing United Kingdom rations. The use of such stocks must also, of course, be subject to the overriding need to safeguard the strategic and supply position of this country. Any stocks requisitioned by the Relief Organisation should be subject to replacement, when supplies were available from more distant sources.

4. Rationing in the United Kingdom:

Shortages in the territories of the Allied Governments may be expected to continue for some time after the end of the war and, in the case of foodstuffs, may constitute a serious problem. While every effort must be made to

re-establish local food production in Europe, it will still be necessary to provide for heavy imports of cereals, milk products, fats and meat, if even essential requirements are to be met. It will probably not be feasible, for supply reasons, to meet in full all requirements of certain essential foodstuffs, apart from cereals. In these circumstances, to ensure that each nation receives a fair share may very likely mean that the United Kingdom will not be in a position to increase its own food ration of certain foodstuffs in short supply until the second post-war year's harvest in Europe has been gathered and transport and distribution have been brought back to something approaching normal. To increase the ration would mean decreasing the supply available for Allied nations and so advancing British standards at their expense. I feel, therefore, that, at any rate so long as supplies are not adequate to meet the essential needs of Europe, we must maintain rationing in the United Kingdom, subject perhaps, to the reservation that acceptance of this principle should not require the United Kingdom to reduce the rations existing at the time when relief operations come into force. Readiness on the part of His Majesty's Government to accept this policy would, I am assured, do more than anything else to convince the people and Government of the United States of our desire to contribute to the task of post-war relief.

5. Submission to Inter-Allied Control of our Estimates of Requirements:

The Resolution adopted by the Allied Governments aims at securing that supplies of food, raw materials and articles of prime necessity should be made available for the post-war needs of the countries liberated from Nazi oppression; and provides for the preparation of estimates by each of the Allied Governments and for the coordination of their needs in a spirit of Allied collaboration. The question arises whether the United Kingdom itself is one of the Allied Governments for this purpose. It is arguable, on the one hand, that the Resolution was directed to the needs of the countries liberated from Nazi oppression and that the arrangements for preparing estimates and coordinating subsequent action were not intended to apply to the United Kingdom, except insofar as the United Kingdom has undertaken to pool its shipping for this purpose. On the other hand, it may be admitted that if His Majesty's Government were, like the United States, in a position to supply the major import requirements of Europe, this argument would be incontestable; but it may be argued that as, in fact, we ourselves shall be needing supplies and possibly also shipping from the United States, while some, at least, of the Allies may have both shipping and resources, we can scarcely claim the right to settle our requirements without any regard to Allied needs. Under normal conditions, approximately 50 per cent. of the total overseas imports to Europe, excluding Russia, come to the United Kingdom, and there is a practical difficulty in framing programmes of supply and shipping to the best advantage unless the problem is treated as a whole. Certain of the Allies have made it clear that they interpret the St. James's Palace Resolution in this sense, and it might appear more consistent with the spirit of Allied collaboration expressed in the Resolution, and now endorsed by the American proposals, if we present our programmes before the coordinating authority.

It is, therefore, for consideration whether estimates of United Kingdom requirements of foodstuffs and raw materials should be drawn up in the same detail and on the same basis and submitted to the same consideration as is applied to those of the other Allied Governments.

6. Immediate Reprovisioning of Territories Occupied by an Allied Expeditionary Force:

It would be of great value to the Allied Governments and would lessen their anxiety to make individual purchases if they were to receive from the United Kingdom, the United States, and possibly Canada, as one of the nearer sources, an explicit understanding that supplies of necessities would be made available to any territory reoccupied by Allied military forces. In the case of territories occupied by British forces, we have already recognised this obligation and we would presumably continue to do so, so far as stocks under our own control admit. But in the event of any large part of Europe coming under Allied occupation, the provision of such supplies must clearly be an Allied obligation, and I should like a suitable form of undertaking to be discussed with the United States and Canada.

7. United Kingdom Contribution:

The final question is what material contribution the United Kingdom can make. It is clear that our resources after the war will necessarily be limited, and that the main sources from which relief supplies can be obtained must be the United States, the Dominions and the great producing countries in South America. But His Majesty's Government have a commitment in this matter to the Allied Governments which they cannot disregard. Whatever our position may be after the war, it will certainly be infinitely better than that of countries like Poland, Czechoslovakia and Greece, which will have been stripped and looted by the Nazi occupation. We have already promised a contribution to the wheat pool and we shall be owners of various stocks of raw materials and service stores which may be of great utility for relief. I have been in communication with the Chancellor of the Exchequer on the subject and I understand that, while he wishes to avoid any precise commitments at the moment, he agrees with me that when the time comes we shall have to do all that is in our power to assist. I am content to leave it at that until the question is raised, as it may well be, at the Washington discussions.

Apart from the wider question of our contribution to Relief supplies, the United States note raises the immediate question of the basis on which the administrative costs of an international relief organisation should be met. These costs ought not to amount to any very large sum, and I understand that the Chancellor of the Exchequer is prepared to agree to our accepting our proportionate share of this liability on whatever basis may be found expedient.

SUMMARY OF CONCLUSIONS:

To sum up, I ask my colleagues to agree -

- (1) (that) we should be ready, so far as necessary, to pool post-war supplies with the Allied Governments through an international organisation;
- (2) (that) for this purpose, we should be prepared to coordinate our supply arrangements with those of the Allied Governments (as suggested in paragraph 2 above) or to arrange a joint supply organisation, as may be found most expedient.
- (3) (that) ~~(without prejudice to our contribution to relief)~~ we should be prepared to place at the disposal of the international relief organisation any non-essential stocks in this country subject to replacement as soon as possible;
- (4) (that) rationing should be maintained in this country so long as supplies are not adequate to meet the essential needs of Europe, and that we should inform the United States Government, whenever desirable, that this is our policy;
- (5) (that) consideration should be given to the question whether estimates of our post-war requirements should be prepared and submitted to the same examination as those of other Allied Governments;
- (6) (that) we should discuss with the United States and Canadian authorities what undertaking can be given to the Allied Governments as to the reprovisioning of their territories if occupied by the Allied forces;
- (7) (that) we should be ready in principle to contribute to relief supplies ~~(on the lines suggested in paragraph 7)~~, and meanwhile, that we should be prepared to undertake our proportionate share of the administrative costs of the relief organisation.

Board of Trade,
22nd May, 1942.

RESOLUTION PROPOSED BY THE FOREIGN SECRETARY AT THE
INTERALLIED MEETING HELD AT ST. JAMES' PALACE
ON SEPTEMBER 24TH, 1941.

A second resolution in the following terms, proposed by Mr. Eden was adopted after a discussion in which the representatives of Belgium, Czechoslovakia, Greece, Luxemburg, Netherlands, Norway, Poland, Union of Soviet Socialist Republics, Yugoslavia and of General de Gaulle took part:-

"The Governments of the United Kingdom of Great Britain and Northern Ireland, Canada, the Commonwealth of Australia, New Zealand and the Union of South Africa, the Governments of Belgium, Czechoslovakia, Greece, Luxemburg, the Netherlands, Norway, Poland, the Union of Soviet Socialist Republics and Yugoslavia and the representatives of General de Gaulle, leader of Free Frenchmen, agree:-

- (1) That it is their common aim to secure that supplies of food, raw materials and articles of prime necessity should be made available for the post-war needs of the countries liberated from Nazi oppression.
- (2) That, while each of the Allied Governments and authorities will be primarily responsible for making provision for the economic needs of its own peoples, their respective plans should be co-ordinated, in a spirit of inter-allied collaboration, for the successful achievement of the common aim.
- (3) That they welcome the preparatory measures which have already been undertaken for this purpose and express their readiness to collaborate to the fullest extent of their power in pursuing the action required.
- (4) That, accordingly, each of the Allied Governments and authorities should prepare estimates of the kinds and amounts of foodstuffs, raw materials and articles of prime necessity required, and indicate the order of priority in which it would desire supplies to be delivered.
- (5) That the re-provisioning of Europe will require the most efficient employment after the war of the shipping resources controlled by each Government and of Allied resources as a whole, as well as of those belonging to other European countries, and that plans to this end should be worked out as soon as possible between the Allied Governments and authorities, in consultation as and when appropriate with other Governments concerned.
- (6) That, as a first step, a bureau should be established by His Majesty's Government in the United Kingdom, with which the Allied Governments and authorities would collaborate in framing estimates of their requirements, and which, after collating and co-ordinating these estimates, would present proposals to a Committee of Allied representatives under the chairmanship of Sir Frederick Leith-Ross."

WAR (GENERAL).

May 12, 1942.

CONFIDENTIAL.

SECTION 1.

[W 7119/27/49]

Copy No. 126

Mr. Eden to Viscount Halifax (Washington).

(No. 369.)

My Lord,

Foreign Office, May 12, 1942.

YOU will no doubt have seen in the printed sections a copy of my despatch No. 17 to Sir S. Cripps of the 13th January on the subject of the functions of the Inter-Allied Committee on Post-War Requirements.

2. Copies of the memorandum enclosed in that despatch were communicated by the Soviet Ambassador to the representatives in London of the Allied countries concerned, including the United States of America. Having seen the Soviet Government's memorandum, the United States Government requested His Majesty's Government in the United Kingdom to defer sending any reply to the Soviet Ambassador until they received the considered observations of the Administration. For one reason or another there has been a certain amount of delay, but yesterday evening the United States Ambassador handed me the memorandum within under cover of the attached informal letter.

3. Your Excellency will observe that the United States memorandum not only comments on the Soviet Government's communication but also on His Majesty's Government's provisional suggestions for the immediate relief of post-war distress. A copy of the British tentative plan in this connexion was taken by Mr. Winant to the State Department on the occasion of his recent visit to the United States: the text is enclosed herein.

4. I am sending a copy of this despatch to His Majesty's Ambassador at Moscow.

I am, &c.

ANTHONY EDEN.

Enclosure.

Mr. Winant to Mr. Eden.

*Embassy of the United States of America,
London, May 11, 1942.*

Dear Mr. Eden,

I TAKE pleasure in enclosing a memorandum summarising the viewpoint of my Government with respect to: (1) the proposals made in the Russian Government's memorandum of the 13th January, 1942, concerning a post-war relief organisation, and (2) the memoranda covering the establishment of a post-war relief organisation prepared by the Allied Post-War Requirements Bureau and sent to me by Sir Frederick Leith-Ross on the 2nd February last.

In connexion with section 8 of the attached memorandum, you will note that my Government has expressed the wish that His Majesty's Government will consider releasing Sir Frederick Leith-Ross temporarily from his duties here in order to participate in a round-table discussion about relief, which it is suggested should be held in Washington as soon as possible between representatives of the British, American, Soviet and Chinese Governments. It is my personal belief that it would be most helpful to our joint efforts if Sir Frederick Leith-Ross could be allowed to proceed to Washington for this purpose.

A copy of the attached memorandum has been sent to Sir Frederick.

Sincerely,

JOHN G. WINANT.

Memorandum.

1. The Government of the United States has reached certain tentative conclusions with respect to the various proposals advanced for the establishment of a post-war relief organisation as set forth in—

- (a) The Memorandum of the Government of the U.S.S.R., dated 13th January, 1942, and
- (b) The Memoranda prepared by the Allied Post-War Requirements Bureau and transmitted to the American Embassy, London, by Sir Frederick Leith-Ross on 2nd February last.

2. With reference to Section 1 (a), the Government of the United States concurs with the views of the Soviet Government propounded in its Memorandum of 13th January, 1942, in so far as these relate to the importance of a joint "United Nations" approach to the problems of post-war relief and the need for the immediate planning of the measures which must be undertaken to meet these problems.

3. With reference to Section 1 (b), the Government of the United States is in substantial agreement with the proposals made in these Memoranda.

4.—(a) The Government of the United States considers that it is a matter of urgency for a relief organisation to be established, as soon as possible, along the general lines of the proposals made in Sir Frederick Leith-Ross' Memoranda. It is deemed essential that plans should be prepared for meeting promptly and effectively the needs of all areas liberated from Axis domination, both in Europe and elsewhere, before the end of the war as well as after hostilities have ceased.

4.—(b) In order to contribute to the unified war effort and to deal effectively with the many problems which the relief work will present to the United Nations, the Government of the United States is of the opinion that the proposed organisation must be based upon a broad international membership.

5. The Government of the United States therefore makes the following proposals with regard to the establishment of a United Nations' relief organisation:—

(i) A *United Nations' Relief Council* should be established. Membership of this Council should consist of: (a) high ranking representatives of all the Governments signatory to the United Nations Declaration of 1st January, who thereby signified adherence to the Atlantic Charter, including, among others, China and India; (b) in addition, representatives of those Governments which expressed their approval of the resolution adopted at the Inter-Allied Meeting of 24th September, 1941, which established the Allied Post-War Requirements Bureau; (c) representatives of the Free French authorities; (d) other friendly Governments not yet adhering to the United Nations Declaration, who would be invited (after the Council is established) to send representatives to be present at the Council's meetings with the technical status of "observers."

It is obvious that the large membership of the proposed United Nations' Relief Council prevents its functioning either as a policy-making or executive agency; its purpose would be to act as a channel of communication with the principal Governments and as a means whereby their views may be made known and discussed.

(ii) To provide for the required centralisation of responsibility and authority as concerns both the formulation and execution of policy, it is proposed that an *Executive Committee* should be set up at the same time as the establishment of the Relief Council.

(iii) To be effective, the *Executive Committee* must of necessity consist of a small group of officials representing their respective Governments on the Relief Council. The suggestion is therefore advanced that the representatives on the Relief Council of the United Kingdom, the Chinese, the Soviet and the United States Governments should constitute the Executive Committee, with the American representative possibly acting as President.

(iv) The extent to which the other countries should be invited to be represented on the *Executive Committee* and, if so, which ones is a matter that will necessitate the most careful consideration, if offence is not to be given to the susceptibilities of these other Governments.

(v) The most careful thought and thorough discussion among the Governments concerned must also be given with respect to: (a) the extent of the powers

which would be conferred upon the *Executive Committee*; (b) the principles under which it would function; (c) the area reserved for reference to the Governments represented thereon; and finally (d) the Executive Committee's own relationship to other Governments and its relationship to any of the United Nations or military authorities which may be established in any territory.

(vi) Such *Technical Advisory Sub-Committees* as may be required should be established as the need for their services becomes apparent; their function would be to assist the Executive Committee to formulate details of policy in respect of such subjects as refugees, transport, finance, nutrition, medical aid, &c., or policy problems affecting particular geographic areas.

It is suggested that the present *Allied Post-War Requirements Bureau* might be reconstituted as a permanent Advisory Committee on European relief.

(vii) As the proposed Executive Committee would not deal with the operational details of policy execution, it would be necessary to appoint a *Director-General of Relief Operations* immediately after the establishment of the Relief Council and the Executive Committee.

(viii) The Director-General of Relief Operations, after his appointment, would proceed to organise the *United Nations' Relief Bureau*. This Bureau would be the actual working organisation and would be comparable to the Executive envisaged by Sir Frederick Leith-Ross. The Director-General would be responsible, under the proposed Executive Committee, for carrying out all aspects of relief operations.

The United Nations' Relief Bureau, in the interest of economy and policy, would be instructed to obtain the full co-operation of the Red Cross and other competent private relief agencies.

6. The organisations outlined in the preceding sections should, of course, be integrated with other United Nations' organisations in so far as this may be feasible.

7. The first problem which would need to be dealt with by the Executive Committee and the Relief Council would be the procedure for providing the *funds* for establishing and maintaining the suggested organisational set-up.

8. The Government of the United States considers that arrangements should immediately be made for a round-table discussion to be held in Washington between representatives of the British, American, Soviet and Chinese Governments, and it is considered highly desirable that Sir Frederick Leith-Ross should come to Washington to participate in this discussion. The hope is therefore expressed that His Majesty's Government will see their way clear to releasing Sir Frederick temporarily from his present duties.

9. The Government of the United States considers that, after the preliminary conference in Washington between the American, British, Russian and Chinese Governments has been held and an agreement has been reached, a conference should then be called of all the representatives of the United Nations' Relief Council.

10. Pending the establishment and organisation of the United Nations' Relief Bureau, the United States Government is of the opinion that the *Allied Post-War Requirements Bureau* in London should continue the work which it has so effectively initiated. The pertinent American authorities are prepared to co-operate fully with this organisation, and, with this end in view, it is hoped that all studies prepared by the Bureau will be made available promptly to the American Embassy, London, for transmission to Washington.

Enclosure 2.

Suggested Outline of Post-War Relief Organisations.

I.

POST-WAR relief will afford the first opportunity for renewed international collaboration and will be a first vital step towards post-war reconstruction; therefore, the principles underlying it should derive from the Atlantic Charter of which it will be the first concrete exposition.

2. The problem to be faced will be one of vast dimensions. The greater part of Europe will emerge from the war denuded of stocks of foodstuffs and raw materials and with few financial resources. Unless steps can be taken rapidly to ensure at least minimum supplies to the necessitous areas, a process of social disintegration may set in which will create further dangerous political strains. Nor will the problem be confined to Europe; it may equally be necessary to provide relief for countries in the Far East and this will have to be co-ordinated with relief for Europe. Supplies and shipping will require to be allocated on the basis of needs (involving, if necessary, some restriction of goods in short supply); arrangements made to procure the necessary resources and effect their transfer; and effective machinery for control over distribution organised. It appears essential that arrangements should not be left for settlement until an Armistice has been concluded and that plans should be worked out as soon as practicable, revised continually, and be ready for application as soon as hostilities cease.

3. In post-war relief, as in the war, a leading part will naturally and inevitably be taken by the United States, the U.S.S.R. and the British Empire. The United States and the British Empire have a special responsibility in deciding how and in what degree the supplies which Europe is to get should be shared between the nations fairly and on deliberately formulated principles. This is true not solely because the nations of the world will look to them for leadership, nor because of their control of many of the primary resources, but also because with their control of the seas they have the final sanction which can secure an equitable distribution of supplies of foodstuffs and raw materials. But it is very desirable to avoid recourse to sanctions and to secure agreed arrangements on the basis of free co-operation. Moreover, it will be necessary to take full account of political susceptibilities of all the Governments concerned, and particularly of the Soviet Government, which will undoubtedly claim a position of equality with the United States and the British Empire. The different points of view of supplying countries and of countries requiring supplies will also have to be reconciled and a practical plan of action evolved. This is the problem which faces the Governments of the United States and the British Commonwealth.

4. It is clearly desirable that before His Majesty's Government in the United Kingdom submit to the Allies any statement of policy on this matter, the views of the United States and British Commonwealth Governments on the general principles should be agreed, having regard to the views expressed in the Russian memorandum, and it is hoped that the proposals made here will provide a basis for discussion between the United States and British Governments.

II.

5. Any programme appears naturally to fall into three divisions (though the second and third may, in practice, have to be planned together), viz. :—

- (a) Estimation of requirements.
- (b) Ascertainment of sources of supplies and of the conditions on which supplies can be made available.
- (c) Arrangements for acquisition, transport and distribution to consuming countries.

6. *Estimates of Requirements.*—The first step is clearly to obtain estimates of requirements. As the result of the Allied meeting on the 24th September last, the preparation of these estimates, so far as the Allied Governments are concerned, is in hand. This work has to be done by the Allied authorities concerned and does not require any full-time inter-allied staff. The present small British Bureau will collect and tabulate the estimates of the different Allied Governments. These estimates will have to be completed by some tentative estimates of probable requirements of European neutrals and enemy countries, which are being prepared. The results will then require to be co-ordinated, where necessary, by the Inter-Allied Committee, which will be in the best position to examine the estimates from the inter-allied standpoint, so as to ensure that they are compiled on similar principles. Any estimates drawn up will, no doubt, require constant

revision, but it may be hoped that the Allied Governments and Committee will soon be able to present a first estimate of requirements.

7. *Sources of Supply*.—When this estimate is available, the next step will be to ascertain the potential sources of supplies and the conditions under which supplies can be made available. For this purpose, contact must be established with the supplying countries and, in so far as these are not included among the Allied Powers, a broader organisation will be needed.

8. *International Relief Council*.—It is suggested that the political control should be placed in the hands of an international Relief Council, whose members would be of ministerial rank. This Council should be set up prior to the coming into force of a general armistice and should have sufficient authority effectively to control imports to and the relief of Europe, China and any other region in which it is decided that relief should be given. The Council would have general responsibility for organising both the procurement of necessary supplies, by gift or otherwise, and their distribution. At the outset, the Council would consist of representatives of the Allied nations and of such neutral nations as are prepared to contribute to relief and are invited to appoint representatives. It would be appropriate that the President should be an American representative, if the United States agree, and that there should be two Vice-Presidents, one from the British Empire and one from the U.S.S.R.

9. *Executive*.—This Council will obviously be an unduly large body for practical business and would have to deal only with broad questions of policy. The Council might appoint smaller Advisory Committees for particular purposes, but the detailed work would require to be done by a full-time executive. It is suggested that the Executive should consist of an American Director-General of Relief as Chairman and, say, six members to be in charge of the main branches of relief work. The Executive would be empowered by the Council to settle (subject to such limits as they may lay down) the detailed organisation for each branch. The expenses of administration would be borne jointly by the participating nations, in such proportions as may be agreed.

10. *Bureau or Planning Section*.—The Bureau will continue, under the direction of the Inter-Allied Committee, to perform the functions given it by the Allied Resolution of the 24th September, 1941, until the Council and Executive have been established. When such an executive has been appointed, it would appoint the Director of the Bureau. The Bureau should then be expanded by the addition of suitably qualified experts of the countries represented on the Council, who would be selected by the Executive and would become the Planning or Intelligence Section. The Bureau, with the present Allied Committee (if it is retained) would be responsible for investigating relief needs and supply possibilities and reporting to the Executive. Recommendations on measures immediately affecting relief should also be made by the Bureau.

11. *Relief Fund*.—Since relief needs will outrun the resources of most European nations, the first task of the Executive will be to mobilise as large a flow of resources—in cash and in kind—as possible. It is suggested that it should establish a Relief Fund for this purpose under a Chairman (who might also be Chairman of the Finance Committee—see paragraph 12). The various Governments would have to be approached and asked what they would be prepared to contribute and on what conditions. It is very desirable that all such offers should be centralised through one authority.

12. *Financial Committee*.—When information has been obtained as to the supplies likely to be available and the conditions on which they can be obtained, the Executive should set up a Financial Committee, consisting of representatives of the nations primarily concerned with the financing of relief. This Committee would investigate the claims of each country requiring relief and advise on the allocation of contributions received and estimate the extent of further requirements. It would also advise on the most suitable form of further aid if credits and similar support are to be made available.

13. *Co-ordination of Purchases*.—The nations needing supplies will presumably be expected to finance their own requirements so far as possible. In that event, they will probably wish to undertake their own purchasing, and this is reasonable, provided always that their operations do not involve competitive bidding for short supplies. In the case of most, if not all, commodities, the co-ordination of purchasing or, if possible, joint purchasing, will be desirable. If appropriate machinery in the form of an Allied Purchasing Commission or

Commissions exists for joint purchasing during the war, it would be preferable to adapt this machinery for co-ordinating relief purchasing under the control of the Relief Council. If adequate machinery is not available or if conditions of extreme scarcity prevail generally or in respect of particular groups of commodities, it will be necessary for the Executive to establish an Allied Food and Supplies Agency or Agencies through which purchasing and control of supplies would be directed. Such an Agency would co-ordinate purchases made by individual countries, which have the necessary resources or can obtain credits, with purchases made by the Relief Organisation on behalf of any countries for which it is acting as the supply authority. Some delicate questions will arise in border-line cases.

14. *Relief Services (Field Organisation).*—The Executive should earmark during the war the nucleus of an administrative section, which would be responsible for the organisation of the work in the field when the time comes. Allied relief missions will presumably have to be set up, in conjunction with the national committees of the local Governments, to supervise the distribution of supplies, the organisation of medical relief, the repatriation of displaced peoples, the restoration of communications, the assistance and co-ordination of the work of voluntary organisations and the promotion, as rapidly as possible, of increased production in Europe and the interchange of necessities which in the immediate relief period can only be achieved by an impartial body. It is suggested that there might be a Director of Relief Services, who would draw on the Relief Fund, in accordance with a programme agreed by the Finance Committee. He would also co-ordinate this programme with that of the Red Cross Societies and other voluntary organisations.

15. *Shipping.*—Any programme of requirements for post-war Europe will presumably exceed the capacity of available shipping. Maintenance of some form of control over shipping will therefore be indispensable in order to carry the maximum amount of priority supplies and avoid waste of tonnage on inessentials. The problem of shipping control is, however, at a different stage from that of European supply. There has hitherto been no Allied organisation for programming (and at the right stage purchasing) essential supplies for European territories now under Axis control. There is, however, already in existence an Allied pool of tonnage which in principle is world-wide, and is allocated in consultation between representatives of all the main Allied maritime nations. This machinery, already highly developed, is constantly being improved, and could readily be adapted under Allied control from the service of war to post-war programmes, subject to political decisions in that sense. It will be necessary, in any armistice, to provide for the use under Allied control of enemy shipping.

Unless satisfactory arrangements can be made to control the distribution of supplies by freight allocations alone, it may be necessary to maintain in force, for a time at any rate, after the armistice, the machinery now being utilised to enforce the blockade. The machinery would, however, be operated under the control of the Relief Council in the common interest of all, and not as at present unilaterally.

16. *Inland Transport and Communications.*—Apart from overseas shipping difficulties, the organisation of internal transport in Europe and in the Far East is likely to present many problems, and special arrangements will have to be made (in conjunction with the Relief Services Section) to provide adequate communication with the Missions and to secure rapid transit of supplies to necessitous areas.

17. *Publicity.*—The mobilisation of resources for relief and the successful progress of the relief action, on which the re-establishment of European co-operation will depend in large measure, will be greatly aided by the provision of full and accurate news of the needs of the situation in Europe, and by publicity for the plans and actions of the relief organisation. Within Europe the widest publication of this information will strengthen the hope that future international collaboration is realisable; beyond Europe, it will stimulate sympathetic interest and assistance and so will hasten the work of restoration. Therefore, the proposed organisation should provide for a Director of Publicity, who would be expected to make full use of the press, radio and film in order to present information on relief work.

18. The above is an outline of the completed Relief Organisation. Naturally, it would not be either necessary or practicable to create it at once; it should be

built up by stages as circumstances require. In the first place, there is the present Inter-Allied Committee and Bureau; if and when a broader organisation is agreed, some inter-allied Council and Executive should be created, the Bureau being then expanded into a Planning and Intelligence Section and a nucleus Relief Services and Financial Section being added; finally, the Purchasing, Shipping and Transport Sections would be built in, utilising existing inter-allied agencies, if possible. A skeleton plan of the organisation proposed is attached.

February 1942.

RELIEF COUNCIL.

(An international council for the settlement of policy; to consist of representatives, with ministerial rank, from all the Governments concerned. President, United States, and Vice-Presidents, one British, one Russian.)

[Inter-Allied Committee established on 24th September, to function as an Executive Committee until Council and Executive are formed]

EXECUTIVE

(Consisting of the Director-General of Relief, together with the five Directors for each branch of relief work shown below, and the Chairman of the Financial Committee). Secretariat.

