

military authorities to UNRRA, and 3. governmental machinery in Ottawa for the administration of Canadian participation in relief.

Subsequent to the receipt of Mr. Pearson's letters, Messrs. Pearson and Deutsch have discussed some of these matters in Washington with Dean Acheson, United States Assistant Under-Secretary of State. It was evident from this discussion that, although the question of arranging for relief supplies for the so-called "military period" has to be dealt with immediately, no solution has been found to the problem of financing of such supplies. The United States authorities were greatly upset by the British proposal that their expenditures for relief supplies during the military period should come out of their 1% contribution to UNRRA. The United States Administration has already secured approval by Congress of the principle of the 1% contribution to UNRRA and it would be very embarrassing if now it became known that the British contribution would be reduced by the amount expended during the military period. The United States is putting pressure on the United Kingdom Government to withdraw their proposal. Mr. Acheson hoped that Canada would find it possible to make its full 1% contribution available to UNRRA and that the Canadian Government would indicate its approval of the UNRRA formula in some appropriate way.

The matter of financing relief during the military period is thus completely open. Mr. Acheson said that the United States authorities have suggested to the British that each country, the United States and the United Kingdom, should each pay for the supplies originating in their respective territories according to the allocations of the Combined Boards and that supplies originating in third countries should be paid for by the government which has the right of pre-emptive purchase in the territory concerned. Mr. Acheson thought that this method would work out to approximately 75% for the United States and 25% for the United Kingdom. The British, however, are not prepared to accept this formula. Mr. Acheson asked whether the Canadian Government would be willing to pay for such military relief supplies as originate from Canada in accordance with Combined Board allocations. He was told that in view of the fact that Canada did not participate in the planning of relief activities during the military phase and owing to the uncertainties concerning the length of the military period it was not likely that the Canadian Government would be prepared to undertake such a "blind" commitment.

Because of the difficulties involved, Mr. Acheson appeared to agree that the military relief period should be short and that UNRRA should be asked to take over as early as possible. It was suggested that if the military would draw up an orderly programme of their relief requirements for a minimum period so that it could be put before the United Kingdom, United States, Canadian, and perhaps other governments it would probably not be too difficult to work out an equitable apportionment of the cost. Mr. Acheson, however, was not hopeful that the military would ever draw up an orderly programme. Mr. Acheson was anxious to receive suggestions, particularly, on how it is proposed to deal with the Canadian aspect of the question.