

General LaFlèche had supported the motion, basing his recommendation on humanitarian grounds. The United Kingdom had stressed the continuation of the right of political asylum and the United States had argued that Congress would not vote any more money if it thought that UNRRA were being used for political purposes.

The repatriation of Displaced Persons has hitherto been handled by the Armies and has proceeded with unexpected speed, and the result has been that the expense which will fall on UNRRA in respect of these persons will be very much less than had been anticipated.

2. The second important item of business concerned the report submitted by the auditors, who condemned very severely the accounting methods that had been used by UNRRA. The U.S.S.R. delegation practically forced the Secretary to read this report publicly. It appears on page 26 of the Fourth Financial Report of UNRRA. A resolution was eventually passed approving the report of the Committee on Financial Control on the understanding that the Director-General would put into operation the reforms recommended by the auditors. (Deloitte, Plender, Griffiths and Company).

3. The programme of operations produced by the Director-General disclosed that a very large sum of money would be needed to carry on the work of UNRRA for the year 1946; and the need for funds was increased by the prospect of a demand from the Russians, who had applied for \$700,000,000 and by the proposal of the United States and the United Kingdom that UNRRA should take over relief in Italy and Austria. A third resolution made Korea and Formosa eligible for relief.

4. The proposal with regard to Italy encountered very strong opposition. The South African delegation opposed it very strongly on constitutional grounds and on the ground that the United States, in asking at the Montreal meeting for special relief for Italy which was not to constitute a precedent, had substantially undertaken not to make a more extensive recommendation concerning Italy. The other countries objected strongly to the Italians receiving relief on the assumption that it meant that they would receive less. The United States attempted to counter this assumption by saying that Congress was not likely to vote any money at all unless relief in Italy were to be included. The United Kingdom representatives took a similar line, although they stressed more strongly the general desirability of relief being extended to Italy. Eventually the proposal was carried and UNRRA's financial requirements thereby increased by about \$500,000,000.

5. The proposals concerning Italy had important repercussions in respect of military relief, to which Canada had been contributing. Mr. Clayton announced in the course of debate that the United States had secured an appropriation of \$100,000,000 for relief in Italy after the cessation of military relief at the end of August. He considered that this would finance Italian relief until the end of the calendar year and hoped that the United Kingdom and Canada would continue to participate. This would have substantially increased the burden which those two countries have to bear because they had anticipated that military relief would end on October 1st. This matter has