

supply. Most of the requisitions, up to the present, have been submitted in respect of Italy, and no general programmes for relief in liberated territory have been put forward thus far.

While it would appear that arrangements have been worked out regarding the provision of physical supplies, no general arrangements have been made for the financing of such supplies. Various possible formulae have been discussed by the British and United States Governments but none have been agreed upon. The United Kingdom Government proposed that United Kingdom expenditures for military relief should come out of their contribution to UNRRA. This proposal is not acceptable to the United States Government. The Canadian aspect of this problem has been discussed only informally.

The Combined Boards in dealing with requisitions for military relief have considered Canada as a source of supply. Two questions immediately arise: How are supplies which are allocated to Canada to be financed and, if they are purchased by the United States or the United Kingdom, are the purchases of the latter to be financed through Mutual Aid? It was pointed out that no financial provision has been made in Canada for the purchase of Canadian supplies to be distributed as civilian relief by the British and United States military authorities. It was agreed that under existing legislation funds out of the War Appropriation or the Mutual Aid Appropriation could not be used for this purpose.

With respect to the question as to what arrangements, if any, should be made for Canadian participation in the financing of military relief it was felt that no conclusions could be reached in the absence of further information. In view of the fact that Canada has no direct responsibility for and does not participate in the planning of military relief activities and since supplies are distributed by the United States and British military authorities it was agreed that Canada could not enter into any general or open commitment such as would be involved in undertaking to finance whatever military relief supplies are allocated to Canada by the Combined Boards. It was thought that until a clear-cut and equitable arrangement is agreed upon supplies obtained from Canada for distribution by the British and United States military authorities should be paid for by the United Kingdom and United States Governments.

It was agreed that clarification should be sought from the British and United States authorities on the following points:

1. plans regarding the length of the period of military responsibility for relief and the general scope and nature of relief activities during this period. In the Canadian view the period of military relief in liberated territories should be as short as possible consistent with military necessity and UNRRA should be asked to assume responsibility at an early stage;
2. plans regarding the general scope of relief in enemy territory and the extent to which assistance from UNRRA will be sought;
3. plans for co-operation with UNRRA in the preparation of integrated programmes for the provision of relief supplies so as to prevent duplication and to ensure a rapid and smooth transition to UNRRA responsibility;