Government or recognized national authorities concerned and the Administration for this purpose." The question as to whether distribution should be through private or public channels was similarly left open; the Council recommending, however, "that use should be made of normal agencies of distribution (governmental, commercial, co-operative) to the particular ends of combating inflation and restoring normal economic activity." Specific safeguards were suggested, including measures designed to prevent profiteering and black markets, provisions to assure free distribution to people unable to pay, and the continuation of price controls and rationing.

A basic principle, on which great stress was laid, not only in relation to distribution policies, but also to every other phase of UNRRA's activities, was "that at no time shall relief and rehabilitation supplies be used as a political weapon; and no discrimination shall be made in the distribution of relief supplies because of race, creed, or political belief." Relief, in all its aspects, it was decided, where furnished in whole or in part from UNRRA resources, was to be distributed or dispensed fairly on the basis of the relative needs of the population in any area. An element of flexibility was introduced, however, by the recommendation "that in determining the relative needs of the population, there may be taken into account the diverse needs caused by discriminatory treatment by the enemy during its occupation of the area." This provision makes it possible for UNRRA to grant priorities in connection with relief supplies and the repatriation of Allied nationals displaced from their homes, in the case of those countries or peoples who have been specially discriminated against by the enemy, or who have suffered special hardship as a result of hostilities or enemy occupation.

FINANCE

The extent of the financial burden which UNRRA will be required to assume and the means whereby the necessary funds are to be secured was one of the most urgent, practical problems with which the Council had to deal. A number of countries (Norway, France, and the Netherlands) are in a position to pay for the relief they get; others, whose need is no less great and in some cases greater (Poland, Greece, and Yugoslavia), are not in this position. In addition to the actual cost of goods and materials purchased through UNRRA for relief purposes, there will be the expenses of the Administration itself, including the administration of international health and medical arrangements and the repatriation of displaced persons. To meet these problems the Council adopted a detailed financial plan, first submitted by the United States representatives and approved by all Council members after considerable modification and discussion.

The plan asserts that the contribution of each member Government towards the cost of UNRRA is to be "determined by constitutional bodies" as provided for in the Agreement. The central feature of the plan, however, is a recommendation that each member Government whose home territory has not been occupied by the enemy should make available to UNRRA a sum approximately equal to 1 per cent. of its national income for the year ending 30th June, 1943. It is estimated that between $2,000,000,000 and $2,500,000,000 will be raised. Towards this sum major contributions under the 1 per cent. arrangements are estimated as follows: The United States, $1,350,000,000; the United Kingdom, $320,000,000; Canada, $90,000,000; Australia, $36,000,000; South Africa, $12,000,000 and New Zealand, $8,000,000. It was pointed out by a New Zealand representative during Committee discussion that this flat rate of contribution was open to some objection in that it imposed a relatively greater hardship on poorer than on richer countries. As a result of this and other arguments put forward the scheme was made somewhat more flexible by introducing a provision which permits Governments that are unable to afford the 1 per cent. contribution simply to give in accordance with their ability to pay. The effect of this provision is to make the amount and character of contribution subject to special conditions due to the war or other unusual circumstances—*e.g.*, famine conditions in the case of India.

The plan recommends that "as much as possible, but not less than 10 per cent." of each nation's contribution shall be in foreign exchange, so that it can be spent outside the donor country, and that the balance be in the form of "credit in local currency available for the purchase of the contributing country's supplies and services." Contributions to UNRRA's administrative expenses are to be separately assessed on a percentage basis, with proportionate shares of such total expenses ranging from 40 per cent. in the case of the United States to one-twentieth of one per cent. in the case of the poorer nations. New Zealand's share of the administrative budget (estimated at $10,000,000 for the first thirteen months to 31st December, 1944), is set down as 0·3 per cent.—*i.e.*, $30,000. Each Government's share of those expenses, however, may be considered as included in its general contribution. Although countries which have been invaded are not required to contribute in accordance with the 1 per cent. of national income provision, they are expected to pay, along with other member Governments, their proportionate share of the administrative expenses. In addition, it is recommended that those invaded countries who are able to do so should contribute to the work of UNRRA outside their own territories. Other Governments desiring to make additional contributions over and above the 1 per cent. quota are urged to do so, and there is provision for the receipt of contributions from non-member Governments and from non-governmental sources in accordance with rules and regulations to be established by the Director-General. This was designed to permit the participation of such neutral countries as were willing to assist in UNRRA's work.

It was agreed that it should not be UNRRA's policy "to deplete its available resources for the relief and rehabilitation of any area whose Government is in a position to pay with suitable means of foreign exchange." This the "richer" countries of Western Europe—France, Belgium, the Netherlands, and Norway—are expected to pay, in so far as they can