

BASIC ASSUMPTIONS

The Administrative Budget for 1947 has been based on the following assumptions as to the operational requirements which the Administration will face during 1947 :—

1. *Commodity Procurement and Shipping*.—(a) The procurement and shipping objectives have been outlined by the Director-General and approved by the Central Committee, as follows (see CC (46) 124) :—

“ It shall be the policy of the Administration in future procurement to limit purchases to supplies which are readily available for early delivery. New procurement action will be initiated only for supplies where it appears such supplies will be available for delivery by the supplier, by 31 March, 1947, in the case of supplies for European countries, or by 30 June, 1947, in the case of Far Eastern countries. There shall be the following two exceptions to this principle : (a) With the concurrence of the supplying Governments commodities under allocation such as food, fertilizer, coal and seed may be purchased for all countries where available for delivery by the supplier by 30 June, 1947 ; and (b) by agreement between the supplying Government concerned and the Administration essential agricultural equipment and spare parts and accessories for equipment specifically manufactured for particular countries or purchased from surplus may be procured for delivery by or very shortly after 30 June, 1947.”

(b) In accordance with the above, the assumption has been made that virtually all procurement will be completed by June, and all shipping completed by August.

(c) It has also been assumed that all of the supply programs will, if they are to be fulfilled, be substantially completed by transferring funds from supplies that are unavailable, to supplies that can be procured and shipped in time. As a result, it is estimated that approximately \$700,000,000 worth of supplies, or about 25 per cent. of the total supply program, will remain to be shipped in 1947, in order to complete the country programs. The volume of the remaining shipments will be in excess of 5 million tons. The completion of these supply programs will require many late program changes involving the handling of specialized agricultural and industrial rehabilitation items.

2. *Field Operations*.—Many administrative activities at Headquarters and in the European Regional Office relate directly to the size of field operations and staffing in the missions, and to the process of liquidating the missions. These activities include the processing of personnel actions, and the procurement of clothing and administrative supplies for the personnel of the various missions. In addition, such categories as communications, travel and subsistence, field supervisory staffing, and personnel outplacement staffing also depend on the amount of activity and the number of employees in the field missions. The following assumptions as to field operations have been guiding factors in the preparation of the relevant portions of the 1947 budget :—

(a) The European missions will be partially closed by the end of March, 1947, and will complete all program operations by July, 1947. Final accounting liquidation will be complete by September, 1947, at the earliest.

(b) The China Mission will be reduced during the latter half of 1947 but will not complete program operations until the end of the year. Final accounting liquidation will not take place until early in 1948, at the earliest.

(c) The displaced persons operation in Germany and other European countries, and in China, will continue until 30 June, 1947, after which UNRRA will no longer have any responsibility for displaced persons, other than the demobilization or transfer of staff and administrative assets, and the accounting liquidation.

(d) Observation of the distribution of UNRRA supplies in recipient countries will, in accordance with the Central Committee's wishes, continue until substantially all supplies have been distributed. This will require the retention of some technical observers in Europe through July, 1947, and in China until the close of the year.