

1947

NEW ZEALAND

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

REPORT BY THE NEW ZEALAND DELEGATION TO THE SIXTH SESSION OF THE COUNCIL, HELD AT WASHINGTON, D.C., U.S.A., 10 TO 13 DECEMBER, 1946, TOGETHER WITH TEXTS OF THE RESOLUTIONS ADOPTED BY THE COUNCIL AT THE SIXTH SESSION, AND AN EXTRACT FROM THE ADMINISTRATIVE BUDGET OF UNRRA SHOWING THE PROPOSED STEPS TO BE TAKEN IN THE LIQUIDATION OF UNRRA

Presented to both Houses of the General Assembly by Leave

New Zealand Legation, Washington 8, D.C.,
23 January, 1947.

The Right Hon. the MINISTER OF EXTERNAL AFFAIRS, Wellington, New Zealand.

SIR,—

I have the honour to report on the Sixth Session of the Council of the United Nations Relief and Rehabilitation Administration held at Washington, D.C., from 10 December to 13 December, 1946.

Forty-four of the fifty member countries of the Council of UNRRA were represented at this session. Those not present were Ecuador, Iraq, Liberia, Nicaragua, Paraguay, and Uruguay. Observers were present from the following non-member Governments receiving UNRRA aid: Albania, Austria, Finland, Hungary, and Italy. The Committee on Observers admitted representatives of the following organizations to the Council Session as Observers: The United Nations; the United Nations Educational, Scientific, and Cultural Organization; the International Monetary Fund; the Food and Agricultural Organization; the Inter-governmental Committee on Refugees; the International Labor Office; the International Bank for Reconstruction and Development; the International Emergency Food Council; the Emergency Economic Committee for Europe; the Interim Commission of the World Health Organization; and the World Federation of Trade-unions.

The New Zealand delegation consisted of Sir Carl Berendsen, New Zealand Minister to Washington, as Delegate, with Mr J. S. Reid, First Secretary, New Zealand Legation, and Mr G. R. Laking, of the Department of External Affairs, as Alternates. Miss B. A. Foster, of the staff of the New Zealand Legation, acted as Secretary of the delegation. Owing to the pressure of work at the General Assembly of the United Nations, Sir Carl was unable to be present for the session, and Mr Laking was able to attend only for the opening of the Session; the representation of New Zealand therefore devolved upon Mr Reid.

The member of the Council representing Denmark was elected Chairman of the Council, and the Vice-Chairmen were the members from Poland, Chile, and France respectively.

In view of the shortness of the Council's agenda, it was decided by the Council members that there should be one *ad hoc* committee appointed for all purposes of policy and procedure. The Council member of Canada was elected Chairman of this committee, supported by Vice-Chairmen from China and Norway.

New Zealand was appointed to the *ad hoc* Committee on Observers. New Zealand, Belgium, Czechoslovakia, and the Philippines, in addition to the members of the Central Committee, were appointed to the General Committee, where the business of the session is decided.

Due to the shortness of the Council session and in order to expedite its business, most of the work was handled in plenary session. However, the Committee on Policy had two very important questions before it :—

(1) Item II of the Agenda : Consideration of the delegation of authority to the Central Committee in connection with the termination of the Administration's activities and an amendment to the UNRRA Agreement with respect to the requirement of a further Council session.

(2) A resolution submitted by the U.S.S.R. relating to the fulfilment of the Programmes of Operations.

It quickly became clear that the Soviet representative and other members of the Slav bloc were determined to make these the crucial issues of the session. On both points the Soviet delegate differed repeatedly from the United States delegate on the question of continuation of supplies to Europe after 31 December, 1946, and on the issue of displaced persons.

A proposal to enlarge the Central Committee was dependent on the Administration's proposal that no further Council sessions should be held and that the Central Committee should take over the functions of the Council. The Soviet delegation's motion that the Council should hold its next and final meeting in April, 1947, was so directly opposite to the Administration's suggestion that the debate in plenary session showed no avenue of compromise. An *ad hoc* sub-committee was therefore appointed on the intervention of the Chairman of the Policy Committee. The sub-committee consisted of the members of the Council of the United States, the United Kingdom, the U.S.S.R., Norway, China, Czechoslovakia, Brazil, Australia, and Poland. The debate in the sub-committee was extremely vigorous, but eventually a compromise report was presented by the sub-committee and adopted as a resolution of the session. (The text of the resolution (No. 116) is set out in Annex 2.)

There was even more difficulty in resolving the different points of view on the implementation of programmes, and it was not until the final plenary session that the sub-committee was able to recommend a draft resolution on which the Committee was agreed. Even then the Soviet representative made it clear that it was a compromise and that his delegation was still critical of the fulfilment of programmes by supplying countries. (The text of the resolution (No. 114) is set out in Annex 2.)

The question of displaced persons kept cropping up throughout the session and was the occasion for some very frank talking both on the part of the Soviet and other Slav delegates and of the Director-General. Even on an apparently harmless resolution expressing appreciation of the work of voluntary agencies, the Soviet delegate indicated that it was not to be understood that this resolution referred to certain voluntary workers who had created trouble among displaced persons. The Soviet delegation insisted that some resolution be drafted regarding displaced persons, and eventually a resolution in terms which are set out in Annex 2 (Resolution No. 112) was approved.

The non-fulfilment of a Council resolution concerning the Korean programme was also the occasion for forthright debate to which both the Slav bloc and the Director-General contributed. Both sides, however, were content to leave their remarks on record, and no attempt was made to press for any further study of the situation in Korea.

Minor issues were quickly disposed of, Canada's application for membership on the Committee of the Council for the Far East being accorded unanimous support. The Director-General's resignation was marked by a most cordial display of appreciation

on all sides, and the United States took the opportunity to present to Mr La Guardia the Order of Merit awarded him for his work in connection with the Canada - United States Joint Defence Board. General Lowell W. Rooks, Deputy Director-General, was unanimously appointed to fill Mr La Guardia's post as from the 31 December.

The Administrative Budget for 1947 was approved after thorough debate by the Committee on Financial Control, although a number of countries formally stated that they did not intend to contribute.

Two reports were received from a representative of the Interim Commission of the World Health Organization indicating the scope of the new Organization's work and the plans made for its activities.

Mr La Guardia had hoped that UNRRA's Central Committee would recommend an immediate grant of funds to the newly established International Children's Fund as an earnest of the eventual contribution to be made out of the residuary assets of UNRRA to that Fund. For this reason, it was agreed that the donation of \$550,000 to the Fund by the Famine Emergency Food Collection, Inc., should be made during the session, and, in spite of the fact that UNRRA was not making an immediate contribution, the Chairman of Committee III of the General Assembly of the United Nations (Sir Carl Berendsen) received this gift at the hands of Mr La Guardia at a very impressive function during the sixth plenary meeting.

I have, &c.,
CARL BERENDSEN.

ANNEX I.—STATEMENT OF ADMINISTRATIVE BUDGET FOR 1947

[Extract from the Administrative Budget for the Fiscal Year 1947 presented to the Council by the Director-General]

The total administrative expenses for the calendar year 1947 is estimated at \$9,500,000 and authorization for the full amount will be required. This compares with estimated expenditures in 1946 of \$18,693,000, including accruals in 1946 that are expendable in 1947.

Object of Expenditure.	Estimated, 1946.	Expenditure, 1947.	Per Cent. Reduction.
	\$	\$	
Personal Services	10,866,410	5,787,500	46·74
Travel and Subsistence	1,028,434	481,455	53·19
Communications	1,435,069	798,670	44·35
General Supplies and Materials	787,827	328,905	58·25
General Equipment	785,746	164,935	79·01
Other Contractual Services	1,818,514	1,163,535	36·02
Official UNRRA History	25,000	..	..
Sixth Council Session	125,000	..	..
Termination Pay in Lieu of Notice	943,500	..	..
Incentive Bonus	877,500	575,000	34·47
Repatriation Costs .. .. .	..	200,000	..
	18,693,000	(a) 9,500,000	49·18

(a) Includes accruals in 1946 which will actually be expended in 1947.

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 out-placement 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.

3. *Liquidation Operations.*—Liquidation operations will include the finalization of accounting records, the settlement of legal claims and negotiations, the disposition of records and property, and the termination and out-placement of administrative employees. It is assumed that the liquidation of UNRRA will not be considered complete until the following specific tasks have been completed:—

(a) The finalization and audit of all accounting records of the Administration, so that they represent completely and accurately the receipt and disposition of the Administration's total resources. The implications of this assumption for the accounting, commodity and administrative staffs are discussed in detail in the appropriate sections of the detailed budget document.

(b) The final disposition of all records, including the establishment of the UNRRA Archives, and the preservation of all financial documents which must be retained until all claims by or against the Administration have been settled.

(c) The final disposition of all property owned by the Administration, including transfers to successor organizations, sales of surplus property, and finalization of all records relating to such property disposal.

(d) The settlement of all obligations due to employees of the Administration, including matters of pay and allowances, completion and disposition of personnel records, and out-placement service according to plans approved at the Fifth Council Session in Geneva.

(e) It should be emphasized that the proposed budget for 1947 does not include funds for unexpected delays in the completion of the supply program. No provision has been made for the probable delays in procurement and shipment because of the nation-wide coal strike in the United States, which is already paralyzing the productive and transportation facilities of the country. No provision has been made for any other action which might impose increased tasks on the Administration during 1947, or delay the completion of current programs. Operations based on the above assumptions can be supported by the funds requested in this budget. Major tasks not anticipated under these assumptions cannot be undertaken during 1947 without a corresponding increase in the authorization to spend funds for administrative purposes.

4. *Basis of Estimates.*—The primary basis for the 1947 estimates is a detailed analysis and comparison with administrative expenditures in 1946. However, as stated in previous Budget messages of the Director-General, while analyses of the administrative expenditures for past years undoubtedly help to make more accurate estimates of future expenditures than would otherwise be possible, it is not certain that the experience in this respect of any year in UNRRA's life can be a good guide for any other year.

This is peculiarly true with respect to the preparation of estimates of administrative expenditures for the year 1947. It has been necessary to predicate the 1947 estimates on a run-down plan which, however carefully worked out, could not be exact. Such outside factors as the maritime strike just ended, or the coal strike just beginning, should it prove prolonged, must seriously retard completion of UNRRA's programs. Such delays will inevitably require the extension of UNRRA's life, or involve a slower reduction of its staff. The Administration has repeatedly tried to establish fixed terminal dates for UNRRA's procurement and shipping operations. Also, the Administration has asked that after certain dates, it be relieved of its responsibility for guiding and observing distribution of relief and rehabilitation supplies in recipient countries. These efforts have not been successful, largely due to the reluctance of both supplying and receiving countries to see UNRRA dismantled before its programs are substantially completed. In addition, as has been often pointed out to member nations, lack of documentation in the acquisition and shipment of supplies and services is a serious delaying factor, and adds heavily to administrative costs. To gain a perspective on the cost of these delays, it should be noted that a slow down in reduction of a month or so can easily add a million dollars to the administrative cost of 1947.

Closing down UNRRA is a large and complicated process. The practical operating problems in so large and widespread an organization are not easily resolved and the need for retaining an experienced staff large enough to do the job should be obvious. While liquidation must be as rapid as possible, it would be foolish to reduce personnel so fast as to cause a far greater waste in the use of UNRRA resources. The proposed budget for 1947 provides sufficient funds for an orderly liquidation under present forecasts of operations. Any actions delaying the completion of UNRRA programs will inevitably make necessary additional administrative funds. Conversely, to the extent that member nations take such actions as lie within their power to speed up the completion of UNRRA programs, 1947 expenditures can be reduced.

ANNEX II.—RESOLUTION ON POLICY ADOPTED BY THE COUNCIL AT ITS SIXTH SESSION, HELD AT WASHINGTON, D.C., ON 10TH–13TH DECEMBER, 1946

RESOLUTION No. 108

A Resolution relating to the Membership of the Committee of the Council for the Far East

RESOLVED

That Resolution No. 19 (A Resolution Fixing the Composition of the Committee of the Council for the Far East) be further amended to make the second paragraph of that Resolution to read as follows:—

“ 2. That the Committee of the Council for the Far East shall consist of the members of the Council or their alternates, representing Australia, Canada, China, France, India, the Netherlands, New Zealand, the Republic of the Philippines, the United Kingdom, the Union of Soviet Socialist Republics, and the United States of America.”

RESOLUTION No. 109

A Resolution relating to Audited Accounts

RESOLVED

1. That the Administration, not later than 31st March, 1947, submit for audit accounts covering the calendar year ending 31st December, 1945. It is recognised that the preparation of these accounts has been delayed because in some cases transactions undertaken by member Governments have not been officially documented. In order therefore to complete the accounts for the calendar year 1945, it is agreed that estimated figures may be used for these transactions. The accounts for 1945, when audited, are to be submitted by the Administration to the Council at the earliest practicable date.

2. That the Administration, not later than 30th September, 1947, submit for audit accounts covering the 18 months' period, 1st January, 1946, to 30th June, 1947, in lieu of an annual account for the twelve months to 31st December, 1946. The Administration may use estimated figures in respect of such transactions undertaken by member Governments that are not officially documented. The audited accounts are to be submitted by the Administration to the Council at the earliest practicable date.

3. That the Administration, for the period subsequent to 30th June, 1947, shall prepare and submit for audit accounts to such terminal date as shall be determined by the Council at an appropriate time.

4. That the Administration continue its efforts to secure complete official documentation for all transactions that may appear as estimated figures in the accounts specified above in order that finally the accounts of the Administration shall be completely documented.

5. That the Council's Auditors report within a reasonable period on the accounts to be submitted to them by the Administration in accordance with this resolution.

6. That the Council wish to stress the importance they attach to the Auditors' functions and take this opportunity of expressing their appreciation of the high professional standard of the audit carried out by the Council's Auditors, Messrs. Deloitte,

Plender, Griffiths, and Co. They wish also to commend their Auditors for their reports on various aspects of the audit that they have made to the Council, to the Committee on Financial Control and to the Audit Sub-Committee of the Committee on Financial Control. The Council recommends that their Auditors continue to make similar periodical reports.

7. That the provision in Resolution 44 requiring the Council's Auditors to report annually, be superseded by the requirements of this resolution calling for a report covering the period 1st January, 1946, to 30th June, 1947. The period to be covered by subsequent reports will be determined at a later date.

8. That this resolution is not intended to supersede any other resolution or any part of any other resolution not in conflict with the terms of this resolution.

RESOLUTION No. 110

A Resolution relating to the Administrative Budget for 1947

RESOLVED

1. That the annual budget covering the necessary administrative expenses of the Administration for the calendar year 1947, submitted by the Director-General in the amount of \$9,500,000, is hereby approved.

2. That the Committee on Financial Control shall review the position at not less than quarterly intervals during 1947 with a view to reporting to the Central Committee on any modification of the foregoing budgetary amount which may be necessary in the light of the actual financial outcome in the period preceding the review and the Administration's estimates of its future requirements.

3. That the Central Committee is authorized to make any modifications it may deem necessary.

4. That the total amount of \$9,500,000 approved in the preceding paragraph is allocated to the member Governments in the following proportions:—

Member Governments.	Per Cent.	Member Governments.	Per Cent.
Australia	1.50	Liberia .. .. .	.05
Belgium	1.00	Luxembourg .. .. .	.05
Bolivia .. .. .	.10	Mexico .. .. .	.70
Brazil	1.50	Netherlands	1.50
Byelorussian S.S.R. .. .. .	.50	New Zealand .. .. .	.30
Canada	3.00	Nicaragua .. .. .	.05
Chile .. .. .	.20	Norway .. .. .	.30
China	5.00	Panama .. .. .	.05
Colombia .. .. .	.30	Paraguay .. .. .	.05
Costa Rica .. .. .	.05	Peru .. .. .	.25
Cuba .. .. .	.20	Philippines .. .. .	.05
Czechoslovakia	1.00	Poland	1.00
Denmark .. .. .	.50	Turkey .. .. .	.70
Dominican Republic .. .. .	.05	Ukrainian S.S.R.	1.50
Ecuador .. .. .	.05	Union of South Africa	1.00
Egypt .. .. .	.70	U.S.S.R.	8.00
El Salvador .. .. .	.05	United Kingdom	15.00
Ethiopia .. .. .	.05	United States	40.00
France	4.00	Uruguay .. .. .	.20
Greece .. .. .	.50	Venezuela .. .. .	.10
Guatemala .. .. .	.05	Yugoslavia .. .. .	.70
Hayti .. .. .	.05		
Honduras .. .. .	.05	Sub-total	96.20
Iceland .. .. .	.05	Unallocated	3.80
India	4.00		
Iran .. .. .	.10	Total	100.00
Iraq .. .. .	.10		

RESOLUTION No. 111

A Resolution relating to the Implementation of Resolution No. 106

WHEREAS

It is desirable that full advantage should be taken of the opportunity to draw upon UNRRA personnel, as they can be released, for other international agencies, in accordance with the terms of Resolution 106 ; it is therefore

RESOLVED

(a) That the Administration report to the Central Committee by 15th January, 1947, and at regular intervals thereafter on the carrying out of the recommendation contained in Resolution 106.

(b) That the Central Committee give such assistance to the Administration as may be required to give effect to that recommendation and, in appropriate cases, support the Director-General in any representations he may make to the international organizations concerned.

RESOLUTION No. 112

A Resolution relating to the Implementation of Resolution No. 99

RESOLVED

1. That the Administration is requested to prepare and submit to the Central Committee within one month a report on the measures taken by the Administration to encourage repatriation in accordance with the Resolutions of the Council.

2. That the Central Committee is authorised to make such policy decisions in connection with the report received under paragraph 1 as it deems appropriate to expedite the carrying out of the Council resolutions relating to the encouragement of repatriation.

RESOLUTION No. 113

A Resolution relating to the Work of the Voluntary Agencies

WHEREAS

Voluntary agencies and their staffs have co-operated closely with UNRRA in the performance of its displaced persons functions, as well as in connection with other activities of the Administration and of receiving Governments ; and

WHEREAS

They have, by their skilled and devoted and unselfish efforts, made an invaluable contribution to the furtherance of the Administration's activities and to the well-being of countless individual recipients of assistance whom they have aided ; it is therefore

RESOLVED

That the Council cognisant of the debt owed to these voluntary agencies and their staffs by all who have received their aid, expresses its deep appreciation to them for their efforts and accomplishments ; and expresses the hope that there will be an intensified continuation of their valuable services, in co-operation not only with the remaining UNRRA programmes, but with any other programmes undertaken by interim and successor inter-governmental organisations for health, welfare and rehabilitation.

RESOLUTION No. 114

A Resolution relating to the Fulfilment of the Programme of Operations of UNRRA

WHEREAS

It was stated in Resolution No. 101 of the UNRRA Council : " That the Administration should make every effort to complete procurement and shipments against approved programmes of operations by the dates specified in Resolution 80 " ; and

WHEREAS

The Council notes with concern that a considerable part of the UNRRA supply programme will remain unfulfilled at the end of 1946 ; it is therefore

RESOLVED

1. That the Administration shall make every effort to complete procurement and shipments against the programme of operations as approved by the Central Committee in accordance with the relevant resolutions of the Council to the receiving countries in Europe not later than 31st March, 1947, and in the Far East before 30th June, 1947.

2. In view of the desirability of bringing approved programmes to an early conclusion, such programmes shall not be altered by the Central Committee except when circumstances clearly warrant such action.

3. That the Council urges contributing countries to make every effort to facilitate the prompt completion of the procurement and shipment of UNRRA supplies against the programme of operations since without such assistance UNRRA will not be able to achieve the objective put before it by this resolution.

4. That if procurement is not fully completed and goods are not ready for shipment by 31st March, 1947, in the case of Europe, and 30th June, 1947, in the case of the Far East, the Administration is authorised—

(a) To make arrangements with supplying Governments, to the extent such Governments are prepared to do so, to assign contracts for undelivered supplies to the receiving countries and provide for their payment, including cost of transportation ;

(b) When such arrangements are unattainable, to complete, subject to any limitations applicable to the contribution of each country, as early as possible after the dates set forth above, the procurement and shipment of supplies against the approved programmes.

5. That the procedure of assigning contracts and making provision for their payment shall be worked out by the Administration in co-operation with the appropriate standing UNRRA committee, and shall be approved by the Central Committee.

6. That the Administration shall make appropriate arrangements to assure that the distribution of supplies procured and shipped under arrangements referred to in paragraph 4 is accomplished in accordance with resolutions of the Council.

7. That the Council appeals to the Governments of the contributing countries to exert their efforts to have the balance of their contributions used promptly and thus enable UNRRA to complete its mission.

RESOLUTION No. 115

A Resolution relating to the Adjournment of the Sixth Council Session

WHEREAS

The Council recognises that activities of the Administration will extend into the first half of 1947 ; and

WHEREAS

A considerable part of the UNRRA supply programme will remain unfulfilled at the end of 1946 ; it is therefore

RESOLVED

1. That the Sixth Session of the Council is hereby adjourned.

2. That there shall be a further and final session of the Council which shall be convened by the Central Committee at such date prior to 30th June, 1947, and at such place, as it may determine.

3. That, notwithstanding paragraph 2 above, and Article III, paragraph 2, of the Agreement, the Central Committee may decide by unanimous vote that a further session of the Council is unnecessary.

4. That, if the Central Committee determines, in accordance with paragraph 3 above, that no further session of the Council is required, then from the date of such determination all the powers of the Council shall be vested in the Central Committee.

A Resolution relating to the Resignation of the Honourable Fiorello H. La Guardia and the Election of General Lowell W. Rooks as Director-General

WHEREAS

The Honourable Fiorello H. La Guardia has stated his desire to resign from the office of Director-General, to take effect on 31st December, 1946 ; and

WHEREAS

The Central Committee having considered this statement at its meeting held on 11th December, 1946, has agreed with regret that it should transmit his resignation to the Council ; and

WHEREAS

The Central Committee at the same meeting unanimously decided to nominate General Lowell W. Rooks to succeed the Honourable Fiorello H. La Guardia as Director-General of the Administration ; the Council

RESOLVES

To accept with deep regret the resignation of the Honourable Fiorello H. La Guardia and expresses its great appreciation of his services to the Administration, and further

ELECTS

General Lowell W. Rooks as Director-General to take office on 1st January, 1947.

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