

UNRRA RELIEF FOR THE CHINESE PEOPLE

A Report by CLARA

Information Department of the
Chinese Liberated Areas Relief Association
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* in comments means it refers to
Med Sup.

CHAPTER I

CHINA

By the time V-J day arrived in China, 140,000,000 people in the border regions north of the Yangtze River had tasted Japanese occupation for eight years. They formed more than one-half of the population and lived on nearly two-thirds of the territory occupied by the Japanese. Since 1937, and in Manchuria since 1931, they had offered an effective resistance to the enemy under the dynamic direction of Communist political, military and guerilla leaders. In contrast to the remainder of occupied China, where Kuomintang influence had succumbed to puppet government and non-resistance, the people of the liberated areas strongly resisted the 450,000 Japanese and 900,000 puppet troops, whose "triple destruction policy" destroyed many of the cities and ruined much of the surrounding countryside.

Cut off from the industrial centers by the enemy and blocked by Nationalist troops, which should have been fighting the Japanese, the people of the Communist-led areas supported their organized guerillas and the Eighth Route and New Fourth Route Armies with makeshift weapons and captured materials. They conducted a ceaseless struggle against the enemy in which they limited his effectiveness to thin lines along the railways while they controlled the deep hinterland. Here they freed the peasants of their feudal chains, instituted agrarian reforms and established a democratic electoral system with social and educational institutions. The people with their new-found freedoms were determined to fight the Japanese aggression. However, the reactionary Kuomintang at all times tried to weaken the National Anti-Japanese United Front.

From 1924 to 1927 the Kuomintang underwent a radical reorganization under Dr. Sun Yat-sen's Three Revolutionary Policies. The three policies to which Dr. Sun had bound his party were: (1) Alliance with the Communist Party; (2) Alliance with the Soviet Union; (3) Alliance with China's workers and peasants.

There appeared for the first time in Chinese history a broad National and Democratic United Front based on cooperation between the Chinese Nationalist and Communist parties. With the United Front it was possible within a short period to crush the reactionary northern warlords, who had set themselves up as self-styled successors to the Manchu Dynasty.

After the death of Sun Yat-sen, the people continued to demand the implementation of democracy and the betterment of their livelihood. Camouflaged as a revolutionary in the United Front, Chiang Kai-shek actually represented the interests of China's big landlords and bureaucratic capitalists. He unveiled his true face on April 12, 1927 when he called for a counter-revolution. On that date he initiated a nation-wide "Exterminate the Communists" movement, which subjected the whole country to his white terror. Many defenders of democracy as well as communists were slaughtered and arrested. One of the most bloody and cruel periods of Chinese history had begun.

The Chinese Communist Party was forced to go underground. At the same time it organized revolutionary and democratic bases in the mountain areas of Kiangsi, Hunan, Hupoh, Fukien and Kwantung provinces with Sui-king in Kiangsi province as its capital. During this time the famous "People's Red Army" was organized.

It was the Communist Party and the organizations led by it which insisted on and succeeded in keeping alive the national and democratic movement against Imperialism and Feudalism. It was the Communist Party that insisted on following the Three Revolutionary Policies of Dr. Sun Yat-sen. In Communist-led China, exploitation by the imperialists was abolished and broad regional governments were organized through popular elections. Dr. Sun Yat-sen's goal of "land to the tillers" became a reality under the communists.

Meanwhile Chiang Kai-shek concentrated all the resources of the country in a civil war against the people's movement. In his attempt to crush the people, he betrayed the national interest of his country by cooperating with the Japanese Imperialists. Chiang's Government followed a non-resistance policy during a whole series of Japanese aggressions beginning with the Manchurian incident on September 18, 1931 -- even to the extent of slaughtering, arresting and persecuting anti-Japanese patriots. But the people of the whole nation stood on the side of the communist policy and demanded that the government establish peace within the country and fight Japan. It was only after the incident in Sian during which Chiang had been detained by General Chang Hsueh Liang that Chiang Kai-shek was forced to support the resistance against Japan. Even then, Chiang adopted a two-phase policy: a passive one toward the anti-Japanese war; an active one against the communists and the people's movement.

However, during the eight-years' war of resistance, the Chinese Communist Party was successful in uniting the people of the whole nation and a large democratic and anti-Japanese United Front was formed. With the support of democratic elements and broad masses, the Communist Party guided the heroic war of resistance of the Chinese people. Before the Japanese surrender, large territories behind the enemy line in North and Central China, which had been given up to the enemy by Chiang Kai-shek, were recovered. Immediately after the people's liberation, democratically elected people's governments were formed under the joint leadership of the Chinese Communist Party, democratic parties and progressive non-party elements.

War's end found the Communists in control of one-third of China. In the ten years following the "Long March", they had liberated 140,000,000 people, whose introduction to freedom from Japanese imperialism and Nationalist feudalism laid the basis for resistance against the return of either. When UNRRA came upon the scene, it found on the one hand a country immersed in the shambles wrought by war with Japan; and on the other, a one-party government whose concern was liquidation of the communists and the abolishment of the rights of the people. The government had no time to consider reconstruction and the binding up of the nation's wounds. Instead of democracy and peace for which the people yearned, they were confronted by fascism and civil war.

With the existence of two warring factions, the non-discrimination policy for the distribution of UNRRA supplies was of particular importance for China.

CHAPTER II

UNRRA-CNRRA AND ITS POLICY

"Resolved:

1. That, in any area where relief and rehabilitation operations are being conducted through the employment, in whole or in part, of the Administration's resources, relief and rehabilitation in all its aspects shall be distributed or dispensed fairly on the basis of the relative needs of the population in the area, and without discrimination because of race, creed, or political belief.
2. 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 occupation of the area."

Council Resolution No. 2 -- United Nations Relief and Rehabilitation Administration

* * *

"Resolved

2. 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 supplies because of race, creed, or political belief."

Council Resolution No. 7 -- United Nations Relief and Rehabilitation Administration

* * *

"Whereas, The Government of the Republic of China is a signatory to the aforementioned agreement of 9 November 1943, and has expressed its agreement with the Resolutions on Policy of the Council of the Administration . . . and

"Whereas, The Government has requested assistance of the Administration in furnishing relief and rehabilitation supplies for the relief of the victims of war in China . . ."

From the Basic Agreement between the Government of the Republic of China and the United Nations Relief and Rehabilitation Administration.

* * *

Fifty-two nations contributed one percent of their national income for two successive years to UNRRA because it was felt that there was an obligation on the part of those nations who had not been invaded by the enemy to alleviate the suffering and damage inflicted on the allies that were invaded during the common fight against Japanese and German fascism.

Pop. figures somewhat inflated

UNRRA uses 90-100 mil. as pop in Com.

controlled areas in N.E. are under Boarder Reg. Govts. It might be 120⁴ mil. There are also large com. Pop. in Nationalist are as so of this

Two of the Council Resolutions solemnly decreed that the democratic spirit was to prevail in the distribution of UNRRA supplies. One of the most important principles of this spirit, it was felt, was the paragraph referring to the policy of distribution, which did not discriminate because of the various political views held by those who had fought the fascist enemy.

Under the terms stipulated by the United Nations Relief and Rehabilitation Administration, China was entitled to aid. Through its representatives, the Nationalist Government presented to UNRRA a "Plan for Relief and Rehabilitation in China. Included in this plan was a "Table of Relief and Rehabilitation Regions and Their Populations", which geographically showed the needs of the entire area that had been under Japanese occupation. Of the estimated total of 266,000,000 people who had suffered under Japanese occupation, the table showed that 120,000,000 lived in the Communist-led Liberated Areas. If Manchuria were included, the population living in the Liberated Areas entitled to receive UNRRA aid totals 150,000,000. Thus, on the basis of the request for UNRRA aid submitted by the Nationalist Government, almost two-thirds of the proposed recipients of relief and rehabilitation supplies lived in the Communist Liberated Areas.

As in the case of other invaded countries, China's needs far exceeded the financial capacity of UNRRA, whose income was derived from grants made by nations able to contribute to the common funds. For China, UNRRA was able to allocate supplies valued at approximately U.S. \$530,000,000, which totalled almost 2,700,000 tons. To satisfy the requirements of UNRRA, a Basic Agreement was signed between UNRRA and the Nationalist Government establishing the conditions under which supplies would be furnished. The Government set up the Chinese National Relief and Rehabilitation Administration (CNRA), the official operating and administrative organization to which UNRRA transferred all supplies at ship's tackle. UNRRA reserved the right to observe and criticize the operations of CNRA and, in case of violation of its principles and policies, to withhold supplies.

As a rule, UNRRA did not operate directly in the countries where its supplies were distributed. However, the UNRRA Council had foreseen the possibility of internal conflict in the war-torn countries and had stipulated that UNRRA was entitled to operate in and establish direct relations with any area where the recognized government did not have de facto administrative authority and could not effectively distribute through its own channels.

The first Director of the UNRRA China Mission discussed the applicability to China of this provision with the

UNRRA has retained title to much equip. such as Reg. LST's etc.

Director-General of CNRRA, who represented the Nationalist Government, and with the UNRRA Washington Headquarters. The discussion ended with the CNRRA Director General acknowledging in a letter to the UNRRA China Mission that this provision would give UNRRA the right and make it UNRRA's duty to operate directly in the Communist Liberated Areas if supplies could not be effectively distributed there by other means.

quite so!
UNRRA has never evoked this stipulation although the facts given in the following chapter give ample proof that the situation prevailing in China called for just such action.

Incidentally P.H. Ho seems to be fairly sincere in his efforts and has gone pretty far for a man in his position. The same cannot be said for all of CNRRA. Maybe like the Ginnos & his armies he cannot control his outfit.

Chinese member of CC FE represents his gov't & hence his views obstructive w.r.t. to UN proposals)

CHAPTER III

CHINA LIBERATED AREAS RELIEF ASSOCIATION (CIARA)

AND ITS STRUGGLE FOR THE IMPLEMENTATION

OF A NON-DISCRIMINATION POLICY

Note - not NE

In 1944, long before UNRRA and CNRRA appeared on the scene, the Liberated Areas had been setting up their own relief organization, CIARA. Its activities were governed by an Executive Committee whose 15 members are broadly representative of the people in the Liberated Areas; they were elected in a Liberated Areas People Delegate Conference from all walks of life and from all parties as well as from people without party affiliations. CIARA has seven branches, one for each of the following border regions: Shensi-Kansu-Ning Hsia, Shansi-Suiyuan, Shantung, Kiangsu-Anhwei, Shansi-Chahar-Hopeh, Hopeh-Jehol-Liaoning, Shansi-Hopeh-Shantung-Honan.

Its functions were (1) the alleviating of the suffering of the people who through enemy action or through natural disaster had lost their livelihood, and to look after the interests of the vulnerable groups: the children, the old and the disabled. CIARA investigated and tabulated the needs of the people who were in special need of help (2) CIARA took over the function of dealing with UNRRA and CNRRA with regard to the problem of integrating the needs of the people of the Liberated Areas with UNRRA's mission to extend relief and rehabilitation to that part of China which during the war was occupied by the enemy.

Long before the first UNRRA supplies arrived in China, CIARA, with the meagre resources at its disposal, engaged in attempts of solving the social and economic problems of the post-war period. Long before UNRRA showed any interest in the Liberated Areas CIARA had worked as a receiving and distributing agency for relief funds and supplies which had been contributed by voluntary agencies as 'The China Welfare Fund', the 'Canadian Red Cross', 'Indusco', 'China Aid Council', 'British United Aid to China', 'United Service to China', 'Friends Ambulance Service', 'I.R.C.', and the 'American Red Cross'. (The China Welfare Fund under Madame Sun Yat Sen as Chairman). CIARA had distributed many thousand piculs of rice to the hungry, collected by soldiers and government officials who voluntarily had cut down their own rations in order to combat local famines which had sprung up as a consequence of the burning of crops and the destruction of cattle and farm implements by the Japanese and puppets. CIARA had organized among the peasants 'Mutual Help Movement', cooperative tilling of land and cooperative use of implements and cattle, long before UNRRA had even started to become conscious of China's post-war famine problems.

In other words, in areas which had suffered too much devastation to start recovery entirely on their own CIARA financed small scale industries through government loans. CIARA had organized 'help for the people to help themselves' long before UNRRA declared this to be the purpose of its activities in China.

It was only after CIARA, through its Chairman, Tung Pi-wu and General Chou En-lai, chief Communist representative to the Marshall Mission, insistently called attention of UNRRA to the needs of the Liberated Areas and their right to a legitimate share of UNRRA supplies that any attempt was made to forward supplies to that part of the Chinese people who, relying on their own strength, had done most to defeat the Japanese and had suffered most from the occupation.

In January 1946, CLARA's first representation in Nationalist Area was attached to Marshall's Executive Headquarters in Peiping, the center of the ill-fated and ill-famed American civil war mediation board. After a few months of continuous pressure by Chou En-lai, the Communist delegate, and Tung Pi-wu, Chairman of CIARA, CLARA was invited to open a representation in Shanghai. This office was set up in July, 1946 under General Wu Yun-fu as Director and Mr. Ling Chung as Director of Operations. Since then CIARA carried on a relentless fight for the implementation of a just distribution policy of UNRRA supplies, and against the political misuse of UNRRA activities and against military interference with transportation of supplies to Liberated Areas.

In its efforts to create a better working relationship between CNRRA, UNRRA and CLARA, the latter made frequent reports of conditions in the Liberated Areas, submitted requests and offered suggestions to improve the performance of the UNRRA program in China. In July 1946, the Chairman of CIARA, Mr. Tung Pi-wu, presented in a letter to the Director General of UNRRA, Fiorello La Guardia, a picture of the needs of the Liberated Areas.

"(During the war) the suffering and losses of the people in the Communist-led Liberated Areas were by far the greatestin order to crush the unparalleled resistance of the people the enemy attempted the most cruel demolition and devastation of these areas.....the (Japanese) "three-fold destruction policy of: kill all, loot all and burn all" created artificial desert-areas...."

The letter tabulated the tremendous losses sustained by the people in this area (Appendix A) and in conclusion reminded UNRRA of its callous ineffectiveness in the face of so much need:

"According to....CNRRA the population in former Japanese occupied areas amounts to 266,000,000. Of this number the population in Communist-led Liberated Areas, including Manchuria, runs up to 150,000,000. The total number of war refugees entitled to post war relief in China was estimated at 42,000,000. Three-fifths of them, 26 million people living in the Liberated Areas, are in urgent need of relief. If relief supplies are to be distributed on a fair and equal basis the Communist-led Liberated Areas are entitled to more than one half or three-fifths of the supplies.....(Up to date) three-fifths of the victims of war and destruction only got one half of one percent of the relief supplies."

On November 29, 1946, General Chou En-lai, Head of the Communist Party Delegation and Tung Pi-wu, Chairman of CIARA, in a joint telegram (Appendix B) to UNRRA Director Fiorello La Guardia

declared that the UNRRA/CNRRA programme has failed in its main objective of rendering fair and non-discriminatory aid to the war devastated areas of China, requested a firm planning of the share of UNRRA supplies to be shipped to Liberated Areas and asked for direct UNRRA distribution (without CNRRA) of this fair share to Liberated Areas, and also requested that CLARA representation may be admitted at the Sixth UNRRA Council Session scheduled for December, 1946.

On January 8th, 1947, in another letter, Mr. Wu Yun-fu, Director of Shanghai's CLARA office, made suggestions for the setting up of an organization which would be able to channel supplies to Liberated Areas and to distribute them where they were needed most:

"Joint UNRRA-CLARA offices should be set up in each of the seven border regions, including Manchuria, to deal with the allocation and distribution of supplies within the border regions. In these offices, CLARA should assume responsibility for the operation of the relief and rehabilitation program, and UNRRA should assist in the technical work and observe and report on the distribution of supplies."

The same letter submitted a comprehensive plan calling for supplies totalling U.S. \$175,000,000 which was an exceedingly modest amount compared to the needs of the Liberated Areas as well as the total amount of supplies sent to China.

As the implementation of the supply programme for Liberated Areas during March 1947 had shown such poor results, CLARA officials in a telegram to General Lowell W. Rooks once again pointed out that in order to prevent UNRRA's non-discrimination policy from being completely nullified UNRRA should start to work directly with CLARA in Communist-led Areas--"All UNRRA available supplies and those supplies still to come to China should be allocated to the people of the Communist-led Liberated Areas . These supplies should be shipped directly from abroad to the people of the Communist-led Areas." CLARA again warned UNRRA to try its best to stop letting UNRRA's policy, as well as UNRRA supplies being used as a political and military weapon for the carrying on of the civil war by the one party government.

On June 3rd, 1947, a comprehensive statement (Appendix C) to the Director General, Lowell W. Rooks, marks another of the stages of CLARA's relentless effort on behalf of that third of China which was most in need and most deserving of relief and rehabilitation. The June 3rd letter to General Rooks ended with the following demands:

- " (1) The Washington UNRRA Central Committee should immediately call an emergency meeting based on--(the necessity of putting into effect) the non-discrimination policy laid down by the UNRRA Council. This meeting should carry out an overall review of all political aspects in order to find out the causes of the failure (of implementation of the policy) and try to adopt measures for correction. Wash-

* This would have been excess in Mar. Now it would be short of just distribution *

* As of this date this would not have been unreasonable program *

ington Headquarters should immediately instruct its China Office to call a meeting of the same nature, and CLARA representatives should be invited to participate in this meeting.

- (2) CLARA's representatives should be invited to attend the Seventh Congress of the UNRRA Conference, which is called to meet on June 15th, 1947.
- (3) No more of the remaining UNRRA relief and rehabilitation supplies should be allowed to be shipped to Nationalist ports. *Received or distributed*
- (4) Only 2% of the UNRRA supplies have been delivered to Liberated Areas. CLARA insists on the putting into force of its supply program of 175,000,000 US\$, submitted on January 8th. (See Appendix "D-1")
- (5) UNRRA should instruct China Office to..... check up on supplies stored in warehouses in Shanghai (they)..... should be shipped in direct operation to Liberated Areas. Supplies to be shipped from abroad should be transported from ports abroad directly to Liberated Area ports."

True & apt

CLARA worked against time, as with each passing month UNRRA supplies were delivered and swallowed up by the bottomless pit of the warehouses in Shanghai and in the provinces. The quantity of supplies on which it was still possible to draw shrank. UNRRA and CNRRA answered with delays and non-recognition of CLARA's communications.

As an indication of this fact, the following is an excerpt from a document sent to UNRRA on February 10th, 1947:

"From November 1st, 1946 to January 16th, 1947, our office has sent 26 letters and cables to UNRRA and CNRRA officials. Of these 26 specific requests and recommendations, we have received answers to only ten. Not one of these answers has accepted our recommendations or requests...(which) clearly indicates where the delays, stalling and obstruction have taken place."

CLARA took to the method of releasing statements to the areas in order to bring to the attention of the world the grave problems which arose in connection with UNRRA activities in China. As time went on CLARA had to use an ever clearer language in order to point out to the UNRRA authorities their responsibility and their failure, and to the world at large the political, military and technical implications of UNRRA's activities in China.

CHAPTER IV

FACTS AND FIGURES ON DISCRIMINATION

AGAINST THE PEOPLE OF THE LIBERATED AREAS

See appendix D-1-

CLARA claim for Med Sup #17,000,000

UNRA Med. Sup. Prog. of Jan. 47 for CA #15,000,000

** It would have been very difficult to justify larger program than UN program *
Especially in view of more information on requirements from CLARA.*

Although numerous surveys by UNRRA personnel, CLARA reports and reports by independent observers were submitted to UNRRA showing the appalling need for medical supplies, clothing, agricultural and industrial equipment, it was not until late in January 1947 that UNRRA drafted a program for CNRRA's approval, calling for the shipment to the Liberated Areas of 77,000 tons of supplies at a value of US \$52,000,000. UNRRA based this highly inadequate supply program upon the wrong assumption that the Communist Areas were not industrialized, therefore did not require industrial rehabilitation supplies; that they were not food-deficit areas, therefore required little agricultural machinery, that they had few hospitals or doctors, therefore could not be entitled to medical supplies and that the character of supplies sent to China was such that the Communist Areas had no legitimate claims to a higher percentage than the program suggested above. In the face of previously established needs it is obvious that the UNRRA-suggested program was a rationalization and an attempted legalization of its failure to live up to its obligations as the relief and rehabilitation agency entrusted to fulfill the objectives of the United Nations.

Jackson set up period ending 31 March for trial run with 15,000 tons as goal. To be maintained here after.

Prodded into making a gesture of equalizing the distribution of relief supplies as between Nationalist and Communist areas, UNRRA submitted its suggested supply program through the Director of the China Office to CNRRA (Nationalist Government) which promptly refused to concur. Commander Jackson, Washington Deputy Director-General on a visit to China in February 1947, announced that he had exacted a promise from the Government to ship a minimum of 15,000 tons of supplies monthly to the Communist Areas beginning with March, the total value of the program to be not less than US \$50,000,000. Unless this promise was fulfilled he would bring the matter before the UNRRA Central Committee and he implied that he personally would see that strong action would be taken, presumably the stoppage of all supplies to China.

During March, 7972 tons were delivered to the Communist Areas and though this was an improvement over past performance, it fell far short of the objective. Even this belated and half-hearted attempt was resented by the more recalcitrant elements of the Nationalist Government. Accordingly, an UNRRA relief ship was bombed and strafed by the Nationalist Air Force on April 2nd at the port of Shih Chiu So, seriously wounding five of the crew, after repeated assurances of non-interference had been given by the Nationalist Government. For six weeks following this episode only one shipment of approximately 1,000 tons was made to Communist territory. On June 10 - 17, only three weeks after resuming the shipments to the Liberated Areas, the Nationalist airforce again started bombing and strafing of relief supply ships, vehicles and personnel in the Liberated Area ports of Yangchiaokou and Chefoo and the town of

Hwei Min. CLARA again protested strongly against these incidents stating:

"the bombing occurred after repeated assurances of free passage of relief supplies and personnel had been given by the Nationalists . . . There is ample proof that the bombing and strafing by Nationalist planes is carried out under a well-organized plan . . . CLARA is forced to point out that the purpose of the repeated bombing and strafing is the complete stopping of relief shipments to Liberated Areas . . . The Nationalists intend to appropriate all of the CNRRA supplies for use in the suicidal civil war. UNRRA China policy to a serious extent is controlled by the policy of the American State Department, that is to say by the policy of the Truman-Chiang Kai-shek alliance which aims at intensification of the civil war. Unless UNRRA dissociates itself from this policy and immediately adopts punitive measures there is no way of stopping the continuous bombing and strafing of relief supplies, transports and personnel by the Nationalist airforce in the future."

seems like In both cases, UNRRA's only action was a *the protest was strong but such* weak protest to the Government. In this connection it is well to point out that UNRRA's record of protests is a long if ineffective one; all protests were cynically disregarded by the Government, which had learned that no punitive action would be taken. UNRRA knew that there were two sets of orders issued by the Nationalists: one, they issued for UNRRA's benefit only, and an entirely different one intended for execution. UNRRA did *not enough* nothing to meet the situation.

Not quite CLARA claims that CNRRA has followed a policy of gross discrimination against the people of the Liberated Areas. Editorials were written as a result of the constant pressure under which CLARA releases and statements kept the conscience of the public (See Appendix H). UNRRA, by active assistance to CNRRA and to the Nationalist Government and by way of acquiescence to all flagrant breaches of the Basic Agreement, shares with CNRRA the responsibility for the misuse of UNRRA supplies.

According to UNRRA reports as of April 30th, 1947 shipments to China totalled 1,978,939 tons of relief and rehabilitation supplies. As of the same source, shipments to the Liberated Areas totalled 43,925 tons or roughly 2 percent of all supplies sent to China, while 98 percent went to the Nationalist side. In other words, for a population of 140 million which represents more than half of the people who lived under Japanese occupation, UNRRA/CNRRA shipped the following supplies: *Distribution has not equalled 100% of arrivals*

	2.17% to Liberated Areas	97.83% to Nationalist Areas	100% total Shipped to China
Food	22,832.9	1,091,982.1	1,114,815
Clothing and Textiles	5,926.1	121,825.9	127,752
Medical supplies	2,216.9	18,691.9	20,908
Ind. and Agric. supplies	12,949.9	702,514.1	715,464
TOTAL	43,925.8	1,935,014.0	1,978,939

No! *14% of distrib* *11,000 approx* *not yet distrib* *7000 approx*

Records up to July 18, 1947 show that of the 2,155,992 tons of UNRRA supplies landed in China, only 40,909 tons or 1.89 percent (excluding the flour for Yellow River Dike repair wages, which amounts to 11,236 tons) have been sent to the Liberated Areas.

CIARA claimsthat the figures cited above from official reports (supplies which actually reached the Liberated Areas are much less) fully verify the charge that the China program involved UNRRA in the grossest kind of discrimination. UNRRA's unwillingness to act upon its own resolutions and to exercise its right under the Basic Agreement, amply justify the charge that it practised discrimination. *Right*

On the whole the efficient administration of the Border Region Governments in Liberated Areas avoided large scale famines among the population in spite of the fact that their territory contained the arid areas of the North, while the historical "rice-bowles of China" as Hunan and South Anhwei, through requisition of rice by the Nationalist Army and through corrupt administration were emptied to such a degree that the local people had to die of hunger. An exception was the Liberated Area of Northern Kiangsu in the spring of 1946, when the accumulated consequences of locusts, drought and flood and the eight years large scale destruction of the Japanese and their puppets led to an acute shortage of food. The threatening famine was reported to UNRRA by doctors, welfare officers and missionaries. The reports described unanimously cases of eating leaves and bark by the local population and the tremendous efforts the local administration made in overcoming the emergency. The allocation of the ridiculous quantity of three hundred tons of flour for a population of 23 millions by the UNRRA/CNRRA Regional Office was achieved through the strenuous efforts of a few conscientious UNRRA officials in a constant fight against CNRRA and against the apathy of the UNRRA China Mission. The fight took such a long time that the allocation came just before the new crop was ready and the end of the famine was in sight. When the flour was loaded on barges the transportation was stopped by the Nationalist army for six more weeks. When it finally arrived the famine was over; all those people who couldn't be saved through the Border Region Government's own efforts had died in spite of UNRRA's presence in China, and in spite of the many thousand tons of flour which were rotting in the warehouses of Shanghai (only six hours train ride away) and in spite of the huge sales of UNRRA flour at Shanghai's black market. In a review of this emergency the Chairman of the Kiangsu-Anhwei Border Region Government said:

"We had to go through the crisis alone and without any help from outside; that we accomplished it with relatively so few victims constitutes a greater victory for this region than was the defeat of the Japanese."

Perhaps the greatest indignity lies in the character of the supplies shipped to the Liberated Areas. In its search for useless supplies in order to amass tonnage which in turn was intended for UNRRA/CNRRA newspaper releases to impress the public the UNRRA/CNRRA allocation committees sometimes took to absurd methods.

Following one of these shipments UNRRA became famous throughout the Liberated Areas as the organization which tried "to rehabilitate the peasants of Shantung with mouldy chocolate and spoiled cigarettes". Used clothing was sent while new textiles were withheld for the Nationalist Areas. Industrial supplies were frequently requested, rarely allocated and never arrived. What arrived were generators with essential parts missing and machinery in incomplete units and broken down condition which rendered them useless. Of the trucks which were supposed to distribute these supplies every third one had to be cannibalized for the repair of two others. Agricultural supplies, such as rusty irrigation

*Not in China
Not 4/3rd*

pipes were sent without accessories or pumps; tractors were sent without oil. Details of mishandling, misuse and discrimination in the allocation and distribution of agricultural supplies are given in Appendix D.

As a measure of discrimination liberated Chefoo is excluded from the allocation of even one of the more than one hundred and twenty modern and motorized fishing vessels which UNRRA sent to China--in spite of the fact that Chefoo supplied, before the war, two-thirds of the fish consumed in Shanghai and despite the fact that UNRRA survey experts declared that Chefoo had the historical background and the best potentialities for the establishment of the fishery program over any other area on the China coast. The Japs had stripped the ice plants and the canning factories of Chefoo and had sunk all but a few of the bigger fishing vessels but could not destroy the know how or the fishing grounds which are so rich in resources. Chiang Kai Shek's navy is carrying on the Japanese tradition by shelling and sinking the Chefoo fishing junks wherever its American supplied gun boats get them into their sights. This is all part of a political and military warfare and discrimination. But when the greater part of the UNRRA fishing vessels are lying idle and when fish caught by these vessels of Shanghai, are rotting in the holds and can't be sold because the fishmarket in Shanghai is cornered and monopolized, while the people in Shanghai go hungry the policy of political discrimination becomes a policy against the common people of China as a whole.

A study of the manner in which the Fisheries Rehabilitation Administration has conducted its program would not stand the light of the day. Too many American fishermen recruited to instruct and to help the Chinese in technical operation of the fishing vessels have returned to the States disgusted with the entire program; they were more independent and had more integrity than some of their superiors and colleagues who seemed not only to accept such cases of maladministration and discrimination without protest, but also to take active part in them. *+ a few who stick around to try to work something out instead of just quitting.*

Medical supplies for the Liberated Areas, which suffer from epidemics of Kala Azar, Typhus, Meningitis, Trachoma, Malaria and of Anemia, Hookworm, Dysentery and Parasites, consisted mainly of foot powder, and of bandage gauze and cotton which the areas can produce themselves; huge laundry trailers which are broken down, water purification units and water distillation units which won't work, many thousand milk bottles where there is no milk (while the nipples are being kept in Shanghai godowns for many months) make up the main tonnage of CNRRA's medical relief cargo to these regions.

True - but not well put. Every possible precaution was taken in this case.

X-ray apparatus sent to the Liberated Areas are for another voltage than the generators which are supposed to run them. Instruments and laboratory supplies which are badly needed to rebuild the hospitals of these areas are carefully withheld, even if CNRRA is forced to allocate them; this is done by way of sabotage during packing, assembling and shipping. In order to avoid any interference with these malpractices CLARA has been denied any voice in allocations, the access to stock lists, godowns and assembling rooms and the right to check on shipping and loading.

UNRRA medical experts who are being sent into these areas are cabling Shanghai frantically if they are supposed to treat dysentery with gauze, and meningitis with plaster of Paris. The withholding of adequate supplies is one of the worst crimes of UNRRA/CNRRA's policy of discrimination. *It is in effect continuation of the policy that kept out those ARC supplies during war.*

Like much of rest reasonably true in principle, but not

CLARA on May 14, 1947 saw itself forced to address a letter to UNRRA from which the following quotations are taken:

"Sick people should be regarded as being outside the civil war, the same as wounded soldiers are regarded as having ceased to be in military action.....it was agreed to dispatch some three thousand tons to the Liberated Areas.....while in actuality only about eight hundred tons have been received. The promise to include seven four hundred-bed hospitals in the supplies has been broken. Instead, supplies like rusty pipes were sent without the water purification units, for the use of which they were intended and cleaning compound for water distillation units were sent for the sake of their tonnage without the distillation units..... This can only be explained as an attempt to amass tonnage in order to deceive the public. UNRRA....continued discrimination against the sick people in our area.....is especially grave as UNRRA is in receipt of many reports from qualified UNRRA personnel working in Liberated Areas to the effect that,the medical personnelare severely hindered in the execution of their tasks, in some cases to the point of helplessness, because of the lack of medical supplies. Even epidemics, as cholera, are disregarded when they occur in Liberated Areas, in spite of the warning that germs don't recognize political boundaries and infectious diseases should be the concern of a Health Administration wherever they occur because they threaten the whole country regardless of where the focus is situated."

Again exaggerated + not accurate in detail, but justified in overall.

** Shipments ^{from Shanghai} in March did not equal goal either in quantity.*

Since then so little been shipped as to be inconsequential. Practically nothing in April, May, June, + July, in June less than 1% of total distribution. Since up to 15 July every thing allocated was shipped this is not because of anything as remote as Military Interference of transport difficulties. Cause is right C N R Health commission. They have never agreed to any program ever approximately. The UNRRA prog. of Jan. 47, and have never implemented any program they have agreed to in short the medical men are in, violence of their professional ethics, playing a vicious game of politics with the medicines, surgical instruments, + hospital supplies that the UNRRA sent for the sick diseased, + suffering people of China.

CHAPTER V

This is most dramatic case Diversion of UNRRA supplies to political + war ends.
1. much of equip. is moved by UNRRA - UNR still retained
2. none was gone to Com. Areas.

MISUSE OF UNRRA SUPPLIES FOR POLITICAL AND

3. Continuous use for military transport throughout
MILITARY PURPOSES AND FOR PRIVATE ENRICHMENT

country (including war zones) is not just UNRRA reports
4. UNRRA has long known about it.

5. Meanwhile shipments of UNR goods relief goods are

Examples abound which prove that UNRRA vehicles and rolling stock were used for the transportation of military supplies and soldiers. Reports from UNRRA observers brought many instances to the knowledge of the UNRRA China Mission in which great numbers of UNRRA box cars were seen rolling along towards the civil war fronts, filled with the Nationalist Government Army's men and equipment.

Three hundred UNRRA trucks were delivered to the Nationalist Army by way of the Nanking-Hsueh Railway in June, 1946. The trucks were sold by CNRRA to middleman, who then resold them to the Army. Another delivery of over two hundred trucks was made in January, 1947 by the same route and through the same sales process. In other cases CIARA received reliable information that the Nationalist army sent soldiers to the CNRRA Headquarters motor pool to take delivery of the trucks. These trucks were not the only ones which reached the Nationalist military. The examples given are only a few of what was the usual practice.

UNRRA trucks in the Hankow region were stopped by soldiers at gun point and forced into transportation of military goods and personnel. UNRRA cloth and UNRRA flour were found in the booty captured by the armies of the Liberated Areas during their fight with the invading troops.

UNRRA supplies reached Liberated Areas in bulk only in the wake of the invading civil war army of the Nationalist Government. These supplies, which were withheld from the people as long as they were led by the Border Region governments, were meant as a political bribe to the people of conquered areas and for partial relief of an emergency which the conquering armies themselves had created through destruction of homes, crops and implements, and through bombing, strafing and killing of the inhabitants.

An example in point is the 'relief' of Northern Kiangsu where, after parts of the province had been conquered by the Nationalist Government's troops, UNRRA flour and medicine suddenly turned up, for which the people had clamored for more than a year. In return they had to give up the land which they had been tilling as their own for eight years and to pay taxes and rents "in arrear" until they became destitute.

So Reported
While the people of Northern Kiangsu had been waiting in vain for relief supplies, flour was distributed to the landlords who had emigrated from this area into Nationalist China. According to a report by an UNRRA welfare officer who observed the operations "the refugees were well dressed in silk gowns and carried western clothes; they carried the flour off in rikshas, with the help of coolies..." This happened after an UNRRA welfare officer who, on request of the Government, had investigated the state of these landlord-refugees, had made a report to the effect that these people were not war-refugees and therefore not a concern of UNRRA/CNRRA. The Minister of Social Affairs, Ku, threw that report into the waste paper basket and

But only travelers of lack of Ry. transportation.

forced, by the simple expedient of an order, five thousand tons of flour out of CNRRA and told UNRRA to go to hell.

Another example was the surrounded town of Tungming which had been allocated flour as long as it was in the hands of its Japanese puppet garrison. Flour to Tungming had been transported through Liberated Areas under a truce agreement. As soon as the puppets surrendered to the armies of the Liberated Area, Kuomintang representative Tsung Lo Tao cabled "to cease distribution of flour" to the people of Tungming and was backed up by a cable from General Chen Kai Ming, head of Chiang Kai Shek's secret police, to the effect that relief supplies should not be distributed until the withdrawal of the Communist armies". Needless to say that these orders were obeyed, UNRRA flour which had been loaded and was on its way to Tungming was recalled and the people of Tungming were punished for having gotten rid of the puppet garrison which had been oppressing them all during the war.

Perhaps the worst charge which can be brought against CNRRA as a relief agency of Chiang Kai Shek's Government and against UNRRA as the guarantor of an impartial relief policy is the fact that the relief supplies which are withheld from the people of the Liberated Areas are also being withheld from the suffering people of the Nationalist Areas. Discussing this point CLARA speaks not only as the relief agency of the Liberated Areas but as the representative of China's suffering masses as a whole.

Misuse of UNRRA supplies for the benefit of racketeers and government bureaucrats has been so glaring that examples of it have found their way into the world press many times.

In July 1946 a group of conscientious UNRRA officials addressed themselves thus to the Director General of UNRRA:

".....UNRRA supplies and services are improperly handled, the purpose for which they were contributed are disregarded. The result is valuable supplies wasting, deteriorating and being pilfered - while the starving continue to starve and the needy remain without....supplies pile up in the warehouses, undelivered to the needy and the hungry.....disregard of agreed policies... results....in the sale of basic foods while many people die..."
(Letter to Director General La Guardia by 300 UNRRA officials)

After this letter, La Guardia declared an embargo on UNRRA supplies, and for a few months no more was shipped to China except on "call forward" orders. CNRRA reacted with hurriedly transferring the accumulated supplies from Shanghai to warehouses in the provinces where they remained unused. Essentially nothing had changed at the time when shipments were resumed, and the situation remains the same even now.

(and to vast much (100) in Shanghai) much the
UNRRA and CNRRA, instead of distributing flour in the famine areas, conceived the plan to dump it in the black market "in order to lower the prices". The result was that UNRRA flour was cornered by racketeers who resold it at huge profits in Shanghai and in the interior. As it was quite clear that a much greater quantity of flour would have had to be available for effectively lowering the market price it was also obvious that the whole plan was only a blind to cover up operations on which private individuals made millions of dollars of profit until the scandal became so glaring that a few leading UNRRA and CNRRA officials had been forced to resign, and the black market

*This was
finned up
is most
also
remains
over it*

operation was, at least officially, stopped.

After the flour sales were stopped, flour earmarked for the famine areas in Hunan could not be transported because the Nationalist military requisitioned every truck, ferry, ship and train in the country.

The famine in Hunan was mostly due to excessive taxes and requisitions of rice which were taken out from the province by the Nationalist military authorities for shipment to the army. Even while the famine was at its worst and some UNRRA flour reached the starving area the exports of rice never ceased and the quantity of UNRRA flour brought into the famine area was far below the total exported by the army.

Even at present, midsummer 1947, there is a famine brewing in Hunan, Kwangsi, North Kwantung and North Anhwei. At the same time there are 120,000 tons of UNRRA flour undistributed in the local warehouses.

Highly characteristic is the situation of Anhwei, the southern part of which is a rice producing surplus area, while the north has a rice deficit. Military requisitions of foodstuffs in South Anhwei were so heavy that all UNRRA flour was kept in the south in order to make up for the artificial deficit, and no relief flour was left to make up for the genuine deficit in the north of the province.

UNRRA officials are aware of the fact that the accumulation of supplies in Shanghai and provincial warehouses, has the purpose of freely disposing of these supplies for military and political purposes and for the purpose of enrichment of private individuals after the termination of the UNRRA China Mission's activities in autumn 1947. Although there is not much restriction for such misuse of supplies now, the Nationalist Government feels that, as its general situation worsens, it needs full freedom from observation and criticism to integrate the use of UNRRA supplies with its civil war effort and with its bureaucratic monopolies.

The handling of UNRRA supplies in Nationalist territory proves, that while supplies are withheld from the people in Liberated Areas by the method of "blockade by all means", they are also not made use of in the interest of the people in Nationalist area but they are used solely for the strengthening of the civil war army and the Nationalist Government's civil war clique, and of high Government officials and their bureaucratic capital. A few examples are given below.

All of UNRRA's fertilizers (with exception of that delivered to Formosa) were sold to the 'Farmer's Bank', owned and controlled by Mr. Chen Li Fu's CC clique which resold it at a huge profit. Even the 'free fertilizers' turned over to the Farmer's Bank were reportedly sold by the Hsien magistrates to the peasants and some, if not all, of the Ammonium Sulfate fertilizer was used to make gun powder.

The same Farmer's Bank, under contract dated April 3rd, 1947 received all of the cotton gins, oil presses, flour mills and some of the 'Community Canning Plants' practically for nothing which gives to the Bank a free of charge monopoly on this kind of production.

The Farm shops are also under the bank's thumb via the phony 'National Agricultural Engineering Corporation.'

Apart from the fact that the paper work involved in the transaction is not yet finished, the Fisheries program, via the Fisheries Rehabilitation Administration will be in the same boat. (See Appendix D for details.)

sounds reasonable

Right - recent news - paper article - cites date - months of UNRRA work - that it is men made

Don't least so they say do what they please with it - what ever that may be

How UNRRA creates more and greater problems for China than she solves will be shown in the chapter of the Yellow River. This flagrant case of direct assistance to Chiang Kai-shek's Government and army by UNRRA and the wilful disregard of an emergency, which did not exist until CNRRA/UNRRA created it, deserves a chapter of its own.

*Regardless of Authenticity of
instances reported here, such misuse
is amply documented.*

CHAPTER VI

YELLOW RIVER

UNRRA's Yellow River Project has been given world-wide publicity. It was a one-sided publicity which presented the Yellow River operation as a humanitarian undertaking - as a huge land reclamation project - but which omitted to give to the world a picture of the developments, twists and influences by which the project became an important feature of the Nationalists' civil war strategy and a scourge for the inhabitants of the Yellow River area.

In 1938 many thousands of peasants were drowned, millions of mou of land in three provinces were flooded in an attempt to stem the advance of the Japanese by means of a wilful destruction of the Yellow River dikes near Hua Yuan Kou in Honan. The peasants of Honan, Anhwei and Kiangsu had to pay dearly for a desperate strategy which preferred to be passive against the Japanese, but active in making the peasant shoulder the burden of the war.

When the Yellow River project was discussed first in Washington in 1944, it had possibly been conceived as an effort to partially make up for what the disastrous wartime strategy had done to the people. That, at any rate, was the understanding on which the governments of the Liberated Areas, in whose territory is situated by far the greater part of the Lower Yellow River bed, agreed to cooperate.

The Nationalist Government, however, used UNRRA's assistance and UNRRA's connivance to bring about a situation in which, by way of closing the gap in the Yellow River dike in Nationalist territory and obstructing the rebuilding of the dikes of the lower bed in Communist territory, the Nationalist army hoped to use the same stratagem it had used against the Japanese: the flooding of millions of peasants and their homes, the creating of misery in a whole province and the hampering of the movements of the Liberated Areas armies through a man-made flood.

On April 18, 1947, Mr. Li Yu, Chairman of the Shantung Liberated Areas Government, wrote to General Edgerton:

"Since March 15 when the water first came down, more than 200 villages and some 1,200,000 mou of fertile land have been flooded. We, of the Government and the people of the Liberated Areas, are doing our utmost to control the situation and to avert disaster. . . But our people's effort of reinforcing the dikes have been repeatedly obstructed and opposed by Chiang's troops . . ."

The Nationalists hoped that in this environment of flood and misery their armies would be able to conquer and to wreak vengeance on the people of the Liberated Areas.

The land reclamation project became a project of drowning the people and of destroying their homes and crops; how it became a threat to a whole province is marked by the following milestones:

(1) A meeting was held at Nanking with representatives of the Government, CNRRA, CLARA, UNRRA and the National Conservancy Commission where, on May 18, 1946, the "Nanking Agreement" was

in the bed - out of it?

Phooey

drafted stipulating that dike repair and resettlement work would be guaranteed by the Government at its expense, in coordination with the dam construction, and that water would not be diverted until and unless competent engineers surveyed the dikes and pronounced them safe. Instead of carrying out this agreement, the National Conservancy Commission announced that the dam would be completed by July 15th and the river diverted. For this purpose, a three-man Commission was appointed representing CNRRA, UNRRA and CLARA, charged with the task of removing the people from the river bed and resettling them elsewhere. This Commission made a field study early in June and reported that in view of the proposed completion of the dam by July 15th, insufficient time remained for repairing the dikes and orderly removal and resettlement of the river-bed residents. The Commission recommended postponement to December of the closure of the "gap", as the dam construction was called, in order to effect a planned resettlement job and avert a costly emergency relief operation. It pointed out also that 800,000 acres of land were under cultivation and, in a food deficit world, the destruction of this valuable crop would add more misery to an already overburdened country. Postponement not only would make the dike repairing possible and insure freedom from hunger for millions of people in the Communist areas but would also provide a store of food for the 450,000 river-bed people until their planned resettlement was accomplished.

Both CNRRA and UNRRA repudiated the report of the three-man Commission. They urged immediate removal of the people while the gap closure was proceeding. The Commission was instructed to return to the field and fulfil its original charge. Fortunately for the river-bed people, early in July, the rising waters of the Yellow River destroyed a considerable portion of the trestle from which stone was being dropped to fill the gap, thus forcing postponement of the closure.

(2) In a series of meetings between the top CNRRA, UNRRA and CLARA representatives another agreement was reached at Shanghai on July 27, 1946 calling for (a) repair of the dikes in the Communist area and payment by the National Government for labor and materials supplied by the Border Government; (b) payment in four monthly installments, August - November, of 15 billion dollars CNC minimum and 22.8 billion maximum, based upon recommendations of the Three-man Commission for resettlement of the river-bed people; (c) closure work to be synchronized with the above two aspects of the job and no final closure to be undertaken until engineers had approved the conditions of the dikes and unless the river-bed people had been removed as planned. The agreement was then submitted to the Government for acceptance. As usual, nothing was done by UNRRA-CNRRA and the Nationalist Government.

(3). On November 23, 1946, in the office of the Director-General of CNRRA an agreement was reached which provided for the payment of the 15 billion for the relief and resettlement of the Yellow River inhabitants not later than the end of January 1947. The agreement was broken.

(4) On February 7, 1947, an agreement was reached which specified:

" . . . The date of the final closure of the gap should be determined by a mixed conference which would decide on the condition of the lower river bed dike repair work and on the state of the relief and resettlement program along the lower river bed . . . Flooding of the lower valley should be avoided . . . The government should consult with the Communists about the closure date before final steps are taken for the gap closure."

The agreement was broken. The gap was closed without consultation with the Lower River Bed dike engineers on March 15, 1947.

The tearing up of the agreements did not take place without strong protests on the part of CLARA and suggestions for the avoiding of the disaster. CLARA wrote the following letter to the UNRRA China Office when the first news of the re-diversion of a part of the river reached the CLARA Shanghai Office:

"On December 27, 1946, the Nationalist Government had effected the diversion of the Yellow River at Hua Yuan Kou without consulting with our representative at Kaifeng and paying no heed to the lives of the inhabitants along the lower stream. In view of this grave situation, CLARA was forced to lodge a solemn protest with the UNRRA China Mission and proposed the following:

- ' 1. Immediately stop the work of the gap closure and water diversion, and determine the responsibility for the effected river diversion. In case the foregoing is not complied with, you are requested to redeem your promise of taking good care of the lives and property of the millions of the inhabitants along the lower stream by withdrawing UNRRA's

technical, supply and material aid to the Yellow River gap closure project.

- '2. In view of the fact that the Government repeatedly failed to carry out the agreements relating to the Yellow River project, and thus interrupted the dyke repair along the middle and lower stream and the displacement of the river bed inhabitants for five months, the closure of the gap at Hua Yuan Kou should be postponed for five months, so that the dyke repair along the lower and middle stream and the displacement and relief of the evacuees may be swiftly undertaken in accordance with the previous agreements. Should the foregoing fail to materialize, all the consequences that arise therefrom must rest squarely upon the Government.
- '3. The outstanding repair expenses be reimbursed by the Government without delay. The 15 billion CNC minimum amount of relief for the displaced persons be paid immediately. No delay under whatever excuses may be permitted.
- '4. The 66 billion CNC Yellow River project fund be distributed on a fair and equitable basis in proportion to the dyke length and the amount of work undertaken, that is, 60% of the total fund should be allocated to the Liberated Areas. The distribution now worked out by the Gap Closure Bureau is not fair, and consequently does not meet with our approval.
- '5. Since CNRRA is a Kuomintang-dominated agency, and has sabotaged our work in many ways during the past, the supplies and materials contributed by UNRRA be turned over to the Liberated Areas by UNRRA directly, without passing through the hands of CNRRA. "

Appendix E is a statement of General Chou En Lai from January 10th regarding the gap closure which was rapidly nearing its finish.

Each time an agreement was broken UNRRA should have withdrawn from the project. UNRRA did nothing of the kind but continued to lend its best engineers to the gap closure and poured supplies into it. When the gap was closed by the Nationalists, UNRRA should have stopped its program in the Nationalist area and should have concentrated exclusively on supporting the repair work of the Yellow River dikes along the lower bed and on the relief and resettlement of the Yellow River bed population. UNRRA did nothing of the kind; it continued supporting everything the Nationalists did and wanted.

The reason for that becomes clear from a study of UNRRA's own reports. Regardless of what the intention was in 1944, by 1946 and 1947 the Nationalists Government saw in the Yellow River Project nothing but an instrument for intensifying the civil war against the people in Shantung. The gap closure had not been hurried as long as there was a railway crossing the dry Yellow River bed over which the Nationalist army transported troops northward. In November 1946, as soon as the Nationalist generals

thought the transportation of troops northward had become strategically less important than the flooding of the people in liberated Shantung, which would "accomplish what it would take 40,000 of Chiang Kai-shek's troops to do", heavy pressure was brought to bear on UNRRA to speed the closure. UNRRA in its monthly report to Washington for November 1946 describes it thus:

"Military objections which had hampered the work in the spring (1946) because of the danger to the Nationalist military supply line to Hsien Hsiang by rail across the dry bed, were withdrawn and replaced by demands for rapid closure" (in December).

What on earth military objections and military demands had to do with an UNRRA land reclamation project the report omits to explain.

Military pressure became so heavy that the final gap closure, according to confidential reports by UNRRA engineers, took place entirely under the command of the Nationalist military authorities. In the best Time magazine style the UNRRA Agricultural Division's March 1947 report tried to justify what UNRRA and the Nationalist Government did to the people of Shantung:

"The outstanding event of the month was the closure of the Yellow River Gap at Hua-yuan-k'ou in Honan on March 15. The project was carried out by the Yellow River Commission with UNRRA equipment, foodstuffs and construction materials and with the assistance of UNRRA engineering and mechanical personnel. The basic term value of this accomplishment in the rehabilitation of this entire region was momentarily overshadowed by its immediate political and military effects. The final closure operation had been rushed under strong Nationalist military pressure and in disregard of agreements previously made with UNRRA and Border Region representatives.....Its immediate effect would be to divide the Communists' territory in Shantung and to restrict the movements of their armies concurrently with Nationalist military drives in that province, and in the high-water season would flood the villages and agricultural lands in the river bed. Unless the dike work were permitted to be done, it would also create additional flood dangers along its course. Plans which UNRRA, CNRRA and Border Region personnel had made to alleviate the adverse economic effects of the river diversion, through orderly resettlement of the river bed settlers, the re-employment in agricultural industries, and the continuation of the dike repair work, had not so far been carried out. At the end of the month the river flow had increased 50 to 75 percent and some 76 villages in the lower river area were reported flooded, of which 36 were under water....Considerable dike work was done by the Communists in the early summer of 1946. Dike work after that time was made difficult by frequent Nationalist air attacks upon the dike workers."

Then follows the attempt of justification of the betrayal:

"But irrespective of the immediate political and military effects, the closure meant that the river was again subject to a measure of control such as existed prior to the war and that lands in three provinces would be available for the resettlement of 1-5 million persons as against a total of 250 - 400 thousand who stood to lose homes and farms in the river bed."

In the above statement we read what appears to be an objective review of the history of the project. It ends with the comparative benefit to "one to five million people as against 250,000 to 400,000 persons." Hiding behind these comparative benefits we are asked to disregard the military and political effects of the closure. The argument overlooks the fact that the Yellow River could have been diverted and made "subject to a measure of controls such as existed prior to the war", and that "lands in three provinces could have been made available for the resettlement of one to five million persons" and still the suffering of the "250,000 to 400,000 who stood to lose homes and farms in the river bed" could have been avoided if only the agreements between CLARA, on the one hand, and UNRRA-CNRRA and the Nationalist Government, on the other, had been kept.

UNRRA and Chiang Kai Shek would have a hard time proving that land reclamation was the objective of the Yellow River Project. Wide stretches of land in Honan had dried up long ago but not one seed of grain, and no tractors or implements were prepared and no efforts at orderly resettlement were made--while the gap closure proceeded and the rebuilding of the lower dikes was obstructed. Even after the closure of the gap no land-reclamation was effected.

The report also omits to reveal what in the world the "strong Nationalist military pressure" had to do with an UNRRA land reclamation project, and why UNRRA submitted to that pressure.

While the Nationalist Army using "UNRRA equipment, foodstuffs and construction materials and the assistance of UNRRA engineers and mechanical equipment," closed the gap at Hua Yuan Kou another part of the Nationalist Military Forces carried out the assignment of obstructing the work of dike repair and resettlement in order to make sure that the military value of the Yellow River Project--i.e. the wilful flooding of the liberated parts of Honan and Shantung --remain unimpaired.

Military interference with the dike work was of two kinds: shelling and attacking and killing the dike workers within the Yellow River dike emergency area, and the bombing and strafing of UNRRA relief ships in the Liberated Area ports in order to prevent technical help and supplies from reaching the people.

On January 5th, 1947, CLARA Chairman Tung Pi Wu stated that Nationalist troops were constantly interfering with dike workers in Liberated Areas, that they killed 24 dike workers and seized and destroyed supplies of the value of CNC \$ 26 billion and also established trenches in the dikes, thereby weakening them against the expected high water. In eighteen days from January to February 1947 alone 92 dike workers were killed or wounded.

Military interference in the Yellow River Area is enumerated in a report by an UNRRA official who visited East Shantung in May and June 1947 and who passes on the following information:

"The worst aspect.....was the continuous record of military interference by the Nationalist military. (On a trip to West Shantung in February I saw a great deal of the strafing by Nationalist planes along the river bed).....Planes have come often strafing dike workers. As a result almost all dike work is called off between 9 a.m. and 3 p.m....."

The second source of interference is the area adjoining Nationalist territory near Tsinan and in sections in West Shantung. Interference was by artillery or raiding troops.....the third source was by secret agents of the Nationalist Government in Communist territory----especially as a danger to their officials..."

The incidents involving the bombing and strafing of UNRRA relief ships and the wounding of crew members and the killing of CLARA workers are known. Known also are the ineffective and deceptive orders of Chiang Kai-shek and his Chief of Staff in promising safety to ships taking relief supplies to Liberated Areas. CLARA informed the China Office by letter of the following report:

"Protest cable to CUC Chefoo received from Lee Rehgn Fong, Director CLARA Pohai Area, on three days strafing and bombing, June twelve, June thirteen, June fourteen, when M/V Wan Sze and M/V Wan Ching unloaded relief supplies in Yangchiakou. Losses: One man killed, two men wounded, one barge sunk, two motorboats damaged, three trucks damaged, several junks damaged. Fourteen civilian houses, used as warehouses, destroyed. Other houses damaged by bullets. Losses relief supplies: four distillators, one generator, twenty cases of covers and bottoms of water tanks, twenty-two drums lubricating oil. Losses clothing, cotton piece goods, planks, structural frames, spare parts for tractor, river instruments, shovels, difficult to estimate; burnt."

Each time a bombing occurred shipping was paralyzed for weeks and months. Then followed another of Chiang's empty promises like the one printed three weeks after the incidents of June 13, 14 and 15 in the China Press of July 3:

Nanking, July 2 (Central News Agency)--"Chief of Staff Gen. Chen Cheng, in a letter yesterday to Director of UNRRA's China office Harlan Cleveland, expressed regret over the "unfortunate incidents" in which UNRRA ships on the Yellow River were attacked by Government planes.

"He will see to it, Gen. Chen said, that there will be no recurrence of such incidents."

Each time a bombing occurred UNRRA should have withdrawn all support for the UNRRA program in Nationalist Area until the successful completion of the Yellow River dike repair, relief and resettlement program; UNRRA preferred to submit to the Nationalist blockade against the Liberated Areas and to continue its support to the Nationalists.

If it was the military objective of the Chinese air force to prevent supplies from reaching the dike workers before onset of the flood the objective has been achieved. The resulting situation was sketched in a letter from CLARA to the Director of the UNRRA China Office on June 19:

"According to incomplete preliminary statistics received by this office hundreds of lives were lost, 463 villages have been inundated and 113,580 people were rendered homeless. More than 700,000 rooms were damaged and 4,934,779 mou of land have been flooded, including 990,995 mou of wheat land from which a rich harvest was expected. The loss is valued at CNC \$600,709,075,000; not including the incalculable value of personal property and effects which were abandoned as well as lives lost.

"....The tale of disaster is not yet finished, however; the arrival of the flood will threaten a total of 1,200 river bed villages and 400,000 people."

And the UNRRA official already quoted gives the following illustrations:

"Present situation of the refugees.....The people complained that their Government stocks had already been consumed. Food in the houses was often unusually poor. The Hsien Magistrate, who impressed me well, and who gave an especially moderate description of conditions, said that there were beggars in this hsien for the first time in three or four years."

The Nationalist Government did its worst to aggravate the situation; New China News Agency, July 9th from the Shansi-Hopei-Shantung-Honan Border Region cabled:

"In spite of economic difficulties and military threats, the people have now completed the emergency repair work on the 500 li dyke from Ta Su Chuang, Chang-yuan to Niu Chao Chuang, Ch'i Ho. During the thirty days before and after the wheat harvest of this year, 300,000 people contributed 9,000,000 working days to accomplish this project. However, Chiang Kai-shek's Army has continually bombed, strafed and shelled the dyke-repairers with the aid of American-made airplanes and artillery. 96 innocent dyke workers were killed during the 25 working days in May and June. Chiang's Army has further occupied the dykes around Chang-yuan, opened a gap there for the coming flood and prevented the repair work on the weather-beaten, useless 10 li long sand dyke from Ta Su Chuang to Ta Hsin Chi, thus threatening the lives and property of the 7,000,000 people living along the Yellow River with an unprecedented catastrophe.

As there are now less than 20 days before the summer flood, we urgently appeal to the whole world to firmly insist that the Kuomintang immediately stop its cruel destruction and repair the dyke at Chang-yuan. We urge UNRRA to withdraw from further aid to Chiang Kai-shek and assist the local people in repairing the dyke; and to implement Shanghai CLARA's Emergency relief program. The fate of 7,000,000 fellow countrymen depend on the decision of Chiang Kai-shek and the action of UNRRA. If these people are killed, we hold Chiang and UNRRA jointly responsible."

CLARA's letter of June 19, did as many others before it, included a comprehensive program proposed to UNRRA for immediate action dealing with the Yellow River emergency. It refers in exact and well documented figures to the relief needs of food, dike repair materials, shelter, life-boats, clothing, and medical supplies, and to the needs of industrial equipment and handicraft tools, transportation facilities by road and water, fishing equipment and agricultural equipment as the supplies necessary for rehabilitation and resettlement of 400,000 people. This program, like many others had been before, was disregarded by UNRRA.

The people were not taking it lying down.

The people's efforts to deal with the emergency to which UNRRA exposed them and in which they were abandoned by UNRRA are described in the UNRRA official's report:

"Everywhere I had the impression that dike repair was by far the most important concern..... The dike repair is an all out affair. One hundred thousand workers were employed in the Po Hai area alone. They would never allow discussion in terms of what the situation would be if the dike repair were unsuccessful. It simply had to be successful...The dike repair is concentrated on 43 danger spots...In Ken Li hsien, at the mouth of the Yellow River....a whole new dike had to be built....The new dike is considered insufficiently high if the waters come high....Director Chiang....explained they would have built it higher but for lack of food for the workers....Morale seems very high....I have never before seen such a concentration of labor...The Government asks assistance in supplying food to the dike workers....A major problem has been that the enormous amount of dike work has been a drain on their manpower for agricultural work and it has been necessary to organize women and children to fill the gap as much as possible."

On June 18th UNRRA proposed a truce between the Nationalist and the Liberated Areas troops in the Yellow River Area. UNRRA observer reports and the very facts of the emergency and the impending flood disaster were so impressive that UNRRA accompanied its truce demand with a document which intended to read like an action document but in reality was nothing but an attempt to explain away UNRRA's responsibility for the situation which had arisen and to justify its inactivity in the question of the badly needed supplies. Whatever would have stopped the bombing and strafing of dike workers would have been welcome. But the attacks on the Yellow River dike workers and on the relief ships by the Nationalist air and ground troops was no reason for UNRRA not to send supplies to the Liberated Areas-- although it was a good reason not to send supplies to the Nationalist areas.

The appeal recommended:

"3) That an emergency program for this area be developed, approved and implemented as swiftly as possible."

An emergency supply program was developed long ago and proposed to UNRRA repeatedly; the final program was proposed on June 3rd. It was up to UNRRA to approve it immediately and to implement it. So far there was no sign of that. But the Yellow River inhabitants needed supplies right then.

The UNRRA document proceeded:

"4) That all groups concerned undertake to carry forward the completion of necessary dike work in their respective areas with utmost energy and determination."

As can be seen from UNRRA reports there was nothing wrong with the energy and determination of the people in the Yellow River district. What was lacking seemed to be UNRRA's energy and determination to shoulder its responsibilities and to allocate and ship supplies sufficient to deal with all aspects of the emergency.

"5) That this emergency program be explained to the local populace and that the inhabitants of the delta area, which prior to the war was never protected from flooding be advised to evacuate the area as quickly as possible."

You were never protected before; now that UNRRA has closed the gap, run for your lives! That was what UNRRA had to offer to the people; and the explanation of an emergency program which UNRRA was not carrying out. The Yellow River people knew what was happening to them. No explanation was necessary.

The Yellow River area had in the past suffered from too many surveyors, observers and reporters and from a lack of real help. A delegation wasn't going to do any good. What the Yellow River Area needed were supplies. They were demanded then and are demanded even now.

Let there be no mistake. This demand is different from the cries of help which got to America from various quarters in this country. The UNRRA program has been drawn up as a relief and rehabilitation program for the 260,000,000 people who are living in the former Japanese-occupied area. The total supply program asked for was based on this figure which included the 140,000,000 people living in the Liberated Areas; these 140,000,000 people have a right to the supplies under the program and under the Basic Agreement. The two percent of supplies sent so far are nothing but a mockery of the needs of the 140,000,000. In the case of the Yellow River there is UNRRA's added responsibility as one of the originators of the disaster. Or as the UNRRA observer put it:

"The people in this area consider themselves as something more than petitioners to UNRRA for assistance after a calamity. They consider this as a process of UNRRA partially making up for a damage it was instrumental in causing...."

The report of the UNRRA surveyor describes the attitude of the people in the Yellow River area towards UNRRA in the following terms:

"They consider that UNRRA could have prevented the Nationalist Government from closing the gap before a dike repair and resettlement work had been completed. Some even feel that UNRRA joined the Government in a conspiracy..(and that the people have the) "conviction that the United States does control UNRRA policy. This is particularly unfortunate here where American constructed planes are a continual menace--especially along the river course."

As with UNRRA's help a flooded area was created in liberated Shantung, where there were rich farms and crop-bearing fields before; as with UNRRA's help an emergency was created which calls for urgent relief where the people were self-supporting before; as with UNRRA's acquiescence CLARA's efforts to avoid the crisis were sabotaged and as UNRRA disregarded CLARA's protests; as the Yellow River resettlement program is being sabotaged and the emergency which UNRRA created remains unrelieved, and as that happens under the bombing and strafing of American made planes and under heavy pressure of the Nationalist military who in turn have the help of the U.S. Government--is it to be wondered at that the people think that all this happens because UNRRA has been degraded from the status of an international institution to that of an instrument of the American State Department and of an executive organ of the Truman doctrine in China?

CHAPTER VII

UNRRA-CNRRA's TWO PERCENT POLICY

This is becoming increasingly apparent

UNRRA has been forged into an instrument of American Imperialist policy. CNRRA is an instrument of Chiang Kai Shek's civil war effort. Relief and rehabilitation in both Liberated and Nationalist areas cannot therefore be carried out successfully by either organization. This is why over forty percent of all UNRRA supplies are still undistributed and kept in regional godowns in the various provinces of Nationalist China; this is why UNRRA supplies are turned over to provincial authorities wherever regions are being closed up as in Hangchow and Tsingtao; the provincial governments sell them to private banks and firms which are tied up with the government's bureaucratic capital. And this is why only two percent of all supplies have reached the Liberated Areas. *political*

The using of UNRRA as a tool of American imperialism did not go entirely unopposed. There were individual officials in UNRRA (see Appendix G) and CNRRA who took their duties seriously. But such CNRRA officials were threatened with the secret police wherever they showed a tendency towards impartiality. Even UNRRA members were put under pressure by Nationalist Government officials; they were warned of what could happen to them if they stayed in China after UNRRA's withdrawal. In the case of several members of the UNRRA China Mission who voiced their disagreement with the discrimination practised for political and military reasons UNRRA, at the request of the Nationalist Government, found means to separate them from their jobs. Personnel assigned by UNRRA to work with CLARA were soon isolated by the administration if they showed any enthusiasm for their work. *one maybe?*

There were strong reasons for using UNRRA for the purpose of American imperialist policy. Although there was plenty of direct interference in the Chinese civil war by the American Army and by the American State Department, such interference was clearly resented by the Chinese people; moreover it left American policy wide open to the charge of meddling into other countries' internal affairs. UNRRA seemed to be an ideal instrument of camouflaging American assistance to Chiang's civil war as post-war relief. *?*

The Basic Agreement is a proof that the idea of UNRRA was originally conceived as a sincere effort to combat the destruction and misery of the post war period; as an effort of helping the people who had suffered and lost so much while they were fighting for democracy and against fascism. In order to make a tool of American imperialist policy out of an international organization so conceived, the Basic Agreement had to be bent and broken.

Whether or not the sincere and honest efforts of many UNRRA individuals yielded any results, CLARA takes this opportunity to thank them most heartily on behalf of the people in the Liberated Areas.

This assistance was given under conditions that almost make it impossible to see results. CLARA is only fighting against the "two percent policy-making body" and such policy that is used as a camouflage for the interference with the internal affairs of China as "impartial post-war relief and rehabilitation".

What do the People in the Liberated Areas Think?

Obviously, American-made planes, piloted by American trained flyers, shooting American ammunition are bound to produce a bitter reaction. American-made locomotives and box-cars hauling American-equipped troops to the fronts do not go unnoticed by the people, particularly since such equipment had been sent to China for construction and not destruction. When hundreds die for lack of medical supplies; when epidemics are treated by political discrimination instead of by inoculations; when drug and instrument-hungry hospitals receive foot-powder instead of healing medicines and surgical equipment; when Chinese children lie in bed for months on end in the winter for lack of clothing--what do the people think when they know that their sufferings could be alleviated by the shipment of supplies now stored in bulging warehouses all over China, except that American policy deprives them of the life-giving gifts contributed by a generous world?

Friendship for the American people continues because the Chinese people believe friendship between them exists, but they draw a line between the American people and the present American policy. They demonstrate against it because they are bitter. Chiang Kai-shek and Truman are sitting in the same tank for which UNRRA has provided part of the fuel, and the people recognize their common enemies. They do not believe that either or both of them will prevail, but they must measure ultimate victory by the deaths of their sons and daughters.

CHAPTER VIII

IS CHIANG'S MOBILIZATION ORDER EXTENDED TO UNRRA?

On July 6, 1947 Chiang Kai Shek announced his Mobilization Order. UNRRA and CNRRA proceeded with the loading of two ships for Liberated Areas under the old policy of two percent for the Border Regions and 98 percent for the Nationalists. On July 9, 1947, when the ships were ready for departure the Ministry of Defence notified CNRRA that Chefoo and Shihchiuso (Shantung Liberated Area ports) were not safe to receive CNRRA supplies. On July 10th a message was received from a CWT vessel at Yangchiakou (Yellow River port) that a Chinese Navy vessel had prohibited the unloading of trucks destined for dike repair. In June the Nationalist Army had refused permission for a barge convoy in Tientsin to proceed down the Grand Canal for entry into the liberated part of Hopeh. On the 10th of July the Chief of Staff of the Nationalist Army notified UNRRA that personnel working in connection with dike repair (in Honan and West Shantung) could not be protected and should be evacuated. Already, before this date, the Nationalist Army had refused to permit any supplies from being transported via Kaifeng in Honan and across the Yellow River for the repair of dikes. With these measures all possible routes into the Liberated Areas were closed. If the Mobilization Order for an all-out civil war (in fact Chiang's all-out civil war against the Chinese people has been in existence for more than a year) was to supersede the Basic Agreement and the promise of fair and non-discriminatory distribution, which the Nationalist Government had solemnly signed, what is UNRRA going to do? If the Nationalists think that sabotage of the Basic Agreement which has, during the past two years, led to the two percent policy, is not far-reaching enough to suit the military, political and economic situation in which Chiang Kai Shek finds himself after two years of civil war, and has therefore to be replaced by an all-out blockade and by an open and final tearing up of this agreement--is UNRRA going to stand for thus being mobilized for Chiang's civil war? Is UNRRA going to give up even the effort of fulfilling the two percent policy, giving henceforth one hundred percent of its supplies to Chiang? Or is UNRRA going to confront Chiang's government with the choice to either cease military interference or to see UNRRA ceasing all operations in China and leaving the country, not without telling the world the true reason for this action. It is up to UNRRA to decide now.

On July 15, 1947, Ling Chung, Acting Director of CLARA Shanghai Office in a letter to Mr. Harlan Cleveland, Director of UNRRA China Mission declared that

"The China Liberated Areas Relief Association hereby solemnly states that CLARA, on behalf of 140,000,000 people in the China Liberated Areas strongly opposes

Under presents
circumstances
these paragraphs
represent not
CIARA alone
Large portions
of the UNRRA staff
are extremely
dissatisfied.
They have ideas
quite similar
to these as to
the inadequacy
of current re-
sources &
ask to the
stronger mea-
sures needed.
Some of their
ideas
beyond CIARA
as given here.

anyone who, under the pretext of Chiang Kai Shek's Mobilization Order and the decree of the blockade of the Communist ports, recommends discontinuation of relief and rehabilitation operations in Communist territories on the one hand, while giving all UNRRA supplies for the support of Chiang Kai Shek's civil war...

"Since UNRRA has given almost all its supplies and services to relief and rehabilitation in Chiang's controlled territory in the past two years, CIARA believes it has good reason to request that UNRRA should make good use of the very short period.....the three months to come...for the concentration of all of the remaining supplies and services for the relief and rehabilitation of the people in the Liberated Areas, especially for the assistance to the emergency relief of the Yellow River district. This appears to be the final test as to whether or not UNRRA is really fighting for the implementation of the non-discrimination policy. Therefore, CIARA would insist on the transfer by CNRRA of all UNRRA supplies in Nationalist territories to UNRRA. The latter should undertake to ship them to Liberated Areas. CIARA also insists on immediate stoppage of shipping of UNRRA supplies from foreign ports to Nationalist ports and that such supplies should be diverted to Communist ports directly from abroad..." (See Appendix F).

Two days later, on July 17, another letter addressed to General Rooks, UNRRA Washington, the Representatives of the UNRRA Member Governments in the C.C.F.E., and the Director of UNRRA China Mission with the following statement:

Such ideas
have been
expressed
formally to
Cleveland
for forwarding
to D.C. by a few
of the top key
personnel.
That such
ideas are en-
dorsed by much
of the rank &
file has also
been sent up
thru channels

"The road for this course of action (as it is mentioned above) is open. The provision was made that UNRRA should have the duty of direct operations in any area where the Government of a country has no de facto administrative authority, and the right to establish direct relations with the de facto authority of such areas. The applicability in China of this provision, in the case the Nationalist Government should be unable or unwilling to effectively distribute UNRRA supplies in the Liberated Areas, has been acknowledged by a letter of the Director General of CNRRA as the representative of the National Government at an earlier stage of the discussion of the problems of distribution between UNRRA and CNRRA. Therefore UNRRA China Mission has the legal duty of taking the course of action proposed above.

"In case the Nationalist Government should use its military forces to prevent UNRRA from executing its duty of extending relief and rehabilitation to the Liberated Areas in this way the only course left open to UNRRA would be complete withdrawal from China.

There may
be more direct action by R & F in next few days to
express itself more favorably.

"Any other solution would be a retreat of UNRRA in the face of the Nationalist Government's civil war mobilization order. It would, in fact, mean that the mobilization order was extended to UNRRA, that the UNRRA China Mission has been mobilized by Chiang for waging the Chinese civil war against the Chinese people on the side of the Nationalist Government. The proposals of withdrawing from North China, or from the Liberated Areas, and to continue UNRRA activities in any part of the Nationalist Areas would mean such a bowing down of UNRRA before Chiang's mobilization order."

The above mentioned CLARA demand is made as an appeal not only to the organizations which are addressed by this declaration but also to all people of the United Nations which have contributed to UNRRA funds. CLARA appeals to them to watch that UNRRA funds are distributed in China in the spirit in which they were contributed, or that UNRRA activities cease in this country lest UNRRA be mobilized by order of Chiang Kai-shek against the Chinese people.

CLARA believes the people of the world will not be privileged to know the truth from any document or report drafted either by CNRRA or UNRRA, and therefore submits this statement as the responsible agency concerned with relief work in the Communist areas of China. It wishes to emphasize that the peoples of the United Nations have been misled by some of their representatives who disregarded the principles for which their sons and daughters fought and died. CLARA warns its friends throughout the world that freedom is difficult to attain, as the struggle in China illustrates, and that once attained, it is necessary to protect it constantly against the ever-present reactionaries whose political objective is Fascism. No means are too foul, nor is any decent impulse too sacred for enslavement of the people.

The attainment of freedom is only momentarily delayed by UNRRA in China despite the military and political use of relief supplies. The soldiers and civilians now being killed by American planes, tanks and guns with American bullets by American-trained armies will not have died in vain, because their survivors and friends understand the meaning of intervention and will continue the struggle for freedom. CLARA hopes, finally, that the peoples of the United Nations will learn the basic lesson from the UNRRA China experience--that their generosity can be betrayed by a smoke-screen of fine words behind which people fight and die; that relief can be used for destruction as well as rehabilitation and that their dollars, francs and pounds given for food and medicine might become bullets, unless safeguards are employed to guarantee their proper use.

This publication cannot but end with an appeal to the people of the United Nations to force UNRRA back to its original purpose; to see to it that UNRRA discharge honestly the task it has been charged to fulfill:

"That, in any area where relief and rehabilitation operations are being conducted through the employment, in whole or in part, of the administrations' resources, relief and rehabilitation in all its

aspects shall be distributed or dispensed fairly on the basis of the relative needs of the population in the area."

and

"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 supplies because of race, creed, or political belief."

We appeal to the people of the United Nations to insist that UNRRA withdraw from China if it cannot carry out the terms of the Basic Agreement. But regardless of whether or not they succeed, our people, who have fought domestic tyrants and foreign imperialists, will continue to fight until democracy is at last achieved in our country.

APPENDIX A.

The Preliminary Statistics of the Losses in Communist Areas During the 8-year War.

Communist Liber. Areas	People wounded & killed	People captured	Bereaved ones & invalids	Oxen, cows donkeys mules & horses (head)	Swine & sheep (head)
Shansi-Suiyuan	153,800	90,221	101,773	304,003	3,557,465
Shansi-Chahar- Hopei	484,899	299,820	391,749	570,222	1,687,086
Hopei-Jehol- Liaoning	354,468	388,122	241,500	362,720	4,242,267
Shansi-Hopei- Shantung-Honan	976,125	488,147	780,200	1,707,724	6,237,045
Shantung	895,714	1,260,000	1,267,833	2,900,000	29,600,000
Kiangsu-Anhwei	239,387	133,500	179,317	363,928	2,656,563
Central	71,730	100,340	1,200	97,520	301,150
Total	3,176,123	2,760,227	2,963,582	6,306,717	48,281,576

(Appendix A continued)

- 2 -

Preliminary Statistics (continued)

Communist Liberated Areas	Housing (room)	Foodstuff (piculs)	Clothing (pieces)	Agricultural implements & furniture (pieces)	War and Cala- mity victims
Shansi- Suiyuan	853,400	44,919,860	5,384,430	10,988,443	698,434
Shansi- Chahar- Hopei	1,876,695	101,353,604	21,132,530	24,411,357	2,315,455
Hopei- Jehol- Liaoning	2,921,840	166,404,857	9,300,000	18,000,000	2,050,994
Shansi- Hopei- Shantung- Honan	4,880,113	274,513,211	65,932,165	80,412,614	3,710,038
Shantung	5,800,000	493,000,000	87,000,000	77,674,800	11,107,000
Kiangsu- Anhwei	2,966,350	62,079,284	40,879,162	11,208,867	4,384,615
Central	220,310	7,138,470	unknown	unknown	1,500,000
Total	19,518,708	1,149,409,286	229,628,287	222,696,081	25,766,520

Notes:

1. Manchuria, Shensi-Kansu-Ninghsia Communist Liberated Area and Kalgan and Weihaiwei cities are excluded. Damages of communications, medical, sanitary and public-welfare installations as well as losses caused by floods and droughts are also excluded.
2. The lost domestic animals in Shansi-Suiyuan Communist Area involve 200 head of Dutch milk cows and 12,600 head of sheep of foreign species. These in Shantung Communist Area involve the loss due to under-production.
3. The foodstuff unit, picul, is equal to 100 catties in all areas except Kiangsu-Anhwei. The foodstuff loss in Shantung Communist Area involves that due to under-production.

(Appendix A continued)

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4. Extra losses:

- a. Shansi-Suiyuan Communist Area
6,340 handicraft factories, 200 coal-pits, 17 sets of machines, 19 industrial factories, 25 dams, 27,779 spinning wheels, 550 sets of gins, 8,256 looms, 354 water-wheels, 1,000,000 pieces of valuables, 14,700,000 yards of cloth, 52,460,000 catties of hay, 6,000,000 silver dollars.
- b. Kiangsu-Anhwei Communist Area
30 electric machines, 36 canal dikes, 255 automobiles, 75 steam-boats, 6,862 junks, 4160 telephone apparatuses, 6,978,33 meters of electric wire, 8,677,670 trees.
- c. Hopei-Jehol-Liaoning Communist Area
146,664 sheets of ox skin, 4,456,294 sheets of sheep skin, 11,041,071 catties of wool, 182,317,000 days of work not paid.
- d. Shansi-Hopei-Shantung-Honan Communist Area
2,928,000,000 days of work not paid, 363,000 women raped, 122,000 of them suffer hereby from venereal diseases.

Table of Losses of the Shantung Communist Liberated Areas
During the Anti-Japanese War
(based on incomplete data)

Classification	Quantity Lost	Unit	Value CNC \$
Foodstuff	49,300,000,000	catty	2,455,000,000,000 ^{1/}
Ox, Cow, donkey, mule and horse	2,900,000	head	145,000,000,000 ^{1/}
Swine and Sheep	29,600,000	head	296,000,000,000 ^{1/}
Domestic Fowl	145,000,000	head	43,500,000,000
Agricultural Implements	64,674,800	piece	175,407,000,000
Irrigation Implements	400,000	piece	2,000,000,000
Furniture	13,000,000	piece	26,000,000,000
Spinning Wheel	320,000	set	224,000,000
Loom	150,000	set	3,750,000,000
Brewery iron kettle	2,200	set	33,000,000 ^{2/}
Brewery tin kettle	2,200	set	440,000,000 ^{2/}
Wine	2,500,000	catty	1,175,000,000
Oil press kettle	3,166	set	31,660,000 ^{3/}
Vegetable oil	32,160,000	catty	6,432,000,000 ^{3/}
Dyeing vessel	12,000	set	36,000,000 ^{4/}
Indus. Works	839		5,572,950,000
Mines			454,548,412,000 ^{5/}
Shop	16,918		79,763,400,000
Fishery & salt industry			48,978,030,000 ^{6/}
Railroad			128,666,250,000 ^{7/}
Highway			9,935,300,000 ^{8/}
Electrical communication			2,235,644,000 ^{9/}
Boat and vehicle			33,640,000,000
Housing	5,800,000	room	290,000,000,000
Clothing	87,000,000	piece	348,000,000,000
Brass and iron	300,000,000	catty	150,000,000,000
Total		CNC \$	4,706,368,646,000

Notes:

- 1/ Including the loss due to under-production.
- 2/ 2500 breweries were closed down by the Japanese.
- 3/ 6,332 oil presses were closed down by the Japanese.
- 4/ 3,000 dyehouses were closed down by the Japanese.
- 5/ Machines and other assets.
- 6/ Depreciation of assets and loss due to under-production.
- 7/ Rails, bridges, tunnels, and locomotives.
- 8/ Roadbed, bridges and trucks.
- 9/ Various parts.

REMARK: The above statistics were compiled early in 1946, about 6 months after the Japanese surrender at the time when the rate of exchange was 1,000 CNC for \$1.00 U.S. whereas, the present rate is officially 12,000 CNC to \$1.00 U.S. and 45,000 CNC to \$1.00 U.S. as sold on the black market.

MEMORANDUM

APPENDIX B.

TO: Mr. Fiorello LaGuardia, Director of UNRRA

Dear Mr. LaGuardia:

The UNRRA-CNRRA program, operating for more than a year in China, has failed to fulfil its announced objectives. It has been used as a political weapon; it has been marked by discrimination, inefficiency, unfair distribution and much actual corruption. It has been contrary to the resolution in the UNRRA Basic Agreement with China that reads "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."

Examination of the results of the UNRRA-CNRRA China program over a year show that more than 98% of the 1,282,089 tons of relief supplies unloaded in China since November 8, 1945 have gone to Kuomintang areas and less than 2 percent have gone to the Chinese Communist Liberated Areas. These Liberated Areas, with their population of 140,000,000 comprise more than half of the region that UNRRA was to operate in. They have suffered more and contributed more than any other areas in their eight years' war with Japan. War ravages and destruction in the countryside and in industry require large-scale agricultural and industrial rehabilitation, clothing, medical and communication equipment. An outline of the particular needs are attached with this communication.

In one of UNRRA's largest projects, the Yellow River Project, only a very small portion of the material and money have gone to the Liberated Areas although the major part of the area and population affected is in these areas. In short, all this means that a total of 26,000,000 estimated destitute are still practically without relief in spite of individual efforts of some personnel both in UNRRA and CNRRA. The often repeated excuse of "difficulties in transportation" is only a pretext to cover a deliberate policy of blockade by the Kuomintang government. The problem of transportation can be solved. The problem of relief being used as a political weapon must be overcome.

In that CNRRA has utterly failed to provide equitable distribution in the Liberated Areas and in view of the above facts, it is requested that UNRRA shall work directly with the China Liberated Areas Relief Association (CLARA) under a common agreement and that UNRRA will aid in helping and observing the relief work in the Liberated Areas. Only this type of direct relation-

(Appendix B continued)

- 2 -

ship and organization can guarantee that relief will be available for these needy areas.

Further, with this organizational set up, it will also be necessary to allocate remaining UNRRA relief supplies in China earmarking for the Liberated Areas a fair share of supplies in accordance with established needs, and delivering them to CLARA for distribution. Beside this, a fair share of the supplies remaining to be shipped in the UNRRA China budget should be given in supplies to the Liberated Areas and CLARA for distribution together with UNRRA only. It is understood that there will be an UNRRA Council Session held in Washington D.C. on December 10, 1946, which will decide on the remainder of the UNRRA China program. It is urged and thought essential that these and the following proposals be brought up for action by the Council Session. Since the Liberated Areas have suffered most during the war with Japan and have been the most neglected under the UNRRA/CNRRA program so far, they might fairly claim the major part of any supplies remaining to be distributed. In order to determine the precise value and quantities of the supplies to be delivered to Communist-led Liberated Areas, it is suggested that discussions be initiated without delay between representatives of UNRRA and CLARA for the purpose of agreeing upon a firm program of needs, with due regard to available supplies and transportation facilities.

The CLARA undertake to distribute in accordance with UNRRA principles and to give UNRRA every facility for the carrying out of the functions of collaboration and supervision.

In order to carry out the above suggestions and accomplish the necessary relief and rehabilitation work that UNRRA set out to do in China, it is requested that a delegate from CLARA be invited to attend the Washington December 10th, UNRRA Council Session and that before this delegate arrives, a CLARA observer, to be appointed in the United States, be permitted to attend the Council Session.

These proposals are made after serious deliberation and examination of the results of one year's work by UNRRA-CNRRA. They are put forward in the name of the vast areas needing rehabilitation and tens of millions of Chinese people needing relief. This problem is the common responsibility of all.

Chou En-lai
Head of the Chinese Communist
Party Delegation

Tung Pi-wu
Chairman, China Liberated Areas
Relief Association.

Yenan
November 29, 1946

APPENDIX "C"

June 3, 1947

The Honourable Major-General Lowell W. Rooks
Director General
UNRRA
1344 Connecticut Avenue
Washington, D.C.

Dear General Rooks:

During the past year and a half the Shanghai CLARA office has repeatedly indicated to UNRRA headquarters in Washington and to its China office the failure to fulfill the non-discrimination policy in the UNRRA operations in China. The CLARA office has on many occasions put forward proposals whereby the relief and rehabilitation program in Communist controlled areas could be implemented (vide cables from Generals Chou En Lai and Tung Pi Wu to Washington headquarters on December 4, and from Wu Yun Fu and Ling Chung to General Rooks on April 7, etc.). All of these suggestions have been ignored.

To date only about 2% of the entire UNRRA supplies which have reached China have been delivered to Communist controlled areas. A very large part of UNRRA supplies have already become a source of help to the Nationalist Government for the further prosecution of the civil war. Only a very small part of the supplies which came to China have actually reached the needy people in both areas. All this proves clearly the incapability of UNRRA to carry out their China program. This fact cannot be explained unless one considers as the main reason the serious extent to which the Truman doctrine has penetrated and dictated UNRRA policy in China. The non-discrimination policy seems thus only a camouflage used by UNRRA to cover the use of UNRRA supplies by the Nationalists for military purposes.

As early as last October we officially notified General Edgerton that the Defence Council of the Nationalist Government was attempting to enforce the closure of the Yellow River Gap for military purposes. This would have involved the sacrifice of the lives and property of several million inhabitants in the area. It was suggested this disaster could be averted, and UNRRA prestige enhanced, if UNRRA materials, equipment and technical assistance were withheld until the orderly removal of the people from the area and dike repairing had been effected, as was agreed upon by all parties concerned. General Edgerton, most regretably, appeared indifferent to our representations in the matter. The Gap was in fact closed in the middle of last March contrary to an agreement between CNRRA, CLARA and UNRRA that closure would not be effected without prior consultation of all parties concerned. As a consequence of the unilateral closure, disaster overtook countless poor people; hundreds were drowned and hundreds of thousands rendered homeless; a calamity for which UNRRA must bear its share of responsibility in the light of history. CLARA made the strongest representations to General Edgerton calling for an immediate emergency program for the stricken inhabitants. At the moment of writing this letter no move has been made in this direction. Surely this constitutes one of the worst blots on UNRRA's record of operations in China.

Further examples of UNRRA's lack of cooperation are listed below.

1. The original CLARA relief and rehabilitation program totaling \$175,000,000 U.S. has fallen woefully short of this amount. ✓
2. The CLARA staff has been reduced to five. In spite of appeals to UNRRA to prevent this nothing was effected. ✓
3. We requested from UNRRA the loan of 30 specialists to work with the CLARA office in Shanghai and locally, but this request was ignored. ✓
4. Our suggestion that there should be CLARA representatives on various allocation committees was turned down. ✓
5. Since the withdrawal from Nanking of the Communist Delegation radio contact between the Shanghai CLARA office and its headquarters and other offices has been cut off. Requests for assistance from UNRRA in setting up a radio station in Shanghai were ignored.
6. CLARA is not allowed to join in the selection of medical supplies that are needed for the people in our areas. ✓
7. CLARA office has no access to reports submitted by UNRRA personnel on field trips in Communist-held areas. - No

Similar examples of discrimination and non-cooperation are too numerous to mention.

We have the impression that UNRRA tries to suppress those of its personnel who remain loyal to the policy of non-discrimination, and forces the resignations of such personnel on the grounds that they are too prejudiced in favor of the Communist side. Protests, one signed by three hundred staff members of the UNRRA China office, in July 1946, and another one signed by a great number of senior staff members in April 1947, both denouncing the policy of the UNRRA China Mission which is discriminatory against the people of the Liberated areas, have been disregarded. General Edgerton has also tried to interfere with our press releases criticizing CNRRA's monopolization of UNRRA supplies and CNRRA's and UNRRA's failure to carry out the Basic Agreement. ?

We call the attention of the people of the 54 member nations of UNRRA to the above-mentioned facts, and protest once again against the unfair methods of the handling of the relief operations in Communist areas.

So little has been accomplished by UNRRA in the Communist-held areas that the people have started to lose their trust and confidence in UNRRA. Their requesting of relief and rehabilitation supplies through UNRRA can still be realized if, in the limited time left, something is actually done to help these people who have always been so discriminated against in the past.

We have been officially advised that the China Office is planning to intensify its effort to assure continued and increased shipments of supplies to the Communist-held areas. If it is intended seriously to attain a satisfactory objective and to avoid the pattern of past procrastination and disregard of CLARA, as well as the people in the Liberated Areas, we suggest the following minimum steps as indispensable:

(Appendix C continued)

- 3 -

1. The Washington UNRRA Central Committee should immediately call an emergency meeting based on the non-discrimination policy laid down by the UNRRA Council. This meeting should make an overall review of its policy aspects to find out the causes of its failures and try to adopt measures for correction. Washington headquarters should immediately instruct its China office to call a meeting of the same nature, and CLARA representatives should be invited to attend this meeting.
2. CLARA's representative should be invited to attend the Seventh Session of the UNRRA Conference, which is called to meet on June 15.
3. No more remaining UNRRA relief and rehabilitation supplies should be allowed to be shipped to Nationalist ports.
4. As only 2% of UNRRA supplies have been delivered to Communist control areas, we insist our supply program of \$175,000,000 U.S., submitted on January 8, should be put into force.
5. UNRRA headquarters, through its China Office, should be instructed to adopt effective measures to check up on those supplies still stored in godowns in Shanghai and various other places. Supplies which are needed by the people in our area should be shipped directly by UNRRA to our area for relief and rehabilitation purposes in general and for the urgent relief of the Yellow River inhabitants in particular.
6. Supplies still to be shipped from abroad, should be shipped directly from outports to ports in the Communist controlled area to be handed over to CLARA for distribution.
7. UNRRA China office should adopt all possible measures to help Shanghai CLARA office set up its radio station so that this office may have radio contact with authorities in Communist controlled areas.

Should these conditions in principle be acceptable as a basis of discussions Shanghai CLARA office would appreciate very much a meeting with UNRRA only in order to discuss operational problems in our areas.

Lastly, it is important that UNRRA directing officials in Washington be cautioned against the similarity of UNRRA performance in China and the Truman Doctrine. The UNRRA Council should take immediate steps to avoid even a semblance of such influence on the program and to force a positive implementation of the Council Resolutions and Policies.

Sincerely yours

Ling Chung
Acting Director
Shanghai CLARA Office

cc: Mr. Harlan Cleveland
Members of the C.C.F.E.

APPENDIX "D-1"

PORTION OF SUPPLIES CLAIMED FOR THE LIBERATED AREAS.

(Attached to January 8th letter to Gen. Edgerton)

Item	UNRRA China Budget (US\$)	Portion for the Liber. Areas (US.\$)	Percentage.
Food	135,500,000	20,025,000	15%
Clothing	95,900,000	28,770,000	30
Medical supplies	34,700,000	17,350,000	50
Ag. Rehab.	86,217,000	43,108,500	50
Industrial Rehab.	174,600,000	66,348,000	38
Freeze	10,700,000	—	—
TOTAL US\$335,617,000 US\$175,601,500			35%

1. AGRICULTURAL REHABILITATION

Item	Final US\$ Budget (U.S.\$)	Portion for the Lbted. Areas (US\$)	Percentage
Bags	2,550,000	1,500,000	59%
D & P Equipment	4,000	2,500	63
Fisheries	26,580,000	15,000,000	56
Farm Machinery	7,720,000	5,000,000	65
Fertilizer	16,900,000	5,500,000	33
Irrigation	7,000,000	3,500,000	50
Flood Control & Surprop	5,000,000	2,500,000	50
Food processing	1,900,000	900,000	47
Pesticides	860,000	456,000	53
Livestock & Harness	1,680,000	800,000	48
Hand tools	980,000	600,000	61
A.I.S.	200,000	100,000	50
Seed	1,400,000	700,000	50
Vet. supplies	538,000	250,000	46
Farm tool shops	7,515,000	3,700,000	51
Fertilizer plants	5,000,000	2,300,000	46
Agri. services	620,000	300,000	48

TOTAL:	US\$86,217, 000	US\$43,108,500	50%
=====	=====	=====	=====

APPENDIX "D-1"

2. INDUSTRIAL REHABILITATION

Item	Final US\$ Budget	Portion for the Lbtd. Areas	Percentage
Road transport	17,500,000	7,000,000	40%
Railways	29,500,000	9,000,000	31
Waterways	29,500,000	13,000,000	44
Telecom.	3,000,000	1,500,000	50
Public Util.	11,400,000	5,000,000	44
Building In.	25,800,000	12,000,000	47
Mining	6,900,000	2,500,000	36
Machine Repair Shops	9,900,000	5,000,000	51
P.O.L.	3,000,000	1,500,000	50
Consumers' Goods	200,000	100,000	50
Materials	10,600,000	5,300,000	50
I.R. Services	2,200,000	1,100,000	50
Physical Rehab.	100,000	20,000	20
C.W.T. Personnel	3,500,000	-	-
Hongkong CP	5,600,000	-	-
C.A.T.	3,000,000	-	-
Surprop	12,500,000	3,328,000	27
Escalator Hes.	400,000	-	-
TOTAL:	US\$ 174,600,000	US\$66,348,000	38%

3. CLOTHING

Item	Final US\$ Budget	Portion for the Lbtd. Areas	Percentage
Raw Cotton	61,250,000	5,000,000	8%
Raw wool	6,900,000	2,240,000	32
Finished - clothing	3,800,000	1,900,000	30
Blankets & comforters	8,100,000	6,400,000	79
Cotton Textiles (C.P.C)	11,008,000	9,000,000	82
Woollen Textiles (W.P.C)	2,000,000	1,600,000	80
Woollen Yarn	1,156,000	900,000	78
Misc. Textile materials	2,336,000	1,714,000	73
Misc. Footwear Materials	31,000	16,000	52
TOTAL:	95,900,000	28,770,000	30%

APPENDIX "D"

13 June 1947

Mr. Harlan Cleveland
 Director
 UNRRA China Office
 Embankment Building
 Shanghai

Dear Mr. Cleveland:

The overall program requested by CLARA on January 3, 1947 as compared to the total UNRRA program consists of the following:

<u>Items</u>	<u>Total Program US\$</u>	<u>CLARA Request US\$</u>	<u>Percent of Total Program</u>
Food	135,500,000	20,025,000	15%
Clothing	95,900,000	28,770,000	30%
Medical Supplies	34,700,000	17,350,000	50%
Agricultural	86,317,000	43,108,500	50%
Industrial	174,600,000	66,348,000	38%
Freeze	10,700,000	-	-
Total	536,617,000	175,601,500	35%

Since the need is greater for some supplies over others we have requested them in the above proportion.

In our opinion these requests represent our fair share of the program. The facts are : of 260,000,000 people under the Japanese occupation, 140,000,000 were in the Liberated Areas. This represents 54% of the people in the occupied areas. According to UNRRA's Basic Agreement, rehabilitation supplies are to be used only in occupied areas.

So far, our areas has received 46,000 tons of supplies out of a total of almost 2,000,000 tons already received in China. This represents about 2% of the total supplies received. These supplies were in many cases second, third, and fourth grade supplies in poor condition.

Assuming UNRRA's target of 100,000 tons of supplies for our area is accomplished, this represents but 3.7% of the total China program of 2,700,000 tons.

We have repeatedly advised UNRRA of the flagrant discrimination by CNRA toward the people in our area. UNRRA has ignored our advice and failed to insist that CNRA operate in a non-discriminatory manner. Therefore we feel the full responsibility rests with UNRRA since it is in a position to enforce a non-discrimination policy if it so desired.

We specifically call attention to the Ag. Rehab. Division of UNRRA. Their program submitted on January 21, 1947 for CLARA has not been implemented as yet. This program for Ag. Rehab. calls for \$12,400,400 out of a total of \$86,317,179 or about 15%. It is far below the CLARA request of \$43,108,500, which equals 50% of the total agricultural program.

(App. D - continued)

To date known allocations to CLARA, as of June 6, 1947, consist of 37,335,328, which is but 3.8% of the total agricultural program, 7.7% of our requested program and but 26% of the Jan. 21 proposals.

In addition we feel that commitments made by the Agricultural joint CNRRA-UNRRA allocations committees are not made in good faith. The UNRRA Ag. Rehab. Division has full knowledge that CNRRA and MOAF have acted in such manner as not to fulfill their own and UNRRA's commitments. We look to UNRRA Ag. Rehab. Division for immediate correction of the following acts of discrimination:

1. Failure to allocate and implement CLARA's supply program. Also failure to implement the January 21 proposals, which we regard as a rationalization and legalization of UNRRA's failure to live up to its obligations as the relief and rehabilitation agency entrusted to fulfill the objectives of the United Nations. (See explanation attached)
2. Failure to avoid contradictory commitments in allocation of supplies.
3. Failure to insist that CNRRA and MOAF representatives refrain from giving inaccurate, incomplete and misinformation on total supplies received, substitute supplies, depleted and re-instated supplies, at allocation meetings in CLARA's behalf. UNRRA has, or should have, accurate information on what supplies are now in China, additional expected arrivals, and therefore should correct inaccurate statements made by CNRRA and MOAF representatives. (See evidence attached)
4. Inadequate and in some cases complete failure to consult the Shanghai CLARA office as regards allocation and shipment of supplies. Also obstructing implementation and shipment of supplies already allocated. (See evidence attached).
5. Acting with regards to allocations and shipments in a manner contrary to the request and advice given by the CLARA office on many specific occasions. Neglect to alter plans after agreement has been reached between UNRRA and CLARA office as regards allocations. Shipment of supplies by routes not feasible and contrary to the specific requests of the CLARA office, which resulted in these supplies not reaching our areas.
6. Responsibility for individuals in UNRRA Ag. Rehab. and program personnel attached to MOAF, acting in a manner that is definitely biased, prejudiced and the obvious intention of which is to obstruct the program for the Liberated Areas. (See evidence attached)
7. Allowing much of the UNRRA Ag. Rehab. supplies to be used to support, finance, or set up completely, through CNRRA and MOAF, the following large corporations which are or will be under the control of bureaucratic capital. This obviously is against the avowed purpose of UNRRA. The fact is that these corporations act in an exploiting manner through high interest rates or as monopolies.
 - a. Farmers Bank - owned and controlled by the CC clique.
 - b. National Agricultural Engineering Corporation. This corp. is composed of the Farmers Bank and MOAF which own 51% or controlling interest in the corporation, using UNRRA supplies as basic capital. Since MOAF is a national agency it has little or no capital. This means it is the silent partner with the Farmers Bank.

(App. D continued)

- c. Fisheries Rehabilitation Administration. UNRRA has leased the fishing fleet of over 100 vessels to FRA through CNRRA, UNRRA retaining title to the fleet, which will sell vessels to private individuals, cooperatives or corporations. CNRRA is to receive the funds from sale of vessels through FRA. UNRRA's policy as expressed by FRA requires a 30% down payment. Only individuals or corporations with abundant capital can meet such terms. Therefore UNRRA permits the fishing program to be controlled by vested financial interests in China only. This excludes sale to any cooperatives which would not be able to pay a large down payment and high interest charges. (See evidence attached)

Due to the above experience in trying to cooperate with UNRRA and CNRRA, we feel that it is impossible to rely on the integrity of CNRRA and MOAF. In future we no longer feel that we can recognize CNRRA or MOAF in discussions or meetings pertaining to the CLARA program. Our attitude is very clearly stated in our open letter to Director-General Lowell W. Rooks on June 3. We look to UNRRA for immediate correction of the above stated acts of discrimination against our people.

The following analysis is a breakdown of the allocations as of June 6, 1947 compared to the January 21 proposals and CLARA'S requests for supplies:

<u>Items</u>	<u>Allocations as of June 6/47</u>	<u>Proposals Jan. 21/47</u>	<u>CLARA Requests</u>
1. Dairy & Poultry Equipment	nil	(will go with vet. labs)	2,500
2. Fisheries (see A-2)	82 tons rec'd. no value deter- mined.	4,920,500	15,000,000
3. Farm Machinery)			
4. Irrigation)	1,616,180	2,176,500	9,100,000
5. Hand tools (see A-3))			
6. Food processing, cotton gins, oil mills, flour mills (see A-6)	412,368	537,000	900,000
7. Fertilizers (see A-7)	210,000	700,000	5,500,000
8. Fertilizer Plants	nil	nil	2,300,000
9. AIS (see A-9)		45,000	100,000
10. Farm Shops (see A-10)	957,287	2,268,500	3,700,000
11. Pesticides & mfg. plant (see A-11)	19,993	331,100	456,000
12. Livestock (see A-12)	83,200	168,000	800,000
13. Seeds (see A-13)	36,300	521,000	700,000
14. Veterinary (see A-14)	nil	112,800	250,000
15. Ag. Education (see A-15)	nil	200,000	300,000
16. Flood Control (see A-16)		500,000	2,500,000
17. Bags	nil	nil	1,500,000
	<u>3,335,328</u>	<u>12,480,000</u>	<u>43,108,500</u>

We have never recognized the January 21st proposals as sufficient and adequate for our areas. However, it is very evident from the above facts that even this minimum program was not carried out because UNRRA follows its present policy as stated above.

Therefore, we submit the following counter-proposals for UNRRA to correct the discrimination to the people of our areas in the limited time left:

1. UNRRA should work directly through CLARA in the Communist areas.
2. Official approval of our requested supply program submitted on January 8, 1947.
3. Cease shipments from abroad to Nationalist China pending fulfillment of the CLARA program.
4. Request that CNRRA cease shipment of supplies from Shanghai to Nationalist areas pending fulfillment of CLARA's requests from supplies now in Shanghai.
5. Ship supplies from abroad directly to ports in Communist controlled areas. These supplies to be turned over to CLARA for distribution.
6. UNRRA personnel requested by CLARA could do the necessary work connected with establishment of: agricultural machinery projects, agricultural manufacturing plants, farm shops, fertilizer plants, pesticides plants and fishing bases and other projects in the agricultural program and report on distribution.

The above suggestions have repeatedly been submitted to UNRRA. The fact that these suggestions have been ignored in the main leads us to believe that the present U.S. State Department policy has dictated UNRRA policy in China. It is UNRRA's responsibility to operate independent of the U.S. foreign policy.

We look forward to a reply and concurrence from UNRRA with regard to the CLARA program. There is still time to correct to a large degree the mistakes made, and we sincerely hope that UNRRA will devote the balance of its program to making up for the past discrimination against the people of our areas.

Sincerely yours

Ling Chung
Director of Operations, CIA RA

(Appendix D continued)

Facts regarding acts of discrimination mentioned on page 2.

1. The January 21st proposals were submitted by UNRRA Ag. Rehab. Division, with the approval of the Director of the UNRRA China Office, and failed to receive recognition or approval from CNRRA. At the time of Commander Jackson's visit to China in February, 1947 instructions were specifically given to institute this program. We cannot but hold the Ag. Rehab. Division responsible for failure to carry out a program approved by the China Office and the UNRRA Washington Office. In our opinion only two reasons could prevent fulfillment of this program. They are that the Ag. Rehab. Division neglected to make allocations with or without CNRRA and MOAF concurrence, or allocations were not made due to a biased, prejudiced attitude on the part of responsible individuals in this Division .

2. The January 21st proposals suggested, among other supplies, the following:

4 cotton gins, out of a total of 20	
5 oil mills	" " " " 20
9 flour mills	" " " " 20

At a CIARA allocation meeting on May 20th, we are advised by the minutes of this meeting: "There are 15 - 4 stand gins under contract with the Farmers Bank. This contract has been in force for two months. Upon concurrence of Dr. Shih of MOAF 20 percent of the 15 - 4 stand cotton gins are to be shipped to Communist Areas from first future arrivals." Therefore we conclude that UNRRA permitted CNRRA and MOAF to sell all of the gins including the four set aside for CIARA in the January 21st proposals. Thus UNRRA has permitted itself to be involved in contradictory commitments. Actually the contract was signed on April 3 with UNRRA and CNRRA witnesses.

3. At the same allocation meeting (May 20) CNRRA advised the committee, quoting from minutes of meeting "The flour mills requested above are not on the UNRRA program as originally set up. As a substitute there are 100 hammer mills, of which 40 are hereby allocated to CIARA. There are 100 grinding or plate mills, of which 40 are hereby allocated to CIARA". Upon checking with UNRRA on June 11 we find that the original flour mills, as mentioned above, had already arrived in Shanghai on May 9, 1947. They are included in the Farmers Bank contract with MOAF mentioned above, signed on April 3rd. Thus we have concrete evidence of CNRRA presenting misleading information where CIARA's interests are concerned. These mills were turned over to MOAF immediately upon arrival.

An allocation committee meeting on CIARA's behalf was held on June 6, 1947. The committee included representatives from: CNRRA Ag. Rehab. Division, AMOMO of MOAF, UNRRA Ag. Rehab. Division. The CIARA office was invited to attend and participate in this meeting. Due to the fact that CNRRA and MOAF have repeatedly acted in bad faith in our behalf we declined the invitation. The allocation as regards flour mills and cotton gins mentioned above, made on May 20, was revised pending a survey to be conducted by CIARA on a basis of need as related to need in Nationalist area, Since

we have learned that delivery orders have already been issued by MOAF to distribute all of the flour mills and cotton gins which are all now in Shanghai. Thus the allocations of May 20 and June 6 are being ignored by CNRRA and MOAF, and UNRRA Ag. Rehab. apparently is permitting them to continue with their plan of distribution as mentioned above. We cannot but conclude from the above evidence that commitments in CLARA's behalf by joint UNRRA-CNRRA and MOAF committees are not made in good faith, but with intention to mislead us and operate in general in a deceitful, discriminatory manner.

4. An allocation of 60 tractors was made some time in March 1947 for Communist areas in Manchuria. An allocation was also made consisting of approximately 130 tractors for Nationalist area in Manchuria at the same time. On March 10th, we addressed a letter to Colonel John S. Thorpe, UNRRA, advising that no supplies should be shipped to Communist areas in Manchuria pending a decision from our office, suggesting these allocations be shipped to other Communist areas. We received a telegram from our people in Manchuria advising against equipment due to bombing by Nationalist planes. However, MOAF still planned to ship them to Manchuria. On May 9th, we addressed a letter to the Chief of Ag. Rehab. Division UNRRA regarding the above and suggesting that these tractors be transferred to the Yangchiakou area. We were advised unofficially by UNRRA Ag. Rehab. that the transfer would be made. The allocation meeting on May 20th mentioned above, provided for transfer of these tractors, shipment to proceed immediately. MOAF, CNRRA and Ag. Rehab. UNRRA held a meeting relative to this tractor unit, decided to hold shipment pending disposition of commercial ship stranded off Shantung coast which carried UNRRA supplies. At the June 6th allocation meeting it was revealed that a decision had been made by CNRRA, MOAF and UNRRA, without consulting or advising the CLARA office, that a 60 tractor unit would be delivered to Communist areas east of Fukow in Honan province. This would substitute the shipment of this tractor unit to Yangchiakou. As yet this unit has not left Shanghai for Yangchiakou due to MOAF's neglect to issue delivery orders. We were advised after June 6th allocation meeting that the Honan project had the approval of our local representative. We interpret this method of operations in the same manner as stated above. There are many other illustrations of similar type. Until approximately May 1st, except in a rather indefinite manner, our office has not been consulted regarding shipment and allocations. Since this time the situation has not improved materially.
5. Allocations were made with regard to animal drawn implements in the fall of 1946 by CNRRA, MOAF and UNRRA for Communist areas consisting of 24,550 sets, delivered to regional offices for disbursement to our areas. We advised UNRRA representatives then that these supplies would not reach our areas. Nevertheless, shipments were made for about 67% of these implements. At present no knowledge is available by CNRRA, MOAF or UNRRA as to what proportion of the above supplies shipped had actually reached our areas. The allocation meeting of May 20th provided for 27,000 sets of the North China type to be shipped to Communist areas from supplies now in Shanghai. MOAF continued to ship to Nationalist areas on regional basis, ignoring this allocation. At the June 6th allocation meeting the May 20th figure was reduced to 24,550 sets. Instructions were to be

given to regional offices requesting data be submitted regarding shipments previously made which have reached our areas. Supplies in Shanghai were to be held pending receipt of this information. Balance to be shipped to Communist areas through sea routes. We do not have confidence that any supplies shipped on regional basis will reach our areas. We cannot depend on MOAF to follow commitments made on May 20th and June 6th allocation meetings judging by their actions regarding the cotton gins and flour mills mentioned above. Thus supplies allocated have not reached our areas due to the fact that UNRRA has ignored our advice and acted contrary to same. There are many other illustrations, however, we mention the above as a typical example.

6. We have received excellent cooperation from the following commodity division heads in UNRRA Ag. Rehab.

1. Farm Machinery - only since April 1, 1947
2. Food processing
3. Fertilizers
4. Farm Shops
5. Pesticides
6. AIS
7. Livestock

We feel that the above mentioned commodity division heads have not received support from proper UNRRA Ag. Rehab. personnel which would at least permit fulfillment of the January 21st proposals.

With reference to the above mentioned commodity division heads in UNRRA the following is pertinent. On several occasions prior to May 20 UNRRA Ag. Rehab. endeavored to arrange a meeting with representatives of CNRRA Ag. Rehab. and MOAF representatives regarding allocations of farm machinery to Communist areas. CNRRA representatives promised to attend the meetings but did not come. The meeting on May 20 was only possible due to the fact that UNRRA representatives went to the CNRRA office, upon arrival the representatives were absent and substitute representatives participated instead. On one occasion the representative of MOAF insulted the Ag. Rehab. representative over the phone as regards an invitation to attend an allocation meeting on CLARA's behalf. We offer the above data as proof that CNRRA and MOAF have no intention of allocating supplies to CIA RA except under the most extreme pressure from UNRRA.

Foreign personnel attached to MOAF have been guilty of acting in the same deceitful and obstructive manner as Chinese personnel. We regret to say that in a few instances this same type of attitude was expressed in Ag. Rehab. UNRRA personnel.

7.(A) Farmers Bank

1. Fertilizer Sales

150,000 tons in process of being sold to Taiwan Government, 70,000 tons are now under contract to Farmers Bank on mainland. Balance of 45,000 tons to be distributed free to farmers according to January 21st proposals. The Taiwan Government and Farmers Bank are reselling the fertilizers to farmers. CNRRA received this fertilizer free from UNRRA. According to the Basic Agreement the Chinese Government is obliged to bear cost of distribution of UNRRA relief supplies. According to information received by this office CNRRA received about \$80 US per ton from sale of the above fertilizer. The Taiwan Government resold same to farmers for \$160 US a ton or 100% above the amount paid to CNRRA.

The Farmers Bank is selling fertilizer to farmers for about \$380 U.S. per ton. We have reliable information from many sources that it costs CNRRA on the average, \$200 U.S. to transport supplies to the various regions. Therefore the Farmers Bank is selling the fertilizer for \$100 U.S. per ton above transportation costs. Therefore we cannot but conclude that the C.C. clique, which owns the Farmers Bank, is being "rehabilitated" instead of the peasant farmers whom it is UNRRA's avowed purpose to rehabilitate.

We also received information that the "free" fertilizer was given to the Farmers Bank to distribute "free" except for cost of transportation and distribution. We seriously doubt whether the peasant farmers will receive any of the "free" fertilizer, because they cannot afford to pay for the cost of delivery. In our opinion only landlords and the Bank will get benefit from this transaction.

ii. Food Processing Equipment

The Farmers Bank under contract with MOAF dated April 3, 1947, will receive all of the following equipment.

- 60 cotton gins
- 20 flour mills
- 20 rice mills
- 20 oil presses
- 15 cotton presses
- 4 canning plants
- 1 can making plant
- 4 can reformers

According to the terms of the contract the Bank receives this equipment without interest, and only pays 1/7 down, 6 months after a complete set of each of the above is received; balance to be paid in 6 annual installments. The sale price is equal to cost plus freight to UNRRA from abroad. The Bank cannot make profit "above" interest rates of Government Banks to rural people.

MOAF is to receive the above annual payments in lieu of the purchase price of the equipment which are to be deposited in the bank for further food processing capital, which gives the Farmers Bank practically a free of charge monopoly of food processing industries. Here again UNRRA is financing the C.C. clique.

(B) National Agricultural Engineering Corporation

This corporation, that is The Farmers Bank with MOAF as silent partner, will own a controlling interest in the overall farm shop program by holding 51% of the stock. According to information received by this office 49% of the capital is to be furnished by individuals or Provincial Government people in whose areas the shops will be stationed. Whether or not at the present time the corporation is functioning on this basis is not important. However, under this plan the Farmers Bank controls the N.A.E.C. Here again UNRRA is acting contrary to its declared purpose of rehabilitating the people in the Japanese occupied areas and financing the C.C. clique. UNRRA should take immediate positive steps to correct this, to prevent the Farmers Bank from getting control.

(C)

Due to the UNRRA policy as expressed through FRA it is probable that the C.C. clique is endeavoring and probably will succeed in getting a monopoly on a major portion of the fishing industries in China. In order to safeguard the fair share of the people of the Liberated Areas, UNRRA is obliged to take immediate steps to prevent it.

(App. D continued)

566 tons not formally allocated but an order for shipment was issued. Approximately 60 tons were sent to Chefoo on the "El Rey" which made a survey of fishing possibilities in Communist Areas. An additional 22 tons were shipped by LST To Chefoo. FRA stopped shipment on the balance of the 566 tons.

After the "El Rey" returned to Shanghai a report was made by Leonard E. Russo, Fishery Technologist, on the fishing possibilities in Chefoo. We discussed the allocation of fishery supplies with responsible individuals of the UNRRA Fisheries Division, at which time we requested a copy of the survey report. We were refused a copy on the grounds that a copy was sent to Chefoo and we could secure one from them. These individuals raised many questions which we later found were answered in the survey report. We have found these individuals' attitude evasive, biased and obstructive. From evidence furnished in the survey mentioned above, Chefoo is without question the best fishing area on the China Coast; therefore we cannot but interpret the lack of allocations as being proof of discrimination. Several meetings were called by the UNRRA Division to discuss allocation of fishery supplies to CLARA, to which FRA representatives were invited. They declined to attend meetings pertaining to CLARA allocation.

According to the May monthly report there is a total of 87 fishing vessels in China. The following have been distributed:

5	-	Tsingtao
2	-	Canton
5	-	Formosa

The balance of 75 are based at Shanghai. Of these not more than 10 are in actual operation; the rest are idle at Point Island. There are 24 vessels due to arrive from the United States, and 10 to arrive from Australia. This makes a total of 121 vessels. We note from the above report - "Docking facilities at Point Island are presently reaching their limitation. The arrival of additional vessels increases the emphasis on allocation of more vessels to the presently established regions and the addition, without further delay, of one region in Northeast China and one region on the Southeast coast." This is evidence that the utilization of the fishing fleet has not been realized. However, in view of the situation mentioned above allocations to Communist Areas appear to be in process of further delay. Perhaps the down payment of 30% is interfering with the utilization of fishing vessels.

It is common knowledge that the fish delivered to Shanghai are sold to the Wholesale Market Association which realizes a profit of 200% over and above the cost of fish to them. They are unable to handle the fish at the present market price, and due to the lack of refrigeration spoilage of the catch is quite certain.

Under these circumstances it would seem advisable for some program of free distribution of fish or distribution at a reasonable price without considering the economic interests of the wholesale fish market. Here again the economic interests of a minority are given preference over the needs of many people who could be benefited from this program. There are rumors of "squeeze" and "monkey business" connected with the FRA program. We cannot understand the objectives for holding these vessels in Shanghai under such circumstances when they could be utilized more efficiently to produce food for the people in our areas. We cannot interpret the operation of FRA in any other manner than evidence of discrimination against our people.

Sidelight: - In Shanghai all Chinese crews also better than mixed crews with foreign "teachers" - get higher prices for catch. Reason fish arrive in better condition. Reason - they are handled almost immediately. Apparent reason - Westerners think in terms of calling the catch Chinese or selling each fish.

sale price might be so much higher, but it comes with tax handling & brokerage is not at all

over

No boats have gone to com. areas

There seems to be many reasons (not all justifications), including,

UNRRA still retains title to the boats

" is afraid of the com's putting its boats to military use

{ FRA (Fisheries project) is gov - on project using

{ UNR owned craft

UNR has not produced any mechanism for transfer of title, sub-charter, sale etc. yet

UNR Fisheries man say in his opinion -

UNR is responsible for no boats having gone up.

CWR (FRA) responsible for difficulty in getting up other sorts of fishing gear + supplies in any quantity.

APPENDIX " E "

General Chou En-lai's Statement on
Sealing of Yellow River Breach

January 10, 1947

Yenan, 10 January---General Chou En-lai made a strong statement on sealing of the Yellow River breach by Chiang Kai-shek which will bring calamity to millions living along the old river bed. The statement is as the following:

Chiang Kai-shek's government at the end of last month suddenly ordered military authorities in Chengchow and the Bureau for the diverting of the Yellow River back to its old course in Kaifeng to seal up the Yellow River breach at Hua Yuan Kou and divert the Yellow River eastward back to its old course to flood inhabitants along the old river bed and the people and armies defending the liberated areas along the old river bed. This action was taken at the time when the civil war situation along the eastern section of the Lunghai Railway is extremely tense. Waters of the Yellow River have now surged across the Kaifeng--HsinHsiang Railway, and will soon roll on to Tsinan and the Gulf of Chihli.

The inhumane action of Chiang Kai-shek's government eight years ago has flooded 25,000 square kilometers of land in Honan, Anhwei and Kiangsu provinces and over 6,000,000 people in flooded areas suffered most severely when the water destroyed the dykes at Huayuankou. Chiang Kai-shek's government will again be flooding thousands of square kilometers of land in Honan and Shantung provinces by sealing up the breach at Huayuankou and diverting the Yellow River to its old course when the repair works along the old river bed have not been completed and inhabitants along the old Yellow River have not been evacuated. This will destroy lives and property of several million people in this area.

The Kuomintang takes such a malevolent action because Chiang Kai-shek wants to utilize the Yellow River to flood the people and troops in the Honan Shantung liberated areas, cut off mobilization work, destroy production and supply work for the defense of the liberated areas so that he can attain his military objective. We appeal to the entire nation and just people of the world to rise up together and halt such a malevolent action on humanitarian grounds.

The plan for turning the Yellow River back to the old course to reclaim and relieve the areas flooded for eight years was supported by UNRRA. We basically did not oppose the carrying out of this plan, but we at the same time insisted on the repairing of the dykes before the sealing of the Yellow River breaches so that there would be no new flooded areas under the pretense of reclaiming old flooded areas. Last summer the Liberated areas, UNRRA, CNRRA and the Kuomintang water conservancy committee consulted for four times and each time it was stipulated that the repairing of dykes, dredging, straightening of bends and the evacuation of families along the old river bed should be completed first while the work of sealing the river breach should go hand in hand with this and not be rushed to be finished beforehand.

about

By August Chiang Kai-shek's attacks brought a large-scale fighting to both banks of the old Yellow River bed so that the repair work could not be finished and the work is at standstill even now. Ignoring their part of the agreement, the Kuomintang bureau for diverting the Yellow River back to its old course unilaterally rushed the finishing of the sealing of the Yellow River breach.

Two third of the old Yellow River courserun through the liberated areas. Chiang Kai-shek's government fixed CNC\$66,000,000,000 as repair fund but only CNC\$6,000,000,000 were paid to the Liberated Areas. There are over 600,000 residents along the old river bed, so the Liberated Areas demanded at least CNC\$25,000,000,000 as relief fund. Although Chiang Kai-shek's government provided to allot first the amount of CNC\$15,000,000,000, not a single cent has been paid and the Chinese National Currency has been dropping steeply ever since. It was therefore not possible to evacuate residents along the old river bed.

UNRRA whose avowed policy is relief and rehabilitation allotted a great part of its equipment, tools and means of transportation to the sealing of the Huayuankou breach while allotting only insignificant quantity to the repair of tykes along the Yellow River bed in the Liberated areas. UNRRA was a party to all agreements reached on the diversion of the Yellow River with Chiang Kai-shek. Viewed in this light, we cannot but doubt that UNRRA truly observes the principle of fair distribution of materials without any political discrimination. If those in charge of UNRRA wish to prove that they are observing this principle, then we have a right to request the UNRRA China Office to assume a just and clearcut attitude on the question of diversion of the Yellow River to its old course. It should immediately halt the sealing of the Yellow River breach by Chiang Kai-shek's government and CNRRA, and request Chiang Kai-shek's Government to allot funds, grain, machines, tools, equipment and funds for relief of the inhabitants along the old river bed which owe due to the Liberated Areas according to the agreements reached. It should see that the Yellow River breach is not sealed and the Yellow River not diverted before all work of dyke repair, straightening bends and evacuation of inhabitants along the old river bed have been completed.

If Chiang Kai-shek's government does not accept the above-mentioned demands, UNRRA has the right to cease all relief to Chiang Kai-shek's government and first of all withdraw all machines, implements, boats, materials and means of transportation for work of sealing the Huayuankou breach.

The Chinese people will welcome such pressure as reasonable because if these materials of UNRRA are not withdrawn and the supplying of of those materials is not ceased, millions of people in China will suffer. I am making this appeal to UNRRA in China and to the peoples of all United Nations on behalf of 140,000,000 people of the Liberated Areas in China.

APPENDIX "F"

July 15, 1947

Mr. Harlan Cleveland
Director
UNRRA China Mission
Shanghai

Dear Mr. Cleveland:

Since the all-out Mobilization Order by the Nationalist Government and the subsequent decree of the blockade of all sea ports of the Communist-led Liberated Areas, UNRRA is being faced with the important issue of how to proceed with the relief and rehabilitation program in China, especially in the Liberated Areas. There are four different viewpoints held in UNRRA circles with regard to the course which should be taken towards the solution of this problem, viz:-

1) There are those who, seeing that the suicidal civil war has developed into a struggle for life or death of Chiang Kai-shek's Government, therefore maintain that the remaining UNRRA supplies should all be utilized for the Anti-Reds Mobilization Order to save Chiang's regime from total collapse. Chiang's Government is just now doing its utmost for the realization of this line of action. All world reactionaries who are giving full support to the Chiang regime and holding an anti-Communist viewpoint will certainly by all means support this shameful plot.

2) Other UNRRA circles maintain that the unilateral closure of the Yellow River dike gap at Hua Yuan Ko which was accomplished solely through the all-out support of the project with UNRRA supplies and services has already caused a loss of the property of the value of more than 600 billion \$CNC; as the result of the repeated bombing and strafing by Chiang's planes more than 400 dike workers have been killed (96 casualties were reported during the 25 working days from May 14th to June 25th alone); the damage figures do not include the imminent tremendous losses which would be the result of a coming summer flood. On the other hand, until now the quantity of UNRRA supplies which reached the Liberated Areas, including the flour for work relief wages of the Yellow River project, totalled not more than approximately 45,000 tons. Because of UNRRA's failure to implement a non-discrimination policy, what the people in the Liberated Areas received from UNRRA amounts to less than the losses they suffered; the quantity of supplies sent so far is too small to even compensate for what they suffered as a consequence of the flood caused by the closure. Therefore these UNRRA circles sympathize with the demand that UNRRA deliver all remaining supplies to CLARA for the emergency relief of the Yellow River refugee and for the rehabilitation work in Liberated Areas. They also think that, as the UNRRA non-discrimination

policy has never been implemented, and the people of the Liberated Areas have been unfairly treated, UNRRA should use the remaining three months of its existence for a new start in order to concentrate all its material and technical strength for the dealing with the needs of the Liberated Areas. All those in China as well as abroad who have maintained their impartial attitude; those people who have contributed to UNRRA and are willing to see UNRRA supplies distributed to the Chinese people equally and without discrimination; and that part of the UNRRA personnel who have always and loyally worked for a policy of non-discrimination will press for this fair and equitable course of action to be taken.

3) There are those who think that by the official promulgation of the all-out Anti-Communist Mobilization Order, Chiang's civil war has been legalized. They insist on a complete withdrawal of UNRRA from China in order to uphold UNRRA's neutrality. This view is supported also by those who are not willing to consider UNRRA's failure of abiding by the non-discrimination policy in the past but emphasize that UNRRA should adopt an impartial and justifiable attitude in the future.

4) Some people predict that because of Chiang's fear lest UNRRA should completely withdraw from China or lest UNRRA should perform relief and rehabilitation operations in the Liberated Areas directly, the American reactionary China policy will continue influencing and controlling UNRRA policy in China and therefore UNRRA will continue the policy of distributing two percent of the relief supplies to Liberated Areas in order to be free to give the rest of ninety-eight percent to Chiang's government. This would mean the continuation of cooperation on the relief front between Chiang Kai-shek and America according to the practice of the last two years. Therefore the present status--the status of discrimination against people in Liberated Areas, will be maintained. This would make it impossible for UNRRA to effect any thorough reform of the Liberated Areas relief operations. This view is supported by those who share the discriminatory attitude against the people in the Liberated Areas, and by a part of the UNRRA personnel who disregard the matter of UNRRA policy and think that 'few supplies are better than nothing'.

The China Liberated Areas Relief Association hereby solemnly states that CLARA, on behalf of 140,000,000 people in the China Liberated Areas strongly opposes anyone who, under the pretext of Chiang Kai-shek's Mobilization Order and the decree of the blockade of the Communist ports recommends discontinuation of relief and rehabilitation operations in Communist territories on the one hand, while giving all UNRRA supplies for the support of Chiang Kai-shek's civil war. CLARA also considers that the maintaining of the status by which 2 percent supplies went to the Liberated Areas while 98 percent went to Chiang's Government, thus helping his civil war since this would be not essentially different from the policy of giving all UNRRA supplies to the Chiang Government, completely unsatisfactory.

Since UNRRA has given almost all its supplies and services to relief and rehabilitation in Chiang-controlled territory in the past two years, CLARA believes it has good reason to request that UNRRA should make good use of the very short period--the three months to come--for the concentration of all of the remaining supplies and services for the relief and rehabilitation of the people in the Liberated Areas, especially for the assistance to

(Appendix F continued)

- 3 -

the emergency relief of the Yellow River district. This appears to be the final test as to whether or not UNRRA is really fighting for the implementation of the non-discrimination policy. Therefore, CLARA would insist on the transfer by CNRRA of all UNRRA supplies in Nationalist territories to UNRRA. The latter should undertake to ship them to Liberated Areas. CLARA also insists on immediate stoppage of shipping of UNRRA supplies from foreign ports to Nationalist ports and that such supplies should be diverted to Communist ports directly from abroad. Unless these proposals be put into effect, UNRRA will never be able to compensate for the huge losses which the Liberated Area people suffered as a result of UNRRA's discrimination policy, and UNRRA will never regain its prestige among the Chinese people.

If this advice be rejected, CLARA will have to appeal to the whole world to press for a complete UNRRA withdrawal from China. In this case UNRRA should make a prompt decision. Any delay would be a help to Chiang Kai-shek, and do great harm to the Chinese people. For any such consequences Chiang Kai-shek and UNRRA would be jointly responsible.

Any help from you to press for a favourable solution of this problem for the Liberated Area people would be much appreciated.

Sincerely yours

Ling Chung
Acting Director
Shanghai CLARA Office

APPENDIX "G"

UNRRA STAFF MEMBERS HIT DISCRIMINATION

China Press, April 5, 1947----Over 60 senior employees of UNRRA's China Office have protested against the Chinese Government's alleged discrimination in the distribution of UNRRA supplies charging that less than two percent of such supplies have hitherto been delivered to the Communist areas which, they say, contain one-third of the country's population, AP Correspondent Spencer Moosa reported yesterday.

The signatories protested against continued delivery of UNRRA supplies "without definite assurance backed by immediate performance, that discrimination shall cease and an equitable amount of supplies undelivered in China and still to come be provided for the people against whom discrimination has been practiced."

The protests were contained in a resolution sent to Major General Glen Edgerton, Director of UNRRA's China office, who asked to forward it to the UNRRA Council "with the urgent request that steps be taken to secure non-discrimination of and equitable distribution to the people in the areas heretofore deprived of the generosity of the United Nations."

Edgerton was also asked to forward the text of the resolution to Nanking. A spokesman of the signatories told The Associated Press that "every imaginable obstacle has been placed in the way of delivery of supplies into areas controlled by Communists."

"Although the Chinese Government signed the Basic Agreement with UNRRA specifying that there shall be no discrimination because of 'race, creed or political belief,' the Government has thwarted every attempt to bring desperately needed relief supplies to more than one hundred and thirty million people," the spokesman declared.

Every device, he said, had been used by Government agents from passive blocking to outright military attack.

"The latest bombing and strafing of a mercy ship is the third wanton act of this kind," he continued. "Relief truck convoys have been attacked by air, hospitals set up by UNRRA have been bombed and strafed. Relief and medical supplies have been held up by military commanders guarding roads into Communist territory. And all the while, the Government makes feeble apologies and issues orders to the military to 'cooperate' with UNRRA."

"The bald fact of the situation," he emphasized, "is that only 1.95 percent of the 1,800,000 tons of supplies shipped by UNRRA to China has been delivered to the Communist areas."

"If UNRRA decides to discontinue pressure on the Government for equitable distribution of supplies, the Kuomintang," the spokesman added, "will have won its game of playing politics with misery. In that case, UNRRA and the people of the United Nations will write off one hundred and thirty million Chinese who took the brunt of Japanese attack and occupation and whose eight years of suffering and present misery is the payoff for their sacrifice."

(Appendix G continued)

- 2 -

The full text of the resolution sent to Major General Edgerton was:-

WHEREAS, the United Nations created the United Nations Relief and Rehabilitation Administration (UNRRA) for the purpose of aiding the nations and peoples who suffered under the occupation of the enemy, and

WHEREAS, UNRRA was conceived as an humanitarian instrument solely to bring relief and rehabilitation supplies and services to the victims of war in such nations, and

WHEREAS, the principles and policies contained in the UNRRA Council Resolutions and the Basic Agreement between UNRRA and the Government of China stipulate that relief, rehabilitation and services provided by UNRRA shall be distributed without discrimination as to race, creed or political belief among the people of the nations and the people of China.

WHEREAS, a third of the population of China who lived under Japanese occupation have received less than 2.0 percent of all the supplies thus far delivered to China by UNRRA, and

WHEREAS, innumerable surveys, investigations and reports submitted by responsible UNRRA personnel clearly demonstrate the need of relief and rehabilitation supplies and services in such Japanese-occupied areas, and

WHEREAS, the withholding of relief supplies to this large population constitutes a violation of the UNRRA Council Resolutions and the Basic Agreement between UNRRA and the Government of China, and

WHEREAS, such discrimination results in the use of relief and rehabilitation supplies and services as a political and military weapon by the National Government against one-third of its people and thus contravenes the intent and purpose of the United Nations and their citizens who have contributed their funds solely for humanitarian reasons;

WHEREAS, UNRRA Washington Headquarters and the UNRRA China office have made repeated efforts to obtain the equitable distribution of UNRRA supplies in China, and

WHEREAS, world confidence in international organizations for peace and the betterment of mankind will be measured by the manner in which the United Nations Relief and Rehabilitation Administration performed its functions as the first operating international agency, and

WHEREAS, the confidence in the future of international organizations is endangered because of UNRRA's failure to fulfill its purpose in China,

THEREFORE, BE IT RESOLVED, that a protest be sent by the working members of UNRRA in China to the Central Committee of the UNRRA Council and the Government of China through the Director, China office, containing the following points:

1. That we protest the flagrant neglect of the need for relief, rehabilitation and services of one-third of the population of China.

2. That we protest the political discrimination which is so clearly demonstrated by the refusal on the part of the Government of China to utilize for the benefit of all their people the vast amount of supplies which have been delivered in good faith by UNRRA.

3. That we protest the use of UNRRA personnel representing all the countries which make up the United Nations in a discriminatory fashion after they had been enjoined by UNRRA to avoid political action or discussion in connection with their work in China.

4. That we protest the continued delivery of relief and rehabilitation supplies without definite assurance, backed by immediate performance, that discrimination shall cease and an equitable amount of supplies undelivered in China and still to come be provided for the people against whom discrimination has been practiced,

BE IT FURTHER RESOLVED, that this resolution be forwarded to the UNRRA Council with the urgent request that steps be taken to assure non-discrimination of and equitable distribution to the people in the areas heretofore deprived of the generosity of the United Nations.

APPENDIX H.

NORTH CHINA DAILY NEWS

April 4, 1947

Editorial -

(1) "Discrimination?"

The report that Capt. William Lee, British captain of the CNRRA vessel Wan Shen, together with two of his officers were wounded when Nationalist aeroplanes attacked the ship at Shih-chiusho has created a very considerable sensation. The Wan Shen was unloading UNRRA supplies in the Communist-held port when it was bombed and enfiladed with gunfire. It was engaged in the work of mercy for which UNRRA came to China, and which UNRRA was organized to assist, and the fact that such an attack has been made throws into a peculiarly unfortunate light representations and denials concerning the alleged discrimination in the distribution of relief and rehabilitation supplies. It is not the first of such attacks for a similar occurrence was reported some weeks ago at the same place, leading to a vigorous protest and resulting in the withdrawal of UNRRA and CNRRA personnel from that area. It was reported at the time that the Chinese Government had given pledges that such occurrences would not happen again. Unfortunately there has been a repetition and as a result two other vessels destined for Shih-chiusho have already been diverted to Tientsin and Chefoo entailing at least the stoppage of relief goods for that area to which they were originally consigned. To say the least this is a most unfortunate affair and in the light of representations which have been repeatedly made by the Communist party must prove embarrassing to a degree to the Government.

It has been the contention of the Communists for some time past that in the distribution of UNRRA goods discrimination has been made against them. That has been repeatedly denied, though the denial has been accompanied by an explanation concerning the difficulty of transporting goods into the Communist-held areas. Though it has been made perfectly clear, ever since UNRRA came to China, that the goods it brought were destined for the relief of suffering irrespective of the political creeds of the sufferers, the complaints which have been made in the past, emphasized by what has now occurred, tend to create grave doubts as to whether after all the complaint of the Communists is not well founded. The Communist Liberated Areas Relief Association have all along persisted in their allegations, and they now claim that this latest incident was a deliberate attempt to close the port to the entry of such goods. In the light of all that has happened that contention will require a great deal of explanation.

Sight must not be lost of the possibility, however, that what has been done was without the orders or sanction of the Nationalist aviators' superiors!. If that is indeed the case then the sooner an official statement to that effect is forthcoming the better. Better still if those responsible are adequately disciplined. It may be argued that the Reds being now in open civil war against the Government different considerations arise from those prevailing when negotiations for a settlement were still proceeding. That will not be very convincing to those nations who are providing the wherewithal to continue this work of mercy in China. Given good faith on both sides it should not be beyond the ingenuity of men to devise some means whereby

sufferers in the communist-held areas can receive their share of the relief which is available. That is all the more desirable when it is remembered that the fact that an area is held by the Communists does not necessarily mean that the population itself is Red or that their sufferings should be accentuated by the denial of that help which it has always been the policy of UNRRA should be afforded. The whole incident is a most unhappy one, and it is to be hoped that the authorities responsible will take every precaution to see that nothing of the sort occurs again.

SHANGHAI EVENING POST, April 5, 1947. Editorial

(2) Relief Discrimination.

It's about time, we think, that UNRRA's Central Committee should seriously look into the question of distribution of relief supplies in China in areas held by the National Government and areas under the Communists.

Charges of discrimination have been heard only too often, but they have never been formalized. The protest lodged by 60 senior employees of UNRRA's China Office, put the case on official records and from here on it's UNRRA headquarters' inescapable job to verify the charges as well as to seek proper and immediate remedy.

The incident which highlighted the Government's continued attempts to thwart relief distribution in the Red areas was the bombing and strafing of an UNRRA CWT mercy ship in a Shantung port. This was the third attack of its kind, despite repeated assurances that there would be no military interference with the delivery of UNRRA supplies to the Reds.

This is not a question as to whether one sympathizes with the Reds or with the Kuomintang. It is a simple but stark issue of hunger, misery and want. We feel that it is both inhuman and unjust that the accidental geographic location of 30,000,000 Chinese, who happen to live in the Red areas through events beyond their control should exclude them from assistance in food, materials and medicines.

From information contained in the protest, there seems to be little doubt that there has been an outright case of discrimination. The 30,000,000 people living in the Red areas have received only less than 2 per cent of the total relief goods sent to China. Even this small amount of the relief goods has been transported to the Red areas under the most difficult conditions as a result of the obstructions made by the National Government.

Whenever the charge was made on discrimination, the National Government has had the cut-and-dried answer that the relief needs of the Red areas is smaller and that the people living in the Communist regions do not lack food as seriously as do those in the Nationalist areas. This explanation, we hold, is manifestly a one-sided point of view, because while the food situation is generally better, the Red areas need rehabilitation and medical materials just as urgently as the Nationalist districts.

(3) UP TO UNRRA.

GLARA's protest over the stoppage of the Wan-Kien in Shanghai because of National Government blockade against the Communists is not to be passed over lightly. Taken in conjunction with other reports which have been coming from up-country, it might easily signalize the stoppage of all further UNRRA supplies into China.

The National Government has subscribed to the UNRRA requirement that distribution of relief supplies in this country be free from military and political interference, yet there have been repeated, consistent violations of this undertaking. It is exceptional to have a clear case at Shanghai, but the rule to have such cases in the field.

From the Government's point of view it may seem the height of insanity for anyone to expect it to permit supplies to go to the Communists, who have been officially declared rebels. But from the point of view of those who sent the UNRRA goods to China it is an impossible situation to have anyone pick and choose among Chinese as to who should receive relief and who should not.

The honest course for the Government, if it felt no supplies could be allowed to reach the Communists, would be to announce its change of mind, and to accept voluntarily the consequences of this repudiation of its undertaking to keep hands off from the free and universal distribution.

As this course was not adopted, it becomes a responsibility for UNRRA executives to deal with the matter in the light of their own obligations to those who have given not merely of their surplus but who have dug into the foundations of their own living standard on the assumption that all needy Chinese would share without discrimination in the bounty.