

RELIEF DELIVERIES AND  
RELIEF LOANS

1919-1923



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II. ECONOMIC AND FINANCIAL

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## PREFACE

THIS brief study on relief after the last war is one of a series devoted to a consideration of the lessons that may be learnt from past experience and that may prove of value whenever, now or later, policies for the postwar world are formulated.

It may seem ungracious to subject the great humanitarian effort that was undertaken after the 1918 Armistice to this form of analysis. But progress can only be achieved if we are ready to learn from the facts of the past—both from the successes and the limitations to successful achievement, and from the difficulties foreseen and unforeseen that arose and may arise again. If this report furnishes any evidence of value, that is a proof that the benefits of the efforts made after the last war are not exhausted.

When reviewing what was achieved in these years, it is well to remember that international relief on a scale in any way comparable to what was required had never been previously undertaken. There was no past experience to serve as a guide save that of the Commission for Relief in Belgium during the war, which in fact proved to be of great value.

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*League of Nations  
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## INTRODUCTION

The greater part of the relief afforded to Europe during and after the last war was effected by or through various American relief organizations. The essential figures concerning relief operations were as follows:

*Table 1.—Summary of Relief Operations.<sup>1</sup>*

	During the War	After the Armistice	Total
	\$(000,000's)		
Gross value of relief granted	573	1570	2143
Of which profit realized	—	53	53
Leaving net value	<u>573</u>	<u>1517</u>	<u>2090</u>
Of which: paid for by recipient countries in cash	117	403	520
paid for by "relief loans"	428	997	1423
paid for from private charity	30	80	110
paid for by United States Government, gifts	—	18	18
paid for by United States Government, profits on other transactions	—	19	19
	<u>573</u>	<u>1517</u>	<u>2090</u>

The loans were granted by the Governments of:

	\$(000,000's)
the United States	1001 <sup>2</sup>
the United Kingdom	200
France	115
Norway	55
Italy	22
Netherlands	14
Other countries	16
	<u>1423</u>

<sup>1</sup> Table IV of the Annex, total *plus* amounts mentioned in note (1) to that table *plus* Table 8, A.

<sup>2</sup> This figure excludes credit purchases of foodstuffs in the United States by Allied purchasing agencies both during and after the war. In the period from December 1st, 1918 to November 1st, 1920, such purchases amounted to \$304.5 millions—United

Other postwar relief through private organizations in addition to the \$110 million mentioned above may be roughly estimated at \$230 million.<sup>1</sup> If this estimate is correct, the total value of relief, as distinguished from deliveries under the relief organization which were paid for in cash, may be classified as follows:

	\$(000,000's)
Received on credit	1423
Benevolence	377
Total	1800

The term *relief* normally conveys to the mind the notion of assistance tendered without a *quid pro quo*. This is not the sense in which the term is used below, for, in fact, as the above figures show, gifts only accounted for 20% of the relief deliveries, or if the ploughing in of the profits earned in relief operations is not included with other gifts, 18%. Indeed during the Armistice Period (the first half of 1919), out of total deliveries amounting to \$1,267 million, only 0.4% was on balance covered by gifts, while 32% was paid for in cash.

The term *relief* therefore, as used here, is divorced from its normal connotation and covers all those transactions of or through Governments, Government agencies or charitable organizations, and especially the American Relief Administration, by which deliveries of food and certain other goods were made to Europe. It covers, therefore, such straightforward business transactions as the sale of these products against gold or other assets. This is the sense in which the term was used at the time and the sense which reflects the principles on which relief assistance was actually afforded. On the other hand, the term does not cover transactions in foodstuffs, even on credit, which did not fall within the purview of these various agencies. The larger European Allies and the neutral countries in Europe were, of course, also in urgent need of food imports. As a considerable part of these imports were obtained from the United States, their requirements had to be brought into harmony with domestic American con-

Kingdom, \$451.5 millions; France, \$217.4 millions; Italy \$123.7 millions; Belgium, \$11.9 millions. (Cf. Annual Report of the U.S. Secretary of the Treasury, 1920, pages 345-8). All deliveries by the Commission for Relief in Belgium are, however, included in the figures shown in the text.

<sup>1</sup> Table 8, B. *plus* rough estimate (\$25 million) for other private organizations.



sumption and with relief shipments. This was achieved by the maintenance of export controls by the United States Food Administration. But these countries could and, in fact, did obtain large supplies from the Argentine, Canada and other sources, even though United States Treasury credits to finance food purchases by them continued.<sup>1</sup>

## I. ORGANIZATION

### (i) *United States Government.*

The Food Control Act of August 1917 instituted the United States Food Administration, of which Mr. Herbert Hoover became the director, with the dual function (a) of economizing food supplies in the United States and (b) of creating a single selling agency to handle food deliveries to the Allied countries. In the same month, the Food Administration Grain Corporation was created as the agency for the Food Administration "to purchase, to store . . . and to sell for cash at reasonable prices, wheat, flour, meal, beans and potatoes."<sup>2</sup> "The primary purpose of the Grain Corporation was to provide a method of putting into effect the congressional guarantee of a minimum price for wheat."<sup>3</sup> It bought any quantities offered at the minimum prices and sold them to the mills or for export to the Allied and Neutral Governments in so far as possible at a margin of profit. Gradually, the activities of the Grain Corporation extended over other commodities; other cereals, beans, pork products, etc. At the

<sup>1</sup> It may be worth noting that total food imports into Europe from other Continents in 1919 were as follows:

	\$(000,000,000's)		
	Continental Europe	United Kingdom	Total Europe
From the United States	1.9	1.2	3.1
From elsewhere	1.6	1.8	3.4
Total imports	3.5	3.0	6.5

<sup>2</sup> F. M. Surface, "The Grain Trade during the World War" [referred to below as "Grain Trade . . ."], pages 50/51.

<sup>3</sup> F. M. Surface and R. L. Bland, "American Food in the World War and Reconstruction Period. Operations under the Direction of Herbert Hoover, 1914 to 1924" [referred to below as "American Food . . ."], page 17. The minimum price for wheat guaranteed by Congress was \$2.00 per bushel. By presidential proclamations a "basic fair price" of \$2.20 per bushel was established for the 1917 crop, and of \$2.26 for the 1918 and 1919 crops.

end of the war, the United States thus possessed a governmental agency buying and selling almost all important food crops.

The entire work of relief was directed and coordinated by Mr. Hoover, the United States Food Administrator.

(ii) *The Commission for Relief in Belgium.*

The Commission for Relief in Belgium, under the direction of Mr. Hoover, had been active in distributing relief to a population of 10 millions in Belgium and Northern France for four years preceding the Armistice. Extensive and valuable experience in the handling of relief had, in this way, been obtained. This Commission continued to function after the Armistice and maintained a close relationship with the wider organization that was then developed.

(iii) *Allied Governments.*

The Allied Governments had built up a large organization for the purchase of food supplies overseas and their transport and allocation to various countries. They had, moreover, a large technical staff from the Armies and Navies which could be employed advantageously in the distribution of foodstuffs, the reorganization of transport and the maintenance of communications.

(iv) *Charitable Organizations.*

Various charitable organizations had been operating in the war zone and were both prepared and well equipped to continue their activities after the armistice. Such were the American and the British Red Cross, the Quakers, the American-Jewish Joint Distribution Committee, the Y.M.C.A., the Near East Relief, and others.

(v) *Co-ordination, Armistice to the signing of the Peace Treaty (November 1918-June 1919).*

Immediately after the armistice—indeed even in the weeks preceding it—the need for a large-scale relief operation to almost the whole of the continent of Europe was realized. This required co-operation between the United States Government bodies, which would have to furnish the majority of the commodities; the Allied Governments; the Commission for Relief in Belgium, which continued to deliver food to Belgium and Northern France until August 31st,

1919; and, finally—in connection with questions of transport, warehousing, distribution, etc.—the countries receiving the foodstuffs.

The American authorities were unwilling to have the destination, and, particularly, the price of American foodstuffs determined by an Allied majority on any international organ for this co-ordination of relief and, while the question of organization was still under discussion, Mr. Hoover sent experts trained in Belgium to examine the situation elsewhere and, upon receipt of their reports, prepared to send food to the countries in need of it. In the end, the Supreme War Council, in February 1919, virtually accepted the American point of view, and Mr. Hoover was made Director General of Relief and Chairman of the Food Section of the Supreme Economic Council. Since "the Supreme Economic Council possessed no executive powers . . . [and] never possessed independent funds . . . its work in connection with relief mainly consisted in the coordination so far as it was able of the expenditures of funds which various Allied Governments had voted for special and restricted purposes, with which it was very difficult for the Council to interfere directly."<sup>1</sup>

In fact, only the United States and the United Kingdom were in a position to give relief of any consequence to Europe, the bulk of the deliveries necessarily being supplied by the former country. Through the Director General of Relief, the British and American programmes were dovetailed so as to secure the most effective distribution of supplies.<sup>2</sup> "The general policy followed was that Great Britain should, in all the countries where relief operations were undertaken, supplement the relief undertaken by the United States by furnishing such commodities and services as were outside the power of the United States."<sup>3</sup>

Owing to the organizational structure major decisions concerning relief policies devolved upon the body which was to handle the relief supplied by the United States Government. For this task the American Relief Administration (A.R.A.) was created in February 1919 with Mr. Hoover as Director-General. The A.R.A., with headquarters in Paris, outlined all relief programmes. It delegated its buying

<sup>1</sup> H. W. V. Temperley, "A History of the Peace Conference," Vol. I, page 299.

<sup>2</sup> Cf. Sir William Goode (British Director of Relief), "Economic Conditions in Central Europe," *Parliamentary Papers*, Misc., Series No. 1 (1920).

<sup>3</sup> Temperley, *op. cit.*, page 307.

and shipping activities to the Grain Corporation which opened a London Office for this purpose.

The cooperation between the countries giving and those receiving relief affected, in the earlier period, mostly matters of transport. They are dealt with briefly in Section 6.

Various charitable relief organizations cooperated with the Director General of Relief. The Grain Corporation purchased certain supplies for them and arranged transport. The American Relief Administration covered in certain cases the cost of freight for relief goods supplied by these organizations. In other cases, the A.R.A. handed over foodstuffs to them in countries or districts where they had established distributing organizations. To a large extent, however, the activities of these relief bodies fell outside the scope of the A.R.A.

(vi) *Organization after the Signing of the Peace Treaty.*

With the signing of peace on June 28th, 1919, official inter-Allied relief came to a close. The activities of the Director General of Relief were terminated by the end of August. Most European countries, however, remained in urgent need of relief for some years and a great variety of relief bodies continued to furnish foodstuffs wherever the need was considered greatest. Governments, however, largely withdrew from relief. The British Government continued to make deliveries during the second half of 1919, but its relief funds were largely exhausted by the end of that year. The Grain Corporation, representing the United States Government, administered only two relief transactions after 1919—the sale of wheat flour to certain European Governments in 1921 and relief deliveries to Russia in 1922.<sup>1</sup>

An endeavour was, however, made in April 1920, at the instance of the British Government, to rebuild a coordinated system for relief to Central and Eastern Europe (excluding Germany). The International Committee for Relief Credits was created for this purpose.<sup>2</sup> From the Governments of some of the ex-neutral countries this Committee arranged relief credits, largely for Austria and Poland, to a

<sup>1</sup> Cf. Section 5.

<sup>2</sup> Cf. League of Nations: International Financial Conference (Brussels), 1920, Paper X: "Relief Credits and the Promotion of Export."

total value of about 25 million dollars. It further standardized the loan contracts for some of the old as well as the new loans. This simplified the funding agreements for the loans involved.<sup>1</sup>

Apart from the existing charitable organizations, the European Children's Fund (E.C.F.) was created in the United States in the summer of 1919 to distribute relief among children. Its funds were derived from American charity and from profits made by the American Relief Administration during the Armistice period, which were handed over to it. Its relief activities were carried out by the A.R.A., which was transformed into a private organization with Mr. Hoover as its chairman.

The cooperation of the E.C.F. with organizations in the recipient countries was much closer than had been the case in the Armistice Period. The commodities were distributed to the final consumers (undernourished children) in the form of meals. Consequently, storage, transport, cooking and eating facilities had to be provided. This was done by the countries receiving relief, which also provided volunteer labour to handle, cook, etc., the supplies. These transactions were supervised by an American staff.

(vii) *Finance.*

As we have seen, Government organizations capable of handling relief were in existence at the end of the war; but funds had to be mobilized to make large-scale relief transactions possible.

In the United States, a bill was introduced in Congress shortly after the Armistice for the appropriation of \$100 million for relief to the liberated countries; it did not become law, however, before the end of February 1919. But \$5 million were made available from the President's "National Security and Defense Fund" which enabled the Food Administration to proceed with its work pending the passage of this bill through Congress.

When it became evident that the sum of \$100 million would be inadequate, the President directed the United States Treasury to make loans to certain of the liberated countries under the war powers granted by Congress for Treasury loans to Allied countries.<sup>2</sup> The Treasury, it will be recalled,<sup>3</sup> made advances to the United Kingdom,

<sup>1</sup> Cf. Section 4.

<sup>2</sup> "Grain Trade . . .", page 404.

<sup>3</sup> Page 7, footnote 2.

France, Italy and Belgium, both before and after the Armistice for the purchase of munitions and raw materials as well as foodstuffs. Czechoslovakia received the first advance of \$5 million shortly after the Armistice on November 15th, 1918. Apart from two small advances made to Yugoslavia about the same time, that country and Roumania obtained no post-armistice Treasury advances before February 1919. None of the other liberated countries was granted Treasury credits.<sup>1</sup> Two wartime acts (of May 10th and July 9th, 1918) authorized the President to sell war materials "upon such terms as he shall deem expedient." It took some time, however, to get the sale of Army goods under way, the United States Liquidation Commission being created only in February 1919.

To obtain finance for relief to Austria, a roundabout procedure was followed. The \$100 million appropriation could not be used for ex-enemies. Relief for Austria was, however, urgent and could not be paid for in cash. A solution was found by the United States selling commodities on credit to the United Kingdom, France, and Italy to the value of \$16 million each, which these countries resold on credit to Austria.

The sources of finance during the "Armistice Period" were drawn on as shown in Table 2.

The British Government voted a £12.5 million credit for relief in February 1919.

## 2. VOLUME AND NATURE OF RELIEF

A description of the volume and nature of relief must be largely confined to those activities covered by the American Relief Administration Report. Relief falling outside its scope will be briefly mentioned in Section 3.

It is convenient to follow the A.R.A. Report and to divide post-war relief activities into two periods, the "Armistice Period" and the "Reconstruction Period."

### I. *Armistice Period.*

The first period of relief activities after the war runs from the Armistice (November 11th, 1918) till shortly after the Peace (June

<sup>1</sup> Annual Report of the Secretary of the Treasury, 1920, pages 325 ff.

*Table 2.—Sources of Finance, United States Relief  
during Armistice Period*

	\$(000,000's)
From the \$100 million appropriation	85 <sup>1</sup>
“ “ President's Fund	— <sup>2</sup>
“ “ Treasury Loans to liberated countries	87
Relief to Belgium against credit	167
Sales against credit by United States	
Liquidation Commission	382
Total credit by United States	721 <sup>3</sup>
Sales on credit to United Kingdom, France and Italy for Austria	48
Sales against cash	202
Profits used for United States Government gifts	23
Grand total, relief by United States Government in Armistice Period	994

28th, 1919), during which Mr. Hoover was Director-General of Relief. Shipments of foodstuffs, apart from those for the Commission for Relief in Belgium, did not reach Europe until January 1919. Prompt measures, however, were taken to obtain the release of United States Army stocks; and, from these and from the stocks of the Belgian Commission, small initial relief deliveries were made towards the end of December of 1918 in Serbia and elsewhere.<sup>4</sup> But a regular flow of relief started only later. The first cargoes for the Northern relief programme (the Baltic region) which arrived in Europe in January 1919 were unloaded and stored in Rotterdam as the Baltic ports were still considered unsafe as a place of warehousing. Twenty-three vessels loaded by the War Department arrived in Trieste in January, February and March 1919, for the most part before definite relief programmes had been arranged for the individual countries.

<sup>1</sup> The balance of the appropriation was used for child relief in the Reconstruction Period.

<sup>2</sup> All relief during the Armistice Period was finally financed out of other resources. The Fund was, however, used in the Reconstruction Period.

<sup>3</sup> In Table 1, total relief credits granted by the United States are given as \$1,001 millions. In this figure are also included loans granted during the war to Belgium and Northern France (\$223 millions) and loans granted in the Reconstruction Period (\$57 millions).

<sup>4</sup> "Grain Trade . . .", page 401.

Most of these cargoes were unloaded into warehouses and only gradually used up for relief.<sup>1</sup>

The deliveries in the Armistice Period continued up to August 1919.

During this period, the countries of Central and Eastern Europe not only lacked food; they lacked the foreign exchange to buy it and they had no way of obtaining transport facilities without the cooperation of the Allied Governments.

The American Relief Administration met those needs by buying foodstuffs in the United States, organizing shipping and overland transport, and delivering the commodities on credit wherever cash payments were impossible. Large deliveries, also on credit, were made from the United States Army Stocks in Europe. The Allied Governments and certain neutrals also furnished foodstuffs mostly (the United Kingdom was an exception) on a cash basis. Finally, there was the relief afforded by charitable societies which is, in part, covered in the report of the A.R.A. The value of relief from these various sources during the Armistice Period may be seen from Table 3.

Table 3.—*Relief during Armistice Period*  
(January-August 1919), by Origin.<sup>2</sup>

		\$(000,000's)	%
Governments of	United States	994 <sup>3</sup>	79
	United Kingdom	120 <sup>4</sup>	9
	France	29 <sup>4</sup>	2
	Italy	37 <sup>4</sup>	3
	All other countries	52	4
Private charity, largely from United States <sup>5</sup>		35	3
Total		1267	100

<sup>1</sup> "American Food . . .", pages 128/9.

<sup>2</sup> According to the source of finance. This practically coincides with the origin of the commodities and services, though some purchases in neutral countries were made with funds obtained from United States credits.

<sup>3</sup> Includes \$48 million credit to United Kingdom, France and Italy for relief to Austria.

<sup>4</sup> Excludes \$16 million relief to Austria.

<sup>5</sup> Charity by the United States Government during this period constituted a negative figure as \$53 million were accumulated in profits (which were used for further relief in the Reconstruction Period) while only \$23 million were given as Governmental charity. The total net charity during this period works out at only \$5 million, or 0.4%. (Annex Table IV).



The requirements of imported food may be estimated from the figures set out below (Table 4) representing the relief programmes as originally estimated, expressed in tons of food and in calories per head per day.<sup>1</sup>

Table 4.—*Estimated Food Needs, Armistice Period*

Country <sup>2</sup>	In tons (000's)	In calories (000,000,000's)	In calories per head per diem
Finland	69	245	809
Estonia	12	42	253
Latvia	8	30	136
Lithuania	5	18	148
Poland	273	999	216
Czechoslovakia	269	967	395
Yugoslavia	67	231	132
Roumania	209	698	239
Armenia	31	100	458
<b>Total, Liberated Countries</b>	<b>943</b>	<b>3,331</b>	<b>261</b>
Germany	1,470	5,872	810
Austria	307	1,075	931
Bulgaria	16	52	120
Turkey	25	82	38
<b>Total, Enemy Countries</b>	<b>1,818</b>	<b>7,081</b>	<b>642</b>
Belgium	959	4,587	2,581
Northern France	119	564	1,309
<b>Total, Allies</b>	<b>1,078</b>	<b>5,151</b>	<b>2,333</b>
<b>GRAND TOTAL</b>	<b>3,837</b>	<b>15,563</b>	<b>598</b>

Adult males doing light work need between 2400 and 3000 calories a day. For the population as a whole, taking women and children into account, the per capita figure is, of course, considerably smaller.<sup>3</sup> In most of the countries receiving relief, at least part of the farm popu-

<sup>1</sup> From "American Food . . ." Table 13; total calories ÷ [number of months for which deliveries were projected × 30 × population].

<sup>2</sup> The classification of countries is that given in "American Food . . .".

<sup>3</sup> The Commission for Relief in Belgium maintained the population of Belgium during the war on an average daily diet of 2000 calories per head. (Cf. C.R.B., "Statistical Review of Relief Operations," page 25).

lation was in a position to live on the produce of its own land. Hence it is clear that the relief programmes in some countries covered a very large proportion of the total food requirements of the urban population. In Finland, Germany, Austria and Northern France, the projected rations represented between forty and fifty per cent of the 2000 calories per head which would approximately satisfy the energy requirements of the whole population, while in Belgium it was planned to deliver as relief enough food to feed the whole population completely.

These plans were not strictly adhered to. In many cases the estimates proved too low, in a few too high. Table I of the Annex compares the final deliveries, by commodities, with the estimates.

The programmes were drawn up by four groups of commodities: (1) breadstuffs (grain and flour), (2) beans, peas and rice, (3) pork products and (4) milk. The final deliveries also included various other foodstuffs (*inter alia*, considerable amounts of potatoes) and United States Army Foods. For the latter, no details by commodities are available.

In all the liberated countries, the total deliveries exceeded the programme. In Germany, on the other hand, the estimates were not reached. In fact, Germany received only 40% of the cereals and 50% of the fats which, according to the Brussels Agreement with the Allies (March 1919), she was allowed to import during the blockade.<sup>1</sup> This was partly, if not wholly, due to her inability to pay cash for larger imports.<sup>2</sup>

Unfortunately, the lack of detailed information regarding the composition of the deliveries makes it impossible to calculate their nutritional value with any degree of accuracy. Table 5 on page 19 affords, however, a rough idea of their energy values.<sup>3</sup>

On the basis of 2000 calories per person *per diem*, these foodstuffs would have afforded sufficient calories for the whole population of

<sup>1</sup> This deficiency was partly compensated by miscellaneous foods, mainly potatoes.

<sup>2</sup> Cf. "American Food . . .", page 198.

<sup>3</sup> Weight: Appendix Table II. Calories calculated on the basis of the average calorie content assumed in the relief programme ("American Food . . .", pages 32/3): for breadstuffs (3621 per kg.), rice and pulses (3550), milk (2425) and fats (7555); rough estimates used for sugar (3800), miscellaneous foods (mostly potatoes, 1000), United States Army Foods (4000).

Table 5.—*Composition of Relief Deliveries, Armistice Period*

	Weight Tons (000's)	Calories (000,000,000,000's)
Breadstuffs	3,103	11.2
Rice and Pulses	267	1.0
Milk	100	0.2
Fats	350	2.6
Sugar	57	0.2
Miscellaneous Foodstuffs	338	0.3
United States Army Foods	557	2.2
Total	4,772	17.7

the major European relief area (160 million)<sup>1</sup> for nearly two months.

The relief commodities were sold to the Governments, or, in some cases, to the cooperative societies, of the countries in need, which handled and distributed the supplies. A.R.A. officials made sure, however, that the supplies reached the people who were in distress. With respect to the foodstuffs sold to Germany, it was laid down in the Brussels Agreement that (i) a proportionate part should be distributed in the occupied territories and (ii) no Allied food should be distributed to "unemployed persons, who by their own fault or choice failed to obtain work."<sup>2</sup>

## II. *Rèconstruction Period.*

The diversity of the activities carried on in the "Reconstruction Period" (which runs roughly from the middle of 1919 to the end of Mr. Hoover's relief activities in 1924) by the American Relief Administration—assisted in some countries by other private organizations such as the American Friends Service Committee, the Y.W.C.A. and the Y.M.C.A.—makes it advisable to consider those activities under three headings:

(1) *Child Relief.* Early in March 1919 Mr. Hoover set up the Children's Relief Bureau as part of the American Relief Administration in order to meet the needs of undernourished children from gifts. The American Government provided food and clothing, which were supplemented by the Governments of the receiving countries in so far as

<sup>1</sup> "American Food . . .", page 31, excluding Bulgaria, Turkey, Italy, Netherlands and Denmark.

<sup>2</sup> Temperley, *op. cit.*, page 318.

they were able. These Governments also arranged for transportation, distribution being effected by national committees consisting mainly of women.<sup>1</sup> Meals were prepared and distributed to millions of children in central kitchens, schools, etc. The children fed were carefully selected according to their state of nourishment and health. Clothing was also distributed to those children who were most in need of it. After the termination of official relief from the United States, these activities were taken over and continued on a much larger scale by the European Children's Fund mentioned above.

(2) *Adult and miscellaneous relief.* This heading comprises :

(a) The "food draft" service. Mr. Hoover organized an ingenious system, whereby individuals in the United States (and other countries) could buy food drafts for a value of \$10 or \$50 and send them to relatives in Central European countries, and later in Russia, where they were convertible into specified quantities of food at the food warehouses of the A.R.A.

(b) "Bulk sales." From the same warehouses, large quantities of food were sold on the spot to various relief organizations. Under both systems, a small amount of clothing was also handled.

(c) In Russia, during the famine of 1922, the A.R.A. distributed food direct to adults in much the same way as to children. The commodities delivered were also partly destined for use as seed grain and the U.S.S.R. paid for part of the deliveries in gold. These transactions, therefore, overlap somewhat with group (3).

(3) *Grain Sales.* The United States Grain Corporation sold large quantities of wheat flour to certain European Governments on credit, having "exhausted every means to sell these stocks at home and abroad for cash."<sup>2</sup> The distribution of this flour to the final consumers lay outside the control of any United States agency.

The following table shows the geographical distribution of relief activities by value under these various headings. On account of the somewhat special character of the Russian relief, a distinction has been made between deliveries to that country and those to Central Europe.

<sup>1</sup> Cf. page 13.

<sup>2</sup> "Grain Trade . . .", page 417.

Table 6.—*Deliveries during Reconstruction Period, by Activities*

	\$(000,000's)		Total
	Central Europe	Russia	
Child Feeding	53.3	12.6	65.9
Adult and Miscellaneous Feeding	12.5	46.0	58.5
Grain Sales	77.0	—	77.0
Total	142.8	58.6	201.4

The commodity composition, by quantity and estimated value,<sup>1</sup> of the deliveries during the Armistice and Reconstruction Periods—distinguishing, in the latter period, between child and other relief—is given in Table II of the Annex.

Further details concerning the magnitude of child relief are given in Table III. The total number of "feeding months" is found to be about 100 million which represents some 2,500,000,000 meals provided (one meal every weekday). On the average, every child of Central and Eastern Europe<sup>2</sup> was fed for one month by the American relief organizations. This was done at an extremely low cost. The cost of commodities imported from the United States was only 66 cents per head per month.<sup>3</sup> Of this value, 17%, or 11 cents, was for non-food commodities,<sup>4</sup> leaving 55 cents for imported food. Governments of the countries where the relief activities were performed in most cases contributed some foodstuffs free of charge. The aggregate value of these commodities was 14.5 million dollars which would raise the cost per child per month by 15 cents, giving a total cost of 70 cents for about 25 meals, or less than 3 cents per meal.<sup>5</sup> The cheapness of these meals (notwithstanding the relatively high prices paid to the American producers in 1919/20) was due to the use of inexpensive types of food, bought at wholesale prices and to the fact that all warehousing, transportation, cooking and distributing was done without cost. Moreover the low cost in Russia brought down the average; it was

<sup>1</sup> Curiously enough, the Report of the A.R.A. activities ("American Food . . .") does not give total values of the deliveries by commodities. Prices had therefore to be estimated from such information as was available.

<sup>2</sup> Including Russia but excluding Bulgaria, Greece and European Turkey, which are not listed in Table III.

<sup>3</sup> This figure is derived from a comparison of columns (2) and (8) of Table III.

<sup>4</sup> Cf. Table II.

<sup>5</sup> This does not include such other supplies as were provided by the local committees, e.g. vegetables ("American Food . . .", pages 85/6).

lower than elsewhere largely because the bulk of relief in Russia was carried out in 1922/3 when prices for farm products were very much lower than in the winter of 1919/20, the period of most of the Central European child feeding activities. Thus the average cost per child per month in Russia was only 36 cents as against about one dollar in all other countries.

The number of months during which children were fed necessarily varied from country to country according to the food situation obtaining; it was highest in Austria where, on the average, every child was fed for five months between the middle of 1919 and the middle of 1922.

Some idea of the nutritive value of the meals provided may be obtained from the following table:

*Table 7.—Composition of Children's Meals Distributed in Reconstruction Period*

Commodities	Estimated average for all meals*			Meals in Germany handled by Quakers†
	A	B	C	
Flour	47	32	79	70
Rice	14	0	14	16
Beans, Peas	14	1	15	27
Pork Products	8	1	9	11
Milk (condensed or evaporated)	25	1	26	38
Cocoa	4	0	4	4
Sugar	11	3	14	14
Corn grits and misc. foods	3	1	4	0

\* A: American food: Quantities in Table II of the Annex divided by the number of meals, which are assumed to have been 2½ billion.

B: Commodities donated by relief countries, calculated per meal.

C: A plus B.

† L. M. Jones, "Quakers in Action," pages 53/4.

The meals in most countries are stated to have given about 670 calories. The standard daily requirements for children of 5-7 years are about 1400 calories and for young persons 12-17 years, 2000 to 3200 calories.<sup>1</sup> The one meal a day was not, of course, intended to suffice by itself. It may be noted, however, that the meals were de-

<sup>1</sup> League of Nations, "The Problem of Nutrition," vol. II, pages 26/7.

cidedly poor in animal proteins and fat, chiefly because of the small allowance of milk,<sup>1</sup> a deficiency which the other meals taken by these children probably did not meet.

There is no information about the amount of green vegetables and fruit supplied locally. In the German child feeding, none seems to have been included.<sup>2</sup> Diets were, therefore, probably deficient in most vitamins and mineral salts. The total deliveries of cod liver oil amounted to only 85 tons—a quantity sufficient to give about one per cent of the standard ration (3 grams) per meal supplied. With the very wide prevalence of rickets through a lack of vitamin D, this deficiency of the diet supplied is probably partly due to the state of nutritional knowledge at that time, when the function of vitamins was still far from being fully recognized.

It is not astonishing, therefore, to find that the child feeding programme—although it prevented a disastrous child mortality—was not adequate to prevent malnutrition. In Czechoslovakia, a medical enquiry by the American Red Cross in March 1921 showed that 60% of the children receiving meals still remained undernourished and lacking in vitality.<sup>3</sup>

### 3. FINANCE

Relief was financed in three major ways: (i) by cash payments made by the relief receiving countries; (ii) by credits extended by the countries furnishing relief commodities, and (iii) by gifts. Table IV indicates the share of each of these sources in financing the total gross value of relief commodities. The gifts represented contributions from private persons or charitable organizations, largely in the United States, and grants from the United States Government. The latter were, to a great extent, derived from profits made by the Government or its agencies on relief transactions.

Table IV deals separately with the Armistice and the Reconstruction Periods and distinguishes between Liberated Countries, Ex-

<sup>1</sup> The weights for milk refer to evaporated and condensed milk. In the case of Germany, each of the two forms accounted for half of the weight; for the total deliveries, no specification is available. Assuming the food content of condensed milk to be at twice, and that of evaporated milk to be five times that of fluid milk, the milk contained in the German meals is equivalent to 133 grams of fluid milk. (*Cf.* "American Food . . .", page 402).

<sup>2</sup> For menus in other countries, *cf.* "American Food . . .".

<sup>3</sup> Annual Report of the American Red Cross, 1921/2, page 62.

Enemies, and Ex-Allies and various other countries. Differences in the methods of financing roughly correspond to these distinctions. It is broadly true to say that during the Armistice Period the liberated countries and ex-allies received relief on credit (85% and 93% of the total net value) whereas the ex-enemies paid cash (91%).

The amounts paid by Ex-Enemies to cover the difference between costs and the prices at which the goods were actually delivered to them exceeded the value of the gifts they received, while the liberated countries received a small amount of their relief (4%) as net gifts. But all countries taken together received hardly any net gifts during this period (0.4%). They received credits for 68% of the value of the deliveries and paid 32% in cash.

In the Reconstruction Period, the scale of relief was very greatly reduced. Twenty-five per cent of the total value of relief afforded during this period was derived from profits made earlier and ploughed in (classified in "American Food in the World War and Reconstruction Period" as "gifts"). From private charity and grants by the United States Government 31% was obtained, making the total percentage of gifts 56. Only 6% was paid in cash (almost entirely by Russia) and 38% was obtained on credit.

In the Reconstruction Period, the form of finance adopted was determined by the nature of the relief rather than by the war status of the country.<sup>1</sup> In almost all countries (the one notable exception being Russia) all meals were distributed on a purely charitable basis. The only credit transactions recorded are grain sales.

Thus it is clear that large-scale gifts were only made eight months after the armistice;<sup>2</sup> before that date, food was sold for cash or on credit. In their immediate effect on the financial reserves of the country receiving relief, purchases on credit do not differ substantially from gifts, especially if the service of the loans is kept low in the first years.<sup>3</sup> From the point of view of immediate financial strain, the real

<sup>1</sup> Cf. Table 6.

<sup>2</sup> This statement refers to relief covered in Table IV. Some charitable organizations, such as the Red Cross, the Jewish Joint Distribution Committee and the Quakers, had been distributing relief during the war and continued this work after the armistice. It may be noted, in this connection, that the Quakers' work in Germany did not start before the end of 1919.

<sup>3</sup> The actual service of the relief loans was, in fact, negligible till about 1923. Cf. Section 4.



distinction is between credit or gifts on the one hand and cash sales on the other.

That distinction is important for, if serious monetary trouble is to be avoided, countries must dispose of a certain stock of foreign exchange in order to meet a temporary passive balance in their international accounts. The sale of relief commodities for cash, if pushed too far, may involve the risk of unduly depleting such reserves and of entailing currency depreciation.

This depreciation did, in fact, take place. It would be a great exaggeration to attribute it entirely, or even mainly, to the way relief was financed. But this was one of its causes in the case of the ex-enemy countries, from which large reserves were withdrawn during the Armistice Period. For some of the liberated countries also, the termination of the sale of essential foods on credit after this period—when the need for relief had by no means passed—produced a considerable strain on the exchange rates.<sup>1</sup>

Rapid exchange depreciation may well jeopardize the very purposes of food relief. It impoverishes those with fixed or slowly adjustable incomes and hence worsens the distribution of the food supplies. In undermining the value of small savings, it increases the risk of social upheaval which the food deliveries were intended to prevent. By lowering the price level, in terms of gold, of the country suffering from it, it leads to exchange dumping. Depreciation proved to be harmful both to the country whose currency lost value and to the world at large. "Stabilization credits" were, in most cases, granted to reconstitute a sufficient stock of foreign exchange; and the sale of relief commodities for cash was, increasingly, replaced by credit transactions and direct gifts. It is instructive to note that in 1924 Germany was given a stabilization loan of 190 million dollars after she had been obliged to pay 282 million dollars in cash for essential foods in 1919.<sup>2</sup>

As mentioned above, most tables in this study cover only the relief activities with which the A.R.A. and its subsidiaries were in sufficient contact to be able to incorporate them in their reports. Estimates of the

<sup>1</sup> The stoppage of relief loans is quoted as an important reason for the fall of the Czech Krone after the middle of 1919. (Rasin, "Financial Policy of Czechoslovakia during the first years of its history," page 67).

<sup>2</sup> The gold reserves of the Reichsbank fell from \$539 millions (2262 millions of Gold Marks) at the end of December, 1918 to \$266 millions (1116 millions of Gold Marks) at the end of June 1919.

value (but not, unfortunately, of the tonnage) of relief distributed by certain European Governments and the most important private organizations not, or only partly, covered in the A.R.A. report are given in Table V of the Annex. The totals are as follows:

*Table 8.—Value of Relief other than that covered in Table IV*

	\$(000,000's)	
A. <i>Government Loans</i>		
United Kingdom <sup>1</sup>	19.5	
Italy	4.0	
Netherlands	13.9	
Norway <sup>2</sup>	55.3	
Switzerland	4.7	
Sweden	1.3	
Germany	3.0	
	—	101.7
B. <i>Private organizations (gifts)</i>		
American Red Cross	117.1	
Near East Relief	40.6	
American Jewish Joint Distribution Committee	33.5	
American Friends Service Committee	7.1	
British Charitable Societies	7.2	
	—	205.5
A. <i>plus</i> B.		307.2
Gross value of relief shown in Table IV (agencies covered by the American Relief Administration's report)		1,468.1
<b>GRAND TOTAL</b>		<u><u>1,775.3</u></u>

<sup>1</sup> Reconstruction Period only. Relief by the British Government in the Armistice Period is entirely covered by the A.R.A. report.

<sup>2</sup> The relief deliveries from Norway consisted of fish and fish products. The following figures are of interest in this connection:

	<i>Norway's export of fish in tons (000's)</i>				
	1913	1919	1920	1921	1924
Germany	46.3	158.3	222.7	108.3	95.5
Finland	0.6	12.3	0.7	0.3	0.7
Latvia	.	0.8	7.4	3.3	0.4
Lithuania	.	0.3	2.3	0.1	—
Estonia	.	1.5	2.6	1.8	—
Poland	.	8.8	24.6	0.7	4.0
Czechoslovakia	.	—	2.2	0.3	0.4
Austria	1.6	0.1	1.6	0.7	0.5

(Compiled from "Norges Handel," 1913, 1919-1921, 1924.)

#### 4. THE RELIEF LOANS

The total postwar relief debt of each debtor country to each of the creditor countries is set out below (Table 9). It will be observed that in every case (with the exception of Germany and Austria) by far the larger part of the total debt was owed to the United States.

Table 9.—Total Postwar Relief Loans from All Countries  
\$(000,000's)

BORROWING COUNTRIES	LENDING COUNTRIES								PER HEAD <sup>1</sup> \$
	U. S. <sup>a</sup>	U. K. <sup>b</sup>	France	Italy	Nether-lands <sup>c</sup>	Nor-way <sup>e</sup>	Others	Total	
Finland	8.3	—	—	—	—	0.6	1.1 <sup>d</sup>	10.0	3
Estonia	14.2	1.8	—	—	—	—	—	16.0	15
Latvia	5.2	0.1	—	—	—	—	—	5.3	3
Lithuania	5.3	0.1	—	—	—	1.8	0.3 <sup>e</sup>	7.4	4
Poland	135.8	19.7	—	—	6.2	3.8	1.0 <sup>e</sup>	166.5	6
Czechoslovakia	78.6	2.5	—	—	—	—	3.0 <sup>f</sup>	84.0	6
Yugoslavia	33.7	9.6	—	—	—	—	—	43.3	4
Roumania	36.5	10.0	—	—	—	—	5.4 <sup>g</sup>	51.9	3
Armenia	11.9	0.7	—	—	—	—	—	12.6	.
Russia (non-Soviet)	13.5	—	—	—	—	—	—	13.5	.
Germany	—	—	—	—	1.0	48.7	—	49.7	.
Austria	24.1	46.3	20.5	22.0	6.7	0.4	4.7 <sup>h</sup>	124.7	20
Hungary	1.7	0.6	—	—	—	—	—	2.3	0
Belgium	196.4	—	—	—	—	—	—	196.4	26
France	213.1	—	—	—	—	—	—	213.1	6
<b>TOTAL</b>	<b>778.3</b>	<b>91.4</b>	<b>20.5</b>	<b>22.0</b>	<b>13.9</b>	<b>55.3</b>	<b>15.5</b>	<b>996.9</b>	
<i>Per cent</i>	<i>78</i>	<i>9</i>	<i>2</i>	<i>2</i>	<i>1</i>	<i>6</i>	<i>2</i>	<i>100</i>	

a Table IV of the Annex.

c Table V of the Annex.

e Sweden.

g Canada and Newfoundland.

j Population about 1920. See Annex Table VIII.

b Tables IV and V of the Annex.

d Denmark.

f Germany.

h Switzerland.

Nearly 80% of the postwar relief credits were granted by the United States. These credits, however, form only a small part of the huge amount of short-term debt owed to the United States Treasury after the war by the countries which had received relief. The total of such debt was as shown overleaf:<sup>1</sup>

<sup>1</sup> Figures by countries are shown in Table VI of the Annex.

	\$(000,000's)
Relief deliveries:	
Advances under Liberty Bond Acts	473
Credit sales of surplus war materials	378
American Relief Administration and Grain Corporation loans	142
	<hr/>
Total	993
Loans for other purposes	3,396
	<hr/>
Total loans	4,389

The debtor countries concluded a series of funding agreements with the United States, mostly between 1923 and 1926, which considerably changed the terms of the credits. The main conditions of these agreements were as follows:

(a) To the capital amount of the debt was added the interest in arrears as at December 15th, 1922, recalculated at  $4\frac{1}{4}\%$  instead of the  $5\%$  as originally stipulated.

(b) To the amount so obtained, interest was added up to the day of funding, in most cases at  $3\%$ .

(c) The total funded indebtedness so arrived at was to be repaid over 62 years.

(d) The interest on this debt was in most cases fixed at  $3\%$  for the first ten years and at  $3\frac{1}{2}\%$  afterwards; a much lower rate of interest was agreed upon in the debt settlements with France, Italy, Belgium and Yugoslavia.

(e) For some countries, provisions were made for a largely reduced service during the period up to 1932, to be compensated by higher payments after that date.

The funding agreements pooled together all types of loans so that the United States relief loans became absorbed in the "War Loans." It is, however, interesting to estimate separately the total payments made on account of relief loans. The repayments of relief loans up to the day of funding amounted to only  $0.6\%$  of the principal, as against about  $1.8\%$  for war loans to the same countries. At the time of the funding agreements no repayments had been made at all on the loans for surplus war materials and the American Relief Administration loans, though most of them had fallen due.

The amounts paid to the United States in respect of service on the

relief debt prior to and after funding are shown in Table VII of the Annex. The totals are as follows:

	\$(000,000's)
Payments up to December 15th, 1923:	
Liberty Loans	18.0
Surplus Material Loans	35.8
A.R.A. and Grain Corporation Loans	0.6
	54.4
Payments from December 15th, 1923 to March 1st, 1939	94.3
	148.7
Total payments from the Armistice to March 1st, 1939	148.7

Since hardly anything was paid after the 1931 moratorium,<sup>1</sup> the total payments of about 150 million dollars on a relief debt of nearly \$1,000,000,000 were made during about twelve years. A rough actuarial calculation shows that these payments—supposing them to have been evenly distributed over the whole period—represent the amortization and interest service of a  $4\frac{1}{4}\%$ <sup>2</sup> debt of slightly over 100 million dollars. It follows that the United States, though on paper selling for about \$1,000,000,000 on credit, actually made a transaction equivalent to a cash sale of some 10%, plus a gift of 90% of the total amount of relief. To the recipients, however, an outright gift made at the outset would have presented obvious and in some cases vital advantages over the relief loans on which there was ultimate default.

The relief credits granted by the United Kingdom and France were not assimilated to war loans. The latter were considered as "political" loans.<sup>3</sup> All relief credits were funded at various dates between 1922 and 1927,<sup>4</sup> on terms which were less favourable to the debtors than those granted by the United States: accrued interest up to January 1925 at the rate of 6%, current interest thenceforth at 5% and repayment in from five to twenty years.<sup>5</sup>

The relief credits granted by the United States were, with two exceptions (Austria and Hungary), given without any specific security. There were only promissory notes of "Governments and

<sup>1</sup> Finland and Hungary have made payments.

<sup>2</sup> This rate is used in many calculations of the United States Treasury on this subject; it is the approximate rate of borrowing of the United States Government around 1926.

<sup>3</sup> Cf. Moulton and Pasvolsky, "War Debts and World Prosperity," page 109.

<sup>4</sup> *Ibidem*, pages 130 ff.

<sup>5</sup> Apart from the special case of Austria, dealt with below, where the period was 40 years.

so-called Governments" (the term used in statistics of the United States Treasury). The funding agreements, with the same exceptions, did not pledge particular assets.

But the two ex-enemy countries (Austria and Hungary) which received relief credits had to pledge important state revenues (customs and State monopolies receipts) for the service of these loans. These revenues were assigned in favour of all countries granting relief credits to Austria and Hungary. The assets previously pledged to the service of the reparation loans were released by the Reparation Commission on behalf of Relief Loans, reparation payments remaining as a second charge.

This situation proved a very serious handicap when, after the food situation had been somewhat improved, the need for foreign loans for reconstruction purposes became pressing. To issue such loans, free assets were indispensable. In fact, however, (1) all state revenues were doubly pledged, and (2) there was no central organization empowered to decide on the release of the liens.<sup>1</sup> It was necessary, therefore, for the debtor countries to enter into long negotiations with the different Relief Bond-holding Governments,<sup>2</sup> several of which had to submit the matter to Parliament. The time involved actually brought Austria to the verge of collapse. The following time table<sup>3</sup> shows that two years elapsed between the drawing up of the Austrian reconstruction plan and the issuing of the loan:

March 1921      Great Britain, France, Italy, Japan, agree (i) to release the assets pledged by Austria to Reparation and Relief Loans, in favour of a Reconstruction Loan; (ii) to ask the 13 other creditor countries (on relief and reparation account) to do the same; (iii) to ask the League of Nations to prepare a reconstruction scheme.

<sup>1</sup> With respect to the relief loans—with respect to reparations, the Reparation Commission had this power.

<sup>2</sup> They were: France, Great Britain, Sweden, Norway, Denmark, Switzerland, Netherlands, the United States, in the case of Hungary; the same plus Italy in the case of Austria. Some of the loans given by the five smaller countries were only very small; since they were not given for relief proper but for the repatriation of prisoners of war, they are not included in Table V.

<sup>3</sup> League of Nations, "The Financial Reconstruction of Austria: General Survey and Principal Documents," (Ser. L.o.N.P. 1926. II. 30).

- June 1921 League scheme approved by Council and forwarded to Allies. This scheme was not put into operation because the negotiations for the release of the assets proceeded very slowly.
- February 1922 To prevent an immediate crisis, France, Great Britain, Czechoslovakia and Italy grant credits and postpone their claims on account of earlier loans for a period of twenty years.
- April 1922 Act of United States Congress authorizing release of assets.
- August-  
October 1922 On appeal by Austria, reconstruction loan plans are elaborated by the Financial Committee of the League.
- August 1922 Reparation Commission released liens on certain Austrian assets to serve as security for the new Bank of Issue.
- October 1922 *idem* for service of provisional short-term loans under the League scheme.
- December 1922 By this date all countries holding Relief Bonds had notified the Reparation Commission of their willingness to release their lien for the two purposes mentioned.
- February 1923 Short-term loan granted.
- February 1923 Reparation Commission released liens on Austrian assets for long-term loan. Asked Relief Bondholding states to do likewise.
- June 1923 All countries holding Relief Bonds agreed to release liens.
- June 1923 Long-term loan issued.

Under the conditions of this loan, the Relief creditors abandoned their first charge on the Austrian assets for twenty years, and agreed to a suspension of the service of the loans during that period.

In 1928-30, however, Austria funded her relief debt on the basis of forty annuities from 1929 to 1967 with a provision that payments might be suspended at the demand of the Trustees of the League loan at any time up to 1943. Austria met her obligations till the 1931 Hoover moratorium.

In the case of Hungary, the negotiations took less time.<sup>1</sup> Hungary<sup>2</sup> first approached the Reparation Commission in April, 1923; the first reconstruction scheme was elaborated by the League in December of that year; the loan was floated in July, 1924.

The relief loans given by European creditor countries to Austria and Hungary were on the same conditions as those given by the United States. The service of the loans to the other debtors formed a first charge on any receipts accruing to the debtor Government by way of

Table 10.—Cash Payments for Relief, and Relief and Reconstruction Loans

\$(000,000's)

COUNTRY	Cash Payments <sup>1</sup>	Relief Loans <sup>2</sup>	Reconstruction Loans <sup>3</sup>	Total Loans <sup>4</sup>	LOANS: \$ PER HEAD <sup>5</sup>	
					Relief	Reconstr.
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Finland	18	10	51	61	3	15
Estonia	1	16	8	24	14	7
Latvia	—	5	6	11	3	3
Lithuania	—	7	2	9	4	1
Poland	1	167	148	315	6	6
Czechoslovakia	26	84	79	163	6	6
Yugoslavia	—	43	75	118	4	6
Roumania	—	52	120	172	3	7
Armenia	1	13	—	13	.	.
Russia (non-Soviet)	—	14	—	14	.	.
Germany	283	50	327	377	1	5
Austria	37	125	143	268	20	22
Hungary	—	2	98	100	—	12
Bulgaria	5	—	38	38	—	9
Belgium	—	196	311	507	25	40
France	5	213	233	446	5	6
<b>TOTAL</b>	<b>377</b>	<b>997</b>	<b>1,639</b>	<b>2,636</b>		

<sup>1</sup> From Table IV of the Annex.

<sup>2</sup> From Table 9.

<sup>3</sup> Nominal value of all long-term loans obtained by the Central and Provincial Governments of the countries in column (a) in the United States, United Kingdom, France, Netherlands, Switzerland and Sweden in the period 1919 to 1929 inclusive. For Austria, the value of the tranches of the League loan placed in Italy, Belgium, Czechoslovakia and Spain have been included. Source: League of Nations.

<sup>4</sup> Sum of columns (c) and (d).

<sup>5</sup> Population about 1920. See Annex Table VIII.

<sup>1</sup> Cf. League of Nations, "The Financial Reconstruction of Hungary: General Survey and Principal Documents." (Ser. L.o.N.P. 1926. II. 54).

<sup>2</sup> Hungary came to a debt settlement with the United States in 1924 which provided for a release of security—but not for suspension of payments—on behalf of Hungary's reconstruction, provided all other relief creditor countries acted similarly.



"compensation, reparation or indemnity from the enemy or ex-enemy Governments, or any of them, subject to any charges already created thereon in respect of previous loans."<sup>1</sup>

Table 10 compares the relief loans with cash payments for relief, and reconstruction loans.

## 5. PRICE POLICY: THE EFFECT OF RELIEF ON PRICES AND STOCKS

It was not the intention of the American Relief Administration and the other United States organizations engaged in relief to make profits from these transactions. Nor were they authorized to incur losses, except in the specific instances where the United States Government furnished relief as a gift. A careful balance had therefore to be struck to avoid either profit or loss arising from this very large-scale undertaking. As it turned out, the prices charged for relief resulted in a by no means negligible profit which, as mentioned earlier, was handed over for children's relief in the Reconstruction Period.

Unfortunately, precise information concerning the prices charged is not available; for instance, the total value of all wheat delivered, or of the wheat delivered to each country seems never to have been published. Some indication of the margins on which the Grain Corporation operated is given by the following figures:

	\$(000,000's)
Total deliveries by London Office of Grain Corporation, sales value	378 <sup>2</sup>
Of which United States Army stocks in Europe, sales value	53 <sup>3</sup>
	<hr/>
Commodities bought in United States, sales value	325
Value of purchases for London Office, f.o.b. New York	233 <sup>4</sup>
	<hr/>
Difference	92

From this difference, which amounted to 40% of the value of the purchases, shipping charges had to be met. In the case of deliveries to

<sup>1</sup> International Financial Conference (Brussels), Paper X, page 6. This priority was maintained in the funding agreements, where, however, reparations in kind were specifically excluded.

<sup>2</sup> "Grain Trade . . .", page 414. Tallies with data in "American Food . . .". The great majority of these commodities was delivered during the Armistice Period.

<sup>3</sup> "American Food . . .", page 321.

<sup>4</sup> "Grain Trade . . .", Table 24, and page 411.

Austria by the United Kingdom and France of commodities bought in the United States, transportation costs amounted to 29% of the f.o.b. value. If we apply this same percentage, the remaining 11% would have left the Grain Corporation in its transactions with about 26 million dollars. This figure is in approximate accordance with the amounts which were eventually turned over to child relief activities, viz. 28 million dollars.<sup>1</sup>

Prices charged varied greatly from one country to another. A system of margins was used to provide against all possible risks, including revolution and confiscation of stocks. An additional price margin on part of the deliveries had to be added for the following reason. For the deliveries under the \$100 million Congressional appropriation for relief, the receiving countries had paid the A.R.A. in promissory notes for the total gross value, inclusive of all overhead. The United States Treasury, however, was only willing to take over notes for the f.o.b. value of the commodities plus the net transport costs. The difference of about 25 million dollars had to be absorbed by the Grain Corporation, which decided to compensate this loss by an additional margin on other commodities delivered during the Armistice Period. The gross value of these other deliveries was \$266 million; these commodities were, therefore, about 10% more expensive for this reason alone. Since the Congressional appropriation could not be used for deliveries to enemy countries, the latter presumably suffered most from this margin.

The operating expenses of the A.R.A. were not high. These expenses, including the cost of the London Office of the Grain Corporation and all the expenses on the Continent attained \$2 million or slightly over  $\frac{1}{2}$ % of the relief value handled by the A.R.A. (\$380 million).<sup>2</sup>

Another important source of relief was the sales on credit by the United States Liquidation Commission of goods in Europe to a total value of \$382 million, excluding non-relief commodities. The relief commodities consisted of:

- (1) food "some of which by reason of its quality and condition

<sup>1</sup> i.e. \$3,200,000 donated to the European Relief Council and \$25,110,000 donated to the European Children's Fund ("American Food . . .", pages 78 and 145).

<sup>2</sup> "American Food . . .", page 43. The salaries of the officials of the A.R.A. and the Grain Corporation were "usually paid by other departments of the United States Government." (*Ibidem*, page 76).

and of the form of package . . . had comparatively small commercial value",<sup>1</sup>

(2) salvaged and repaired clothing which, "though decent and warm, had small commercial value."<sup>2</sup>

These commodities were sold for their original cost price, including transportation to France, minus an allowance for deterioration amounting, on an average, to 25% for clothing and 16% for food. The price was considered "fair and just in the light of the quality of the securities and other circumstances associated with the transactions."<sup>2</sup>

In the Reconstruction Period, the majority of the relief deliveries—including the sales on credit by the Grain Corporation—are recorded c.i.f. Where, however, the Hoover organization sold commodities from warehouses in the relief countries by means of "food drafts," or in bulk, to American relief societies a margin of profit was added to costs in order to provide funds for further relief. In the case of Russia, this margin was very considerable and averaged 46% of the c.i.f. values of the deliveries affected.

Most of the relief provided by the various relief societies consisted entirely of gifts, and the value attributed to the commodities distributed is consequently only of bookkeeping interest. Where the commodities were purchased by these societies from the American Relief Administration or the United States Army stocks, they are automatically entered at the same f.o.b. prices as the A.R.A. deliveries. In some cases, where no price was available, they are recorded<sup>3</sup> at estimated prices. Where the commodities were donated in the United States, the value attributed is quite arbitrary. Thus, of the total Red Cross shipments to Europe in the two years 1918/19 and 1919/20, about \$25 million represents the estimated value of the volunteer knitting and sewing labour incorporated in the commodities.

It is of interest to consider the effect of relief sales on the price situation for farm products in the United States.

During the war, the prices for American farm products had been kept high as a matter of policy. A minimum price of \$2.00 per bushel

<sup>1</sup> Final Report of the United States Liquidation Commission, page 29.

<sup>2</sup> *Ibidem*, page 30.

<sup>3</sup> In "American Food . . .".

for wheat was guaranteed by Congress up to the 1919 crop, inclusive.<sup>1</sup> In response to the high price of wheat, farmers had largely extended production as was required in order to assure adequate supplies for the Allies. With the Armistice, shipping capacity was released, and it was feared that prices would come down to those ruling in Australia and the Argentine (\$1.20-\$1.50 per bushel for wheat). A catastrophic loss seemed to threaten the American farmer, which would have fallen ultimately on the United States Treasury because of the wheat guarantee. Congress, in March 1919, appropriated one billion dollars to cover the loss to which this guarantee was expected to lead.

But this appropriation was not required. As stated above, in February an act was passed appropriating \$100 million for relief, and additional credits were opened by the Treasury to certain of the liberated countries. The deliveries made to Europe against these credits and, after the lifting of the blockade on enemy countries, at the instance of Mr. Hoover, against cash, helped to keep prices above the guaranteed minima.<sup>2</sup>

Thus, additional demand was directed to the United States market, almost irrespective of the prices obtaining in other countries, and the volume of relief loans was inflated accordingly. As shown by the following import statistics, the United Kingdom, being able to buy in the cheapest market, redirected her purchases to countries other than the United States after the Armistice:

		cwts. (000,000's)		
		1918	1919	1920
Wheat	{ from the United States	50	46	54
	{ from Argentina, Australia and India	19	24	53
Corn	{ from the United States	8	1	2
	{ from Argentina	4	14	29
Chilled and frozen beef	{ from the United States	3.6	0.9	.
	{ from Argentina	2.0	3.9	.

But the relief receiving countries were not in a position to do the same. They had no buying organization and could not dispose of shipping capacity; neither had they, as had the A.R.A., the authority to secure overland transportation through other European countries.<sup>3</sup>

<sup>1</sup> The average price received by farmers was 97 cents in 1914, \$1.43 in 1916.

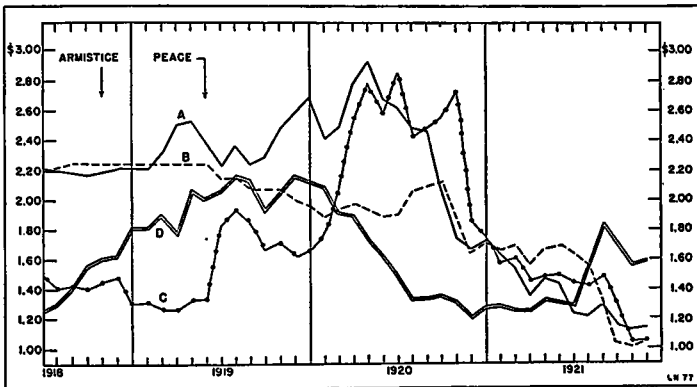
<sup>2</sup> Cf. F. M. Surface, "The stabilization of the price of wheat during the war and its effect upon the return to the producer," Washington, 1925, page 17.

<sup>3</sup> Cf. Section 6 below.

And, most important, they could not finance their purchases themselves.

*Diagram—Prices of wheat, in U.S. dollars per bushel  
July 1918-December 1921*

- A.\* United States (weighted average of price for cash sales at Minneapolis, Kansas City, Chicago and St. Louis).
- B. Canada (No. 1 Northern, Winnipeg).
- C. Argentina (Barletta, Buenos Aires).
- D. India (Karachi).



\* This index did not exist prior to July 1918.

That prices of wheat were higher in the United States than in the other producing centres is clear from the adjoining diagram, based on data compiled by the United States Grain Corporation.<sup>1</sup> During the period from January 1919 to May 1920 (the end of the Grain Corporation's activities), the average United States wheat price was \$2.48 per bushel as against \$2.08 for Canada, while the prices in the two countries were very near to one another before and after the operations of the Grain Corporation. The relief deliveries were instrumental in the maintenance of these relatively high prices and were thus of immense importance for the prosperity of the American

<sup>1</sup> Surface, "The Stabilization . . .", pages 76/7.

farmer, even though most of the relief credits proved valueless in the end.<sup>1</sup>

It is difficult to determine to what extent the commodity composition of relief in the Armistice Period would have been different, if it had not been influenced by the actual surplus situation in the United States market. The fact was that, at the moment of the Armistice, the Grain Corporation had large stocks on hand, and had stimulated the production, of a variety of important foods: wheat, pork, beans, etc., each of which was suitable for relief. Hence, deliveries of foodstuffs of any kind for relief helped to provide the desired assistance to the American market.

During the Reconstruction Period, relief was less influenced by the situation of American agriculture. Two important cases, covering together almost half the value of total relief during this period, stand out, however. The first is the above-mentioned sale on credit to certain European countries of wheat flour unsaleable in the United States.<sup>2</sup> The other is the use of 18.7 million dollars profit of the Grain Corporation to buy relief commodities for Soviet Russia.

At the end of 1921, the price of corn declined to disastrously low levels. From about \$2.00 per bushel at the height of the boom, it had come down to some 60 cents in the first half of 1921; the December average was under 47 cents. The visible supply of corn in the United States and Canada was in excess of normal by some 10 million bushels. By an Act of December 1921, Congress authorized the President to spend out of the funds of the Grain Corporation a sum not exceeding \$20 million for relief in Russia. The commodities to be delivered were specified as corn (as the only food grain), seed grain and preserved milk. Under this arrangement, some 12 million bushels of corn (partly in the form of corn grits) were delivered. This relieved the market, and "resulted in raising the price of corn from the abnormally low level where it was being sold at a loss to the producer to a distinctly profitable level."<sup>3</sup>

<sup>1</sup> *Ibidem*, page 17; "Any failure in handling the European situation would have caused great losses both to the Government and the farmers."

<sup>2</sup> Page 20.

<sup>3</sup> "Grain Trade . . .", page 422.

## 6. TRANSPORTATION

No measures were taken in advance for the provision of shipping facilities, nor was any agreement reached. On the contrary, a proposal of the Allied Maritime Transport Council designed to meet the needs of relief was not accepted by the American authorities. This was in line with the general unwillingness of the United States Government to continue international controls after the Armistice. But the coordination of the relief programmes for all countries did lead to an economical use of all tonnage available for this specific purpose.<sup>1</sup> Ships left from the United States for the Northern or Southern port of call (Falmouth or Gibraltar) and were redirected en route to the place where the cargoes were most urgently needed. For coastal traffic, use was made of American ships of the lake-boat type (a vessel of 2,000 to 3,000 tons developed for use on the Great Lakes). For the earliest deliveries, the United States War Department furnished vessels that had become free on the Armistice. Tonnage delivered by enemy countries was used for transportation of relief to them. When necessary, cargoes were stored in central ports (e.g. Rotterdam) for later re-shipment.

To make overland transportation possible, the Supreme War Council decided early in March 1919 that all States of the old Austrian Empire should contribute a definite amount of rolling stock to be operated under the Director General of Relief with complete priority over other services and complete freedom from international limitations on railway transportation. At the same time, the reconstruction of the Central European railway system was directed by American engineers. Thus in contrast to shipping, a supernational organization was created for land transport as the only way to handle the delivery of relief effectively. The re-establishment of a working transport system not only facilitated the distribution of imported relief commodities but also in many cases rendered possible the mobilization for relief of resources available on the Continent.

<sup>1</sup> Cf. "American Food . . .", pages 128 ff.

## 7. CONCLUSIONS

It may be convenient to terminate this study with a summary of certain of the lessons that may be drawn from this past experience.

### (a) *Urgency.*

The last war ended in the autumn when the need was greatest and the possibility of relying on domestic supplies, except for cereals, was least. Although the shipment and transshipment of goods to Europe was expeditiously carried out and great efforts were made to effect actual deliveries with the least possible delay, no substantial deliveries of foodstuffs were made, except in Belgium and northern France, before the end of January 1919. The major relief period, therefore, was confined to the period from February to August 1919. Amongst the initial difficulties that had to be faced during the three months between the Armistice and the start of regular relief deliveries, the following may be mentioned.

First, deliveries were inevitably impeded by the continuation of local fighting and the breakdown of internal administrative organization in many parts of Central and Eastern Europe. Partly as a result of these conditions, the system of communications had almost completely broken down, and land transport was consequently slow and uncertain.

Secondly, deliveries could not be undertaken without information regarding local needs; and time was required to obtain trustworthy reports of the situation in Central and Eastern Europe, the seriousness of which, indeed, few persons among the Allied and Associated Governments realized before the Armistice.

Thirdly, difficulties were encountered in coordinating the relief efforts of the United States and the Allies, and, notwithstanding the existence of various bodies which had been engaged in relief activities, it took time to create an adequate relief organization on the spot.

A fourth cause of difficulty was the delay in obtaining legislative approval of relief credits. Such approval was, in fact, not granted in the United States until the end of February 1919. This difficulty, however, was largely overcome by provisional arrangements and by the drive and initiative of Mr. Hoover; it could have been prevented if funds had been allocated during the war.

As mentioned earlier in this study, the stock situation in the United States at the end of the last war was not such as to put difficulties in



the way of large-scale export for relief purposes. The problem, indeed, was not to eke out supplies for relief but rather to dispose of surpluses. Had such surpluses not been available, it would no doubt have proved difficult to arrange at short notice for the large exports required.

(b) *Needs to be met.*

The real needs were obviously never completely met, nor were they fully surveyed. They were considered, indeed, almost exclusively in terms of calories. That was, perhaps, inevitable, but it is clear that the first action required in order to meet such a situation with any hope of producing an optimum result is to estimate insofar as possible in advance what the real needs of food (including protective foods) and such essentials as soap, medicine and clothing are likely to be and how far they can be met from the available resources.

(c) *The provision of goods to cover the needs.*

In order to contribute to the food supply of the Allies, and with a view to the need for food of Europe as a whole after the war, the United States Food Administration had greatly stimulated agricultural production. As a result the exportable surplus of foodstuffs in the harvest year 1918/19 was three times as large as the prewar annual exports. Large stocks of cereals and pork products existed in 1918 and this factor was naturally taken into consideration in drawing up relief programmes. Certain of the more obvious defects, from a dietetic standpoint, in the composition of the relief deliveries were due to the then state of nutritional knowledge and to the fact that, even if the need for vitamins had been understood, there was no way of manufacturing them. Today the resources of available food consist not only of the stock of provisions at any moment of time but also of the industrial equipment for preparing certain categories of protective foods in condensed form.

(d) *Transportation.*

It is both clear from past experience and obvious on the face of it that, if the tonnage available is to be utilized to the best advantage at a moment of extreme postwar urgency, a joint plan of allocation between the demand for the repatriation of troops, for transportation of foodstuffs, raw materials and other essentials requires to be made in advance.

(e) *Financial provisions.*

Almost 80% of the total relief not paid for in cash was granted in the form of loans. These loans fell into two classes :

- (i) those to Austria and Hungary which necessitated the pledging of certain revenues and specified a prior claim for service;
- (ii) those to all other countries against which no, or no important, revenues were assigned. According to normal practice, however, these loans too involved a claim ranking prior to any loans subsequently issued.

The wisdom of loans of this sort requires very careful consideration. Their merit was that they could be, and were, effected without giving rise to undue delay. But the disposal of goods in this manner against credits bearing rates of interest which, although not very low, bore little relationship to the risks involved, constituted a compromise between the rival claims of finance and humanity that entailed, not unnaturally, unfortunate effects. The service ultimately paid on these loans was negligible, and at no moment of time could the majority of them have been considered a sound investment, except indirectly as a result of the contribution they made to the restoration of economic activity in Europe. Looking back now on the hurry of those months in the light of subsequent events, it is clear that, had it been possible, it would have been to the advantage of all concerned if a greater part of the relief had been given outright. All countries, including the donors, may well have reaped benefits from the relief delivered against these loans far exceeding in value their amount. In circumstances such as obtained in Europe at the end of the last war, it may well be sound financial and economic policy for governments in a position to do so to make contributions *à fonds perdu* in order to expedite the revival of economic activity in the stricken areas. Nothing is gained by dressing such relief in deceptive financial attire. Indeed, the effect of the relief loans granted in 1919 was, in at least one case, seriously to impede the vital work of reconstruction and thus to offset the very economic advantages that might have been gained from the relief afforded.

At the same time there is no *a priori* reason for assuming that loans

for the sale of foodstuffs urgently needed are socially undesirable or financially unsound. A country short of food at the end of a war may well require temporary accommodation and be fully competent to meet its obligations later. Food relief is, in fact, but the first step in general reconstruction and should be considered as part of the wider reconstruction problem. When there is reason to believe that the total reconstruction needs are so great that, if disaster is to be avoided, the country in question must obtain some direct assistance in the form of what ultimately becomes a gift, then it is probably wise to make the gift and to make it at once.

In any policy of relief and reconstruction, it is necessary to decide first what sacrifice is to be made on purely humanitarian grounds and what sacrifice it is desirable to make in order to prevent social disturbances and to establish such order in war-affected areas as will permit of the revival of economic activity. Such considerations should determine the amounts of direct aid that may be rendered, the cost of the first step in reconstruction. Beyond the limits of such aid purchases should be effected either against cash or credit on a sound financial basis with or without government assistance. If the first step is miscalculated and adequate direct aid is not granted to render the country credit-worthy, then any subsequent scheme for reconstruction may break down and the credit granted under such a scheme prove unrecoverable. Relief and reconstruction are two stages in an uninterrupted process of transition; and the distinction between them is determined not by the class of goods involved but by the conditions, or absence of conditions, for repayment.

It is obvious that one of the major difficulties after any great war is likely to arise out of the magnitude of fixed money obligations. To add further obligations the service of which cannot be met, must sooner or later have harmful consequences. The burden of such obligations is, of course, determined not simply by the capital sum involved, but by the rate of interest and the stipulations regarding amortization. Financial transactions, whether for the provision of food or raw materials or plant or bank reserves, if they imply repayment (as they must), can only be devised within the general framework of some agreed anti-depression policy—a policy for the maintenance of full employment. Relief, therefore, from the point where gifts cease, becomes part of the general problem of reconstruction.

(f) *Withholding of relief credits from enemy countries.*

The principle in force during the Armistice Period under which the enemy states, unlike the allied and liberated countries, were required to pay in cash so long as they had any assets with which to pay, gave rise in the long run to serious economic repercussions. It affords a further illustration of the basic mistake of failing to consider problems of reconstruction at the outset.

(g) *Machinery of relief administration.*

This existed before the Armistice and proved of very real value. The machinery required only to be expanded, not created. One fact that emerged from the actual working of that machinery was the great economy of effort, food, and money resulting from communal feeding. On the other hand, there was at least a partial failure to test the health effects of the food supplied.

(h) *Consideration of costs.*

After the last war there were considerable stocks of foodstuffs available in the United States, and large supplies were forthcoming owing to the wartime expansion of production. In considering what relief implies to any country granting it, in a situation such as prevailed in the United States at the end of the last war, it is necessary to take account not only of the accountancy cost of the supplies that may be furnished, but also of the real economic cost. When large surplus stocks of commodities are held by Governments, either owned outright or held in pledge against loans advanced to farmers, the real cost of gifts from these stocks is not the book value of those gifts. Any fall in price of the commodities held by the Government since the moment when it acquired them constitutes a loss and any rise a gain, which the Government incurs anyway. But the real cost of any gifts is not equal to the market value of the commodities donated. The real cost may be estimated narrowly or broadly. Narrowly estimated, it equals the market value of the stocks *minus* the new value which the remaining stocks acquire as a result of the disposal of part of the total. If, for instance, a Government held stocks of :

100 units at a market price of 5, total value 500, and gave away 25 with the result that the price of the remaining 75 rose to 10,

then the government making this gift would derive a net gain of :

$$750 - 500 = 250.$$

If it disposed of 50 units with the same effect on the price of the remainder, there would be no profit or loss.

Viewing the problem broadly, it is necessary to consider the effects of such gifts not only on the value of stocks held, but on the whole market position and on the chances afforded to farmers and others to continue to produce at a profit. Any action taken to relieve the market of the depressing effects of excessive stocks will, of course, benefit those engaged in current production.

## ANNEX

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TABLE I  
RELIEF PROGRAMMES AND RELIEF DELIVERIES, ARMISTICE PERIOD  
A. Deliveries B. Programmes

COUNTRY	QUANTITIES IN TONS (000's)									Total Value \$(000,000's)	
	Bread- stuffs	Beans, Peas and Rice	Pork Products	Milk	Cocoa, Sugar, Misc. Food	U. S. Army Food <sup>1</sup>	Total Food	Soap, Clothing, etc.	TOTAL		
Finland (1)	A	(2) 172.3	(3) 7.4	(4) 2.6	(5) .1	(6) 2.2	(7) —	(8) 184.6	(9) .3	(10) 184.9	(11) 29.2
	B	60.0	3.0	4.5	1.5	—	—	69.0	—	—	.
Estonia	A	26.7	—	.7	.1	2.8	26.0	56.3	4.8	61.1	19.3
	B	10.0	.6	.8	.4	—	—	11.8	—	—	.
Latvia	A	11.2	.8	.7	.5	—	5.4	18.6	.9	19.5	6.0
	B	6.2	.8	.8	.4	—	—	8.2	—	—	.
Lithuania	A	2.6	.3	.4	.1	—	4.7	8.1	3.6	11.1	5.5
	B	4.0	.4	.4	.2	—	—	5.0	—	—	.
Poland	A	227.2	17.9	25.3	3.8	.7	44.3	319.2	83.8	403.0	135.0
	B	224.0	20.0	24.0	5.0	—	—	273.0	—	—	.
Czechoslovakia	A	354.4	12.4	40.0	3.4	50.5	34.5	495.2	7.8	503.0	105.5
	B	245.0	—	20.0	4.4	—	—	269.4	—	—	.
Yugoslavia	A	64.5	5.3	3.7	.9	.1	16.3	90.8	30.5	121.3	43.6
	B	55.0	5.0	3.4	3.1	—	—	66.5	—	—	.
Roumania	A	174.8	3.0	3.6	2.8	7.6	17.6	209.4	15.9	225.3	52.1
	B	200.0	—	4.0	5.0	—	—	209.0	—	—	.
Armenia	A	51.4	3.6	—	4.7	7.6	—	67.3	16.5	83.8	20.2
	B	30.0	—	—	.7	—	—	30.7	—	—	.
Russia (non-Soviet)	A	14.6	.4	2.3	1.1	—	—	18.4	7.9	26.3	15.0
Total, Liberated Countries	A	1,099.7	51.1	79.3	17.5	71.5	148.8	1,467.9	172.0	1,639.9	431.4
	B	834.2	29.8	57.9	20.7	—	—	942.6	—	—	.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Germany	A	591.6	129.9	149.3	28.1	206.3	—	1,105.2	109.8	1,215.0	282.4
	B	1,000.0	200.0	240.0	30.0	—	—	1,470.0	—	—	—
Austria	A	389.5	19.7	33.7	4.3	80.9	—	528.1	33.4	561.5	98.8
	B	275.0	12.0	16.0	4.0	—	—	307.0	—	—	—
Hungary	A	—	—	.3	—	—	—	.3	—	.3	.2
Bulgaria	A	22.9	—	—	—	—	—	22.9	—	22.9	4.9
	B	16.0	—	—	—	—	—	16.0	—	—	—
Turkey	A	20.3	—	—	—	—	—	20.3	—	20.3	4.3
	B	25.0	—	—	—	—	—	25.0	—	—	—
Total, Enemy Countries	A	1,024.3	149.6	183.3	32.4	287.2	—	1,676.8	143.2	1,820.0	390.6
	B	1,316.0	212.0	256.0	34.0	—	—	1,818.0	—	—	—
Belgium and Northern France	A	886.9	66.0	86.0	50.0	40.5	37.5	1,166.9	57.1	1,244.0	216.6
	B	776.0	115.7	145.2	39.9	—	—	1,076.8	—	—	—
France	A	32.1	—	—	—	0.8	370.2	403.1	149.5	552.6	218.1
Italy	A	15.0	—	—	—	—	—	15.0	—	15.0	2.8
Denmark and Netherlands	A	44.9	—	—	—	—	—	44.9	—	44.9	6.3
Others	A	2.7	—	0.2	—	0.6	—	3.5	—	3.5	0.9
Total, Allies and Neutrals	A	981.6	66.0	86.2	50.0	41.9	407.7	1,633.4	206.6	1,840.0	444.7
	B	776.0	115.7	145.2	39.9	—	—	1,076.8	—	—	—
GRAND TOTAL	A	3,105.6	266.7	348.8	99.9	400.6	556.5	4,778.1	521.8	5,299.9	1,266.7
	B	2,926.2	357.5	459.1	94.6	—	—	3,837.4	—	—	—

<sup>1</sup> No details by commodities are available for the food deliveries from United States Army Stocks.



**TABLE II**  
**RELIEF DELIVERIES BY COMMODITIES AND PERIODS**

COMMODITY	ARMISTICE PERIOD (January to August, 1919)			RECONSTRUCTION PERIOD (Middle of 1919 to 1924)						TOTAL		
	Quantity	Estimated Value (f.o.b.)		CHILD RELIEF			ADULT AND MISCELLANEOUS RELIEF			Quantity	Estimated Value	
				Quantity	Estimated Value (c.i.f.)		Quantity	Estimated Value (c.i.f.)				
	Tons (000's)	\$ (000,000's)	%	Tons (000's)	\$ (000,000's)	%	Tons (000's)	\$ (000,000's)	%	Tons (000's)	\$ (000,000's)	%
Flour	1,330	170	15	118	8	13	87	6	10	2,017*	261*	19
Rice	150	28	2	34	4	6	16	1	2	200	33	3
Beans, Peas	117	23	2	36	7	10	8	1	2	161	31	2
Pork Products	350	224	20	20	7	10	8	2	4	378	233	17
Milk	100	37	3	62	22	33	41	12	21	203	71	5
Cocoa	4	2	—	9	1	1	1	—	—	14	3	—
Sugar	57	10	1	27	5	8	11	1	2	95	16	1
Corn Grits	—	—	—	6	—	—	97	4	7	103	4	—
Grain	1,773	138	12	—	—	—	389	18	30	2,162	156	12
Misc. Food	338	19	2	1	.4	1	2	—	—	341	19	2
Army Foods	557	259	23	—	—	—	—	—	—	557	259	19
Soap	17	4	—	2	1	1	—	—	—	19	5	—
Clothing and Miscellaneous	501	233	20	5	11	17	7	5	8	513	249	19
Medicine and Hosp. Supplies	4	1	—	—	—	—	8	8	14	12	9	1
<b>TOTAL</b>	<b>5,298</b>	<b>1,148</b>	<b>100</b>	<b>320</b>	<b>66</b>	<b>100</b>	<b>675</b>	<b>58</b>	<b>100</b>	<b>6,775</b>	<b>1,349</b>	<b>100</b>

\* Includes the third category of activities during the Reconstruction Period. Grain sales: 482,000 tons of flour at a value of \$77,000,000.

*Notes to Table II*

For the Reconstruction Period, the value figures are c.i.f., and the total is equal to that given in the text table 6. The values given in Table I of the Annex for relief in the Armistice Period are, however, partly f.o.b. and partly c.i.f.; and the latter are, in many cases, f.o.b. values with arbitrary margins added.<sup>1</sup> The only consistent way of estimating the values for that period seemed, therefore, to be on an f.o.b. basis. Consequently, the total reached (1148 million dollars) is considerably below the value of the deliveries (1267 million dollars) as given in text table 3 and in Table I. It is repeated that the value figures in the present table are only rough estimates; it is possible that, in a few instances, they may differ considerably from the values as actually invoiced.

Further details regarding the methods of calculation are given below:

*I. Armistice Period.*

(1) Prices used are the estimated f.o.b. New York prices charged by the Grain Corporation to its London office. The f.o.b. values, and the quantities, are given for all sales of the Grain Corporation combined, by commodities by periods. Of the deliveries to the London office, only quantities and the total value are given. The calculated average prices for all sales during the period in which deliveries to the London office occurred, multiplied by the quantities delivered, yielded a value a few percent below the total value as given. The general prices were somewhat increased to absorb this margin.

(2) No prices were available for the United States Army products. Since quantities and total values by countries showed no clear price difference between the foods and other articles, the same average price per ton (total value divided by total weight) was taken for both.

(3) Other miscellaneous food consisted, for a large part, of potatoes. The United States export price for potatoes has been used for this group.

*II. Reconstruction Period.*

(1) For the flour deliveries, c.i.f. values were given.

(2) For the other commodities, prices were determined from the total c.i.f. value and the weight of one-commodity cargoes. Large samples were taken in this way, but the great price fall during the period made many adjustments necessary. The prices found, multiplied by the quantities for child and adult relief in (a) Central Europe and (b) Russia, yielded too high values in the former case and too low ones in the latter. This was obviously due to the fact that relief in Russia was in 1922/3 when many prices were at half the 1919/20 level. In the four groups, prices were adjusted by such a percentage as to reach the correct total value for each group, after which the figures for (i) child relief and (ii) adult and miscellaneous relief were added together for (a) Central Europe and (b) Russia.

<sup>1</sup> Cf. Section 5 of the text.

TABLE III  
CHILD RELIEF IN RECONSTRUCTION PERIOD

COUNTRY	VALUE OF COMMODITIES DONATED—\$(000's)			CHILD POPULATION (000's)	RELIEF, VALUE PER CHILD—\$		CHILD FEEDING MONTHS (000's)	FEEDING MONTHS PER CHILD
	Imported	Supplied by Country in column (1)	Total		Imported <sup>1</sup>	Total <sup>2</sup>		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Finland	876	196	1,072	1,066	.82	1.01	1,187	1.1
Estonia	1,225	299	1,524	282	4.34	5.40	1,203	4.3
Latvia	1,506	65	1,571	446	3.38	3.52	1,368	3.1
Lithuania	463	—	463	624	.74	.74	257	.4
Poland	23,129	7,659	30,788	9,081	2.55	3.39	27,030	3.0
Czechoslovakia	4,745	693	5,438	3,989	1.19	1.36	7,759	1.9
Yugoslavia	1,656	534	2,190	4,068	.41	.54	2,320	.6
Roumania	477	1,024	1,501	5,968	.08	.25	411	.1
Armenia	746	—	746	453	1.65	1.65		
Danzig	48	9	57	104	.46	.55	63	.6
Germany*	7,092	2,392	9,484	17,196	.41	.55	13,109*	.8
Austria	9,863	1,348	11,211	1,646	5.99	6.81	8,231	5.0
Hungary	1,292	266	1,558	2,443	.53	.64	1,167	.5
U. S. S. R.	12,733	36	12,769	53,781	.24	.24	35,658	.7
TOTAL	65,851	14,521	80,372	101,147	.65	.79	99,763	1.0

\* This Table excludes the second period of child feeding in Germany, from January 1924 to April 1925. The number of child feeding months during that period may be estimated at 10 million. (Cf. L. M. Jones, "Quakers in Action," p. 65/6).

<sup>1</sup> Column (2) divided by Column (5).

<sup>2</sup> Column (4) divided by Column (5).

TABLE IV  
VALUE AND SOURCES OF FINANCE OF RELIEF DELIVERIES—\$(000,000's)

RECIPIENT COUNTRIES	VALUE RECEIVED				SOURCES OF FINANCE												NET VALUE RECEIVED, PERCENTAGE DISTRIBUTION		
	Gross Total	Profits	NET		PAID IN CASH				RECEIVED ON CREDIT				RECEIVED AS GIFTS				CASH	CREDIT	GIFTS
			Total	\$ per head	Total	TO		Total	FROM			GROSS							
						U. S.	Others		U. S.	U. K.	Others	Total	Private Charity	U. S. Government Direct Grants	From Profits	Net Total			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<i>A—Armistice Period</i>																			
<i>Liberated Countries:</i>																			
Finland	29.2	3.3	25.8	7.7	18.1	16.0	2.1	9.4	8.3	—	1.1	1.6	0.1	—	1.6	—1.7	70	37	—7
Estonia	19.3	—	19.3	17.4	0.7	0.1	0.5	16.0	14.2	1.8	—	2.7	0.1	0.1	2.5	2.7	3	83	14
Latvia	6.0	—	6.0	3.3	—	—	—	5.3	5.2	0.1	—	0.7	—	—	0.7	0.7	—	88	12
Lithuania	5.5	—	5.5	2.7	—	—	—	5.3	5.3	0.1	—	0.2	—	—	0.2	0.2	—	96	4
Poland	135.0	—	135.0	5.3	—	—	—	119.1	111.4	7.7	—	16.0	4.3	0.1	11.5	16.0	—	88	12
Czechoslovakia	105.5	10.4	95.1	7.0	26.1	—	26.1	77.2	75.7	1.5	—	2.3	0.4	—	1.9	—8.1	28	81	—9
Yugoslavia	43.6	2.7	40.9	3.5	—	—	—	43.3	33.7	9.6	—	0.3	0.2	0.1	—	—2.4	—	106	—6
Roumania	52.1	4.9	47.3	2.9	—	—	—	51.9	36.5	10.0	5.4	0.3	0.3	—	—	—4.6	—	110	—10
Armenia	20.2	0.1	20.1	16.6	—	—	—	8.1	8.0	0.1	—	12.1	9.5	—	2.6	12.0	—	40	60
Russia (Non-Soviet)	15.0	0.1	14.9	—	0.4	0.4	—	13.5	13.5	—	—	1.1	0.2	—	0.9	1.0	3	91	6
	431.4	21.5	409.9	5.1 <sup>1</sup>	45.3	16.5	28.7	349.1	311.8	30.9	6.5	37.3	15.1	0.3	21.9	15.8	11	85	4
<i>Ex-Enemies:</i>																			
Germany	282.4	23.7	258.7	4.3	282.4	158.1	124.3	—	—	—	—	—	—	—	—	—23.7	109	—	—9
Austria	98.8	2.8	96.0	15.0	37.2	3.3	33.9	61.2	—	22.7	38.5	0.4	0.4	—	—	—2.4	39	64	—3
Hungary	0.2	0.1	0.2	0.0	0.2	0.2	—	—	—	—	—	—	—	—	—	—0.1	121	—	—21
Bulgaria	4.9	1.0	3.9	0.8	4.9	0.8	4.9	—	—	—	—	—	—	—	—	—1.0	121	—	—21
Turkey	4.3	0.9	3.5	0.2	4.3	4.3	—	—	—	—	—	—	—	—	—	—0.9	121	—	—21
	390.6	28.5	362.3	3.8	329.0	170.8	158.2	61.2	—	22.7	38.5	0.4	0.4	—	—	—28.1	91	17	—8
<i>Ex-Allied &amp; Various:</i>																			
Belgium & N. France <sup>1</sup>	216.6	—	216.6	23.5	—	—	—	196.4	196.4	—	—	20.2	20.2	—	—	20.2	—	91	9
France	218.1	1.0	217.1	5.5	5.0	5.0	—	213.1	213.1	—	—	—	—	—	—	—1.0	2	98	—
Italy	2.8	0.6	2.3	0.1	2.8	2.8	—	—	—	—	—	—	—	—	—	—0.6	121	—	—21
Neutrals <sup>2</sup>	6.3	1.4	4.8	0.5	6.3	6.3	—	—	—	—	—	—	—	—	—	—1.4	121	—	—21
Sundry Others	0.9	0.2	0.7	—	0.5	0.5	—	—	—	—	—	0.4	—	0.4	—	0.2	71	—	29
	444.7	3.2	441.5	4.6	14.6	14.6	—	409.5	409.5	—	—	20.6	20.2	0.4	—	17.4	3	93	4
<b>TOTAL</b>	<b>1,266.7</b>	<b>53.2</b>	<b>1,213.7</b>	<b>*</b>	<b>388.9</b>	<b>201.9</b>	<b>186.9</b>	<b>819.8</b>	<b>721.3</b>	<b>53.6</b>	<b>45.0</b>	<b>58.3</b>	<b>35.7</b>	<b>0.7</b>	<b>21.9</b>	<b>5.1</b>	<b>32</b>	<b>68</b>	<b>0</b>

(Table continued overleaf)

TABLE IV (Continued)

RECIPIENT COUNTRIES	VALUE RECEIVED				SOURCES OF FINANCE												NET VALUE RECEIVED PERCENTAGE DISTRIBUTION		
	Gross Total	Profits	NET		PAID IN CASH			RECEIVED ON CREDIT				RECEIVED AS GIFTS					CASH	CREDIT	GIFTS
			Total	\$ per head	Total	TO		Total	FROM			GROSS			Net Total				
	U. S.	Others				U. S.	U. K.		Others	Total	Private Charity	U. S. Government Direct Grants	From Profits	%		%	%		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
<i>B—Reconstruction Period</i>																			
<i>Liberated Countries:</i>																			
Finland	0.9	—	0.9	0.3	—	—	—	—	—	—	—	0.9	—	0.5	0.3	0.9	—	—	100
Estonia	1.4	—	1.4	1.3	—	—	—	—	—	—	—	1.4	0.2	0.5	0.6	1.4	—	—	100
Latvia	1.5	—	1.5	0.8	—	—	—	—	—	—	—	1.5	0.2	0.6	0.8	1.5	—	—	100
Lithuania	0.5	—	0.5	0.2	—	—	—	—	—	—	—	0.5	—	0.3	0.2	0.5	—	—	100
Poland	58.2	—	58.2	2.3	0.9	—	0.9	32.5	24.4	8.1	—	24.8	4.9	4.8	15.1	24.8	2	56	42
Czechoslovakia	9.2	—	9.2	0.7	0.2	0.2	—	3.8	2.9	1.0	—	5.1	0.8	2.2	2.2	5.1	2	42	56
Yugoslavia	1.8	—	1.8	0.2	—	—	—	—	—	—	—	1.8	0.2	0.9	0.6	1.8	—	—	100
Roumania	0.5	—	0.5	0.03	—	—	—	—	—	—	—	0.5	—	0.4	0.1	0.5	—	—	100
Armenia	8.6	—	8.6	7.1	0.9	0.9	—	4.5	3.9	0.6	—	3.2	3.2	—	—	3.2	10	53	37
	82.6	—	82.6	1.1	2.0	1.1	0.9	40.8	31.2	9.7	—	39.7	9.5	10.2	19.9	39.7	1	51	48
<i>Ex-Enemies:</i>																			
Germany	9.6	—	9.6	0.2	0.4	0.4	—	—	—	—	—	9.2	4.2	—	5.0	9.2	4	—	96
Austria	45.1	—	45.1	7.0	—	—	—	32.1	24.1	8.0	—	13.0	4.3	3.1	5.6	13.0	—	71	29
Hungary	4.1	—	4.1	0.5	—	—	—	2.3	1.7	0.6	—	1.8	0.8	0.1	0.9	1.8	—	56	44
	58.8	—	58.8	0.8	0.4	0.4	—	34.4	25.8	8.6	—	24.0	9.3	3.2	11.5	24.0	1	58	41
U. S. S. R.	58.6	—	58.6	0.4	11.5	11.4	0.1	—	—	—	—	47.1	24.5	4.1	18.7	47.1	20	—	80
Sundry Others	1.4	—	1.4	—	—	—	—	—	—	—	—	1.4	1.4	—	—	1.4	—	—	100
<b>TOTAL</b>	201.4	—	201.4	—	13.9	12.9	1.0	75.2	57.0	18.3	—	112.2	44.7	17.5	50.1	112.2	7	37	56

## C—Total

<i>Liberated Countries:</i>																					
Finland	30.1	3.3	26.8	8.0	18.1	16.0	2.1	9.4	8.3	—	1.1	2.5	0.1	0.5	1.9	- 0.8	68	35	- 3		
Estonia	20.7	—	20.7	18.7	0.7	0.1	0.5	16.0	14.2	1.8	—	4.1	0.3	0.6	3.1	4.1	3	77	20		
Latvia	7.5	—	7.5	4.1	—	—	—	5.3	5.2	0.1	—	2.2	0.2	0.6	1.5	2.2	—	71	29		
Lithuania	6.0	—	6.0	2.9	—	—	—	5.3	5.3	0.1	—	0.7	—	0.3	0.4	0.7	—	88	12		
Poland	193.2	—	193.2	7.6	0.9	—	0.9	151.6	135.8	15.8	—	40.9	9.2	4.9	26.6	40.9	—	78	22		
Czechoslovakia	114.7	10.4	104.3	7.7	26.3	0.2	26.1	81.0	78.6	2.5	—	7.4	1.2	2.2	4.1	- 3.0	25	78	- 3		
Yugoslavia	45.4	2.7	42.7	3.7	—	—	—	43.3	33.7	9.6	—	2.1	0.4	1.0	0.6	- 0.6	—	101	- 1		
Roumania	52.6	4.9	47.7	2.9	—	—	—	51.9	36.5	10.0	5.4	0.8	0.3	0.4	0.1	- 4.1	—	109	- 9		
Armenia	28.8	0.1	28.7	23.7	0.9	0.9	—	12.6	11.9	0.7	—	15.3	12.7	—	2.6	15.2	3	44	53		
Russia (Non-Soviet)	15.0	0.1	14.9	.	0.4	0.4	—	13.5	13.5	—	—	1.1	0.2	—	0.9	1.0	3	91	6		
<i>Ex-Enemies:</i>																					
Germany	514.0	21.5	492.5	6.2 <sup>a</sup>	47.3	17.6	29.6	389.9	343.0	40.6	6.5	77.0	24.6	10.5	41.8	55.5	10	79	11		
Austria	292.0	23.7	268.3	4.5	282.8	158.5	124.3	—	—	—	—	9.2	4.2	—	5.0	-14.5	105	—	- 5		
Hungary	143.9	2.8	141.1	22.0	37.2	3.3	33.9	93.3	24.1	30.7	38.5	13.4	4.7	3.1	5.6	10.6	26	66	8		
Bulgaria	4.3	0.1	4.2	0.5	0.2	0.2	—	2.3	1.7	0.6	—	1.8	0.8	0.1	0.9	1.7	5	55	40		
Turkey	4.9	1.0	3.9	0.8	4.9	4.9	—	—	—	—	—	—	—	—	—	- 1.0	126	—	- 26		
	4.3	0.9	3.4	0.2	4.3	4.3	—	—	—	—	—	—	—	—	—	- 0.9	126	—	- 26		
<i>Ex-Allies &amp; Various:</i>																					
Belgium & N. France <sup>1</sup>	449.4	28.5	420.9	4.4	329.4	171.2	168.2	95.6	25.8	31.3	38.5	24.4	9.7	3.2	11.5	- 4.1	78	23	- 1		
France	216.6	—	216.6	23.5	—	—	—	196.4	196.4	—	—	20.2	20.2	—	—	20.2	—	91	9		
Italy	218.1	1.0	217.1	5.5	5.0	5.0	—	213.1	213.1	—	—	—	—	—	—	- 1.0	2	98	—		
U. S. S. R.	2.8	0.6	2.3	0.1	2.8	2.8	—	—	—	—	—	—	—	—	—	- 0.6	121	—	- 21		
Neutrals <sup>2</sup>	58.6	—	58.6	0.4	11.5	11.4	0.1	—	—	—	—	47.1	24.5	4.1	18.7	47.1	20	—	80		
Sundry Others	6.3	1.4	4.8	0.5	6.3	6.3	—	—	—	—	—	—	—	—	—	- 1.4	121	—	- 21		
	2.3	0.2	2.1	.	0.5	0.5	—	—	—	—	—	1.8	1.4	0.4	—	1.6	24	—	76		
TOTAL	504.7	3.2	501.5	2.1	26.1	26.0	0.1	409.5	409.5	—	—	69.1	46.1	4.5	18.7	65.9	5	81	14		
GRAND TOTAL	1,468.1	53.2 <sup>a</sup>	1,414.9	.	402.8	214.9	187.9	895.0	778.3	71.9	45.0	170.5	80.4	18.2	72.0 <sup>a</sup>	117.3	29	63	8		

(Footnotes to Table IV overleaf)

*Footnotes to Table IV*

<sup>1</sup> Largely post-armistice deliveries of the Committee for Relief in Belgium. Pre-armistice C.R.B. deliveries to these countries were composed thus:

(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
573.4	—	573.4	63.1	117.0	6.3	110.7	426.4	223.2	
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
109.0	94.2	30.0	30.0	—	—	30.0	20	75	5

<sup>2</sup> Denmark and the Netherlands.

<sup>3</sup> Excluding relief to Russia (Non-Soviet).

<sup>4</sup> Cf. General Note, (ii), below.

*General Notes:*

(i) Grants by the United States Government from profits earned by the Government or its agencies in relief transactions are shown in col. (16) and outright gifts by the Government in col. (15).

(ii) Profits are deducted from the gross value received to obtain the net value (col. (4)); this net value is then shown per head (col. (5)). The total amount of profit in col. (16) exceeds that in col. (3) by nearly 19 million dollars; to that amount profits earned during the war in transactions with the Allies and Neutrals were released during the Reconstruction Period for relief in Russia in 1922/3.

(iii) Total net gifts (col. (17)) are found by deducting from gross gifts received the amount paid in profits—i.e. col. (13) *minus* col. (3).

(iv) The profits deducted in this table to obtain a net value for relief are not given by countries in the sources from which the Table has been compiled. The total amount of the profits had, therefore, to be imputed on the basis of the value of the sales on which they were made. Profits made on the food draft and bulk sale activities were generally used in the country where they had been made. In this, as in all other tables, such profits have been deducted from the value of the food drafts and bulk sales, which are thus given as net values.

(v) The total value of the deliveries in the Armistice and Reconstruction Periods are given as \$1,101.5 and \$220.7 millions respectively in "American Food . . .". These figures may be reconciled except for small differences due to rounding with those of the present Table in the following way.

1. <i>Armistice Period.</i>		\$ (000,000's)
Total, "American Food . . ."		1,101.5
(a) Addition, Belgium, C.R.B.		160.6
(b) Addition, Belgium, U.S. Food Administration		27.6
		<hr/>
(c) Deduction, United Kingdom	10.6	1,289.6
(d) Deduction, Miscellaneous	23.1	
	<hr/>	
(e) Deduction, Duplications		33.7
		10.6
		<hr/>
Total, Table IV		23.1
		<hr/>
Total, Table IV		1,266.5
Details of the adjustments made:		
(a) Deliveries C.R.B., fifth year, f.o.b. value		226.0
Of which to Germany and A.R.A.		48.9
		<hr/>
Returned		177.1
		16.5
		<hr/>
		160.6

Of this amount 20.2 represent charity, 140.4 was obtained on credit, which has been assumed to be provided entirely by the United States. (Cf. C.R.B., "Statistical Review of Relief Operations").

(b) See "American Food . . .", page 162.

(c) The commodities represented were delivered to Austria by the United Kingdom; this is corrected by an entry of the same value under duplications. Both are omitted here.

(d) Consists of 1.1 deliveries to prisoners of war which fall outside the scope of civilian relief, 17.5 miscellaneous transactions of the C.R.B. falling mainly or wholly outside relief and 4.5 transfer from the C.R.B. to the A.R.A. which would seem to have to be omitted to avoid duplication. (See "American Food . . .", Table 103).

(e) See (c).

2. *Reconstruction Period.*

	\$(000,000's)
Total Table IV	201.4
Value of food supplied by countries receiving relief (Table III, col. 3)	14.5
Profits used in same country (General note, (iv))	4.8
	<hr/>
Total, "American Food . . .".	220.7



TABLE V—VALUE OF RELIEF BY OTHER AGENCIES  
in so far as not covered in Table IV. \$(000,000's)

COUNTRIES	TOTAL TABLE IV	GOVERNMENTS							PRIVATE ORGANIZATIONS*10					GRAND TOTAL	PER HEAD \$
		United King- dom <sup>1</sup>	Italy <sup>2</sup>	Nether- lands <sup>3</sup>	Nor- way <sup>4</sup>	Swit- zer- land <sup>5</sup>	Swe- den <sup>6</sup>	Ger- many <sup>7</sup>	A.R.C.	N.E.R. <sup>8</sup>	J.D.C.	A.F. S.C.	U.K. <sup>9</sup>		
Finland	30.1	—	—	—	.6	—	—	—	1.5	—	—	—	—	32.2	9
Estonia	20.7	—	—	—	—	—	—	—	2.1	—	—	—	—	22.8	21
Latvia	7.5	—	—	—	—	—	—	—	2.7	—	0.3	—	—	10.5	6
Lithuania	6.0	—	—	—	1.8	—	—	0.3	0.4	—	0.6	—	—	9.1	5
Poland	193.2	3.9	—	6.2	3.8	—	—	1.0	18.6	—	14.4	0.2	—	241.3	9
Czechoslovakia	114.7	—	—	—	—	—	—	—	1.2	—	0.7	—	—	119.6	9
Yugoslavia	45.4	—	—	—	—	—	—	—	5.5	—	—	—	—	50.9	4
Roumania	52.6	—	—	—	—	—	—	—	3.0	—	2.3	—	—	57.9	4
Armenia	28.8	—	—	—	—	—	—	—	0.1	14.7	—	—	—	43.6	36
<i>Total, Liberated Countries</i>	499.0	3.9	—	6.2	6.2	—	1.3	3.0	35.1	14.7	18.3	0.2	—	587.9	7
Germany	292.0	—	—	1.0	48.7	—	—	—	—	—	0.8	4.9	—	347.4	6
Austria	143.9	15.6	4.0	6.7	0.4	4.7	—	—	4.9	—	1.9	0.4	—	182.5	29
Hungary	4.3	—	—	—	—	—	—	—	3.9	—	0.9	—	—	9.1	1
Bulgaria	4.9	—	—	—	—	—	—	—	—	—	—	—	—	4.9	1
Turkey	4.3	—	—	—	—	—	—	—	0.3	18.7	0.6	—	—	23.9	2
Russia	73.6	—	—	—	—	—	—	—	16.7	—	9.5	1.6	—	101.4	1
<i>Total, Ex-Enemy Countries</i>	523.0	15.6	4.0	7.7	49.1	4.7	—	—	25.8	18.7	13.7	6.9	—	669.2	3
Belgium and N. France	216.6	—	—	—	—	—	—	—	2.6	—	—	—	—	219.2	24
France	218.1	—	—	—	—	—	—	—	33.9	—	—	—	—	252.0	6
Italy	2.8	—	—	—	—	—	—	—	12.8	—	—	—	—	15.6	0
Greece	1.2	—	—	—	—	—	—	—	4.0	6.3	—	—	—	11.5	2
Neutrals	6.3	—	—	—	—	—	—	—	—	—	—	—	—	6.3	1
Sundry Others	1.1	—	—	—	—	—	—	2.1	2.9	0.9	1.5	—	7.2	16.3	.
<i>Total, Ex-Allies &amp;c.</i>	446.1	4.0	—	—	—	—	2.1	—	56.2	7.2	1.5	—	7.2	520.9	.
<b>GRAND TOTAL</b>	<b>1,468.1</b>	<b>19.5</b>	<b>4.0</b>	<b>13.9</b>	<b>55.3</b>	<b>4.7</b>	<b>1.3</b>	<b>3.0</b>	<b>117.1</b>	<b>40.6</b>	<b>33.5</b>	<b>7.1</b>	<b>7.2</b>	<b>1,775.3</b>	<b>.</b>

\* Private Organizations:  
A.R.C.: American Red Cross; N.E.R.: Near East Relief; J.D.C.: American Jewish Joint Distribution Committee; A.F.S.C.: American Friends Service Committee;  
U.K.: United Kingdom Charitable Societies.

*Footnotes to Table V.*

(1) Determined by comparison of the figures given as "Loans for Relief," amount outstanding on March 31st, 1921 or 1922 (whichever is the higher) (Statistical Abstract for the United Kingdom) and the figures of Col. (11), Table IV. The latter figures are equal to, or higher than, those of the first source, except in the cases of Austria and Poland. The excess for these two countries is entered in this table. Conversion rate: £1 = \$4.76 as in "American Food . . .".

(2) Lire 100 million (J. van Walré de Bordes, "The Austrian Crown," London, 1924, page 8). Conversion rate 100 lire = \$4.—, being the approximate rate in the latter half of 1920 and the first half in 1921.

(3) League of Nations, "Memorandum on Public Finance," 1922, page 120 (Poland, Austria) and 1922-1926, page 343 (Germany). The loan to Germany represents the utilized portion at the end of 1924 of a 60,000,000 Gulden loan granted in 1921 for the purchase of foodstuffs.

(4) League of Nations, "Memorandum on Public Finance," 1921, page 105. Part of the loan to Germany was repaid in the following years. Cf. also the same Memorandum, 1922-1926, page 360.

(5) de Bordes, *op. cit.*

(6) League of Nations, "Memorandum on Public Finance," 1922-1926, page 430.

(3)-(6) Loans by ex-neutral countries converted at par of exchange.

(7) Loan of 200 million Marks for purchase of flour (League of Nations, Memorandum on Public Finance, 1922-1926, page 156). Loan was granted before the end of 1921. Dollar value is approximate on the basis of rates prevailing in the latter months of 1920 and the first half of 1921.

(8) N. E. R.: Further \$18.4 million in Syria, Palestine, Persia and Mesopotamia.

(9) It proved impossible to find statistical information concerning the activities of British charitable societies engaged in relief. From June 1919, on, however, the British Government added £1 to every £ collected by relief societies. £750,000 were distributed in this way (Goode, *op. cit.*, page 16). Relief distributed by the United Kingdom, private charity, has therefore been taken at twice this amount. Distribution by countries is known in respect of less than a quarter of this amount; the whole sum has therefore been entered under "Sundry others."

(10) To arrive at the figures given in this table for relief deliveries by private American organizations, many rather arbitrary decisions had to be made to allocate expenditure between military and relief purposes, between relief and reconstruction purposes, between war and postwar activities, and, in some cases, to attribute expenditure to individual countries.

TABLE VI

TOTAL DEBT OF RELIEF-RECEIVING COUNTRIES TO THE UNITED STATES TREASURY  
at day of funding or, if unfunded, on November 15th, 1926  
\$(000,000's)

A—Original amount of indebtedness

B—Repayments<sup>1</sup>

C—Amount outstanding

PURPOSE:	RELIEF DELIVERIES								ALL PURPOSES		
	Advances Under Liberty Bond Acts			Surplus War Materials	A. R. A. & Grain Corp. Loans	Total			TOTAL		
Type:											
Interest:	5%			5%	5%*	5%*			5%*		
Country	A	B	C	A, C	A, C	A	B	C	A	B	C
Finland	—	—	—	—	8	8	—	8	8	—	8
Estonia	—	—	—	12	2	14	—	14	14	—	14
Latvia	—	—	—	2	3	5	—	5	5	—	5
Lithuania	—	—	—	4	1	5	—	5	5	—	5
Poland	—	—	—	60	76	136	—	136	160	—	160
Czechoslovakia	49	—	49	21	9	79	—	79	92	—	92
Yugoslavia	9	—	9	25	—	34	—	34	52	1	51
Roumania	23	2	21	13	—	36	2	34	38	2	36
Armenia <sup>2</sup>	—	—	—	—	12	12	—	12	12	—	12
Austria <sup>2</sup>	—	—	—	—	24	24	—	24	24	—	24
Hungary	—	—	—	—	2	2	—	2	2	—	2
Russia <sup>2</sup>	—	—	—	—	5	5	—	5	193	—	193
Belgium <sup>2</sup>	286	2	284	28	—	314	2	312	379	2	377
France <sup>2</sup>	106	2	104	213	—	319	2	317	3,405	64	3,341
<b>TOTAL</b>	<b>473</b>	<b>6</b>	<b>467</b>	<b>378</b>	<b>142</b>	<b>993<sup>2</sup></b>	<b>6</b>	<b>987</b>	<b>4,389</b>	<b>69</b>	<b>4,320</b>

\* Austria, Hungary: entire amount, Czechoslovakia: \$3 million, Poland: \$24 million at 6% interest.

<sup>1</sup> Where necessary, the total amount of the payments is distributed between relief and other loans in proportion to the relative magnitude of the loans in question.

<sup>2</sup> Figures for Belgium and France include credits for all deliveries made by the Commission for Relief in Belgium (Cf. footnote <sup>1</sup> to Table IV). Separation of these loans between Belgium and France is according to C.R.B., "Statistical Review of Relief Operations", vol. II, page 6.

<sup>3</sup> This figure is \$8 million less than that given in Table IV (Part C, total column (11) plus footnote <sup>1</sup>, column (11)) owing to the fact that a loan of that amount to the Ukraine government included in Table IV does not appear in the United States foreign obligations statistics.

<sup>4</sup> Unfunded debt; the Austrian debt was funded in 1930.

General Notes:

- (i) War loans to non-relief countries (United Kingdom, Italy, Greece and Cuba) amounted to \$5,950,000,000 of which \$212,000,000, or 3½% had been repaid at day of funding.
- (ii) The advances under the Liberty Bond Acts were demand loans.
- (iii) The loans for the purchase of surplus war materials were for periods from three to six years with the exception of that to France which had a ten years' currency.
- (iv) The A.R.A. and Grain Corporation loans ran for periods from one to seven years.

Source: "Combined Annual Reports of the World War Foreign Debt Commission," page 81, and United States Congress, Senate Committee on Finance, "Refunding of Obligations of Foreign Governments" (67th Congress, 1st Session, Cal. No. 279), pages 4-5.

TABLE VII  
 SERVICE OF LOANS FOR RELIEF PURPOSES  
 granted by the United States  
 \$(000,000's)

Blank: no payments to be made  
 —: payments in default

COUNTRY	PAYMENTS				TOTAL
	UP TO DEC. 15TH, 1923			Dec. 15, 1923 to Mar. 1, 1939 <sup>1</sup>	
	Liberty Loans	Surplus Material Loans	A. R. A. & Grain Corp. Loans		
Finland			.3	5.2	5.5
Estonia		—	—	1.2	1.2
Latvia		—	.1	.6	.7
Lithuania		—	—	1.2	1.2
Poland		1.3	—	17.7	19.0
Czechoslovakia	.2	—	—	16.9	17.1
Yugoslavia	.4	—	—	.8	1.2
Roumania	2.1	—	—	2.7	4.8
Armenia			—	—	—
Austria			—	.9	.9
Hungary			—	.5	.5
Russia			.2	—	.2
Belgium	9.6	5.3	—	25.8	40.7
France	5.7	29.2	—	20.8	55.7
TOTAL	18.0	35.8	.6	94.3	148.7

<sup>1</sup> Only payments during the last year (March 1st, 1938 to March 1st, 1939): Finland \$395,000; Hungary \$20,000.

TABLE VIII  
POPULATION OF EUROPE, 1920 AND 1940

	1920 <sup>1</sup>	1940 <sup>2</sup>
Norway	2.7	2.9
Denmark	3.3	3.8
Sweden	5.9	6.3
United Kingdom	44.0	47.7
Ireland	3.0	2.9
Netherlands	6.9	8.8
Spain	21.4	26.0
Portugal	6.0	7.6
Switzerland	3.9	4.2
Italy	38.7	43.9
<b>Total, non-relief countries</b>	<b>135.8</b>	<b>154.1</b>
Belgium and Luxemburg	7.7	8.7
France	38.8	42.0
Germany	60.4	69.3
Finland	3.4	3.7
Estonia	1.1	1.1
Latvia	1.8	2.0
Lithuania	2.0	2.4
Poland	25.7	35.1
Danzig	0.4	0.4
Czechoslovakia	13.6	15.3
Austria	6.4	6.7
Hungary	8.0	9.3
Yugoslavia	11.7	15.7
Greece	5.0	7.2
Bulgaria	4.8	6.1
Roumania	16.3	19.9
Turkey in Europe	1.0	1.4
<b>Total, relief countries</b>	<b>208.1</b>	<b>246.3</b>
<b>Total Europe</b>	<b>343.9</b>	<b>400.4</b>
<b>U.S.S.R.</b>	<b>144.3</b>	<b>172.0</b>
<b>Europe and U.S.S.R.</b>	<b>488.2</b>	<b>572.4</b>

<sup>1</sup> First post-war census, generally 1920.

<sup>2</sup> Statistical Year-Book of the League of Nations, 1940/41. Estimates as of the end of 1939. Figures relate to 1937 territories.

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