

✓ REPORTS - FIELD

Cairo - General

Balkan Mission

*Card Repts.*  
*Public Inq.*

4 August 1944

To: Mr. Michail Menshikov - Rm 311

From: Morse Salisbury

*M. S.*

The attached survey of the public relations work in the UNRRA camps in the Middle East and the accompanying digest of feature stories, radio broadcasts and other material is sent to you for your information.



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UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

8, Sharia Dar El-Shifa - Garden City, Cairo

*Reports - Cairo*  
*Dist. + Decree*  
*932*  
10 January 1945

CAWA/629

BUREAU OF AREAS (D.D.G.)  
RECEIVED

JAN 25 1945

TIME \_\_\_\_\_

Mr. Mikhail Menshikov  
Deputy Director General  
United Nations Relief and  
Rehabilitation Administration  
1344 Connecticut Avenue, N. W.  
Washington 25, D. C.

Attention: Mr. George Xanthaky

Dear Mr. Menshikov:

I transmit herewith for your information and consideration, the report of the Bureau of Distribution and Transport, Balkan Mission, for the month of December 1944.

Very truly yours,

/sgd/ Wm. Matthews

Sir William Matthews  
Chief of Balkan Mission

8 January 1945

TO: Sir William Matthews  
Chief of Balkan Mission

FROM: Leo Gerstenzang  
Deputy Chief of Balkan Mission  
Bureau of Distribution and Transport

SUBJECT: Report of Bureau of Distribution and Transport for December 1944

I submit herewith for your consideration, the report of the Bureau of Distribution and Transport for the month of December 1944:

1. PERSONNEL: Despite the arrival of several new men to join the staff of the Bureau during the month, the net increase was only one person, from 78 to 79, because of resignations or illnesses causing the return of several staff members to the United States. Until December 3, we continued to send forward to Greece, as rapidly as possible, all the members of the staff who had been assigned to the Greece Mission. From that time on no further personnel could be dispatched, and a substantial number were subsequently evacuated from Athens and Volos.

At the request of Brig. King, head of the S & R Section of ML Greece, Col. F. C. C. Balfour, Deputy Chief of Greece Mission in charge of the Bureau of Distribution and Transport, was relieved of his duties early in the month and it will accordingly be necessary, as soon as possible, to obtain a suitable replacement to take charge of the Bureau's functions in Greece. King's action was approved by the Chief of the Greece Mission.

Major Oakley-Hill arrived from London at the end of the month to assume his duties as Deputy Chief of the Albanian Mission, Bureau of Distribution and Transport, and will go forward to join his staff in Bari in the near future.

2. THE SITUATION IN GREECE: At the end of the month the Greece Mission staff of the Bureau of Distribution and Transport were still operating in Salonica, the Aegean Islands, and the Cyclades, and possibly also in the Patras area. All personnel of the Bureau, with the exception of one or two who requested permission to remain, were evacuated from Athens until such time as conditions there should make it possible to resume work.



8 January 1945

Reports so far available from the various districts in Greece are not, in general, adequate to furnish a complete picture of the extent of the distribution task which may be ahead of us. At least one of our Distribution men, however, Mr. Robert DeForest, District Distribution Officer in the Aegean Islands has had sufficient time at his post to send in an interesting and well considered report on conditions on the Island of Rhios. His study of local production in many ways may serve as a model for other distribution men to follow in the future. Other reports from the Peloponnesus, Thessaly, Macedonia, and the Cyclades indicate that our staff in those areas has at least been able to begin a preliminary survey of conditions and, insofar as supplies and transport have been available, to effect a distribution on a small scale.

3. THE SITUATION IN BARI: I visited Bari for approximately ten days during the early part of the month with three purposes in mind: (1) to complete arrangements with ML (Albania) as to the manner in which Directive No. 2 of November 13, should be carried out, (2) To organize and staff the Bureau of Distribution and Transport of the Albania Mission, and (3) To discuss with Mr. William Harris various problems affecting the work of the Bureau in the Yugoslavia Mission. This visit has been covered thoroughly in a separate report already in your hands. We have dispatched no further personnel to Bari during the past month because I feel that we are adequately staffed in the Albania Mission to meet any immediate task which may confront that Mission and because, in the case of the Yugoslavia Mission, the continued inactivity has made it seem more desirable to retain available personnel in Cairo.
4. THE PRESENT SITUATION: We have in Cairo today approximately forty men, including those who have returned from Greece and eight who are still unassigned to a country mission pending clarification of the probable needs in each country. We are continuing to train the newer arrivals and, wherever possible, are lending personnel on a temporary basis to other divisions which are in need of assistance. Our Warehousing Section, under the direction of Mr. J. W. Kent is cooperating with Camps Division in an effort to improve the warehousing problems in the general warehouse at Cairo and in the warehouse at El Shatt.

24 January 1945

TO: Mr. House

FROM: ~~Mr. Xanthaky~~

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25 Jan.  
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UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

8, Sharia Dar El-Shifa - Garden City, Cairo

10 January 1945  
CAWA/629

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*Cairo Repts,  
Distribution  
&  
Transport*

10th November, 1944  
CAWA/354

Mr. Mikhail Menshikov,  
Deputy Director General,  
Bureau of Areas,  
UNKha,  
1344 Connecticut Avenue,  
Washington, 25, D. C.

Dear Mr. Menshikov,

I transmit herewith for your consideration the report of the Bureau of Distribution & Transport for the month of October. I think you will find both the report and the documents attached thereto of interest to both you and the other officials of the Bureau of Areas.

Very truly yours,

(W. T. MATTHEWS)  
Chief of Balkan Mission.

*marked posts  
& mention plan*



UNITED NATIONS RELIEF AND REHABILITATION  
ADMINISTRATION.

-O-O-O-

Cairo, November 4, 1944.

TO: Sir William Matthews, Chief of Balkan Mission.

FROM: Leo Gerstenzang, Deputy Chief of Balkan Mission -  
Bureau of Distribution & Transport.

SUBJECT: MONTHLY REPORT OF THE BUREAU OF DISTRIBUTION AND  
TRANSPORT FOR OCTOBER, 1944.

I submit herewith for your consideration the report of the Bureau of Distribution and Transport of the month of October, 1944.

- I. PERSONNEL : The Staff of the bureau increased during the month to sixty-one persons, all of whom have been assigned to country missions with four exceptions. As of October 31st, thirty-seven persons were assigned to the Greece Mission, five to the Albania Mission, thirteen to the Yugoslavia Mission, and two to the Balkan Mission.

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The representation of the bureau in the Greece Mission may be considered reasonably satisfactory, and the arrival on October 30 of Mr. F.C.C. Balfour and of Mr. William Harris on November 1 to take up their duties as Deputy Chiefs of Mission in charge of this bureau for the Greece and Yugoslavia Missions will make it possible, during the coming month, for our staff to move into the field with its senior representatives in charge. We have now been able to assign to each district in Greece a reasonable minimum of personnel in the distribution and warehousing fields, but we are still inadequately represented in the transport field. During the month, Districts 1B, 2, 3, 4 and 5 have been called forward, and those of our men who were ready have either gone into Greece or are on their way there. We have received preliminary reports from Districts 4 and 5, but are awaiting detailed reports, which will be presented to you for transmission to Washington as soon as they arrive.

We suffered an unfortunate loss during the month in the resignation of Mr. Wilson Henry, who had been appointed Chief Distribution Officer on the Albania Mission. Fortunately that mission has not yet moved into the field, and I have temporarily designated Mr. Erwin Watts as Acting Chief Distribution Officer until we are able to provide a successor for Mr. Henry. We were requested by Mr. Henry during the month, before his resignation, to send forward at once to Bari two additional Transport Officers and eight additional distribution men, but were unable to do so because of the need to reinforce the Greece Mission, which was moving into the field. It is possible that Mr. Henry's estimate of the needs for Albania will prove accurate when operations begin, but I am inclined to believe that our original budget for that mission should be reasonably adequate.

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I have attempted to strengthen the representation of this bureau in the Yugoslavia Mission wherever possible. At the request of ML (Yugoslavia), Mr. Perry K. White has gone forward with District 3 (Greece) and an ML (Yugoslavia) unit, to proceed to Salonica, as Assistant Chief Warehouse Officer of the Yugoslavia Mission, where he will handle relief supplies to be trans-shipped to Yugoslavia through that port. Mr. William C. Wild, a recent arrival, has been appointed Chief Warehouse Officer of the Yugoslavia Mission. Other distribution, warehousing and transport personnel have been assigned to that Mission, and have been or will be shipped forward to Bari.

- II. TRAINING PROGRAM : We have devoted considerable time during the month to the training of new arrivals. Most of our men have attended the two-day orientation course at Maadi, have been required to read a prepared list of pertinent material in our offices, and have been instructed in their field duties and functions by means of individual conferences with Mr. Donald Davis, Mr. Joseph Kent and Mr. Willard Rogers, in the fields of distribution, warehousing and transport, respectively. Because of the departure from Cairo of most of the ML (Greece), it has been impossible for recent arrivals to meet their opposite numbers. We have, however, recently inaugurated a program at Maadi designed to occupy the time, in a constructive way, of those who are waiting to be called forward into the field. Daily language lessons, conferences on the whole range of problems which will confront the staff of the bureau in the field and lectures to the staff by Senior Representatives of other divisions in the missions, will, I believe, be of great value during this period of relative inactivity.

- III. THE PLAN AND APPRECIATION OF THE BUREAU : There is attached hereto a copy of the bureau's plan and appreciation. I hope that this plan will represent, in your opinion, a sound approach to the task which confronts this bureau in the Balkans. I hope, likewise, that it will meet with approval in Washington, and that we may expect soon to receive comments and criticisms on it from the various officials of the Bureau of Areas. (See attachment.)

There is attached hereto also a copy of the plan and appreciation of the Warehouse Section of the Bureau, which has been completed during the month.\*

- IV. PETROLEUM DISTRIBUTION IN THE BALKANS : Since I have always felt that the distribution of petroleum products will be of great interest to UNRHA, as a key to the entire distribution problem in the Balkans, I opened unofficial conversations with the representatives of the major oil companies in an attempt to reach a meeting of the minds on the basic principles which should be followed during the post-military period. I was soon requested, however, by the British and American Embassies to Greece that their representatives be present at any such meeting, to which I gladly consented. I attach hereto the minutes of a meeting held on October 7th at which the problem was thoroughly discussed with all interested parties present. I believe these minutes speak for themselves. \*\*



UNRHA BALKAN MISSION, CAIRO

APPRECIATION AND PLAN FOR GREECE MISSION

BUREAU OF DISTRIBUTION AND TRANSPORT

I. OBJECT

The appreciation and plan set forth here is constructed as the practical ideal for UNRHA operations during the UNRHA stage. Wherever any variations are necessary during the military (AML) phase because of difference under AML authority, they will be dealt with by footnote references.

A. The Objects of the Bureau of Distribution and Transport are :-

1. To cooperate with the Greek Government, to assure the speedy and efficient distribution of all relief and rehabilitation supplies in Greece in accordance with all of the policies laid down by the Council of the United Nations Relief and Rehabilitation Administration.
2. To provide advice and technical counsel on all phases of distribution as requested by the Greek authorities.
3. To perform all services under such conditions as to be enabled to make a full accounting of all activities to the Chief of Mission and through him to the Director General and the Council of United Nations Relief and Rehabilitation Administration.

B. The Policies which Govern the Distribution of Relief and Rehabilitation Supplies.

1. The relief and rehabilitation supplies which are provided by UNRHA are required to be distributed in accordance with fundamental policies laid down by the Council of United Nations as contained in resolutions No.2 and 7 as adopted by the Atlantic City Conference. This mandate applies irrespective of whether UNRHA or the Greek Government directly manages the distribution. In other words, relief and rehabilitation supplies are conditionally provided by the United Nations upon the assurance that they will be used and distributed according to the following twelve basic principles; 1)

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- 1) The policies governing distribution during the AML period are not fully developed yet. Under the AML - UNRHA directive of 16 September 44, "all decisions of policy rest with the Military Command. Decisions of policy, however, will be made by each Military Comd. or Staff Officer, after consultation with his UNRHA opposite number". Note that the objectives of AML as contained in the AML - UNRHA directive provides a satisfactory approach. While UNRHA will be completely under military direction and control, "at all times it will be the policy of the military to hand over to UNRHA at the earliest possible moment, the entire responsibility for relief and rehabilitation in the Balkans." Further, among the AML policy objectives "to hasten the end of the Military period it will be the policy of the Military to encourage UNRHA to continue and

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develop its existing organizational pattern". Moreover Senior UNHRA executive officials are encouraged to develop the UNHRA organization during the AML period "for the eventual complete transfer of responsibility to UNHRA" and are authorized to "maintain independent liaison with the civilian authorities as to the post military period."

- (1) "That in any area where relief and rehabilitation operations are being conducted through the employment, in whole or in part, of the Administration's resources, relief and rehabilitation in all its aspects shall be distributed or dispensed fairly on the basis of the relative needs of the population in the area, and without discrimination because of race, creed or political belief." (Res. 2, par. 1)
- (2) "That in determining the relative needs of the population, there may be taken into account the diverse needs caused by discriminatory treatment by the enemy during its occupation of the area". (Res. 2, par. 2)
- (3) "That relief and rehabilitation supplies shall not be used as a political weapon." (Res. 7, para.1)
- (4) "No discrimination shall be made in the distribution of relief supplies because of race, creed or political belief." (Res. 7, par. 1)
- (5) "That distribution should be so conducted that all classes of the population, irrespective of their purchasing power, shall receive their equitable shares of essential commodities." (Res. 7, par.3)
- (6) "When supplies are sold to consumers, prices should be set at such levels as to facilitate the flow of supplies into the proper hands, and to avoid maladjustments." (Res. 7, par. 3)
- (7) "That distribution of relief and rehabilitation supplies should take place under effective rationing and price controls". (Res. 7, par. 4)

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1) (Cont.)

While a broad set of policies has not been developed, it should be noted that the AML phase is a transitional one calculated to turn operations over to UNHRA. Military objectives are not incompatible or inconsistent with UNHRA policies. It will be the responsibility of UNHRA personnel acting as agents to AML to familiarize their opposite military members with UNHRA's goal to the end that our task be made an orderly one through the adoption of UNHRA policies during the AML period. It should be emphasized that AML has in many places made a beginning by adopting policies for distribution which are fully consistent with UNHRA's. Thus in AML's Rationing Directive #6 three cardinal policies have already been adopted, namely

- (1) That there shall be rationing of AML commodities;

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- 3 -

- (2) That AML commodities shall be "distributed equally without regard to race, creed or politics"; and
- (3) "distribution shall be carefully controlled to ensure that each person receives enough for his minimum need".
- (8) "The suppression of black market should not be left to general pronouncements and decrees, but should be the subject of active measures of enforcement applied vigorously and unremittably. (Res. 7, par. 4).
- (9) "That the government or recognized national authority which exercises administrative authority in the area should take appropriate measures to insure that so far as the distribution within a liberated territory of relief and rehabilitation goods is done through private trade, the remuneration earned by private traders for their services is no more than is fair and reasonable."  
(Res. 7, par. 5)
- (10) "That use should be made to the maximum practicable extent of normal agencies of distribution (governmental, commercial, cooperative), to the particular ends of combating inflation and restoring normal economic activity." (Res. 7, par. 6)
- (11) "The principle stated in 10 above, "however cannot be pursued at the expense of measures found necessary under emergency conditions to insure an adequate control of the distribution of supplies and their direction to the appropriate consumers".  
(Res. 7, par. 6)
- (12) "That the Director General should be kept fully informed concerning the distribution of relief and rehabilitation supplies within any recipient areas, and under all circumstances there should be the fullest working cooperation between the governments of recognized national authorities concerned and the Administration for this purpose." (Res. 7 par. 9)

C. UNHHA Responsibilities and Relations with Greek Government

While the exact nature of the Bureau's functions will depend upon the terms mutually agreed upon in the agreement with the Greek government, the Bureau has the responsibility to ensure that the policy stated above is followed in areas where supplies are being furnished by UNHHA. Any agreement between UNHHA and the government of a liberated area must

( Over )



include certain minimum assurances that supplies will be distributed to the entire population in a manner consistent with the Council's resolutions. This does not mean that we contemplate entering such an area with a large staff of outside personnel and attempting physically to conduct an operation in terms of warehousing, transport or distribution. In fact, paragraph 2 of Resolution 7 states:-

"That in general the responsibility for the distribution, within an area of relief and rehabilitation supplies should be borne by the government or recognized national authority which exercises administrative authority in the area".

Thus, this Bureau is committed to the sound policy of maximizing the responsibility of the government of the liberated area for the distribution of relief and rehabilitation supplies. At the same time, the Bureau must carry out the policy expressed in Resolution One, which says:-

"... the kind of operations (the Administration) will undertake in each case must be determined by the director General (in the light of policies laid down from time to time by the Council)....."

We believe that the Bureau can fulfill this responsibility of assuring conformance by recipient nations to UNHRA distribution policy without assuming the responsibility for the physical processes of distribution within that area. Our policy shall be to seek mutual agreement with the government of the liberated area providing only for observers and inspectors to be stationed at key points in the distribution structure, thereby providing the means for assurance that supplies reach the population without regard to political or other considerations incompatible with the Council's policies. Whether or not these personnel engage in the physical processes of distribution will depend upon the wishes of the government, in accordance with paragraph 8 of Resolution 7, which says:-

"That the administration be prepared to render direct assistance in distribution whenever, because of unusual circumstances, the government or recognized national authority concerned requests such aid within its territory. Wherever as a consequence of such request, the Administration is directly concerned with internal distribution, it should follow, in cooperation with the national or local authorities, the same general principles as those recommended above."



- 5 -

The agreement between UNRRA and the recipient nation, in addition to expressing these basic policies, should also provide the necessary facilities to UNRRA personnel, including safe conduct whenever necessary, and should call for collaboration with UNRRA in the furnishing of information, local personnel and accommodations, immunities, etc. It should also express the principle that UNRRA will wish a voice in the determination of the allocation of supplies, in the selection of media of distribution and in the appraisal of relative needs.

The Bureau policy reflects the belief that the intent of paragraph 2 of Resolution 7 and the goal of equitable distribution can best be attained by voluntary cooperation in which UNRRA and the national government collaborate wholeheartedly to restore the normal economic life of the area at the earliest possible moment. It will be the Bureau's policy to offer such cooperation along the lines indicated above. 2)

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- 2) During the AML phase, UNRRA personnel are agents of and subject to the Military Command. It must be clearly noted that it is an AML phase of operations and not an UNRRA one. Through the AML nation Directive No. 6 and other sources we are informed AML will turn over civilian supplies at the ports to the authorities.

D. What are Relief and Rehabilitation Supplies?

Since the Council has laid down the principles for distributing relief and rehabilitation supplies, the question arises what are the things that must be handled in accordance with the distribution policies? Part II of Res. 1 of the Council describes relief supplies, rehabilitation supplies and services and rehabilitation of public utilities and services as follows:-

1. "Relief Supplies: essential consumers goods to meet immediate needs, such as food, fuel, clothing shelter, medical supplies."
2. "Rehabilitation Supplies and Services: materials, (such as seeds, fertilizers, raw materials, fishing equipment, machinery and spare parts) needed to enable a recipient country to produce and transport relief supplies for its own and other liberated areas, and such technical services as may be necessary for these purposes."
3. "Rehabilitation of Public Utilities and Services:  
So far as they can be repaired or restored to meet immediate needs: such as light, water, sanitation, and assistance in procuring material equipment for the rehabilitation of educational institutions."

( Over )



2) (Cont.)

- who will manage their distribution. However, under the AML -UNKHA directive, the UNKHA distribution staff "will function as directors of distribution, price and produce collection systems, so as to ensure that agreed controls are properly and in fact carried out". UNKHA distribution officers are "empowered to deal directly with the Local Governmental Authorities, except in matter of policy. If such authorities fail to take prompt and corrective action as to non-compliance with agreed controls the matter will be reported to the region or District Commander for his action". It seems clear from these statements that UNKHA will work together with the Greek Government during the AML phase in much the same manner as indicated for the UNKHA phase. There is one essential point of difference. Distribution policy will have to be set forth by the military command. One AML district headquarters (No. 3) has already empowered UNKHA distribution officers to:

- (1) collaborate with Greek authorities to examine and make recommendations with respect to registration and rationing systems;
- (2) collaborate with Greek authorities in installing the AML rationing Directive;
- (3) Survey and advise on distribution media together with the Greek Govt.;
- (4) collaborate with Greeks in developing economic controls to ensure equitable distribution, price control, to combat black markets and prevent abuse and fraud; and
- (5) represent military command on committees to carry out foregoing.

This should serve as a model arrangement for other districts.

E. What the term "Distribution" means

It is clear from an examination of the Resolutions and particularly Resolution No. 7 that the Council conceived the term "Distribution" in the broadest sense and did not restrict it solely to physical aspects. This intent of the Council is carried out in Administrative Order No. 1, Sec. B-2 which establishes the functions of the Bureau of Distribution and Transport. Consequently, the field of distribution in which UNKHA and the Greek Government will cooperate will include among other things, the establishment of measures concerning the determination of relative needs, non-discrimination, equitable distribution, price control, suppression of black markets, non-



profiteering, utilization of established media to combat inflation and restore normal economic activity, and emergency economic measures. These activities are in addition to cooperation in selecting and supervising the physical aspects.

## II: FACTORS

### A: Functions and Responsibilities of the Bureau of Distribution and Transport

#### 1. The Bureau of Distribution and Transport

based on Washington directives  
Administrative Order No. 1/places the primary responsibility for carrying out the distribution policies of the Council in the Bureau of Distribution and Transport. In addition, the responsibility for the storage and transportation of relief and rehabilitation supplies is made a function of the bureau. The bureau of Distribution and Transport performs overall functions, servicing the entire mission.

It is recognized that the proper operations of the bureau require the cooperation and coordination of the interests of the several bureaus and divisions of the mission. In carrying out its responsibilities, the bureau will maintain liaison with the other bureaus and divisions for the reciprocal exchange of information and views and to reconcile interests. For example, it is recognized that the distribution of food involves problems which concern the Welfare Division, the Health Division, the Food and Agricultural Rehabilitation Division, the Displaced Persons Division and the Industrial Rehabilitation Division. Before any proposals can be submitted to the Greek Government, it will be necessary to coordinate the thinking of all UNHRA divisions into a unified plan.

#### 2. The Distribution Methods and Control Branch

The Distribution Methods and Control Branch will be primarily responsible for the planning, supervision, coordination, and investigation of distribution problems either directly or as technical advisers to the Greek Government. It will among other things collect information, plan allocations, formulate plans of distribution, coordinate the activities of the other branches, maintain field inspection services, establish commodity control methods, procedures and requirements, examine and recommend price control and rationing measures, recommend sanctions, examine economic problems of distribution, and select media of distribution. A plan and appreciation of the Branch has been issued.

#### 3. The Transport Branch

The Transport Branch will cooperate with the Greek Government in planning all activities relating to the physical transfer of goods. As requested, it will engage in supervision of personnel and equipment



and dock and lighterage operations. It will cooperate in planning effective rehabilitation of transport and will coordinate its activities with Distributions Methods and Controls Branch. An appreciation and plan of the branch has been issued.

4. The Warehousing Branch

The Warehousing Branch will cooperate with the Greek Government in planning for the receipt, storage, preservation and physical issuance of relief and rehabilitation supplies and, as requested, will assist in supervising the selection and maintenance of warehouses and personnel, will establish recording and standard operating procedures. An appreciation and plan of the branch has been issued.

B. Organization of the Bureau

1. Greek Country Level

- (a) The chief of the bureau is the responsible official in charge of all activities of the bureau. He will make his headquarters at Athens, will receive reports of all branch operations, coordinate all the activities of the bureau and through the chiefs of the branches will direct the program of the bureau. 3)
- (b) Each of the three branches will make its headquarters at Athens and will centrally supervise, direct and coordinate its field activities. There will be a chief of each branch who will be the responsible operating head for the respective activities set forth in II.-A. The chain of administrative responsibility is vertical and the field members of the three branches will function in their positions subject to the direction of their respective branch chiefs.

2. Field Operations Level

All Greece and Greek Islands are divided into geographical districts. Distribution Officers, warehouse Officers and Transport officers will be assigned within each district. The district chief distribution officer will be the senior officer for all of the branches of the Distribution and Transport Bureau in the district.

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- 3) During the AML phase UNHHA personnel will be under the Military command but will be subject to Senior UNHHA executive Officials for direction, discipline, pay, etc. hence, it is not inconsistent for UNHHA personnel to follow the organizational plan set forth above while closely carrying out military orders.



Districts will be further subdivided geographically into regions. The District chief distribution officer will assign the officers who will act for the branches within the regions.

C. Communications and Bureau Directives

It will be of utmost importance to the successful operations of the mission to maintain a speedy exchange of information among the several districts and to provide for centralized direction of the operations of the Bureau. To achieve these ends, communications and directives will be issued from the bureau headquarters at Athens. (Bureau administrative Orders are in preparation for establishing communication procedures).

III. PLAN

A. General Method of Operations

1. Headquarters at Athens

Headquarters at Athens will establish the overall policies and procedures for the bureau in order to keep operations consistent and uniform, will screen the supply requests from the several districts and on the basis of available supplies, imported and domestic, will formulate plans for allocation to districts, giving consideration to population concentration, special needs and local production available. A monthly plan of distribution will be prepared in advance in the light of existing warehousing and transportation limitations. These activities will be undertaken in collaboration with the Greek Government officials.

However, before, recommendation can be made to the government officials and discussions held, UNHRA'S thinking should be sifted, unified and coordinated. Accordingly, the Chief of the Bureau will require the advice and recommendations of the heads of the several bureaus and divisions.

2. The Country Allocation Plan

(a) Preliminary Work within UNHRA

In order to determine the best possible allocation of the limited supplies among the several geographical districts, the Chief of the Bureau of Distribution and Transport and the Chief of the Requirement and Supply Bureau will establish an allocation Plans Committee at Athens to advise the Chief of the Distribution and Transport Bureaus about the numerous problems affecting allocation. From time to time the Committee will call upon such bureaus and divisions as are concerned with matters then before the Committee and will receive information and advice from the persons called upon. The Committee will meet regularly



make available all information which its members receive from their field officers and present views and ideas to aid the Distribution and Transport Bureau in developing UNHHA's proposals for allocation. The committee will not assume the separate functions and responsibilities of its members, divisions and bureaus.

Because of the specialized and professional nature of medical supplies, the allocation of these supplies will be the function of the Health Division.

(b) Development of the Country Allocation Plan with Greek Government

The Distribution and Transport Bureau and the Greek Government should establish a joint Committee for the allocation of available supplies (imported and domestic) among the districts of Greece. The proposals developed by UNHHA in accordance with the preceding paragraph will be recommended for acceptance by the joint Committee but should be modified or revised in accordance with information made available to the joint Committee by the Government.

3. Warehousing

provided by the Greek Government

UNHHA warehouses/would be established at the ports and at such inland points as might be selected as primary distribution centres. The Term "UNHHA Warehouses" does not necessarily mean that such a warehouse would be operated largely by UNHHA personnel. It will doubtless be sufficient that there be one UNHHA representative present in each warehouse assisting with his technical skill and assuring that losses were being minimized and UNHHA distribution policies being followed. Similarly, the term does not imply that legal title to the stored goods need remain vested in UNHHA during the warehouse phase. On the contrary, legal title may vest in the national government at any point in the process, including on shipboard, provided UNHHA is in position to recommend measures to eliminate incipient abuses in later phases of distribution and enjoys the support of the national government in protecting the Council's distribution policies.

From these centres supplies would be transferred to secondary distribution centres or delivered directly into local commercial channels, probably wholesalers. The government will be urged to intergrate domestic production into the distribution plan so that all supplies may be accounted for and supervised in the flow of distribution. Supplies should be issued from a warehouse only upon presentation of the appropriate issue order form jointly approved or prescribed by UNHHA and the Greek Government and signed by such officers of officials as the Greek Government and UNHHA jointly deem necessary.



- 11 -

4. Transport

The transport system would be operated by the national government or possibly by private local firms, but would be regulated by the government along lines jointly developed between UNHKA and the government. In this connection Res. No.12, par. 9 of the Atlantic City Conference must be borne in mind. It reads as follows:-

"It should be the task of the Administration participate in conjunction with military and other appropriate authorities in the organization and rehabilitation supplies during the relief and rehabilitation period."

5. Movement of Supplies into Districts

In accordance with the national allocation plan developed by the bureau and the national government, the headquarter branches will prepare directives for the various district distribution officers which will inform them of the movements, method of shipment, times, place of delivery of supplies and permit them to arrange distribution operations. The directives will also indicate the categories sharing in the distribution and quantities intended for each category.

6. Priorities in Transport

The bureau and the Greek Government should Cooperate in developing priorities for the transport of relief and rehabilitation supplies. It is desirable that UNHKA should participate in the preparation of running schedules and allocations of available transport.

7. District and Regional Operations

Under A-5 above, specified quantities of relief and rehabilitation supplies will be received within the jurisdiction of districts and regions. Specific plans will be received by the District Distribution Officer setting forth the quantities intended for different categories of distribution as for example, commercial relief and welfare institutions, hospitals and medical institutions.

The District Distribution Officer will in conjunction with local Greek Government Officials and other interested UNHKA officers develop local allocation plans within the

(Over)



policy limits and procedures established at Athens.  
District allocation plans will deal with such problems  
as:

- (a) analysis of needs;
- (b) protection against discrimination (See hes. 2 and par. 1 of hes. 7);
- (c) distribution media to be used and allocations to individual distributors;
- (d) Licensing of distributors;
- (e) criteria and procedure of admitting new distributors;
- (f) provision for economic regulations necessary to assure proper flow of commodities in distribution;
- (g) integration of distribution of local production with imports;
- (h) procedure for distribution;
- (i) payment for supplies;
- (j) accounting for supplies in distribution
- (k) establishment of grievance Committees;

B. Special Measures to assure fair and equitable Distribution

In addition to operating in collaboration with the government to assure the rapid and efficient physical flow of relief and rehabilitation commodities, special distribution programs will be developed by the Bureau. These programs represent guides and objectives pending more complete information and recommendation obtained in the field and acceptance by the government. These programs will be developed centrally at Athens in collaboration with the Greek Government.

1. Rationing

The Distribution Methods and Controls Branch has completed a tentative rationing plan for food which has been approved by the AML. Briefly, the plan establishes a fixed quantity of ration per capita and contemplates distribution through selected wholesalers who will each do business exclusively with selected retailers who in turn will sell exclusively to specified consumers. Uniform plans for the rationed distribution of clothing and other consumer commodities will be rapidly developed.



2. Licensing

A uniform program for the licensing of all persons authorized to engage in distribution will be developed for presentation to the Greek Government. Licensees will be permitted to engage in their operations so long as they comply with all regulations which affect them. Non-compliance with any of the regulations should subject the offender to suspension or loss of license.

3. Price Control

The Distribution Methods and Controls Branch will review established price control programs in Greece as rapidly as possible. Recommendations and plans for revision will be prepared for submission to the Government wherever they are found necessary. Three basic surveys will ultimately be necessary in developing an effective price control program; namely, a survey of the commodity value of the unit of currency, a cost of living index, and a survey of the distribution of currency among the population in terms of income groups. At the outset, the fundamental policy of all distribution and transport officials will be to assist the Government Authorities in holding the level of prices. All efforts will be directed to accumulate rapidly the information necessary to stabilize the cost of living and restore normal production and distribution. The Greek Government will have to establish its monetary and fiscal program before a comprehensive price control program can be developed. In the interim and in the absence of comprehensive price control regulations, the Distribution Method and Controls Branch together with the Greek Government should develop criteria for regulating prices in accord with UNRRA policies.

4. Integration of Domestic Production and "Self Help" Programs

Numerous programs are in the process of development or proposed to help the Greeks restore their own production and to integrate domestic production with relief and rehabilitation supplies brought in by UNRRA. A tentative plan for the exclusive government purchase and collection of olive oil has been completed. One for the exclusive government purchase and collection of wheat and grain is completed. Plans for the distribution of agricultural rehabilitation and industrial rehabilitation supplies will be integrated with government purchases and collection plans. The objective is to restore normal methods of doing business, restore a monetary economy instead of a barter economy and make available commodities for the needs and use of farmers in exchange for their production instead of providing commodities for speculation. Similar programs will be developed for other fields of production and distribution.



5. Conservation and Protection Programs

The bureau has already completed a tentative plan for milling operations of flour. In addition to conserving all grain for government distribution purposes, the plan will operate through private licensed millers who will receive reasonable compensation on a service basis for converting government wheat into government flour.

A small staff would be available for assisting the national government in the development and implementation of a program to eliminate black markets.

The Distribution and Transport Bureau will together with the other Bureaus and Divisions make surveys of future needs and develop programs designed to rehabilitate domestic production.



Mr. Menshikov

5 March 1945

B. Eckhaus

Item from Balkan Mission Report 22-23 January

"Mr. Haskell reported, in re the Albanian Mission, that the Tito of Albania stated he would not need the help of UNRRA until ML left, but General Hughes thought he would follow the course taken by Yugoslavia. If not, the Albanian Mission may be able to lend staff to the other Missions until such time as they are needed in Albania."

I call to your attention two points:

1. The attitude of Hoxha on his relation to UNRRA, and
2. The unwise way in which Hoxha is referred to as the "Tito of Albania".



TO

Date: \_\_\_\_\_

Routing  
Order

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Room  
No.

	<i>Menshikov</i>	<i>311</i>

*Wait for  
this stuff  
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Remarks.



*Menshikov*  
*Chas. General*  
BUREAU OF AREAS (DDG)  
RECEIVED  
JAN 2 1945  
TIME \_\_\_\_\_

1-2-44

TO: ALL DIVISION AND BUREAU CHIEFS  
FROM: DISPATCH SECTION, BUREAU OF AREAS  
SUBJECT: TWO REPORTS RECEIVED FROM LEO GERSTENZANG

The Dispatch Section, Bureau of Areas, has received the following two reports from Leo Gerstenzang, Deputy Chief of Balkan Mission, Bureau of Distribution and Transport:

- (1) Report of visit to Athens
- (2) Report of visit to Bari

These reports are both in process of being duplicated and copies will be forwarded to your office just as soon as the mimeographed copies have been returned to this section from the Duplicating Office.



*Report to Bureau*  
10 January 1945

Bureau of Areas (D.G.)  
RECEIVED

JAN 12 1945

TO: All Bureau and Division Chiefs  
FROM: Dispatch Section, Bureau of Areas  
SUBJECT: Report from Balkan Mission

A report dated 8 December 1944, prepared by Mr.  
E. M. H. Lloyd, Economic and Financial Adviser,  
Balkan Mission, on Economic and Financial Policy:  
Albania, has been received by UNRRA Headquarters.

This report is in process of duplication, and copies  
will be forwarded to your office as soon as possible.



UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION,  
EUROPEAN REGIONAL OFFICE,

11, PORTLAND PLACE,

LONDON, W.1.

Telephone :  
LANGHAM 3090.

December 20th, 1944.

RL-DO - J. Mantoux  
Mr. Corson

With the compliments of E.R.O.

Mr. J. Corson,  
1341 Connecticut Avenue,  
Washington, D.C.

523624



FOR INFORMATION ONLY

AC 11/11

BUREAU OF AIRS (D.D.G.)  
RECEIVED

Copy of Report from Sir William Mathews  
Chief of Balkan Mission to Governor  
Lehman.

JAN 3 1945

TIME

ACTION COPY Sir Hubert Young.

RECEIVED IN E.R.O. 15.12.44.

Copies distributed  
for information to:-

Governor Lehman	Mr. Jackson
Sir F. Leith-Ross	Mr. Scott
Mr. Mooney	Dr. Topping
Mr. Feonov	Sir George Reid
Governor Cochran	Mr. Robertson
Mr. Rhatigan	Mr. Caustin
Mr. D. Ward	M. Morhange
Mr. Herbert	Mr. MacMullan
<u>Mr. Corson</u> ✓	Miss Wellington
MR ADAR	Mr. Ingrams.

CALO/220

5th December, 1944

Governor Herbert H. Lehman,  
Director General, UNRRA,  
European Regional Office,  
11 Portland Place,  
London, W.1.

Dear Governor Lehman,

I am enclosing herewith a short note on the organisation of the Greece Mission in relation to ML. This note outlines the arrangements which were made during my recent visit to Athens. It is hoped that they will provide scope for the early development of UNRRA's activities in Greece and will enable UNRRA staff to make a significant contribution towards the relief of the very real distress which exists in that country.

Yours sincerely,

W. T. Mathews  
Chief of Balkan Mission



17

ORGANISATION OF THE GREECE MISSION  
IN RELATION TO M.L.

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1. In view of the complex situation developing in Greece ML (Greece), supported by Commander 3 Corps, urged that one single integrated organisation should be set up for relief operations. Such an organisation seemed to them essential for the efficient operation of relief and supply services and also in order to avoid the Greeks playing one organisation against another.

In ensuring preliminary discussions it was represented from the UNRRA side that while a united front between ML and UNRRA was clearly essential, UNRRA must during the period of operation as agents of the Military authorities so organise itself that in due course it could take over full responsibility. Apart from this consideration integration on the basis proposed would not be in accordance with the directive from the Combined Chiefs of Staff. In this connection the following passage from the directive was in point:-

"UNRRA will operate as an organisation as soon as practical and as such will have its own chain of command, subject to policy directives from the Military. The Military will retain their organisation including regional and district headquarters, and UNRRA will have its own organisation at headquarters with a regional and district organisation under it and will act as agents for the Military with the responsibility as to civilian supply and that of distribution only."

2. The Chief of Greece Mission sounded both the American and British Ambassadors on the proposed organisation. The American Ambassador said that he could offer no official opinion in the matter but emphasised that public opinion would expect UNRRA to function as an organisation as soon as possible and that it would obviously need to develop its own administrative framework in preparation for its responsibility. The British Ambassador on his side was convinced that the proposed integration was not only desirable but absolutely essential to the operations in the present circumstances. He felt that UNRRA could not only enter the ML organisation with its experienced technicians but when the time came for ML to end its work a considerable number of experienced ML officers might be free to take positions with the UNRRA organisation. The Chief of Greece Mission pointed out the Budget restrictions on such appointments and at the same time outlined the necessity for UNRRA developing its own organisation as an entity while rendering a service to ML according to policy directives. He explained that this was the basis on which all previous planning had been laid and that UNRRA as an international organisation could not sink its identity within a military framework which was Anglo-American. The Ambassador pointed out that the work in Greece was on an Anglo-American basis and that the international organisation of UNRRA really was irrelevant at this stage. The Chief of Greece Mission felt that such a question was for discussion at the highest level and the whole question of integration would probably have to be referred to London and Washington for final decision. The



Ambassador discussed in some detail the problem of stabilisation and pointed out that the combined efforts of all concerned were necessary to prevent the growing inflation and anarchy.

3. In view of the necessity to reach early decisions cables were sent to Cairo both from the Greek Mission and the Military and civil authorities asking that the Chief of the Balkan Mission should proceed to Athens to effect a settlement. Opportunity was taken of the presence in the Middle East of the Deputy Director for Regional Liaison to associate him with the discussions.

4. Meanwhile the Chief of Greece Mission instructed his Acting Senior Deputy to investigate the proposals made by the Military for the integration of UNRRA with ML staff. As a result of this investigation a compromise proposal was put forward as a basis for discussion with the Chief of Balkan Mission and Mr. Jackson on their arrival in Athens. This plan, after critical examination and discussion, was substantially accepted and is outlined in the attached Appendices A and D.

5. It is now proposed that UNRRA's headquarters and Welfare and Displaced Persons Divisions will operate independently under military policy directives issued by Commander ML. In respect of supplies and distribution, UNRRA personnel will be integrated with ML personnel to form a unified administration. This course provides an opportunity for UNRRA to develop its own administrative machinery and to act as a coherent unit, but at the same time it makes available for the urgent task of supply and distribution all the technical advice and talent available.

6. The position of the Swedish-Swiss Relief Commission was also discussed on the basis of the document shown as Appendix C. As regards the system of distribution the course shown in paragraph 6 (b) (iv) was finally agreed upon. A separate report on this aspect is in preparation and will be submitted in due course.

7. The Greece Mission are now in a position fully to collaborate in the primary task of assisting the Military in the relief of Greece. In the present complex situation it is quite clear that the Chief of Mission should know that he has the fullest support and confidence of headquarters in developing the organisation to implement the present and future tasks of UNRRA.

4th Dec.44



## APPENDIX A

### BASIC PRINCIPLES

1. The UNRRA Mission Chief and functions undertaken solely by UNRRA during the military period will operate separately from S & R, but coordination will be effected during the military period through Generals Hughes and Sadler under the aegis of the CCC. At present this comprises UNRRA Administration, Welfare and Displaced Persons.
2. The military assume financial and policy responsibility for all activities during the military period in accordance with existing instructions. Operations other than those undertaken solely by UNRRA will be carried on through S & R, but staff of ML and UNRRA for these functions will be integrated without regard to UNRRA or military status and will report through a single line of command to the head of S & R.
3. Due regard shall be paid by S & R to the effect of ML policy on the subsequent UNRRA period.
4. UNRRA will have the right to contact the Greek Government on policy concerning the UNRRA period. They agree that where this affects current S & R operations, they will keep ML fully informed, thus maintaining the principles of military responsibility and integration.
5. The policy of ML will be as defined in previous Agreements and they reaffirm the principle of handing over to UNRRA as soon as possible.
6. Any representations as to the unsuitability of either UNRRA or military personnel within S & R shall be considered and adjudicated upon by Generals Hughes and Sadler and the Chief of the UNRRA Greek Mission.
7. The assignment of UNRRA personnel within S & R shall be agreed upon between representatives of UNRRA and the military at appropriate levels.
8. The military authorities will endeavour to leave such ML personnel as may be desired by UNRRA for such time as may be necessary after the direction of S & R is transferred from ML to UNRRA.
9. The military authorities agree to use their good offices to effect the immediate civilianisation of such ML personnel as desire to join UNRRA and are desired by UNRRA.
10. In accordance with existing directives and instructions, the military will provide necessary facilities and services, e.g. accommodation, transport, etc. to enable UNRRA staff to carry out their duties, both with respect to those persons operating in S & R and outside of S & R.
11. The above arrangements are subject to review and revision if the exigencies of the military situation require any contravention of the principles of non-discrimination enunciated by the UNRRA Council.



APPENDIX B

CONFERENCE: 0930 hrs 25 Nov 44.

PRESENT: Brig. T.J. King	Mr. Rohrbaugh
Mr. Hugh Jackson	Mr. Maben
Sir William Mathews	Mr. Elkington
Mr. R.C. Jackson	Mr. Lloyd
Mr. Laird Archer	Mr. Roseman
Mr. Leo Gerstenzang	Col. R.F. Stockton
Sir Michael Creagh	Lt. Col. Katzin

To Discuss procedure for future supply programmes  
for Greece.

AGREED:

1. Mr. MABEN would supervise preparation for a Short Term Supplementary Military programme to cover Military Period until end of April 1945. In doing this, consideration would be given to:

- (i) Existing proposal to increase ration to 2,000 calories for 2 months.
- (ii) Materials required for emergency shelter programme.
- (iii) Raw materials essential for industries working on relief production.
- (iv) Possible additional transport requirements.

Not e: It was recognised fuel requirements would be considered automatically.

2. Target date for completion of revised programme is 10 Dec 1944.

3. AGREED

On completion of revised programme referred to in para 1, work would then commence in order to prepare programmes for a further 6 months commencing May 45. (Check this with Mr. Elkington).

This programme would be divided into categories:

- (1) Requirements provided by Military authorities under existing Military Mandate.
- (2) (a) Requirements programmed under UNRRA bases.  
(b) Requirements based on UNRRA operating programme.

4. It was recognised that the work of preparing programmes in Section 2(a) and 2(b) would necessitate consultation with Greek Authorities.

5. After programmes in para 3 had been completed, it was recognised consultation with Greek Govt. would be necessary in order to consider what additional supplies that Govt. would like to see imported (either Governmentally or privately).

25 Nov. 1944.



[illegible]



Appreciation and Plan for a Distribution  
System and Price Policy

OBJECT

1. To distribute and fix prices of ML commodities so as to assist in restoring the normal economy of GREECE.

This involves the following:-

- (a) Fix prices at a level in ratio with fixed wages so that the new wage scales will not create surplus buying power and thus initiate a new increase in prices.
- (b) Produce revenue for the Greek Govt. by sale of ML commodities so as to assist in balancing the budget.
- (c) Take necessary step to ensure that action to achieve (a) and (b) above does not eliminate any of the people from the right to receive ML food and other essential commodities.
- (d) Revise the distribution system so that the Govt. receives all possible revenue without prejudice to (c) above.

FACTORS

2. Present price policy

Present price policy is based on social rather than economic conditions. In order to achieve the object economic prices must be used as a base with special provision for social needs.

3. Present distribution system

Present distribution system is geared to social needs and must be revised to accomodate the requirements for a return to normal economy.

Local Officials of the Joint Relief Commission have indicated to the Greek Govt. that the Commission will cease operational activity on or about 15 Dec. 44. The Commission has already ceased its operational activity in most of the provinces of GREECE.

The Greek Govt. has requested the Swedish Govt. and the International Red Cross to continue the activities for another six months. It is expected that the local heads of these organisations will oppose this request. In the meantime, the Greek Govt. is apparently taking no steps to organise its own distribution system.

The Joint Relief Commission has, by force of circumstances, resorted to a number of unbusinesslike practices which, if continued, will seriously impair the possibility of adequate revenue for the Greek Govt. from sale of ML supplies.

It is considered that the present ration lists contain many duplications, improperly classified indigents and other evidences of abuse.

4. General classifications of the population of GREECE from an economic standpoint.

- |                        |   |   |
|------------------------|---|---|
| (a) The wealthy        | } | This group would constitute a normal basis for fixing an economic price policy. |
| (b) Govt. employees    |   |   |
| (c) Other wage earners |   |   |

- (d) Those with income insufficient to meet economic prices but not now classified indigent. ) This group must be taken care of by a separate programme of social welfare.
- (e) Those with no income at all but not now classified as indigent )
- (f) Those now improperly classified as indigent. ) A check must be made so that this group will be shifted to (a), (b) or (c) above.
- (g) Those now properly classified as indigent. ) This group must be integrated with (d) and (e) above and taken care of by a social welfare programme.

#### 5. Present system for certification of indigence

Certification of indigence has apparently been done on an individual case basis by a social welfare committee formerly headed by the Archbishop of ATHENS. There is no reason to believe that this Committee has not done a good job under the circumstances but two basic faults are apparent:-

- (a) Machinery has not existed to periodically check the state of indigence with the result that many may now be holding indigent status improperly.
- (b) The system for certification of indigence is too slow and limited, so that there are many new indigent who are not on the indigent lists and cannot be put on for many weeks.

#### 6. Courses

##### (a) As to price policy

- (i) Follow a policy based on social needs.  
The only advantage of this plan is that it ensures that ME commodities reach all the people. Its disadvantages are apparent in that it fails sufficient revenue for the Govt's. budget and fails to take up surplus purchasing power. Either or both of these disadvantages are serious enough to entirely wreck present efforts towards stabilisation and thus indirectly defeat the primary object of bringing relief to GREECE.
- (ii) Follow a policy based on sound economy.  
This course obviously will assist in achieving the objects set forth at para 1(a) and 1(b) herein. Its disadvantages is that in itself it will defeat the purpose of equal distribution unless it is accompanied by simultaneous measures to take care of those unable to pay economic prices.
- (iii) Follow a policy based on a combination of (i) and (ii). A system of two sets of prices i.e. economic and social, is considered to be impracticable and cumbersome.

In consideration of the above, it is proposed to follow course (ii), with simultaneous and separate measures being taken to take care of those unable to pay economic prices.



(b) As to distribution system:

- (i) Continue the present system under JRC.  
This course has the advantage of relieving the Greek Govt. and ML from responsibility for distribution. However, it is believed that there is a strong probability that JRC will decline to continue and in any case the present system, unmodified, makes impossible the achievement of objects 1(a) and 1(b) herein.
- (ii) Retain JRC but modify the system.  
It is felt that it would be difficult to persuade JRC to alter some of their present practices that are considered undesirable. Also, while probably not entirely justified, the fact that considerable "taint" is attached to JRC in the minds of the people cannot be escaped. It is considered that this taint might also make difficult a good response from the people to desirable change.
- (iii) Place an entirely new non-Govt. body (UNRRA) in charge of the system and at the same time modify it. This course has the advantage of relieving the Govt. from responsibility and places a "buffer" between the Govt. and the people, thus relieving political pressure on the Govt. for steps which are not in accordance with sound economy or are based on political favouritism. It is, however, contrary to the policy of "helping the Greeks to help themselves" and might easily develop into an economic control by an outside body which would infringe on Greek sovereignty and weaken the power of the Govt.
- (iv) Form an entirely new governmental or semi-governmental body for distribution.  
It is believed that this course can be followed in such a way as to incorporate most of the advantages of the other courses and minimise the disadvantages of governmental control.

It is proposed to adopt course (iv).

7. The Plan

(a) Price Policy:

A set scale of prices, based on economic factors will be set up. A scale of such prices for food commodities is attached at Appx. "I". These prices are established in consideration of both landed cost and ration to established wage scales. Changes to these prices, as well as prices for other commodities, will be recommended by appropriate sub-committees as follows:-

Food and Clothing	- Food and Clothing Sub Committee
Agricultural supplies	- Agriculture Sub Committee
Medical Supplies & Foods	- Public Health Sub Committee
Coal and POL	- Fuel Sub Committee
Industrial Materials	- Industries Sub Committees.

These Sub Committees will present their recommendations for final approval to the present Supply, Transportation and Industries Committee, which would be re-named the "Economic Co-ordinating Committee".

The Relief Sub Committee will set policy for distribution of donated supplies on a free basis, as well as make recommendations to the Economic Co-ordinating Committee as to desirable free distributions of ML imported supplies.

(b) Social Policy:

Proposals and policies of the Greek Govt. with regard to social measures are set out at Appx. "II".

These proposals would have the effect of placing the population, economically speaking, into three general classes:-

- (i) Those able to pay economic prices from their own resources (wage earners, producers and wealthy).
- (ii) Those drawing unemployment benefits from the Govt. and thereby enabled to pay economic prices for necessities.
- (iii) The indigent.

Group (i) above obviously require no special treatment. Group (ii) should apply to the proper Govt. Agencies and receive cash benefits. They therefore will require no special treatment from any agency other than the Govt. Group (iii) must be checked and re-checked at periodic intervals. It will be noted at para 3 of Appx. "II" hereto that the Minister of Labour plans to have the "popular" organisations do this checking. It is not believed that this should be acceptable to ML, as these organisations are all more or less political in character, and abuses of the "equitable distribution" principle will undoubtedly creep in.

Therefore, it is proposed the following be established as to group (iii):-

UNRRA Welfare Div. be entrusted with the task of establishing a system for certification of indigence, UNRRA itself to be charged with overall administration of the system. Central Boards to be established covering specified areas, with representation thereon by UNRRA, ML Relief Dept., the Govt. selected Greek social agencies and the "popular" organisations. Local boards will consist of representatives of the Govt. Greek social agencies and the "popular" organisations. UNRRA personnel, acting on behalf of the Central Boards, will check on the activities of the local boards.

Further details regarding treatment of indigents are set out at para 7(c) herein, in connection with distribution.

(c) Distribution policy:

It is proposed that a Ration Commission be set up in each ML District, to take over actual distribution of food, clothing and other rationed items.

Each Commission would be headed by a "managing director", appointed by the Greek Govt.

Each Commission to have a Board of Directors composed of representatives of the Greek Govt, ML, UNRRA, and the International Red Cross. If arrangements to continue to utilise Swedish shipping are made the Swedish Govt. may also have representation on one or more of the Commissions.

The Commissions will utilise, as much as is deemed practicable, existing distribution systems, with certain changes (some of which are set forth below).



The Commissions will receive price and general policy directives from the Economic Co-ordinating Committee, but will otherwise be entirely responsible for rationed distribution in their respective areas.

The managing director of each commission, as an officer of the Greek Govt., will, on behalf of the Govt. and subject to the approval of his board of directors.

- (i) Accept supplies from M.
- (ii) Employ Greek nationals to effect the distribution
- (iii) Collect proceeds from sale of supplies.
- (iv) Pay salaries of Greek nationals and other distribution expenses, on behalf of the Greek Govt., from such proceeds.
- (v) Submit statements of such expenses to his board of directors and to the Greek Govt.
- (vi) Remit balances after expenses to the Greek Govt, Treasury.

The Greek Govt. will cause new food and bread ration cards to be printed for use of the various commissions. These cards will be classified generally as "regular" and "indigent" cards.

New bread ration cards, both "indigent" and "regular" will cover a thirty day issue period.

New "regular" food ration cards will cover a six month issue period, whereas new "indigent" food ration cards will cover a thirty day issue period.

Each Commission will set up a number of local offices, the number and location depending on population and density thereof.

On a specified date all persons desiring ration issues present themselves to the local offices, which will be provided with all grocers and bakers lists for their specific areas. New individual ration cards will be issued. A checking routine will be utilised which will have the effect of a partial check on the accuracy of the present lists, but basically all those now holding cards will receive new ones and all those now classed as indigent will receive indigent cards. It is believed that even a simple re-registration, however, will bring to light many inaccuracies and abuses.

In the meantime, the indigent control system will have been set up as previously mentioned herein. The boards entrusted with this control will begin a systematic check of the indigent lists. All new indigent applications will be made to these boards and all 30 day indigent cards be renewed through them. These boards will not issue the actual cards, but will issue a certificate directing the appropriate ration commission to issue the indigent card.

UNRRA will furnish staff for auditing and inspection on behalf of ML.

The above is set out to give a general picture of the type of system to be employed. Further details are in process of preparation.

1. The Govt. has announced three interim wages and salaries scales:

A. <u>Daily Wage earners</u>		<u>Drachmas</u>	<u>Shillings</u>
Unskilled	per day	180	6/-
Skilled Labourers	per day	250	8/4d
B. <u>Commerce &amp; Industry</u>			
White Collar/Black Coat			
Class 6 years service			
with 3 dependants		247	8/3d
C. <u>Civil Servants</u>			
Gendarmerie Private, 3 dependants		233	8/-

A reasonable presumption is that 66% of income of the average (8/-) worker will be spent on food for 4 people

160 or 5/4d

or 40 dr 1/4 per person per day.

2. Landed cost of Flour for bread ration	
per person per day	6 dr
Red Cross estimate of bakers' costs	2 dr
	<hr/>
Cost of bread	8 dr
	<hr/>
Landed costs of other items in present	
ration scale of 1350 calories	7 dr
	<hr/>
	15 dr
Add: 50% increase to 2000 calories	7.5 dr
	<hr/>
	22.5 dr
	<hr/>
Add: 20% for handling and distribution	4.5 dr
	<hr/>
	27.0 dr
	<hr/>

\* This should be nearer 25%, since the landed costs are so low, and a sudden increase would otherwise be inevitable when normal conditions arrive. If however, the extra 50% to increase to 2000 calories is spent in the free market, we find:

Landed costs as above	15 dr
Add: 20% for handling and distribution	3 dr
	<hr/>
	18 dr

Free market cost of 50% of the ration	
scale (per Mr HELGER's calculation)	22 dr
	<hr/>
	40 dr
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(This presumes that the same commodities would be bought-actually fresh fruit and vegetables would account for a part, but they are proportionately dear).

### 3. Conclusions.

- (a) While we are not making the ration up to 2000 calories, we should sell at landed costs plus 20% plus a further amount to cover the amount which we believe the people are unable to spend on food owing to shortage of supplies on the market, say 5.5 drachmas a day (25%). This is to prevent that amount going to inflate free market prices. i.e. total cost including bread should be  $(18 + 5.5) = 23.5$  drachmas per day leaving 11 drachmas for the available market supplies.



- (b) When we are making the ration up to 2000 calories we should sell at landed costs plus such a percentage as will bring the total up to 40 drachmas less the controlled price of the fresh vegetables, fruit, etc. allowed for in the calculation. We should presume that local produce prices will be fixed at rates in proportion to our selling prices.
- (c) The cost of bread should be restricted to 3.5 drachmas per ration as a subsidised item in line with pre-war price of 10 dr per oke.

On the basis of the present ration scale, the prices of ML issues should be as per the following table, which is based on proportions of total landed cost, which should not be altered by large amounts in order to avoid re-adjustments later.

Commodity	Present ration per person per month	Landed cost: Present sale in drachmai: price (as per ration: fixed post stabilization) in drachmai per ration (Nov)	Sale price as per para 3(a)	Sale price as per para 3(b) ie total of 2/3 of 40 drachmai
Bread	125 dr per day			
	flour	185.850	48	105
	other costs	125.000 (est)		105
White				
Flour	1 oke	26.550		75.767
Cheese	6 oz	11.150	22	31.820
Luncheon				
Meat	24 oz	72.975	70	208.250
Sugar	150 dr	8.050	30	22.973
Pulses	1/2 oke	9.475		55.577
Oil)				
Lard)	1/2 oke	32.875	28	93.816
Soup	6 oz	29.800	4	85.041
Fished (Tinned)	6 oz	5.950	12 (stock fish)	16.981
Coffee	2 oz	3.425		9.775
Per person per month		521.400	-	705
Per person per day		17.370	-	23.5
				27

The Minister of Labour's proposals for dealing  
with unemployment, 19 Nov 44.

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1. Mr. PORPHYROGENNIS outlined his plans to me this morning.

His proposals for industries are:

1. To relieve industrial employers of the obligation to pay workmen for whom they have no work.
2. To establish an Unemployment Fund to which industrialists will contribute:-

30 days pay for each workman dismissed  
2 months salary for each employee dismissed  
10% pay for men who having been dismissed within the last ten years can, under the terms of the Govt's recent directive to industry claim to be taken back.

3. To pay from the Unemployment Fund:-

40% of pay or salary to workmen or employees thus dismissed  
30% of pay to men who might have claimed to be reinstated

4. Not to issue certificates of indigence to any of these men.
5. To supplement the Unemployment Fund with 5 to 10 million drs a month from the Budget.
6. To confine the above scheme to ATHENS and PIRAEVS at first, extend it quickly to PATRAS, and eventually, when better information is available, elsewhere.

The employers have estimated that they are now paying 42000 men (against prewar 65000); that 8500 have already claimed reinstatement and that a further 20000 may yet do so.

The Minister estimates with them that there is work for 22000 at present, i.e. 20000 will be dismissed; and that the total number presenting claims of reinstatement will not exceed 12000.

2. For other classes of Unemployment, i.e. workmen and employees belonging to the State, Public Institutions, and to small employers who cannot pay their men, estimated to number 200000 but representing in the Minister's estimate not more than 400000 of the inhabitants of ATHENS and PIRAEVS, his proposals are:-

1. A separate unemployment fund provided by the State
2. Payment of 30% wages or salaries
3. No cards of indigence

On this class the Minister estimates that there will be an economy to the Budget as the State now pays most of these workmen in full, and there will be a net economy even after the issue of 30% as unemployment pay to the workmen of private employers.

3. Control of Cards of Indigence

The Minister believes that great abuses exist and intends to have a complete revision made by the various popular organisation. He will not entrust the work to the aristocratic ladies of the Archbishop's Old Committee as they "do not understand the needs of the workmen". He believes that when popular organisations do the work, each man will be watchful to see his fellow does not steal an advantage over him.