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Referred to	Date	Referred to	Date	Referred to	Date
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WL P2204 200 2M 3/46 TCP/JR.

TO: Mr Adkins B-<sup>no</sup> 713

for ACTION

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Mr Hitchcock.

.....AC..... Branch Registry

Date...7:3'45.....

U.N.R.R.A.,  
Cairo.

INDEXED

Our ref. CM 1/12

24th February, 1945.

CALO: 466

"Approved by Chief of Balkan Mission"

To: European Regional Office  
(Attention - Mr. Adair)  
11 Portland Place  
London, W.1.

From: Office of Chief of Balkan Mission,  
Cairo.

The following Intelligence reports are enclosed for  
your information.

- No. 48 YUGOSLAVIA - Ministry of Public Welfare - WE
- No. 49 YUGOSLAVIA - Change of Legal Basis - AC28/14/x
- No. 50 YUGOSLAVIA - Developments during December 1944  
and January 1945. - AC28/14/x
- ✓ No. 51 YUGOSLAVIA - Tito's Representatives in  
Istanbul. - AC28/7

Signed: P. C. F..... (illegible)

For Chief of Balkan Mission.

Encls.



AC

**CONFIDENTIAL**

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UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

Balkan Mission Headquarters, Intelligence Division

Intelligence Report No. 51.

**RECEIVED**

E. MAR 1945

U.N.R.R.A. (REGY.)

21 February 1945.

Subject : Yugoslavia: Tito's Representatives in Istanbul.

INTRODUCTORY NOTE.

The following report is based upon a source of doubtful reliability who is a supporter of Mihailovich, less weight should therefore be given to his opinions than to the objective facts reported in paragraph 1.

1. On 28 Jan. 45 a Tito Yugoslav economic mission arrived in Istanbul. The mission is composed of Yoshko Akil, a Slovene leather merchant, and Mladen Pleyich, a Croat, who supposedly advises and controls Akil. The mission of Akil and Pleyich is to establish normal commercial relations between Turkey and Yugoslavia based on exchanges. Yugoslavia will export to Turkey glassware and hemp, and will receive from Turkey medical supplies and equipment for hospitals.

2. According to subsource, the commercial aspect of the mission is only secondary and their chief aim is to create a contact between Turkey and Tito.

3. Akil and Pleyich first visited the Yugoslav Consulate General in Istanbul, where they informed Consul Dzholevich and Press Attache Petkovich that they expected the wholehearted support of the Consulate to the representatives of Marshal Tito.

4. Another Tito representative in Istanbul is Ismail Bibeshich, a Yugoslav Moslem, who arrived here at the beginning of January 45 from Cairo. His task is to win the sympathies of the Turkish immigrants from Yugoslavia (Over one million since 1912) for Tito.

**CONFIDENTIAL**

OUT FILE

AREAS REGISTRY.

Reply 3.

Reg  
do 45

COPIES TO: Mr. Rhatigan

Mr. Ingrams.

20th February 1945.

AC. 23/7

Attention: Mr. W. G. Folk.

Dear Mr. Menshikov,

Receipt is hereby acknowledged of your letter dated 31st January 1945, together with copies of 6 reports prepared by the Office of Strategic Services.

With regard to your request for copies of similar reports from British Government agencies, it is understood that such reports will be received in the E.R.O. by the Information Division and forwarded by them to you. This arrangement will be going into force shortly.

Sincerely yours,

MYER COHEN

Director, Area Operations Division,  
Department of Operations.

Mr. M. Menshikov,  
Bureau of Area Operations,  
U.N.R.R.A.,  
Dupont Circle Building,  
Washington, D.C.  
U.S.A.

A 1514.

TO: Mr. *Myer Cohen*

for ACTION

Please circulate to  
~~copies distributed~~  
to on.....

P.T.H.  
JD

Mr. Rhatigan ✓

Mr. Herbert

Mr. G. Reid

Mr. Sept.

Mr. Adair ✓

Dr. Lippin ✓

Mr. Balkins

Miss Schufeldt

Mr. Glaser

Mr. Baker ✓

Mr. Homan ✓

Mr. Parker

Mr. Callins

Mr. EASTON

(Room 1312)

..... AC ..... Branch Registry

Date. 15:2:45.....



AC 28/4

2.  
A1517

UNITED NATIONS  
RELIEF AND REHABILITATION ADMINISTRATION

1344 CONNECTICUT AVENUE  
WASHINGTON 25, D. C.

INDEXED

RECEIVED  
13 FEB 1945  
UN/REG/ (REGY.)

31 January 1945

TO: George S. Mooney  
Executive Secretary, ERO, London

FROM: William G. Welk *WGW*  
Division of Area Coordination, Studies and Reports  
Bureau of Area Operations

From time to time the Office of Strategic Services here in Washington has sent us reports from their field representatives. Enclosed are copies of those we have received to date. Report No. 122 is now being stencilled and will be sent to you later.

- ENCL No 1. ✓ No. 62 - Notes on the Economic Situation in Partisan Croatia (1 copy) *AC28/4*
- ENCL No 2. ✓ No. 71 - Notes on the Economic Situation in Bosnia and Herzegovina (1 copy) - *AC28/4*
- ENCL No 3. ✓ No. 72 - Economic Activities of the Partisan Government of Slovenia (3 copies) - *AC28/4*  
*2 copies in Reg.*
- ENCL No 4. ✓ No. 77 - Problems of Partisan Economy (3 copies) - *2 copies in Reg. - AC28/4*
- ENCL No 5. ✓ No. 83 - Problems of Rehabilitation in Belgrade (3 copies) - *2 copies in Reg. - AC28/4*
- ENCL No 6. ✓ No. 122 - Agricultural Controls in Hungary (3 copies) - *AC12/4/3/X*  
*2 copies in Reg.*  
*No 162.*

We shall be glad to receive copies of similar reports which you may be able to obtain from British Government agencies.

Enclosures (14)



RESTRICTED

OFFICE OF STRATEGIC SERVICES  
Research and Analysis Branch

FIELD MEMORANDUM 62 (FR-91)

25 October 1944

Bari, 27 September 1944

NOTES ON THE ECONOMIC SITUATION IN PARTISAN CROATIAGovernmental Activity

In comparison with Slovenia, the Croatian federal unit (Croatia-Slavonia-Istria-Dalmatia) can boast of fewer accomplishments in the re-institution of its normal economic life. The reasons for this are manifold. In the first place, the devastation perpetrated by the enemy has been far more extensive than in Slovenia. Military operations have considerably surpassed, in scope and intensity, the operations which have taken place in Slovenia. The presence of the authorities of the Independent State of Croatia, in addition to the direct German control, has been largely responsible for the fact that Partisan reconstruction plans could be applied only partially and inadequately. Finally, the Croats have lagged far behind the Slovenes in organizing their administration and their economic agencies -- a fact explained primarily by the fluidity of the military situation in the Croatian provinces. It should be mentioned also that the Croat federal unit contains comparatively a much larger area which is agriculturally poor -- regions which even in peace-time were unable to depend on their own food production.

The Croatian federal unit has obtained good results in its efforts to improve its economic status in spite of these obstacles. The Presidium of the ZAVNOH (Croat Assembly) has its Economic Department (from which will develop the Ministry of National Government when the Croatian Government is formed). This Department is assisted by economic commissions, organized by and constituting a functional part of all the Croat National Liberation Committees. The initial work of the economic authorities of the National Liberation Movement in Croatia gravitates around the following functions:

- (1) Collection of food for the armed forces.
- (2) Organization of planned and thorough harvesting of the crop, and organization of campaigns for the collection of seed and repair of agricultural implements, as well as building hiding-places for food.
- (3) Giving instructions for the preservation and improvement of livestock.
- (4) Organization of inter-communal help on a collective and reciprocal basis.
- (5) Encouragement of private initiative in commerce, artisan enterprises, and industries.
- (6) Production of construction material (primarily bricks and lumber) for building of dwelling places for the homeless population.
- (7) Sale of national war bonds.

This memorandum contains information forwarded by R&A personnel in the field. Because of its timely interest it is distributed prior to analysis and processing.



## Food

"Everything for the Army, everything for Victory" is the slogan of the Partisan war economy. The army gets its food supplies by means of the following processes: its own production; large-scale requisitions made on a percentual basis at the time of harvest; local requisitions when supplies have been exhausted; voluntary donations; supplies obtained from defeated enemies. With the growth of Partisan units into a regular army, the bulk of supplies is expected to come from direct requisitioning made during the harvest. Slavonia, granary of Croatia, has been the principal source of wheat for this year. Throughout all the liberated and semi-liberated territories the civilians and the army have made a joint effort to collect as much wheat as possible. The army has taken its percentage, which varies according to districts, and placed it in its secret hiding places or shipped it across the Sava River into Bosnia, Banija, Kordun, and Lika. The bulk of the wheat has come this year from the Pozoga area (where 5,000 workers and 1,860 carts were used in harvesting the crop), the Bilo Gora area, the county of Pakrac, and the districts of Daruvar and Kutjevo. The final statistics of this harvest have not yet been compiled, but it is certain that Slavonia has given the Partisans far more wheat this year than in any previous year. Of the other areas Moslavina is one of the leading wheat sources. In Banija the Partisans have collected 587,584 shocks of grain; Lika gave 35,000 shocks of grain on the first day of harvesting. In Lika 11,000 acres of land have been cultivated by the Partisans. Due to weather conditions and heavy enemy interference, Dalmatia's harvest has been far below normal. In the Sibenik district, for instance, the harvest has been hardly more than 50 percent of normal.

This year's harvest has been the result of a collective effort. Last autumn the Partisan government authorities distributed 3,000,000 kuna to the peasants to enable them to buy ample quantities of seed. The government opened special workshops to repair plows. In Kordun alone 996 plows were repaired, and in Lika 340 new ones were made. The army participated in the distribution of seed as well as in harvesting the crop.

The collection of foodstuffs other than grain was not carried out by the army on a large-scale requisition basis. This indicates that the Partisans will try to hide these supplies and forward their percentual obligations to the army through local requisitioning and not at a uniformly set date; the scope and time of requisitioning will be dictated by military necessities. It is anticipated that this year, like the last, the most acute food shortage will take place in the Great Littoral, Gorski Kotar (where a full-scale famine appeared last year) and in some districts of Dalmatia.

Dairy products and their manufacture are still undeveloped. The main reason for this is that the milk is used mostly in its fresh form and in the hospitals. The largest "plant" producing dairy products is operated somewhere in the Brod area on the Kupa River. During the months of June and July 1944 this "plant" has processed 864 liters of milk producing 26 kg. of butter and 150 kg. of cheese, which were distributed to the hospitals and to the population of the devastated areas.

The Croatian government authorities have issued extensive and strict orders for the preservation and improvement of livestock. Some local national liberation committees have established special funds for the purchase of young and breeding stock. Veterinary experts are working everywhere. In Lika, Pokuplje, and Slavonia several courses were held for the training of veterinary personnel.

In seeking to improve their economic status and to restore it to normalcy, the Croat civilian and military Partisan authorities have organized an extensive propaganda for collective effort, reciprocal assistance, and full cooperation between various nationalities. In Slavonia, for instance, full cooperation between the Serbs and Croats was manifested in the common tilling of land. In the Moslavina area this cooperation was also extended to the local Magyar and Czech minorities. In southern Croatia, the peasants of Pokuplje assisted the peasants of Banija, and vice versa, in this year's harvest. Labor battalions were everywhere protected by regular army units,



as the German and Ustashi forces tried either to exploit the harvest for their own purposes or, where this was not possible, to devastate it.

### Reconstruction

At the last session of ZAVNOH statistics showed that the enemy has destroyed in Lika, Kordun, Banija, Pokupje, the Croatian Zagorje and parts of the Zagreb district and in Slavonia some 90,000 dwellings and agricultural shacks. By now the number has increased. The construction of temporary dwellings was systematically carried on by national liberation committees. By last spring 6,000 such places were built in Kordun, 2,600 in Lika, and 650 in Slavonia. During the past summer building activity has been stepped up considerably. Five saw-mills are working in Slavonia producing lumber. In the Glina area, a brick plant has kept its production on an ever-increasing level; in the period between 7 June and 29 August, 1944, it has produced 320,000 bricks. In Lika over 30 workshops are operating, producing and repairing various implements. In Kordun there are 80 workshops repairing primarily agricultural tools. In Slavonia the Partisans have two workshops processing hides. In Kordun there are several opanke (moccasin) shops. Several flour mills are also in operation.

Though these statistics are fragmentary, they indicate the emphasis placed on reconstruction work by Partisan authorities. The gathering and production of food and the building of dwelling-places is considered imperative. Emphasis is also given to the production of clothing material. The results achieved in this field are, however, negligible. In Lika there was for some time one loom producing 40 meters of cloth daily.

### Health

The effort to improve the health of the nation is an essential function of the Partisan rehabilitation authorities. Though the successes achieved in this field have been remarkable, the health question is one of the most critical questions confronting the Partisan organization. In the liberated territory of Croatia, there are 4 provincial and 2 district health commissions. There are only 33 civilian doctors in the liberated territory. Military hospitals take care of civilian patients only when not filled by army patients. There are 6 stores selling medical supplies, 9 homes for children, 2 maternity hospitals, and 1 children's hospital. Medical care is universally free of charge. By the end of August, 1944, 12,000 typhus inoculations had been given. 15,000 posters, leaflets and pamphlets dealing with health questions were distributed. The Health Department, through the Provincial, District, County, Community, and Local National Liberation Committees, works intensively on the organization of "health teams" which give health courses and distribute medical supplies.

### Commerce

In order to expedite the exchange of goods, the Great Partisan authorities have begun to encourage individual initiative in the field of commerce. However, no striking progress has been made in private commerce because of the lack of commodities to be exchanged. The traditional market days held once a week in every large community have been revived, and it is hoped that this will encourage the direct exchange of goods. Recently ZAVNOH established a "Main Purchasing-Selling Society" (Glavno Nabavno-Prodatno Poduzeće or GLAVNOPROD with the function of purchasing, selling, storing, and shipping agricultural, artisan, industrial, and forest products. It also has control over commerce in articles which were previously state monopolies. During a period of two months the GLAVNOPROD has supplied the army with material worth 8,600,000 kunas, and the people of the devastated territories with material worth 4,600,000 kunas. This organization is now opening branches all over the liberated territory.



A1577  
RESTRICTEDOFFICE OF STRATEGIC SERVICES  
Research and Analysis Branch

FIELD MEMORANDUM 71 (FR-112)

6 November 1944

Bari, 9 October 1944

NOTES ON THE ECONOMIC SITUATION  
IN BOSNIA AND HERZEGOVINA

Bosnia and Herzegovina are the two most devastated provinces of Yugoslavia. Continual war has affected every phase of the economic life of this area, which in peacetime had a diversified economy. The transportation system has been very largely crippled. Industry, mining, and agriculture have been either completely erased or reduced to a minimum production.

Industrial Destruction

No large industrial enterprise has been in operation for some time. The Croat Government's plan for maximum exploitation of the iron and steel works at Zenica has been frustrated by a combination of several factors: the Germans have shipped back to Germany some of the Krupp installations indispensable for the production of steel; coal mining has decreased or disappeared almost completely; the transportation system was anything but adequate; the labor problem was always acute. The Jajce factory, producing carbide, was operated for a while by the Partisans but was destroyed when they were forced to abandon it. The salt-processing plant in Tuzla never worked at anywhere near full capacity, and is at present in Partisan hands. The chemical works in Lukavac was thrown out of commission in 1942 and has not yet been repaired. The Usora sugar factory has also been destroyed. The Teslic wood-distilling plant has been working at an almost negligible production rate. Not a single principal sawmill is in operation. The iron foundry in Vares was completely destroyed in 1942.

Mining

All mining has been almost completely stopped. Prior to the outbreak of the war, Bosnia and Herzegovina produced 7,000 tons of coal daily (or one-third of the total Yugoslav output). Nineteen coal mines had been in operation; of these Kreka, Zenica, Kakanj, and Breza produced 60 percent of the total Bosnian output. The Tuzla-Banovici basin alone produced 2,500 tons of coal daily. Immediately after the collapse of Yugoslavia the daily production of coal (bituminous and lignite) decreased from 7,000 tons to 4,700 tons. Toward the end of 1943 only five mines were still in operation; Mostar, Breza, Kakanj, Zenica, and Banja Luka. Coal production decreased to 30 percent of the pre-war figure. This contributed to the closing of many industries.

Before the war the Germans were much interested in Ljubija iron ore, which is of excellent quality and was used by the Germans for mixing with their own poorer grade ore. Just prior to the outbreak of the war 2,000 tons of iron ore were shipped daily from Ljubija to Germany.<sup>1</sup> By the end of 1943

1. Comment of Washington analyst: R & A 1933 states that total Yugoslav iron ore exports for 1937, 1938, and 1939 were 500,000, 374,000 and 385,000 tons respectively. Not all this ore was exported from Ljubija, and the bulk of it was exported to Hungary and Rumania rather than to Germany. It therefore appears impossible that 2,000 tons were shipped daily from Ljubija to Germany, as stated above.

This memorandum contains information forwarded by R & A personnel in the field. Because of its timely interest it is distributed prior to analysis and processing.



this mine had been abandoned. The extraction of bauxite in Herzegovina has also ceased, although prior to the beginning of the war the Germans imported approximately 600 tons of the first class bauxite extracted in Herzegovina.

### Agriculture

Agriculture has been reduced to a primitive condition. Two basic reasons stand behind this deterioration: (a) the systematic enemy effort to destroy agricultural implements and machines, requisition livestock (Germans prize Bosnian horses very highly), and uproot the orchards; and (b) the abandonment of large plots of tillable land by either the pro-Partisan element, which fled from strict enemy control, or the pro-Ustasi population, which fled to territories under enemy control. Bosnia and Herzegovina have witnessed a constant shift of population in the last three years. The Partisans have organized several mass migrations from northern areas into the mountainous districts of central and western Bosnia. The Ustasi, on the contrary, have sponsored large-scale migrations from the valley of the lower Neretva and several other places in the Posavina area. Many Serbs from Northern Bosnia have abandoned their property and fled either to Serbia or into the mountains. A further reason for the decline in agriculture is the scarcity of seed.

### Rehabilitation Efforts

Partisan efforts to rehabilitate the economic life of Bosnia and Herzegovina have never approached in intensity and magnitude the efforts made by the Partisan organization in the federal units of Slovenia and Croatia. Several serious enemy offensives (particularly the Fourth, Fifth, and Seventh) against this area, which contained the bulk of the Partisan forces and their Supreme Command, resulted in drastic interference with the development of economic life. The scarcity of personnel trained in economic planning and agriculture, and capable of promulgating a systematic and organized reconstruction of the crippled economy, was felt here more than in Croatia and Slovenia.

It should be added, however, that the inner circle of Bosanska Krajina (the territory between the Una and Sava Rivers) can be considered to have done more toward its rehabilitation than any other Partisan-controlled region. Here emerged the first Partisan-tilled complexes of land, and the first workshops repairing agricultural tools as well as weapons of war. The first Partisan lumber was sawed here. Many strips of land concealed in the mountain ridges were cultivated for the first time. Many new though provisionally and primitively built houses have been constructed, to provide shelter for masses of homeless peasants and for Partisan soldiers. During the Fourth Offensive (which began in the second half of January 1943) the German-Croat-Italian armies devastated the greater part of Partisan economic accomplishments in this area. However, since the summer of 1943 the area has been left alone save for two brief enemy offensives.

### Economic Administration

Like the Slovene and Croat governments, the ZAVNOBIH (Regional Anti-Fascist Council of the National Liberation of Bosnia and Herzegovina) has organized Departments of National Economy, Food Supplies, Finance, Rehabilitation, and Public Welfare. These agencies function through (a) their special commissions embraced within the Provincial (oblasni) and District (ikruzni) National Liberation Committees, and (b) individual representatives (referenti) attached to, and comprising a part of, the local National Liberation Committees. The work of these offices is unhindered only in the liberated and semi-liberated areas. All of them, however, represent a serious effort to build up a system of at least temporary economic self-sufficiency. They will be able to operate without outside help only so long as the Partisan economy is reduced to the production of the most necessary articles required by a largely primitive economic life. Nevertheless, their thorough organization and the democratic procedure through which they came to their present state will make them a corner-stone for the post-war Yugoslav economic administration.



### Food Supplies

Special agencies subordinated to the Department of Food Supplies of ZAVNOBIH are called upon to collect, buy, and distribute foodstuffs for the civilian population and the Army. Hitherto the main food stocks were obtained through voluntary donations; now the organs of the Government are beginning to purchase their supplies, giving special receipts (issued by the Finance Department of the ZAVNOBIH) which guarantee payment at post-war prices in the new general currency which is to be established after the war. The peasants are expected to sell their surplus, and compulsion is exercised on owners who are reluctant to trade in their surplus goods.

A campaign is now under way to cultivate more land this autumn than last spring. (It should also be mentioned that at present the Partisan control in Bosnia and Herzegovina includes more territory than ever before). The distribution of seed is to take place immediately in areas which produced no grain last year. All the local committees have been instructed to clean the seed thoroughly, for this year's harvest was poor largely because the seed used was of poor quality: Bosanska Krajina gave 300 tons of grain less than expected. All necessary measures have been undertaken to repair agricultural implements. During this year's harvest the Partisans used 15 threshing machines in the Kozara area and approximately 80 machines in the Prnjavor area.

Livestock is scarcer in Bosnia than in any other Yugoslav region save Montenegro. Many villages are without a single horse or ox. During the plowing and harvesting seasons army horses were used extensively. The production of dairy products has been drastically cut though not completely stopped.

Despite all efforts to improve their economic status, Partisan authorities realize that this winter is bound to bring a critical food situation, which will be but slightly alleviated by the grain stores brought from Slavonia and the captured food stores which are falling into their hands in ever-increasing quantity.

### Clothing

More and more looms are being put into operation in Bosanska Krajina, but the shortage of clothing is far more critical than the shortage of food. The scarcity of footwear is particularly acute. If any large-scale assistance comes from abroad, this item deserves the highest priority. When the Partisans captured Tuzla and Banja Luka they obtained large stores of German uniforms but not a single pair of shoes, which is considered an indication that the Germans too are faced with a shortage of footwear.

### Recent Developments

As a result of current Partisan operations new territories have been liberated. This has brought its economic reward. The booty taken at Banja Luka consisted primarily of material, but at Tuzla the Partisans have begun to operate the local coal mine (producing 20 carloads daily) and the salt processing plant. Of 20 boilers the Partisans operate only one, the rest having been destroyed. The capture of this plant has been particularly important because the people of the territory controlled by the Partisans have had virtually no salt for the past two years.

### RAILROADS

Bosnia is the only territory through which the Partisan-operated railroad trains run. At present the Partisans are in control of the following lines: Drvar-Sanski Most; Tuzla-Doboj; Jajce-southern vicinity of Travnik (the town being still in enemy hands); and Jajce-Srpetica-Drvar. These lines will, however, help little to alleviate the acuteness of the economic situation, since commerce and industry are still in an embryonic stage and will remain so until the last enemy strongholds are liquidated.



RESTRICTEDOFFICE OF STRATEGIC SERVICES  
Research and Analysis Branch

FIELD MEMORANDUM 72 (FR-111)

6 November 1944

Bari, 10 October 1944

ECONOMIC ACTIVITIES OF THE PARTISAN  
GOVERNMENT OF SLOVENIA1. Economic Education

The Partisan Government of Slovenia is trying in a planned way to extend the most practical principles of economic education to its people. The Knečki Glas, a publication devoted primarily to the enlightenment of the peasantry, regularly allots one page to suggestions for the improvement of agriculture and to descriptions of successes already achieved. The work of all the Slovene economic offices is regularly described in all the issues of the Slovesni Poročevalci and Ljudska Pravica. These papers also carry articles on the results of competition between various villages, which in turn serves as a stimulus for new competition.

2. "Competition"

The presidium of the SNOS (Slovene Assembly) in August 1944 issued a Competition Proclamation urging people of all ages and professions to compete with each other, on an individual or group basis, in work for the improvement and rehabilitation of economic life in Slovenia. This competition affected numerous phases of economic life: collection of food, fruit, and vegetables, repair of roads, production of bricks and lumber, harvesting, etc. The entire press, particularly the Mladina, carries regular columns describing the results achieved through this rather primitive form of competition of the Stakhanovite type.

3. Cooperatives

With the endorsement and encouragement of the central provisional government, the Slovene authorities have begun to organize, or rather to revive, cooperatives. After the first experiment in Slovenia, the central provisional government has sent a circular to the authorities of all federal units to prepare for the creation of all kinds of cooperatives, whose basic task would be to secure the highest possible prices for products, primarily agricultural, by avoiding middlemen and encouraging collective sale.

Recently two cooperatives have been organized in Slovenia: the wine cooperative of Crnomelj and the purchasing-selling cooperative of the county of Crnomelj. The initial operational fund of the first cooperative is 200,000 lire, and its basic purpose is to secure collective sale of the wine produced locally. The second cooperative boasts of 800 members, whereas in peacetime it had only 600 members. Its members are exclusively peasants.

4. Price Ceilings

On 23 August 1944 the Presidium of the SNOS issued a ceiling price decree. Maximum prices for all commodities have been determined by the Department of Food Supplies of the SNOS. The prices are not uniform but vary by districts. All artisan and industrial goods must be reported to the National Liberation Committee authorized to determine their price before they are put on sale. In applying this decree, it was ordered by the Department of National Economy that a healthy calf of 100 kg. can be sold for not over 2,200 lire, or 1470 kg. of hay of poor quality, 800 kg. of clover, 740 kg. of potatoes, or 335 kg. of corn.

This memorandum contains information forwarded by R&A personnel in the field. Because of its timely interest it is distributed prior to analysis and processing.



5. New Departments of the SNOS

By a decree of the presidium of the SNOS (19 August 1944) the following new departments of the SNOS have been organized: Department of Food Supplies, Department of Forestry, Department of Transportation, and Department of Justice.

6. The Commission for National Property

This Commission is not attached to any special department and operates independently. Its function is to control (a) property formerly belonging to various self-governing bodies (communities, etc.); (b) property formerly belonging to the Yugoslav State; (c) property formerly administered by the "Emona"<sup>1</sup>; (d) confiscated land formerly belonging to large landowners; (e) property of national traitors; and (f) property which previously belonged to the enemy.

According to the most recent statistical data, this Commission controls 62,700 hectares of forest, 394 vineyards (totalling 140 hectares), 139 villages (of which 96 belong to the Kocevje county), and 132 abandoned farms.

In addition to a number of small sawmills, this Commission has repaired five large sawmills with a daily production of 620 cubic meters. This Commission is also in charge of three electrical networks and two large power stations.

One of the functions of this Commission is to encourage and educate the people for a more intense and rational exploitation of natural resources and cultivation of land; also to build homes for dislocated people. In the Posavlje area alone there are approximately 40,000 dislocated persons. At present, this Commission has instructed the people to help in preventing the enemy from destroying property (by laying mines, etc.) during his retreat.

6. Department of Public Welfare

By a new reorganization this Department, headed by Jozse Jurancic, has been divided into six sections:

(a) Section of General Welfare: collects and controls the distribution of help to the poor, invalids, widows, and the sick. This section has its officials in every local, county, and district National Liberation Committee. The District National Liberation Committee of Bela Krajina supports 2633 families, who received 274,650 lire in July 1944. The District Committees of Ribnica supports 1,011 families, which received 135,000 lire in July 1944. The District Committee of Grosuplje supports 216 families which received 84,411 lire in the same month. The total payment in the month of July was 1,209,000 lire. This section also advances money to peasants desiring to buy live stock. It is in charge of three homes for the disabled.

(b) Section for the Protection of Children, headed by Krista Schuller: controls a Youth Home, and is trying to organize new ones. It is making plans for the protection of pregnant women and infants.

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<sup>1</sup>"Emona" was an Italian-organized society which had the task of controlling and colonizing the county of Kocevje after the migrations (which followed the Italian-German Agreement) of approximately 15,000 local Germans to the Reich, which took place in October and November, 1941. Actually, the Partisans came to this area before the Italians, who were hampered by snow and the hostile attitude of the local population. The officials of the "Emona" were quartered in Kocevje, but were never able to penetrate into the surrounding villages, since the Partisans regularly killed all Italian intruders. Actually, the whole work of the "Emona" was confined to making plans which were never realized. All efforts to bring new colonists to this area were promptly frustrated by the Partisans, either by discouraging the people from infiltrating into this district, or by encouraging the colonists to join the Partisan ranks; these colonists were giving 5-10 percent of their produce to the Partisans. As this area represented a Partisan stronghold in the winter of 1941-42, the enemy burned down all the villages except those located at the periphery of the country. At present the land is being cultivated by the peasants from the neighbouring villages.



(c) Section for Assistance in Cases of Accidents, Old Age, and Sickness: headed by Tone Toman

(d) Employment Section: opening special offices with the purpose of finding jobs for the unemployed. It has been operating since 15 July 1944.

(e) Section for Colonization, Decolonization, Repatriation, and Migration: This section is making detailed plans for colonization of abandoned land and for transfer of population from unproductive areas to regions with fertile land. Plans are being made for the repatriation of approximately 100,000 Slovene nationals forcibly moved by the enemy from their homesteads, interned, or sent on forced labor to Germany, Italy, France, Belgium, Norway, Ukraine, and Finland. Statistics on emigrated Slovenes are also being prepared and their return to Slovenia will be encouraged and assisted.

(f) Section of Social Control and Appeals: controls the work of all institutions devoted to the improvement of public welfare.



RESTRICTED

OFFICE OF STRATEGIC SERVICES  
RESEARCH AND ANALYSIS BRANCH

FIELD MEMORANDUM 77 (FR-119)

10 November 1944

Bari, 18 October 1944

PROBLEMS OF PARTISAN ECONOMY1. Difficulties

Partisan authorities have spent much effort not only in organizing their army but also in organizing their war economy. In this latter work they were beset by the following difficulties:

a. In order to combat the enemy successfully the Partisans were forced to destroy all industrial, mining and other installations which were used by the enemy. During the greater part of the resistance period the Partisans have not operated a single large industrial or mining enterprise. Incessant movement, the fluidity of their control over various areas, and the scarcity of raw materials have caused a precipitous decline in the production of artisan enterprises. The same factors, coupled with the lack of seed, agricultural implements (which were systematically destroyed by the enemy), and draft animals, have caused a slump in agriculture. All these factors, plus the reduction of transportation facilities to almost nil have been responsible for the disappearance of commerce.

b. Because of the abandonment of houses, caused either by mass murders (Ustashi have wiped out whole villages inhabited by Serbs) or by the evacuation of whole settlements (caused either by protection-seeking groups or by the expulsion of undesired national groups), the land in many districts was either cultivated only in part or completely neglected.

c. The recruiting of youth into enemy service (army, labor detachments, work in Germany or other enemy-occupied countries), and the participation of the people in the Partisan army, have caused a critical shortage of manpower. Agricultural labor has been composed mostly of women too weak for such hard work as plowing.

The Partisan economy was thus reduced to a struggle for a primitive level of self-sufficiency. The standard of living has dwindled to bare subsistence, although famine has occurred only in local spots and for short periods. Epidemics, which usually accompany a deteriorated standard of living, were carefully held in check and have succeeded in spreading only once or twice among the armed forces in Bosnia. Tuberculosis and malaria, however, have been reported to be constantly growing.

2. Problems of Food and Clothing

The Yugoslav National Liberation Army has grown from small and scattered guerrilla bands into a comparatively very large armed force. The problems of food and clothing have grown correspondingly until they have become of prime importance. Attention was paid primarily to agriculture, which has shown constant progress under Partisan management. In 1944, the Partisan-controlled regions of Slovenia, Croatia, Slavonia, Bosnia, Srem, and Montenegro produced more grain than in any previous year during the war. Though a shortage of food is expected this winter, it is doubtful whether any famine will take place, even if no outside aid comes.

The shortage of clothing is the most critical problem confronting the Partisans. Not a single textile plant has ever been operated by them.

This memorandum contains information forwarded by R&A personnel in the field. Because of its timely interest it is distributed prior to analysis and processing.



Home production is gradually being restored, but for a long time it was practically at a standstill because of the lack of looms, wool, and flax. This autumn the sowing of flax is being planned, but this will not by any means solve the problem of clothing for the coming winter. It is the opinion of Partisan economic experts that nine million Yugoslavs need to be supplied with clothing immediately. The main article needed is footwear. Even in Vojvodina, by far the richest Yugoslav area 60 percent (in Srem 80 percent) of the population is in need of adequate clothing. This is to be explained by the fact that the textile plants in Vojvodina have produced only for the Axis; the home production of textiles was never developed here, since the people used exclusively manufactured goods. The clothing shortage has been somewhat alleviated by the Partisan stripping of Italian garrisons, and recently by the capture of German supply centers in Banja Luka and Tuzla. The number of looms is constantly growing, but their productivity will be so small that the Partisans must definitely look to other sources for supplies of clothing and footwear. The reduction in sheep of about 60 percent explains the critical shortage of wool, while the reduction of cattle by 80 percent explains the still more critical shortage of leather. It can be safely asserted that footwear is the most pressing necessity in Yugoslavia today.

### 3. Transportation Problems

After having depended on horses for transportation throughout most of the resistance period, the Partisan economic authorities are beginning to make concrete preparations for the reconstruction of the Yugoslav transportation network. The railroads linking the poor with the fertile areas, and the coast with the hinterland, are the first to be repaired. As the Susak-Zagreb railroad line represents the shortest link between the coast and the hinterland, and since it is one of the least destroyed lines, it has been selected for immediate repair. The District National Liberation Committee of Gorski Kotar has begun to make all necessary preparations for the quick repair of this line. The collection of necessary material and the training of skilled railroad personnel has already begun. It is also expected that the repair of the Ljubljana-Zagreb-Belgrade railroad artery will take place immediately and that, due to the terrain and the relatively small extent of destruction, it will not take much time.

The Partisan authorities expect to undertake immediate repairs in the ports of Fiume, Zadar (Zara), Sibenik, Split, Gruz, Zelenika-Tivat, and Bar. It is almost certain, however, that the port of Susak will be the most used, especially in the beginning.

Rolling stock has been reduced in Yugoslavia from 2600 locomotives and 60,000 cars before the war to an estimated 300 locomotives and 7000 - 8000 cars. Immediately after the collapse of Yugoslavia all rolling stock was divided between the Axis countries as follows: 14.1 percent was taken by Hungary, 9 percent by Bulgaria, somewhat under 20 percent by the Italians, and just under 60 percent by the Germans (including the Pavelich Government).

Before the railroads are repaired, transportation will be confined to the highways, which will necessitate a much larger number of trucks than pre-war Yugoslavia had. In pre-war Yugoslavia (which had about 5000 trucks) the bulk of goods was carried by the railroads. It is estimated that if the Partisans do not capture any trucks (which they probably will) from the Germans in the final phase of the battle of the Balkans, they will need up to 15,000 trucks from the outside. The initial distribution of food and other material, and the repatriation of refugees, will depend almost exclusively on road traffic.

### 4. Commerce

Although Partisan economy is still in a rudimentary stage, barter trade is rapidly disappearing. The National Committee has recently issued a circular



to all the federal units, suggesting the revival or creation of cooperatives to encourage the collective sale of products. Except in Slovenia, where two cooperatives have been put into operation, nothing concrete has been achieved along these lines. The Croat and Slovene Governments have issued orders for ceiling prices and allocated special funds for the development of commerce, but all is still in its rudimentary stage because of the scarcity of merchandise. The authorities of Slovenia, Croatia, Bosnia-Herzegovina, and Montenegro have organized special offices for the purchase, sale, distribution, and shipment of various commodities.

#### 5. Trades and Industry

To compensate for the absence of industrial enterprises the Partisans were forced to open numerous workshops for the repair of agricultural implements and carts or for the making of parts for power stations, saw-mills, looms, flour mills, etc. There are 88 of these workshops in Kordun alone.

As is to be expected, it will take some time after the war to bring industry to function normally again. Thus it is planned to encourage and sponsor the development of small workshops and artisan shops. Tailors, carpenters, and tanners are to be seen here and there, but their number is negligible.

This autumn many fruit drying "plants" have been put into operation, particularly in Slavonia.

#### 6. Housing

It is estimated that one million houses have been destroyed in Yugoslavia during this war. The Partisans have made extensive efforts to build shelters for as many homeless families as possible, but the newly built dwellings are mere improvisations which can serve for only a short period. The construction of houses has called for the production of lumber, nails, and bricks. At least five large sawmills are now being operated by the Partisans. The production of bricks is increasing, though it is considered that bricks are poor construction material: Yugoslav clay is not of good quality, and new houses built of bricks are not healthful for some time.

#### 7. Repatriation

Very little or nothing has been done by the Partisans in planning for the repatriation of displaced Yugoslavs. The Slovene Government has made some concrete plans for the repatriation of its own co-nationals but the central Government (National Committee) has not even begun to draw up plans for repatriating the thousands of displaced Yugoslavs in any organized and efficient manner. The Ministry of Public Welfare, headed by Dr. Krzisnik, is in charge of displaced Yugoslavs. Dr. Krzisnik is of the opinion that a special mission will be sent to Berlin and that it will endeavor to gather all Yugoslav prisoners of war and laborers scattered throughout Germany for dispatching to Yugoslavia. Under this central committee there would be sub-committees in all the important industrial centers and prison camps. No commission to try to collect data and build up an organization has yet been formed.

There are also many displaced Yugoslavs within Yugoslavia - Serbs thrown out of Becka by the Hungarians, out of Croatia by the Ustasi, out of Kosovo-Metohija by the Albanians, and out of Yugoslav Macedonia by the Bulgars; Slovenes driven out of Stajersko (Styria) by the Germans; Croats forced out of some regions of Herzegovina by the Partisans; etc. Though the return of these dislocated groups presses for immediate and thoroughly organized action, responsible Partisan authorities have made absolutely no plans for its implementation. "That is one of the least of our worries," said one of them. "Everyone is longing for his home and will return to it as soon as the war is over." This type of "repatriation" would be sure to result in a chaos of confused humanity. Sooner or later the authorities will be forced to make definite plans for repatriation and to provide facilities for its realization.



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OFFICE OF STRATEGIC SERVICES  
RESEARCH AND ANALYSIS BRANCH

FIELD MEMORANDUM 83 (FR-146)

27 November 1944

Bari, 6 November 1944

PROBLEMS OF REHABILITATION IN BELGRADE

(Note: The following report is based entirely on information in the first seven issues of Politika, foremost pre-war Yugoslav newspaper, which resumed its activities on 28 October 1944 under its former editor, Vladislav S. Ribnikar.)

After three and one-half years under German occupation, Belgrade was liberated on 20 October 1944 by the combined forces of the Red Army and the Yugoslav National Army of Liberation. The battle of Belgrade ended in complete defeat for the Germans, but only at the cost of great devastation. The new capital of Yugoslavia had to be erected from the ruins of a paralyzed city, and the task was undertaken by the National Liberation Committee with the same vigor with which it had accomplished the liberation of most of Yugoslavia. The problem of reviving the life of a metropolis, however, was far different from the more primitive problems of rural economy during the stage of guerrilla fighting. Belgrade was the supreme test for the new administration.

Problems of a ruined economy

One of the most pressing problems in Belgrade was the salvaging of a ruined economy, however meager the means. Much of the city's most important sections had been left in ruins by the enemy. Much of the population had fled, and many were returning to nothing but uncertainty. There was no electricity, no transportation, no fuel. Fear and distrust had done much to halt commerce, and lack of transport facilities had done the rest. The new administration had inherited inflation and over half a dozen different kinds of currency from the enemy.

The municipal Executive Committee.

The task of rehabilitating the city fell to the Executive National Liberation Committee of the city of Belgrade. This Committee serves as the executive organ of the larger Unified National Liberation Front of the City of Belgrade, which consists of some sixty-five members of all classes and professions and acts as a city council. Since it was impossible to hold elections, a pro tempore Executive Committee was established consisting of university professors, students, physicians, engineers, pensioned officers, merchants, housewives, bank clerks, workers, and others. The Committee consisted of sixteen members, plus a chairman, two vice presidents, and a secretary, whose task it was to take over the entire municipal administration of Belgrade under a decision of the Supreme National Liberation Committee of Serbia on 27 October 1944. Various problems were delegated to sub-committees or sections.

Food.

Among the most immediate problems was the supplying of food to the city. In one of its earliest announcements, the Executive National Liberation Committee of Belgrade pointed out that there was no shortage of food in the provinces, and that the problem was one of transportation. The harvest this year is one of the best in recent years. The especially rich lands of the Banat were once more within the economic zone of the city of Belgrade. Yet

This memorandum contains information forwarded by R&A personnel in the field. Because of its timely interest it is distributed prior to analysis and processing.



in spite of this plenty, there were no transportation facilities for bringing food to Belgrade freight stations, nor for transport from the freight stations to markets within the city. What the Germans had not destroyed, the Partisans themselves had blown up to harass the Germans. The Soviet Command alleviated the problem somewhat by lending vehicles, but it was readily admitted that the solution had to come from elsewhere. In the meantime, labor battalions were organized and appeals made for recruits, especially young men, to go into the Banat to help bring in food. Others were to go into the liberated interior of Serbia, where the National Liberation Front had already promised its full assistance.

#### Bread.

The most vitally needed foodstuff was bread. In an article of 29 October in Politika, sub-titled "The price of bread in Belgrade will be 50 dinars," the municipal Executive Committee assured every citizen that each member of every household would receive daily 300 grams of bread or 250 grams of flour. Later it was announced that everyone would get 250 grams of bread, except members of the militia and labor battalions, who were entitled to 300 grams gratis because of their heavy work.

The provision for the distribution of flour instead of bread had to be made because it was impossible for most bakeries to operate. There was a shortage of yeast and a general shortage of fuel. The state yeast factory at Cukarica had been entirely destroyed, but quantities of the raw product had been spared. The Milisic factory at Bole Vode was intact, however, and again it was a question of transporting the raw product from one factory to the other.

#### Fuel

Although the fuel problem is also essentially one of transportation, it is an urgent and difficult one. There is wood in the interior of Serbia, and here again the Serbian National Liberation Front has promised its aid in cutting and transporting the wood. Belgrade is fortunate in having deposits of lignite in the immediate environs of the city. The municipal Executive Committee has allocated the first loads of fuel to bakeries, especially to those bakeries which keep their furnaces burning continuously.

#### Commerce

In a situation fraught with the dangers of hoarding, black marketing, speculation, inflation, complicated by the exigencies of the army, the Partisan authorities might have been expected to resort to all sorts of rules and regulations. Instead they have done just the opposite by announcing that commerce would be subject to no restrictions. Following are some of the principles of action determined by the Committee:

- a. Only the notes issued by the National Bank of Serbia will be accepted as legal tender.
- b. Farmers are encouraged to bring their products to the city by the abolition of all entry, market, and sales taxes, which had been employed in the past to the farmer's disadvantage.
- c. Farmers and artisans may sell their goods either directly to the consumer or through entrepreneurs.
- d. There are to be no ceiling prices. The law of supply and demand is to operate freely.
- e. There is to be no forced selling. Requisitioning of incoming food is forbidden.
- f. Belgrade businessmen with previous dealings in the interior are encouraged to continue.



- g. Private initiative is to be preserved. The peasant is given assurance that he will not be molested or robbed on the road to market by chetnik "koljasi" (slaughtering bands).
- h. An edict of free entry and departure in and out of Belgrade, Zemun, and Pancevo was issued by the Military Command of Belgrade.
- i. Transport will be requisitioned only by express written orders.

These measures have as their aim the quickest possible normalization of commerce and thus of prices. The sooner the demand is equalled by the supply, it is felt, the sooner will prices return to normal. Working on this principle, the Executive Committee is concentrating all efforts on making ample supplies available as soon as possible. Politika observes that the bringing in of the first foodstuffs from the Banat area, though hardly significant in quantity, was enough to lower the price of food. The consumer has overcome his fear of a shortage and is unwilling to pay high prices for commodities of which an ample supply is assured. The merchant, on the other hand, has to cope once more with the competition of the Banat area. Naturally this literal application of the principles of free trade under the attendant circumstances has resulted in problems. The ubiquitous hoarder has made his appearance. Over-zealous businessmen have been buying up commodities, hoping to resell at higher prices. The municipal Executive Committee has indicated its knowledge of this situation, and in an official announcement has made it clear that pressure would be brought to bear on these hoarders without resorting to any general system of rationing. As in most of its public announcements, the Committee lays great emphasis on the sense of civic responsibility of each citizen.

#### Prices.

The Partisans have inherited a serious inflation from the Germans. For example, a copy of the Politika used to cost one dinar before the war. Today it costs ten times as much. The pre-war official rate of exchange was \$1 = 55 dinars, though 65-95 dinars per dollar could be obtained on the black market. Today the amount has soared upward. Though the price of clothing and other commodities was not indicated, the following are the prices of food in the thriving market-places of Belgrade for 30 October:

cabbage	100 - 150	dinars/kg.
string beans	120 - 220	dinars/kg.
carrots	120 -	dinars/kg.
kale	200	dinars/kg.
spinach	200 - 220	dinars/kg.
gourds	120	dinars/kg.
beans	130	dinars/kg.
kohlrabi	150	dinars/kg.
radishes	100	dinars/kg.
peppers	5 - 10	dinars/each

Although there has been much less fruit than vegetables, large amounts of grapes have been arriving on the market and the price is falling. Grapes were 300 dinars/kg. on 28 October; two days later they had fallen to 280 dinars/kg. Quinces were also arriving in greater quantities and sold at 200-300 dinars, depending of quality and size.

Although meat is still scarce in Belgrade itself, increasingly large quantities are seen in the markets. The following were the prices of meat on 30 October:

pork	1400-1600	dinars/kg.
beef	700	dinars/kg.
lard	1400-1600	dinars/kg.
bacon (for fat)	1500	dinars/kg.
bacon (dry)	2000	dinars/kg.

Eggs have been very scarce.



### Market-places

The old market-places of Belgrade are alive again. The initial atmosphere of uncertainty has been dispelled, and the air is full of the cries of merchants. Again everything "from needles to locomotives," says Politika, is being sold in the booths of Kalenic, Cvetni Trg, Jovanov, Bajlonov, Smederevski, Zeleni Venac, and other squares. The vital necessities of life are in the highest demand. Prices for the same product differ from booth to booth. Products from the Banat area are still cheaper than those carted in from the city. For example, potatoes cost 100 dinars/kg. in Bajlonov Square, while they cost 50 dinars more in the other market-places.

### Public Utilities.

By 1 November 1944 the lighting system in 40-45 percent of the city was functioning. Repairs are going on without letup. The first zone to have light in Belgrade was the lower section surrounding the power station in Vreocina. The two other stations are yet to be repaired. Here again the main problem is the bringing of coal from Kostalac. The Russians and the Command of the National Liberation Army have promised their aid.

Until further notice the use of electric current for cooking or heating is prohibited. Belgrade has no natural gas supply. Elevator service in private dwellings has been discontinued. Light bulbs over 25 watts are not allowed, and only one bulb per dwelling is the rule. All wreckage of the water and light systems is to be reported, and control will be exercised so that any unintentional wreckage will be prevented. Again in this announcement of the Executive Committee, great stress is laid on the personal responsibility and self-discipline of each citizen. The only enforcement deemed necessary is the stipulation that lighting will be discontinued in sections in which too many violations occur.

The tramway system is badly damaged. In some places it is up to 90 percent destroyed because of the fierce street fighting. The organization of tram workers has been very successful, and all personnel obtainable is being used to put the system in order again. Again the principles of first-aid are being applied. Lines 6 and 10 will be repaired first because they are most needed for the resumption of normal business life in the city.

### Buildings

The municipal Executive Committee is establishing a committee for the investigation of the damage to buildings in Belgrade. On the basis of this committee's findings, a plan will be drawn up whereby all available material will be most efficiently used. Public buildings and apartment houses in heavily populated areas will be given preference. In the first group are included the public schools, which are to be erected as soon as possible. The owners of all damaged buildings have been requested to clear the streets of wreckage. Furthermore, as a safety measure temporary walls are to be erected to avoid the danger of crumbling ruins.

### Appeals to Employees

The Executive Committee and all of the government ministries and boards have called all their employees back to the job. The constant repetition of these appeals would indicate the urgency of the problem. It is known that many employees who lost their positions under the Germans are told to report back to their old posts. Besides these, the papers are full of such boards as the Chamber of Commerce, Industry, etc., and professional boards calling for meetings of their personnel.

There is a constant call for teachers. Until schools are set up, teachers are given the task of covering their districts and collecting data on all the children. Such data is to include whether any have been left homeless or orphaned, and what grade they should attend. Teachers are further instructed to collect data on all illiterate persons regardless of age. Some schools are calling for meetings of pupils in public places. One school announced a meeting on the steps of the Cathedral.



11th December, 1944.

To: Sir Hubert Young. *Handwritten: H.Y. 13/12*

From: Mr. Adair.

1. I am not certain who sent this paper. It was sent to me personally and the envelope was marked G-5, A.F.H.Q.
2. If Sir William Matthews has not seen this document already, I suggest that it is shown to him after his arrival.
3. Para. 2.a. From what I was told in Italy, I rather doubt the views expressed in the first three sentences. For instance, the Yugo are negotiating with M.L. in Bari (with UNRRA in attendance) and with UNRRA, Washington, with Dr. Bicanic. You will remember that the Balkan Mission recently urged that the UNRRA negotiations should be removed from Washington.

As regards the last sentence, I, myself, feel that some countries, other than Yugoslavia, have a somewhat similar kind of feeling. One influence to suggest this suspicion is that UNRRA, an international organisation, has its two H.Qs. in Washington and London and so is suspected of being an agency of the U.S. and British Governments.

4. Para 2.b. You will remember my story about the Royalist lady about to become a mother. In addition, the actions of some of the "Political Commissars" of the Central Camps Committee in Bari provide signs of discrimination in distribution. *(circled word: future)*
5. Would you mark it to anyone else who will be interested.

*Handwritten: S.A.A.*

*Handwritten signatures:*  
 Mr. Shaftey  
 Sir William Matthews  
 Mr. Dudley Wood  
 Mr. Herbert  
*Handwritten initials: D.D. 12/12*



C O P Y

HEADQUARTERS  
Independent American Military Mission  
to  
Marshal Tito

From A.F.H.Q. Caserta

9-5

AC 28/7

INDEXED

18 November 1944

File: 306/404

SUBJECT: UNRRA Activities in Yugoslavia

FROM: Major Charles W. Thayer

TO: Mr. Robert Joyce,  
HQ., 2677th Regt. OSS (Prov.)  
APO 534, % U.S. Army

1. Certain documents have been brought to the Mission's attention, indicating UNRRA's concern with the allocation of relief in Yugoslavia, in particular a "Memorandum for Major Klugman" dated 2 November 1944 bearing the initials MB-B:RS has been shown to the undersigned by the British Military Mission.

2. The following comments on the rehabilitation requirements of Yugoslavia may possibly be of interest to UNRRA as well as to ML (Ys) in overcoming some of the difficulties brought up in the memorandum under reference.

a. It is not believed that the leading authorities in Yugoslavia today are fully aware of the distinction between UNRRA and ML (Ys) though this distinction has no doubt been made clear to the Yugoslav delegates at the Bari Conference. References by both Tito and his Chief of Staff as well as newspaper comments on UNRRA support this belief. Furthermore, judging from the inexperience and mentality of the present Yugoslav authorities, it is considered unlikely that the distinction will ever be made clear. In their minds there exists an Allied agency to assist in the rehabilitation of liberated areas. This organization is to them UNRRA and no manipulations of the alphabet are likely to change their minds. To them this organization has one of two motives--either a sincere desire to alleviate suffering in the liberated areas, or as one highly placed Partisan official put it recently: to bribe or buy the country on behalf of America and England, with a box of UNRRA chocolates.

b. With regard to equitable distribution, the facts strongly support the conclusions of the writer of the memorandum under reference. There is no authority in Yugoslavia except the provisional Government of Marshal Tito and there will be no authority except it, or the unified Government, capable of distributing supplies. Under these circumstances supervision can only be of a technical nature or, at least in the eyes of Tito, an instrument of coercion against his supporters. There are no other alternatives in his view.

c. With respect to estimates of needs, the ML(Ys) and UNRRA are no doubt fully aware that by far the most essential requirement now--and for an indefinite period in the future--is transportation. The surplus areas of Yugoslavia are well stocked with food supplies



because the Germans lacked transport facilities to carry away the last harvest. But by the same token, these supplies cannot be distributed to the deficit areas of Yugoslavia without a considerable amount of motor transport. The railroads are far too well demolished, the bridges too thoroughly wrecked to hope for any real contribution from them for at least a year. Hence trucks are of laterally vital importance now. The Mission has not yet been able to complete its study of the tonnage actually required ~~for~~ but observations to date indicate that at least 1,000 three-ton (capacity) trucks will be needed exclusively for civilian use and probably a further 500 for military.

3. It is, therefore, suggested that the various relief organizations whether ML or UNRRA may find it advisable to consider the possibility of devoting at least the great majority of their attention to the problem of furnishing 1,000 three-ton trucks to Yugoslavia before the winter snows in January and February make it virtually impossible to distribute the stocks on hand. If this can be accomplished probably Tito and perhaps some of his followers can be convinced of the sincerity of the western allies, though it would be a mistake to expect that the population in general would either appreciate or acknowledge the contribution. However, at the very least we could be confident that we had been of very real assistance in the alleviation of suffering in this country during the coming winter and spring.

4. It might be well to point out that the Soviet Union has already promised to deliver 50,000 tons of grain to the Yugoslavs. Whether the grain comes from Rumania, Hungary or the Ukraine is not known. That it must pass through Yugoslav areas already well overstocked with grain is clear. That it contributes very little to the essential problem of distribution is likewise patent. However, for obvious reasons Russia's ~~xxxxxx~~ contribution is bound to have a far greater effect on the people than anything ML or UNRRA could or would like to do.

/s/ CHARLES W. THAYER,  
Major, AUS.  
Commanding

cc: UNRRA, Washington  
" Mr. Hall, Bari  
" London ✓  
" Cairo



Mr Myer Cohen  
for ACTION

Sir 7 Hill Road  
Mr. Herbert  
Sir G. R. R.  
Mr. Claden  
Mr. Parker  
Mr. ~~29/10~~  
Mr. Adams  
Gen. H. H. H. 21/10

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UNITED NATIONS  
RELIEF AND REHABILITATION ADMINISTRATION

1344 CONNECTICUT AVENUE  
WASHINGTON 25, D. C.

INDEXED



8 February 1944

TO: George S. Mooney  
Executive Secretary, ERO, London

FROM: William G. Welk *WGW*  
Division of Area Coordination, Studies and Reports  
Bureau of Area Operations

*2 copies  
in Regy*

As stated in my memorandum of 27 January 1944, I  
am enclosing three copies of OSS Field Memorandum No. 122,  
"Situation in Liberated Srem, (Yugoslavia)."

Enclosures(3)



A1584

CONFIDENTIAL

OFFICE OF STRATEGIC SERVICES  
Research and Analysis Branch

FIELD MEMORANDUM 122 (FR-207)

RECEIVED

12 January 1945

27 FEB 1945

U.N.R.R.A. (REG)

Belgrade, 21 December 1944

SITUATION IN LIBERATED SREM, (YUGOSLAVIA)

The following is based on observations, and on talks held with a number of persons, official and non-official, during a trip through Srem on November 13, 14, 15, and 16, when the author visited Sremski Karlovci, Petrovaradin, Novi Sad, Kamenitsa, Irig, Vrdnik, Ruma, Sremska Mitrovitsa, and the villages of Lacharak, Chalma, Mandjelos, Ogar, Obrez, and Kupinovo.

Economic Situation

The unexpectedly rapid retreat of the German Army from the largest portion of Srem left this agriculturally rich area with a food supply adequate not only for the sustenance of its inhabitants but also for the needs of the Yugoslav National Army of Liberation, which during the middle of November was attacking the enemy on the line from Ilok to Erdevik, Chalma, and the Sava River approximately ten miles west of Sremska Mitrovitsa.

A relatively high percentage of livestock was either taken away or shot by the retreating Germans, especially in the counties of Ruma and Sremska Mitrovitsa. Fair-sized flocks of cattle are to be seen only in the regions on the right bank of the Sava River. Most of the rural families have one or two horses. The number of sheep has drastically diminished, and they are almost non-existent in some areas particularly south of Frushka Gora. Flocks of hogs and geese are to be seen everywhere throughout the entire area.

The Germans set fire to all wheat depots which they encountered in their retreat, but a sufficient amount of wheat has been hidden by the peasants so that no shortage is to be anticipated. Much of the supply has not yet been threshed, however, and a large quantity of corn has still to be harvested. A very small area has been tilled, but preparations are being made to till as much soil as possible during November and part of December. For this purpose special sub-committees have been appointed by all local National Liberation committees, which are expected to organize assistance for all families whose able men are in the army. These sub-committees will also organize joint village cultivation of neglected or confiscated land.

The diet in both rural and urban sections consists almost exclusively of meat (chiefly pork), potatoes, cabbage, and dark bread. Milk is scarce in towns, but an ample supply is available in villages.

This memorandum contains information forwarded by R&A personnel in the field. Because of its timely importance it is distributed prior to analysis and processing.



Provision of clothing is the most difficult problem for the new authorities. It can be safely asserted that from 70 to 80 percent of the people need more adequate clothing. A single small shoe factory operates in Sremska Mitrovitsa, but it works exclusively for army purposes. In urban communities the need for clothing is not as acute as in the villages, but small government employees are most inadequately supplied.

Commerce is entirely at a standstill, primarily because of transportation difficulties and the destruction of factories. From Batajnitsa to Sremska Mitrovitsa the Germans cut almost every railroad tie. They also have destroyed every bridge on the Belgrade-Zagreb and Belgrade-Novi Sad arteries. Only a short line, connecting Ruma and Vrdnik, is in operation.

Srem's only coal mine, located at Vrdnik, is in operation, and produces fifteen carloads of coal daily. The local power station is soon to be enlarged (for this purpose a turbine from the Chukarica sugar factory is to be moved to Vrdnik) in order to supply Novi Sad with electrical current. The cement plant in Beochin has been mined by the Germans.

### Population

Groups of peasants of central Srem are gradually returning to their homes. Many, especially in the west, will have to be shipped to other places which can offer more adequate shelter. The National Liberation Committee of Mandjelos has already appealed to the Regional Committee at Mitrovitsa to find space for a number of its villagers. Refugees from the war zone are also a problem for all eight of the National Liberation Committees.

There are few Serbian families from rural Srem, particularly from the areas near Sava, central Srem, and Fruska Gora, who did not directly or indirectly participate in the Partisan resistance to the enemy. The unprovoked torture of the populace by the Germans and Ustashi in 1941 forced the young people to flee into the mountains and take up arms. The peasants are now proud of the fact that they have had a liberated territory in Srem at all times. Those who did not flee into the mountains refused to take their produce to the markets. Very few National Liberation Committees have been newly elected, the greater part having been in existence, secretly or openly, for two or three years.

All of the Ustashi left with the retreating German Army. The Volksdeutsche were removed in 1943 from all villages dominated by the Partisans, and Germans who lived in the towns were evacuated almost immediately after the Russian penetration of Yugoslavia. The District National Liberation Committee of Srem has issued an order that no private person is to touch Volksdeutsch property, which is to be managed by special subcommittees attached to the local government. In the distribution of this land, priority will be given to the families which have suffered most under the Germans and need shelter, livestock, and agricultural implements.



### Civilian Organization

The District National Liberation Committee of Srem is directly responsible to the Provincial National Liberation Committee of Vojvodina province. [which will have a certain hitherto undefined semi-autonomy within the Serbian federal unit.] In Sremska Mitrovitsa, the main city of Srem, are situated the District, County, Community, and Local National Liberation Committees. The last-named is composed of the following ten sections: personnel and administration; executive section; supplies, commerce, trade and industries; rehabilitation; agriculture; finance; education; transportation; and health.

The rural National Liberation Committees of Ogar and Obrez, which can be taken as typical, consist of seven members each, every member having a specific function. These committees have appointed special sub-committees, composed of three members, to organize efficient agricultural programs.

All requisitions forwarded by the Yugoslav National Army of Liberation become valid when approved by the local committees. [Russian soldiers, however, frequently ignore the Yugoslav authorities and take foodstuffs without any legal requisition.]

Very few schools have been reopened; none at all in Sremska Mitrovitsa, for example. Many teachers are coming back to their previous towns or villages and are making preparations for work, but a change of textbooks will present a serious problem because of the lack of paper and printing facilities.

### German Behavior and Morale

Since 1943 the German soldier in this region has lacked the pride so ostentatiously displayed in previous years. The Gestapo, with headquarters in Ruma and headed by a certain Bauer, grew increasingly ruthless in its efforts to stem the resistance movement, to recruit the peasants for forced labor in Germany, and to force them to bring their produce to town markets. Bauer even tried to create a "Serbian Volunteer Corps" to fight the Partisans, but this plan never materialized.

In every village the peasants are full of stories of how German soldiers used to steal their geese. They coined the word "good-stealers" to describe their enemy. In practically every village in central Srem the Germans destroyed church towers for fear that Partisans might use them as observation posts.

German soldiers who passed through Srem during the retreat from Serbia are described by the peasants as a terrified lot, exhausted from long walking, ragged, demoralized, and frightened. Around Sremska Mitrovitsa they burned the things stolen in Serbia, for they were unable to carry anything but their own most essential necessities. One soldier was seen with one high and one low shoe. Even the officers were recently seen carrying bread under their arms, something that could never have happened in 1942. Prior to their retreat from Srem the German soldiers admitted that they might lose this war, but that the third world war, which would be a continuation of this one, would bring them final victory. A minority was becoming skeptical. One said to a Serbian woman that Hitler should write a new book, Mein Irrtum, as an epilogue to his Mein Kampf Kampf. The peasants around Sremska Mitrovitsa still fear the Germans. Recently a rumor spread that the Partisans and Russians were retreating toward the town, and a panic of large proportion took place, with old women and children running toward Ruma.