

YUGOSLAV MISSION

General

25 1945

Yugoslavia

File
Belgrade, March 24, 1945.

Mr. Ing. Nicola B. Petrovic,
Minister of Commerce and Supply,
BELGRADE.

*agreement given
to Mission to be
taken to Poland*

Dear Sir,

On the occasion of the signing of the Agreement between the Government of Yugoslavia and the United Nations Relief and Rehabilitation Administration, I am glad to confirm in writing the following explanations relating to the text of the Agreement which have resulted from our discussions.

1. The last sentence of Article I (a) is herewith clarified to refer to equipment such as locomotives, railroad rolling stock, generators and certain types of heavy capital equipment. It is not contemplated that such equipment, once brought into Yugoslavia would be removed from it: but that pending the time that title in such equipment was transferred to the Government, special financial arrangements would be made covering the acquisition cost of such equipment in order that UNRRA would not be required to bear the entire expense.

2. It is understood that:

(a) The Administration's program of supplies to be delivered to Yugoslavia in accordance with Article I (a) may under exceptional circumstances be subject to modification if the Director-General arrives at the conclusion that more urgent needs exist among the nationals of another Allied Country which is one of the signatories to the Agreement of 9 November 1943. The Administration will apply the same policy in all other areas in which it will operate.

(b) If the Administration finds it necessary to divert supplies which are destined for Yugoslavia but have not yet arrived at the agreed port of entry or frontier point, the Administration will, in consultation with the Government, replace insofar as practicable, the supplies so diverted.

(c) If the Administration intends to divert relief and rehabilitation supplies originally consigned to Yugoslavia for the purpose of operations authorized by Resolution 58, such diversions shall take place only in agreement with the Government.

3. In connection with the Article III (c) and (e), it is recognised that Yugoslavia is still engaged in active warfare, within its boundaries, against the common enemy, and consequently

(a) Certain information will not be available, and

(b) Reasons of National Security will require that certain information with respect to internal economic conditions and supply matters shall not be made public for the time being.

4. The term "net proceeds" referred to in Article IV (c) and (d) is understood to mean the proceeds realised less any expenditure incurred by the Government on transportation, warehousing and distribution and exclusive of any fiscal charges collected by the Government in accordance with the current legislation on the sale of supplies.

5. In connection with Article V(b) it is understood that UNRRA is anxious to limit the number of personnel brought into Yugoslavia to serve as members of the Mission; and further that one of the chief functions of the Chief of Mission will be to examine with the representatives of the Government the need for personnel from time to time, with a view to limiting as far as possible, compatible with meeting the Government's desire for assistance, the number of personnel attached to the Mission.

6. Article X which relates to liquidation, sets no time limit. It is understood, of course, that it is the desire of the Administration to liquidate its operations in Yugoslavia as soon as possible after the expiration of the Agreement: and that such process would in all likelihood be limited to a maximum of one year.

Sincerely yours,

(Signed) ROY F. HENDRICKSON.

Deputy Director-General.

Belgrade, March 24, 1945.

My dear Mr. Hendrickson,

On the occasion of the signing of the Agreement between the Government of Yugoslavia and the United Nations Relief and Rehabilitation Administration, I received your letter of March 24, 1945, copy of which is annexed hereto and made a part hereof.

I am pleased to confirm that I am in agreement with all the points raised in each of the paragraphs of the said letter.

Very sincerely yours,

(Signed) NICOLA PETROVIC.

Minister of Commerce and Supply.

Mr. Roy F. Hendrickson,
Deputy Director-General, UNRRA,
Hotel Majestic, Belgrade.

Belgrade, March 24, 1945.

Your Excellency,

As a result of discussions in Belgrade during the past few days, we understand that it has been agreed between the Yugoslav Government and UNRRA, that UNRRA will assume responsibility as from April 15th, 1945, for relief supplies coming into Yugoslavia.

In order to facilitate the transition of responsibility from M.L. and UNRRA, and in order to ensure that the maximum quantity of relief supplies continue to come to Yugoslavia, it is proposed that a small number of British and U.S. Military personnel should remain for a limited period to assist the operations of UNRRA.

The number of military personnel left in Yugoslavia would be mutually agreed from time to time between the Yugoslavian Government and UNRRA.

It is accordingly considered that the agreement between the Yugoslav Government and M.L. dated 19 Jan. 1945, will terminate as from the 15th April, 1945, when UNRRA commences operations, save that clauses 14, 16 and 17 will remain effective until Military personnel are no longer required by UNRRA and are withdrawn from Yugoslavia.

Sincerely yours,

(Signed) IVOR HUGHES, Maj. Gen.

(Signed) W. SADLER, Brig. Gen.

His Excellency
Nicola Petrovic,
Minister of Commerce and Supply,
BELGRADE.

Statement of Minister of Commerce and Supply

Ing. Nicola Petrovic

There is no doubt that the Nations of Yugoslavia will welcome the Agreement which is signed to-day between UNRRA and the Government of Democratic-Federative Yugoslavia. This Agreement ensures their hope that the relief supplies, which are now coming forward in increased quantities from the Allied Military Liaison, will be still further increased, to the extent of meeting the basic needs of the broad masses of our population.

The United Nations and other freedom loving nations acknowledge the heroism, sacrifices and sufferings of our country and its contribution to the common cause of the United Nations. The Nations of Yugoslavia have won a just claim for material aid from the United Nations, and the Agreement signed to-day with the representative of UNRRA, Mr. Roy Hendrickson, forms the basis of collaboration between UNRRA and our country.

The needs of our country are great and varied. Shortage exists in every field. And yet, I must emphasize again, that as well as the quick and effective help in food, the need for transportation trucks, rolling stock, ships - is of greatest importance.

Finally I wish to add that the negotiations with the representatives of UNRRA have been carried out in an atmosphere of mutual understanding and friendly cooperation. The presence of the Generals and Officers of the Allied Military Liaison was of the greatest value during the negotiations. I appreciate particularly the efforts of Mr. Hendrickson, the leader of the UNRRA Delegation, of Commander Jackson, Senior Deputy Director-General of UNRRA, and of General Hughes and General Sadler, who together with the other members of the Delegation contributed so much to the quick and successful results which have been achieved.

Statement of Mr. Hendrickson, Deputy Director-General of UNRRA

The United Nations Relief and Rehabilitation Administration is happy that the time has now come when it can give expression in a material way to the goodwill of the other United Nations towards Yugoslavia in the field of relief and rehabilitation assistance.

It has been a pleasure to work out with Marshal Tito and members of his Government the details of the Agreement which we hope will usher into Yugoslavia substantial aid from distant points.

Associated with me in the negotiations have been three other representatives of UNRRA, Commander Jackson, George Xanthaky and Alan Hall, the latter acting Head of our Mission which will soon have its Headquarters in Belgrade.

There will be many problems to overcome at this time when the continued struggle against the enemy is requiring so much in manpower, ships and supplies. But the needs - the truly emergency needs - for assistance to Yugoslavia will require extra efforts, and those United Nations, fortunate enough to escape invasion and occupation with all its suffering, are anxious and determined to assist and will find a way in the face of any difficulty.

The welcome of the Government, of Marshal Tito and his Ministers, and of the people we have met in Yugoslavia, indicates that true appreciation will greet the efforts to assist. Under the Agreement Yugoslavia will assume, as it should, the responsibility for distribution of supplies, and it agrees that this will be done without discrimination of race, creed or political beliefs of the recipients. This is a cardinal principle of UNRRA aid, and the Yugoslav Government states that this is one of its basic principles.

The problem of getting goods to, and distributed within Yugoslavia, is one of the first magnitude. One cannot help but be impressed with the courage and determination to do a good job which the Government and its people have shown. With the arrival at Dalmatian ports of the first tonnage of relief goods supplied by the Allied Military Liaison, the Government and its people have demonstrated that they are unafraid of work or difficulty, and that they want to do a thoroughly equitable job. They are demonstrating the initiative which will make them admired throughout the world.

Throughout the life of this Agreement, terminable upon notice by either part, the cooperation of the Government and its representatives and UNRRA and its representatives, will be the key to its success. I am confident that this cooperation will be realized in the fullest sense.

APR 27 1945

C
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TO: Mr. Menshikov
Mr. Brown
Mr. H. Jackson
Governor Cochran
Mr. Gill
Mr. Hawes
Sir F. Leith-Ross
Mr. Hendrickson
Mr. Sayre

27 April 1945

FROM: H. E. Caustin

Mr. Klentsov called on the Director General yesterday evening and left with him the following message:

From Sergeichic. "Received your cable of 29 March 1945 in which you inform me of your offer post of Chief of UNRRA Mission to Yugoslavia. Have honor to communicate that I accept this offer with pleasure. Leaving Moscow for Belgrade on 20 April."

Notes of the meeting between Mr. Klentsov and the Director General will be circulated shortly.

Copies of the telegram were cabled to London, Bari, Belgrade and Caserta on Commander Jackson's instructions.

APR 26 1945

26 April 1945

TO:

J Weiss

ROOM:

324

The attached report contains some of
the latest developments in the
Y ugoslav Mission

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FROM: Yugoslav Branch

ROOM: 318

APR 26 1945

JUGOSLAV MISSION
DIRECTORS' MEETING

Minutes of meeting held on Sunday, March 25th, at 3 p.m.

Present: Mr. Alan Hall (in the Chair)
Commander Jackson
Mr. Hendrickson
Mr. Xanthaky
Staff of Mission

1. ORGANISATION QUESTIONS

Mr. Hall reported that as a result of the meetings in Caserta and the signing of the agreement in Belgrade, the following organisational questions would have to be dealt with immediately:-

(i) The transport situation in Belgrade was acute. It would be essential that we should take in our own jeeps from the very first. Some jeeps were to be released to us from the Army, to be redeemed at a later date by supplies from UNRRA sources.

(ii) Communications. A really good communication service was essential to maintain contact while the mission was divided between three places - Belgrade, Split and Bari. On the other hand, the extra load which the Military Mission could take on its signal service out of Belgrade was not likely to exceed 200 words a day.

(iii) Headquarters. The agreement provided that UNRRA Headquarters would be established at the seat of the Yugoslav Government. Therefore each division would need to have its headquarters nominally at Belgrade and to have one or more principals of its staff resident there. The largest section of the staff at Belgrade would probably be the Supply Bureau, as most of their dealings would be with the ministries in Belgrade. It would probably not be necessary for any representatives of distribution to be in Belgrade for the time being.

(iv) Headquarters and the ERO clearly looked to the missions to think for themselves and to be self-reliant in every way. They would help where necessary, but it was for missions to make decisions on the spot.

II. SUPPLIES & SERVICES REQUIRED BY THE JUGOSLAV GOVERNMENT:

Reported: Mr. Hall reported -

(i) That it was clear from his visit to Belgrade that the mission would be judged largely by its success in obtaining supplies. The Yugoslav authorities had asked UNRRA what was happening to the rest of the 90,000 tons per month talked of by ML at the Bari conferences. Only 20,000 tons had been landed so far. It is essential that UNRRA should get a supplementary shipment of the particular items which had been requested by the Yugoslav authorities while the UNRRA Mission was in Belgrade, and every effort should be made to get this in in May so as to deal with particular seasonal needs, e.g. farm tractors.

(ii) That the provision of services was less important than the provision of supplies, but that the Yugoslav authorities had shown an interest in the services available from UNRRA and it had been agreed that specific projects should not be laid down in the agreement until such time as the division directors of the UNRRA Mission were able to discuss with their opposite numbers in the Yugoslav Government. Mr. Hall was convinced that they would at least require doctors, agricultural and other engineers. One particular point of interest to them was the immediate provision of four engineers and instructors in the use of tractors.

III. STATEMENT BY MR. HENDRICKSON:

Mr. Hendrickson made the following statements:-

(i) The agreement was signed at 11 am on Saturday, 24th March, and was roughly the same as that which is regarded as the UNRRA basic agreement. About 25 small changes in wording had been made and these should be carefully examined by members of the Mission against the original documents in order to get the feeling of the Government on some of the matters relating to the UNRRA Mission. No limitation had been put in the agreement on the numbers of personnel taken in, but it had been made clear to the Government that the Mission would be small and the Government had reserved the right to confirm the appointment of personnel of Yugoslav origin or citizenship. Most of the changes in the agreement were similar to those in the Czech Agreement, but there were some new ones added.

(ii) Dr. Bicanic had acted as head negotiator and was to head up the Foreign Trade unit under the Ministry of Commerce which would be dealing mainly with UNRRA matters, lend lease, etc., and which would be the main point of contact for UNRRA.

(iii) At the same time agreement had been reached with General Hughes and General Sadler that UNRRA would take over responsibility for the provision of supplies from ML as from April 15. After that date UNRRA would reimburse the military authorities for the supplies delivered and the supplies would be part of the original military programme. However, it was hoped that it would be possible to supplement that programme in certain respects.

(iv) The Yugoslav authorities in Belgrade, including Dr. Bicanic, estimated the port capacity on the Dalmatian Coast at two or three times the figure prepared by ML and AFHQ representatives on the spot. It might be that supplies could be unloaded, but Mr. Hendrickson thought there were great difficulties in actually moving away from the ports the quantity of supplies which the Yugoslavs expected to be able to deal with.

(v) It was perfectly clear from a very cordial interview with Marshal Tito that he himself was most anxious to cooperate with UNRRA in every way.

(vi) The mission would be wise to proceed carefully and slowly; to draw up and agree upon projects with the Yugoslav authorities.

(vii) The Yugoslav authorities were making arrangements regarding quarters for UNRRA personnel. Problems of currency would be very great; fiscal arrangements were to be made through the National Bank, but members should bear in mind that they would be very wrong to take advantage of the depreciation of the local currency.

IV. STATEMENT BY COMMANDER JACKSON

Commander Jackson added the following points:

(i) The Yugoslav Government had accepted the nomination of Mr. Sergeichik as Chief of Mission.

(ii) It was becoming increasingly clear that the aim of an UNRRA Mission was to work with the Government in every way. Most of the European governments were consolidating their own positions and were keen to do the job of reconstruction themselves. Confidence would be established by the quality of the service provided by UNRRA, and advice should not only be given but freely accepted.

(iii) The development of the provision of services by the Mission was still an open matter, but it was clear -

- (a) that there was a big health job to do
- (b) that on welfare matters the Government had its own plans and after finding out what they were, there might be many places where UNRRA could help
- (c) that on displaced persons problems Tito himself had emphasised the importance of getting back the refugees from Egypt, particularly the children. The problem of Italians in Yugoslavia, which was already worrying the Yugoslav authorities, would have to be raised as an issue of policy at the next meeting of the UNRRA Council.

(iv) Provision of Supplies. The following points were important:-

- (a) UNRRA must not be in a position of providing too little too late. Quite apart from anything else this would result in the danger of grave inflation in the present financial situation in Yugoslavia.
- (b) The phasing of supplies was a matter of great importance
- (c) Dr. Bicanic's Foreign Trade Unit should be made full use of as a focal coordinating point
- (d) The mission should not forget the importance of interlocking the UNRRA supply line into the normal channels of trade
- (e) The need for transportation was nearly unlimited even to bring the country up to the pre-war standard.
- (f) There would be no difficulty in obtaining an understanding with the Yugoslav authorities, provided the mission delivered the goods and built up its provision of services on a small scale, in close cooperation with the Yugoslav authorities

(v) The question of providing some Russian and other non-Anglo-American personnel for the mission would be taken up at an early date.

V. SUPPLIES

1. Port Clearances

Question: Sir Laurence Mason stated that the following was the position with regard to port clearances -

- (a) ML's original supply programme had been to deliver 90,000 tons of recurring stores and 9,000 tons of non-recurring stores a month for six months
- (b) The present ML programme was about 50,000 tons a month, of which 70% was grain, and this was for a population of little more than 2 million persons.
- (c) The port discharging capacity was estimated at about 30,000 tons a month, at each of the two ports - Split and Dubrovnik

- (d) The port clearance capacities, however, taking in clearances by M.T., rail and signal, did not total more than 20,000 tons at Split per month and 18,000 tons at Dubrovnik
- (e) Storehouse capacity did not amount to more than 12,000 tons at Split and 10,000 tons at Dubrovnik, half of which was virtually part of the transit shed. In addition, sub-depots could take several tens of thousand more tons. It therefore followed that at the best the present M.L. Programme of 50,000 tons could be carried on for some months. No increase was possible.

Answer: Sir Laurence Mason outlined the possible answers to this problem:

- (a) More motor transport. The following were the sources of such transport:-
 - (i) Supplemental UNRRA trucks from U.S. ? by July
 - (ii) Supplemental UNRRA trucks from U.K. ? by July
 - (iii) Early releases from AFHQ against subsequent replacement.

Up to 1,000 trucks would be required and be fully justified not only for clearing ports but for getting in the harvests and enabling the whole programme to be accelerated by the weight the trucks could carry.

- (b) More coastwise shipping. This would require releases to the Yugoslav Government, which would have to be cleared in Belgrade, or from the British Navy
- (c) Use of Istanbul-Belgrade line. This would require discussion with representatives of the Allied Commission at Sofia
- (d) Use of Montenegro ports by expanding the number of stopping places allowed for ships in the Adriatic.
- (e) Use of the Danube when mines have been cleared and barges provided
- (f) A great part of the grain could be cut from the programme, at least after July, and other needs could be increased at least relatively.
- (g) Better use could be made of existing supplies of M.T. by good technical help for the Yugoslavs. A senior transport specialist and a number of good transport officers would be invaluable.

Agreed: Course (a) obtaining more M.T., (b) obtaining more coastal shipping, and (f) cutting out the grain, should be explored immediately. Course (c) the possibility of the use of the Belgrade-Istanbul line, should not be lost sight of, and with regard to (g) a telegram should be sent at once to New Zealand for Mr. Bishop to fill the position of senior transport specialist.

2. Accounting Procedure:

Question: What was UNRRA's responsibility for accounting for ML supplies?

Answer: (a) All supplies would be accounted for by quantity and type on entry into Yugoslavia. This was already been undertaken by UNRRA

- (b) AFHQ would continue the costing until UNRRA supplies began.

3. Availability of Military Supplies in the Theatre:

Question:

- (a) How could military stores and depots be drawn on by UNRRA?

Answer: Machinery was being established through Governor Cochran's office and an administrative order similar to that covering the Italian Mission would be issued for the Yugoslav and Albania Missions. The Mission Supply Bureau should prepare a draft and should associate the Albania Mission in any suggestions they had.

Question:

- (b) How would the disposal of military surpluses be dealt with?

Answer: This was already being taken up with the U.K. and U.S. Governments and an answer would be available later.

4. Industrial Rehabilitation:

Question: The Yugoslavs have already requested certain Industrial Rehabilitation items which were not in the programme and which were hard to obtain. Was Washington machinery flexible enough to purchase needs not previously provided for, e.g. castings?

Answer: Yes. Difficulties would arise over specifications, but local procurement was possible in the U.S. and U.K. if necessary to meet specific requests. In general, though, programmes and priorities should be established with the Government as far as possible beforehand, so that headquarters was warned and was provided with enough ammunition to back requests for supplies with the Combined Boards.

5. Mission Responsibilities:

Question: How much real influence could the Mission Supply Bureau together with the Yugoslav Government bring to bear on the programme?

Answer: Give headquarters some latitude, but the mission was the boss, and it was up to the missions to tell headquarters what they wanted and to give good justifications. ML could be influenced to some extent by the Mission now and the UNRRA programme to a considerable extent later. It should be remembered that the biggest argument in Yugoslavia, for instance, for such items as inland transportation equipment, would be that this would reduce quickly the need for imports.

6. Requests to London

Question: Can requests be made back to London for certain specific supplies, e.g. Queens messenger food convoys, the trucks referred to by Dr. Warriner, etc.

Answer: Requests should properly go through headquarters, and should in all cases be repeated to headquarters.

7. Inspection of Food:

Question: What arrangements should be made for inspection

Answer: Arrangements should be sufficiently satisfactory to deal with claims against UNRRA and claims by UNRRA. It would not be necessary to trouble to have warranty dates; and full use should be made of the shipping agents. Consignments would be to Chiefs of Mission, though title in goods would pass to the Yugoslavs immediately upon arrival.

VI. SUBJECT: HEALTH

Reported: ML had delivered a very large part of its medical programme already and considerable changes should be expected in the UNRRA medical programme.

VII. SUBJECT: DISPLACED PERSONS

- (1) Question: Was there any allocation of funds for use for displaced persons who were of United Nations nationality?

Answer: Local currency should be used, the Yugoslavs should do the job first. Nothing should be done without their consent. The question of the Italians would be answered by a Council resolution.

- (2) Question: What was the position of the Yugoslav Government under the multi-lateral agreement?

Answer: The agreement itself was not yet signed, but Subasic's deputy had specifically told Mr. Hall that his government would almost certainly ratify the multilateral agreement.

VIII. SUBJECT: GENERAL

Mr. Hendrickson pointed out that it was important to remember that UNRRA was not a general relief organisation. UNRRA reflected the dissatisfaction of both receiving and giving nations after 1918, and particularly the dissatisfaction of the receiving nations at the Riga agreement. It was for the country governments to do the job, but this did not mean that UNRRA Missions should not make observing a very real task. Mistakes and difficulties should be brought to the notice of appropriate authorities through the chain of command; but a system which was actually being worked by the country authorities themselves, even where there was quite a degree of loss, was better than a system where UNRRA was running the whole show. Equitable distribution would in any case be made extremely difficult by problems like transport.

IX. SUBJECT: UNRRA SUPPLY PROGRAMMES

Commander Jackson raised the following points:

He understood that the ML programmes was properly phased, was worked through AFHQ, etc., but he was not quite clear about the situation regarding the UNRRA programme. As he understood it, it was to be shown to the Yugoslav Government at an early date, it was only to be regarded as a target for July arrivals. The Yugoslavs would have to decide whether they would accept it for the first months' supplies and the total six months' deliveries, and what priority they wished to put on to them, but how were the Yugoslavs in Belgrade to fit actual deliveries into their internal economy? A programme would need to be prepared for, e.g. September, covering the quantity of supplies which it was agreed with AFHQ could be received and cleared through the ports, the programme would go straight to Washington and copies to AFHQ to keep them notified, but it might well be that cuts would be made by SACMED even into UNRRA's shipping, below what could be accepted at the ports. Alternatively, it might occur that more could be taken into the ports than was expected.

It was Agreed:

That it would be necessary, therefore, to produce at first three programmes with priorities -

- (a) 50,000 tons as this was the port acceptance figure
- (b) 110,000 tons as this was the target figure
- (c) 65,000 tons as an in-between figure, and in addition, in the event of SACMED cutting even the UNRRA shipping allocation, a programme would have to be worked out with the Yugoslavs below the 50,000 ton figure. It was not, however, expected that this situation would arise, as in theory at least, UNRRA's shipping would be allocated for UNRRA and would be separate from SACMED theatre allocations.

JUN 5 1945

ML HQ (JUGOSLAVIA)
C.I.F.

BELGRADE.
15th May, 1945

Mr. Joel Gordon,
Bureau of Areas,
Washington.

Dear

1. Celebrations. There is relatively little to report this week in the line of work, owing to the fact that the period from 1st May till 10th May has been one long continued celebration of various holidays. May 1st started off the round with a demonstration that lasted 5 hours through the streets of Belgrade, and ended with the usual dancing of kolas in the street, letting off of fireworks and firing of guns for several days on end. Then came the great celebration of the capture of Ljubljana, next day the celebration of the capture of Zagreb and the next day the official celebration of the ending of the war.

With the announcement of victory a new round of celebrations began, held in turn by the various Embassies and Military Missions and one held by Tito at which I was the only UNRRA representative. The French and American are still to come. Nights during that period were loud with the sound of guns, and it is doubtful if there is much ammunition remaining in Belgrade with the Yugoslav Army.

2. The War. In spite of the official celebration of victory on May 9, sporadic fighting has continued in Northern Slovenia, though it seems as if within the next few days all enemy resistance inside Yugoslavia will definitely have ceased. In theory this will release some half a million men to turn their energies to relief, rehabilitation and reconstruction, and insofar as we can influence internal Yugoslav decisions on these points, we are doing our best to persuade the Yugoslavs to release at once from the Army the labour, skilled mechanics, engineers and drivers, and the men with administrative and organisational ability who are so vitally necessary for carrying on UNRRA work with efficiency.

In my last letter I spoke of the fall of Susak and Trieste. ~~At~~ UNRRA party has already visited Susak and reports that the port is permanently damaged, but that in spite of this it will be able to take some 30,000 tons in the month of July and 60,000 tons in August. There is a port close to Susak, called Bakar, which has also been visited and which will be in a position to take a fair amount of material and which is connected by a railway to Susak. I have not yet seen any estimate of the capacity of Trieste, but am pretty sure that it will be able to receive a fair amount of tonnage even if it is mainly occupied with Army stores, all of which means that by August-September port reception should not be a limiting factor in the compilation of our programme.

3. Salonika and Black Sea. We still have nothing definite about the position of the Black Sea, though the Director of the Bulgarian Railways has stated that if material is brought to Bulgarian ports in the Black Sea, Bulgarian railways can carry with ease 30,000 tons a month into Yugoslavia. On this basis the Bureau of Supply has worked out the programmes for first shipment for Black Sea on a 10, 20, and 30,000 ton basis.

As regards Salonika it appears that the Greek Government has promised to allow the Yugoslav Government the use of the port of Salonika and that a Yugoslav Official Commission is proceeding shortly to Salonika to examine the position in detail. However, even if Salonika is used, the problems will not be solved, as motor transport will be necessary for part of the journey from Salonika to Yugoslavia and also through part of Macedonia.

4. Programmes. The Bureau of Supply has finished now the programme for July, the programmes for first shipment via Black Sea ports, and has almost completed the programme for the 2 months of August and September. These programmes, and

also detailed reports from each of the Mission Divisions, were embodied in Monthly Report for April which no doubt you will have received by now.

5. Interview with Minister Petrovic. I wrote in my last letter that I was concerned with a number of questions especially the questions of transport, port clearances and the status of the UNRRA Mission in Yugoslavia, and that I intended to raise these questions with Petrovic, the Minister of Commerce and Supply, as soon as possible.

Together with Rolf Nugent I interviewed the Minister on May 4. Nugent raised quite sharply the question of the need to improve the organisation of the 1200 vehicles which had already been delivered to Yugoslavia, and to accelerate the clearance of the port warehouses if UNRRA programmes of distribution were to be carried out effectively. The Minister in his reply admitted a number of weaknesses, and promised to do his best to overcome them. He said that he hoped that with the ending of the war and release of manpower from the Army, the main difficulties would be speedily overcome, and he promised to press the Army for release of skilled personnel.

With regard to transport they admit the weaknesses of his side, but again stressed that the shortage of transport remains the most vital problem for the Yugoslav Authorities, and again urgently requested that every effort should be made by UNRRA to secure further transport as quickly as possible. It must be admitted that 1200 vehicles are by no means sufficient to solve the transport problems of Yugoslavia, and it was agreed at this meeting that UNRRA would make every effort to secure more transport, particularly from Army transport in North Italy and in Austria. Rolf Nugent was at Caserta a few days ago to take up this question at AFHQ, and put in an urgent demand for transport and also certain bridging and railway equipment. I do not yet know the results of his interventions, but will let you know in my next letter.

After discussing these questions, I in my turn then raised the question of the status of the Mission, and said that I had been disappointed in some ways with the reception of the Mission, with the lack of Invitations to official ceremonies, and in general with the hostility shown to the Mission by the Yugoslav Authorities. The Minister apologised on this point and stated that he agreed he was in the wrong but that there was much ignorance of protocol on the part of the new Yugoslav officials and that he would endeavour to repair the situation. I am now waiting to see whether the position will improve or not, and if it does not, will take further steps.

6. Mission Regional Organisation. It seems necessary to develop as soon as possible a regional organisation based on the federal units of the Yugoslav State with the UNRRA Missions in these federal units accredited to the regional governments. With this in view it is proposed to set up as soon as possible the Croatian regional office at Zagreb, which will of course be shortly the seat of the Croatian Government, and also a Slovene UNRRA Mission at Ljubljana, the capital of Slovenia. Missions are now functioning adequately at Sarajevo, the capital of Bosnia and at Cetinje, the capital of Montenegro, and it may prove useful later to have a mission at Skoplje, capital of Macedonia. Beyond these, smaller port missions will be necessary at the four ports of Dubrovnik, Split, Susak-Bakar and Trieste. We are discussing this question with the Yugoslavs now and trying to have these missions accredited as soon as possible to the federal governments. Of course, at the present moment, although they are in general well received, they have no official status, and this naturally handicaps their work.

7. Refugees. I read last week that the first ship with 1290 Yugoslav refugees had come from Cairo to Split. Since writing, two further ships have reached Split, one carrying 1780 refugees and the other 1734. Last week I wrote that the first refugee ship had been received with efficiency and the refugees dispersed with fair rapidity considering the Yugoslav lack of transport. The report on the reception of the second and third ships states that the time for reception and dispersal of the refugees was cut down by two-thirds over the first ship and that the reception therefore can be considered a really thoroughly efficient job.

Sad news, however, is that the second ship on leaving Split to return struck a

mine near Taranto and sunk immediately. I do not yet know the full details, but I understand that the majority of crew were saved but that two UNRRA personnel lost their lives. Next week I will give you the full details.

8. Internal Problems. There are still a number of small but worrying problems that confront the Mission.

The first and greatest is Finance and Administration. We most urgently need at Belgrade the new Director. I understand from a telegram received today that Mr. John Lloyd will be available for this post within the next few weeks. I most sincerely hope this is true because I cannot afford to carry on our work with the rapidly developing chaos which comes from having insufficient control over Finance & Administration, which with the many separate offices, the lack of communications and the tricky finance and currency problems is a thoroughly complicated affair.

Secondly, I have been suffering greatly from lack of proper transport facilities for personnel and their luggage from Bari to Belgrade. Some 20 UNRRA staff who were called forward at the beginning of this month to Belgrade, until yesterday were still in Bari, the reason being that A.T.C. were insisting that UNRRA personnel and luggage should only travel in their aircraft, although R.A.F. and S.A.A.F. aircraft were travelling daily from Bari to Belgrade with available passenger space. The position was becoming really desperate and I sent a strong wire to Caserta repeated to Washington and London on this subject about four days ago, stating that it was quite essential that this procedure should be immediately revised. Whether as a result of this or not, I do not know, but 12 staff members arrived yesterday. If I have further difficulties on this matter I would be grateful for your full backing.

Lastly, we are still awaiting the UNRRA transport expert for work in Yugoslavia. As you know, and as I have already written both in my weekly letters and monthly reports, the Yugoslavs in general do not welcome UNRRA services and are not willing to use by any means all those that are available. However, in my interview with Minister Petrovic, when I raised the question of an UNRRA transport expert, this was immediately accepted, and I consider that it is of equal importance both for the Yugoslavs and ourselves that a transport expert should be dispatched. If this has not already been done, I would be grateful for your help. If Khoust is not already on his way, I would be glad if you could speed up his arrival.

I am leaving for a short visit to London on Friday, the 18th May, and Nugent, will be keeping you informed during my absence unless by that time the new Mission Chief, Mr. Sergeichik, has arrived. We got a copy of the cable which stated that Sergeichik had accepted the post of Chief of Mission, and the copy of a cable from Governor Lehman welcoming Sergeichik to his new post. However, until now there has been no sign of his arrival and I would be grateful if you could let me have any news.

Yours sincerely,

Alan Hall
Acting Chief of Mission

454402

ERO	1
MR. Keeny	1
Split	1
Dubrovnik	1
Sarajevo	1
Wash'n	1

LETTER FROM ALAN HALL, ACTING CHIEF OF YUGOSLAV MISSION

TO JOEL GORDON

23 April 1945

My dear Joel Gordon:

I have been very remiss in trying to get off a weekly letter to you but I have been covering a great deal of territory recently and have not been near a stenographer for quite some time. You must realize that when we travel by jeep in this country, we have no spare places for stenographers, and I am quite useless with my one finger efforts on a typewriter.

On the 6th April, I took in 13 members of the Advanced Party to Belgrade by air. I had with me the directors of Welfare, Displaced Persons, Industrial Rehabilitation, Agricultural Rehabilitation and Rolf Nugent, Deputy Chief of Mission for Supply. Dr. Banks, Director of Health, made a cross country trip from the coast to Belgrade and met us on arrival. We had a small supply staff consisting of a secretary and an administrative officer. Since then seven others have entered Belgrade where our main problem is one of obtaining office and living accommodation. The population of the city has been increased by over 50,000, and it is not too much to say that 25 to 30 percent of the buildings have been destroyed by enemy action. It is going to remain a very real problem for some time to come to get adequate space for our staff, and this has held up the transfer of a further 23 staff members from Italy to Belgrade who are needed in Belgrade as soon as possible.

On the 12th April, I came down to the coast by Russian aircraft from Belgrade accompanying Mr. Nikezic, who is my opposite number in the Ministry of Commerce and overall head of their division who will deal with UNRRA. Also with me were Rolf Nugent and Farber, Director of Displaced Persons, who came to the coast to be present on the arrival in Split of the first boat loads of refugees returning from the Middle East.

The main problems before Nikezic, Nugent and myself were the reception capacity of the Dalmatian ports for supplies. In the week we spent in Belgrade we continually ran up against unrealistic approach by the authorities on this question, and again and again they have said that they can receive up to 140,000 tons a month in the two ports of Split and Dubrovnik alone--to say nothing of the possibilities of further quantities through Salonika and Black Sea ports for delivery up the Danube. The make-up of our July call forward has therefore been delayed until we can reach some final decision in this matter. The most optimistic figure which ML and other sources recommend us to fix on was some 75,000 tons a month against the Yugoslav statement that they would be capable of accepting double this amount. The Yugoslavs, of course, believe that other ports will be available on the Dalmatian coast--more particularly Susak, the liberation of which has been announced today--and more possibly Fiume and Trieste, but it is quite possible that these ports will have been badly damaged, and that, in any event, there will be no reception of civilian supplies through any of these ports for some time to come. The Yugoslav Government has yet to agree with the Greek Government on their rights to use the port of Salonika. There are no assurances from the Russian Government that they may import through the Black Sea ports, and the Danube is still mined, and there are reliable reports that shipping losses are taking place in that river. Within a few days Nugent and I must therefore decide what is the maximum amount that we can recommend to be called forward for July delivery, and our present feeling is that it should be something between 55,000 and 75,000 tons.

Following the visit at the ports at both Split and Dubrovnik, Nikezic returned to Belgrade and I went on by jeep into the Southern part of Montenegro and turned back inland to Sarajevo. We are setting up a regional office in this town, and our regional officer for Bosnia, Nicholas Rezak and I made several official calls and were present when the first convoy of food trucks arrived in town. Everywhere we went we saw signs of severe fighting and terrible destruction. Village after village has been completely destroyed, bridges are blown and the railroads serving this area will take six months at least to put back into shape. Roads are really bad for they never were designed to take any large amount of motor transport. As you know, it is an extremely mountainous country and there will be a very high percentage of loss when one considers the nature of the hairpin bends, the ice and snow conditions which still prevail, washed out and destroyed culverts and bridges, terrific grades which will strain vehicles to the utmost, and finally, relatively inexperienced drivers, since the capacity to drive a truck is quite a rare thing amongst the Yugoslavs.

I think the real difficulty which we are going to face in this job for the next six months will be to get the ships unloaded, clear the ports and warehouses and deliver the stuff where it is needed. Each link in this chain will have to be strengthened all the time, and the key link, in my opinion, is the final one--namely, shifting thousands of tons of stuff per month by road under the conditions which I have outlined.

It is enough to drive a truck operator to distraction, for on top of all these problems, we are getting terrific write-off of tires. We have to stop every hour at the maximum and pull out nails from tires and it is not unusual in a hundred mile run to extract 20 to 30 nails which have been picked up in the course of the journey. I have never seen so many nails on roads--they seem to drop out of the shoes of the peasants--out of horse shoes and probably have been purposely scattered by the Germans in their retreat. Even with new tires--unless one has good luck--one is likely to have three to six blowouts in a day's run. The jagged edges of the roads of this very stony country also present problems which will wreck our tire mileage. Experts tell me that we cannot look forward to a life of more than four to five thousand miles on a set of tires. The problem of distributing relief supplies over these mountains is not one which one would tackle by road if there was any alternative, but as you know, the railroads have been so destroyed, that it will be months before these can handle much of the traffic. This problem of transportation is our Number 1, and will remain so as long as we have large tonnages to handle.

I think I can assure you that the Mission is in good heart. We took over on the 15th from ML and I feel quite confident that the men and women of my staff are going to turn in a first-class job. It is not too much to say that every man who has been in the field for the last two months since we first came to this country has turned in an A-1 job and three or four of them have really done super jobs. I have had a letter from the Commanding Officer of ML, Brigadier Forestier-Walker, speaking highly of the work of all of the staff and particularly mentioning four by name. These are Mr. Moon who has been in charge of the Split office; Mr. Love in overall charge of all of our observers and field men; Mr. Farber, Director of Displaced Persons Div. and Mr. Myers, of his staff. To these particular men I want to add, from my own observation, comment on the excellent work done by Nick Rezak, Regional Officer in Bosnia; Sam Rosenberg, Field Officer in the same area, and David Leff, Field Officer in Montenegro. Each of these three officers have faced up to their jobs in a first-class way, and have shown initiative and ability when in the field by themselves. Don't think, however, that in mentioning these people specifically by name that anything but praise is due the entire staff. I believe it is true to say that any weak personnel that were attached to this Mission were eradicated during our waiting period in Italy and that no one has come forward into this country who is not capable of the job for which they were brought.

I return shortly to Belgrade and will write you again at an early date.

Very sincerely,

syn polaria - 2130

FILED UNDER: Europe-8430

DATE: 23 November 1944

FROM: Jan Hostie

TO: Williard Day

DRAFTED BY:

TYPE OF COMMUNICATION: Memorandum

SUBJECT: Suggesting Procedure for Further Development of
European Transportation Programs.

(Copy of Memo from M. Menshikov to: All Chiefs
of Divisions and Branches- Dated 12 August 1944
attached)

Yug - 8414

FILED UNDER: Poland-8414

DATE: 16 January 1945

FROM: L. Leonard

TO: Mr. Weisl

DRAFTED BY:

TYPE OF COMMUNICATION: Memorandum

- SUBJECT:
1. With regard to Cable 83 to London, the requirements figures remain as they were, and as I reported them in my memorandum of 11 January 1945.
 2. Earlier discussions between Bureau of Supply and technicians from various Governments with regard to their preference for oil-fired versus coal-fired units. Will try to obtain copies of letters from Polish and Yugoslav technicians.
 3. Regarding negotiations with Polish technicians.

Yugoslavia-8220

23 October 1944

TO: Michail Menshikov
FROM: Oscar Schachter
SUBJECT: Draft Agreement with Yugoslavia

Attached is a copy of the draft agreement now being discussed with Dr. Bicanic, the representative of the Yugoslav Government. As you know, it is the revised copy of the master agreement as approved by the Director General.

Attachment
OSCHACHTER/ah
CC: Davis, L.H.
Gordon
Hostie
Leonard
Taubenfeld
Reis
Xanthaky

~~Mr. Trishenko~~
~~Miss Lynd~~
M. Le Geore

24 October 1944

Draft Basic Agreement
with Yugoslavia

WHEREAS, The United Nations and Associated Nations have, in the Agreement of 9 November 1943, signed at Washington, D. C., created the United Nations Relief and Rehabilitation Administration, (hereinafter referred to as the Administration) whose principal purpose is:

"To plan, coordinate, administer or arrange for the administration of measures for the relief of victims of war in any area under the control of any of the United Nations through the provision of food, fuel, clothing, shelter and other basic necessities, medical and other essential services; and to facilitate in such areas, so far as necessary to the adequate provision of relief, the production and transportation of these articles and the furnishing of these services;"

and

WHEREAS, the Government of Yugoslavia (hereinafter referred to as the Government) is a signatory to the aforementioned Agreement of 9 November 1943, and has expressed its agreement with the Resolutions on Policy of the Council of the Administration, (hereinafter referred to as the Resolutions); and

WHEREAS, the Government has requested assistance of the Administration in furnishing relief and rehabilitation supplies and services for the relief of victims of war in Yugoslavia as soon as possible after liberation or, if there is a period of military responsibility for civilian relief as soon as possible after such period; and

WHEREAS, The Administration desires to bring all practicable relief to the victims of war within the territory of Yugoslavia in accordance with the Agreement of 9 November 1943 and the Resolutions; and

WHEREAS, in accordance with Resolution 14 of the Council of the Administration, the Director General has determined that Yugoslavia is not at this time in a position to pay with suitable means of foreign exchange for relief and rehabilitation of Yugoslavia; and

WHEREAS, it is desired that the mutual responsibilities of the Government and the Administration with respect to relief and rehabilitation shall be fulfilled in a spirit of friendly cooperation, and that the details of the practical application of such responsibilities shall be arranged on the basis of mutual understanding;

The Government of Yugoslavia represented by _____

and

The United Nations Relief and Rehabilitation Administration, represented by _____ have agreed as follows:

ARTICLE I

Furnishing of Supplies and Services

In accordance with the Agreement and the Resolutions, the Administration will furnish Yugoslavia with relief and rehabilitation supplies and services as soon as possible after liberation

or, if there is a period of military responsibility for civilian relief, as soon as possible after such period. Such supplies and services will be furnished within the limit of the Administration's resources and available supplies and transport and in accordance with Council policies. The Administration will furnish such supplies and services and will not request payment in foreign exchange so long as it is determined, in accordance with Resolution 14, that Yugoslavia is not in a position to pay therefor with suitable means of foreign exchange. The Administration will consult with the Government from time to time with respect to the program of imports for relief and rehabilitation.

ARTICLE II

Administration of Services

The relief and rehabilitation services furnished by the Administration pursuant to Article I above will be administered in accordance with plans agreed upon between the Administration and the Government and in conformity with the policies of the Council, particularly those embodied in Resolutions 2, and 7 through 13. Wherever necessary the Government will take measures to insure that such policies are followed throughout the country.

ARTICLE III

Transfer and Distribution of Supplies

(a) The Government, having the responsibility for the distribution within Yugoslavia of relief and rehabilitation supplies

furnished by the Administration, will take appropriate measures to assure that such distribution will be governed by the policies of the Council, particularly as embodied in Resolutions 2 and 7.

(b) The relief and rehabilitation supplies furnished by the Administration, which are destined for Yugoslavia, will be consigned to the Administration mission in the country. The transfer of such supplies to the Government or its designee, against appropriate receipts, will be at such points as may be agreed upon from time to time by the Government and the Administration.

(c) To enable the Administration effectively to discharge its responsibilities under this Agreement, the Agreement of 9 November 1943 and the Council Resolutions, the Government will consult with the Administration with respect to the plans for, and operations regarding, the distribution of supplies. Such consultation will cover at least the following subjects:

(i) The agencies and channels of distribution for the supplies furnished by the Administration.

(ii) The allocation of such supplies by regions and main groups of consumers.

(iii) Price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically.

(iv) Rationing and price controls by commodity, by region, and by classes of consumers for each of

the commodities supplied by the Administration and for other commodities having an important bearing on the distribution of Administration supplies.

(v) The facilities and methods for handling, moving and storing the supplies furnished by the Administration.

(d) Further to enable the Administration effectively to discharge its responsibilities under this Agreement, the Agreement of 9 November 1943, and the Council Resolutions, the Government will afford representatives of the Administration full opportunity to observe and inspect the distribution of supplies within Yugoslavia and to consult with the appropriate governmental authorities with respect to such distribution. The Government will accord such representatives reasonable access to warehouses, transport depots, distribution centers, and other places and to all materials, records, files, and books of account to the extent necessary to insure adequate information regarding the movement and distribution of goods..

(e) The Government will afford the Administration opportunity for, and will cooperate with the Administration in, making public information regarding deliveries and distribution of relief and rehabilitation supplies, and will permit the use of special labels or other designations on supplies and equipment belonging to or furnished by the Administration.

ARTICLE IV

Financial Provisions

(a) The Government will provide that supplies and services furnished by the Administration pursuant to this Agreement will be sold, leased or otherwise transferred to distributors and users against payments in local currency to the extent consistent with the equitable distribution and effective use of such supplies and services. The Government will consult with the Administration with respect to prices charged for the sale, lease or other transfer of supplies and services furnished by the Administration and with respect to its programs for the free distribution of such supplies and services.

(b) The Government will arrange to make available to the Administration without undue delay the proceeds derived from the sale, lease or other transfer of relief and rehabilitation supplies and services furnished by the Administration under this Agreement.

(c) The Administration will use its local currency holdings to pay for its administrative and operating expenses incurred in Yugoslavia in the execution of relief and rehabilitation programs undertaken pursuant to Articles I, II, and III of this Agreement. Such expenses will include, but not be limited to, payments to personnel, and the costs of rent, storage, communications, transportation and public services.

(d) The Government will make advances of local currency to the Administration in sufficient amounts to initiate the Administration's operations under this Agreement; and, as requested, the Government will make further advances of local currency to the Administration to the extent that the proceeds available to the Administration from the sale, lease or other transfer of relief and rehabilitation supplies and services are at any time insufficient to defray the Administration's expenses in Yugoslavia as provided in paragraph (c) of this Article. Such advances will be repaid only in local currency and if the Administration obtains sufficient proceeds pursuant to paragraph (b) of this Article.

(e) In addition to the utilization of the local currency holdings provided for under paragraph (c) of this Article, the Administration may utilize, or release to the Government, local currency for expenditures in Yugoslavia for other purposes in accordance with programs jointly formulated and agreed to by the Government and the Administration. Such purposes shall include, but not be limited to:

(i) Warehousing, handling, and transportation services required by the Administration in connection with relief and rehabilitation operations in other areas.

(ii) Procurement of supplies and services available in Yugoslavia for relief and rehabilitation

in other areas, insofar as such procurement is consistent with economic requirements of Yugoslavia.

(iii) Payments for relief and rehabilitation services and programs over and above the expenses incurred for relief and rehabilitation services pursuant to Article II of this Agreement.

(f) It will be the policy of the Administration and the Government to seek to maintain the approximate value of the Administration's local currency holdings in terms of purchasing power within Yugoslavia.

(g) The Administration shall have the right to use its local currency holdings, for the purposes agreed upon by the Administration and the Government under this Agreement, free from restrictions on circulation in Yugoslavia and shall have the right to exchange freely such local currency into any other type of local currency used in Yugoslavia.

ARTICLE V

Facilities, Privileges, and Immunities

(a) The Government will take all practicable measures to facilitate the activities of the Administration, and to provide the Administration and its personnel with the facilities, privileges, immunities, and exemptions recommended by the Agreement and the Resolutions of the Council. The term "Administration personnel" includes, in addition to employees of the Administration,

employees of non-indigenous voluntary relief societies working under the authority of the Administration.

(b) Administration personnel who are nationals of Yugoslavia but who are not permanent residents of Yugoslavia and who have by naturalization or otherwise acquired another nationality, shall be entitled to the same privileges and immunities under this Article and under Article VI as Administration personnel who are not nationals of Yugoslavia or permanent residents thereof.

(c) The Administration shall have the right, free from export controls or other restrictive measures, to transfer to other areas imported relief and rehabilitation supplies owned by the Administration and located in or in transit through Yugoslavia.

(d) The Government will furnish or arrange to have furnished to the Administration services and facilities pursuant to arrangements made by mutual agreement between the Government and the Administration.

ARTICLE VI

Taxation

(a) The Administration, its assets, property, income and its operations and transactions of whatsoever nature shall be immune from all taxes, fees, tolls or duties imposed by the Government or any political subdivision thereof or by any other public authority in Yugoslavia. The Administration shall also be immune from liability for the collection or payment of any tax, fee, toll

or duty imposed by the Government or any political subdivision thereof or by any other public authority.

(b) No tax, fee, toll or duty shall be levied by the Government or any political subdivision thereof or any other public authority on or in respect of salaries or remunerations for personal services paid by the Administration or by non-indigenous voluntary relief societies to its officers, employees or other Administration personnel (as defined in Article V hereof) who are not nationals of Yugoslavia or permanent residents thereof.

(c) The Government will take such action as is necessary for the purpose of making effective the foregoing principles. In addition, the Government will take whatever other action may be necessary in accordance with Resolution 16 to insure that relief and rehabilitation supplies and services furnished by the Administration are not subjected to any tax, fee, toll or duty in a manner which reduces the resources of the Administration.

ARTICLE VII

Personnel

(a) Within the limits of the Administration's resources, the Administration will undertake to have in Yugoslavia such Administration personnel as shall be necessary to discharge effectively its responsibilities under this Agreement, the Agreement of 9 November 1943, and the Council Resolutions. Such Administration personnel shall include, but not be limited to, personnel necessary

to carry out Article I hereof with respect to the determination of relief and rehabilitation requirements and the furnishing of supplies, personnel required for the administration of services pursuant to Article II hereof, personnel required in connection with the distribution of supplies pursuant to Article III hereof, and such other personnel as may be required in connection with the Administration's reporting, accounting, and financial activities within Yugoslavia pursuant to this Agreement.

(b) In pursuance of paragraph (a) above the Administration shall be free to employ residents of Yugoslavia to the extent necessary to discharge its responsibilities. The Government will furnish all practicable assistance to enable the Administration to locate and employ qualified residents of Yugoslavia for its operations under this Agreement.

(c) The Government will facilitate the admission and movement of Administration personnel in Yugoslavia pursuant to this Agreement.

(d) The Administration will assure the good conduct, integrity, and moral character of its personnel and will discharge or recall such of its personnel who violate these standards.

ARTICLE VIII

Reports and Records

(a) The Government will maintain adequate statistical records on relief and rehabilitation operations and will consult with the

Administration, at its request, with respect to the maintenance of such records.

(b) The Government will furnish the Administration with such records, reports, and information as the Administration shall request pertaining to relief and rehabilitation or necessary to the discharge of the Administration's responsibilities. The Government will accord representatives of the Administration reasonable access to all materials, records, files, and books of account pertaining to relief and rehabilitation or necessary to the discharge of the Administration's responsibilities.

ARTICLE IX

Compliance with Council Resolutions

The Government and the Administration will comply with and carry out all of the recommendations contained in the Resolutions adopted by the Council.

ARTICLE X

Modification of Agreement and Supplementary Agreements

(a) The Government and the Administration will give sympathetic consideration to any representations which either may make with regard to modifications of this Agreement. Any such modifications shall be by mutual consent.

(b) To the extent necessary or desirable, the parties hereto will enter into subsequent agreements and arrangements supplementing the provisions hereof.

ARTICLE XI

Period of Agreement

This Agreement shall take effect as from this day's date. It shall remain in force until the expiration of six months from the date upon which either of the parties hereto shall have given notice in writing of its intention to terminate it. Notwithstanding the expiration of this Agreement,

(a) the relations between the parties shall continue to be governed by the Agreement of 9 November 1943 and the Resolutions of the Council; and

(b) articles IV, V, VI, VII, and VIII shall remain in force for the purpose of an orderly liquidation until all Administration activities in Yugoslavia are completed.

For the Government of Yugoslavia

For the United Nations Relief and Rehabilitation Administration

6000-Yugoslavia
Health-Ref 17
RESTRICTED

Notes for MERRA on Relief and
Refugee Conditions in Yugoslavia

PIC/208/44

Issue No. 28

Note: Much of the information contained in recent issues of these notes has been obtained directly from the Partisans themselves who, while not always being impartial observers, are the persons most concerned in these matters and have the greatest practical experience.

It would be extremely helpful to receive any comments as to the usefulness of this material, as well as any suggestions for different types of information or for further information upon specific points.

Partisan Civilian Medical Services.

The following is a slightly abridged translation of instructions regarding the Partisan Civilian Medical Services issued by the Anti-Fascist Council for Croatia in 1943.

1. About a third of the territory of Croatia has been liberated from the enemy, and village (seoski), commune (općinski), district (kotarski), county (okružni), and Provincial (oblasni) committees of liberation set up. Amongst the tasks which confront them is that of organizing entirely new civilian medical services, since the old one collapsed in the invasion of Yugoslavia.

2. Even before the war, certain parts of Croatia were gravely subject to disease. The Podravina, Posavina, Lika and parts of Bosnia were endemic to typhus, and parts of Slavonia and Zagorje to dysentery. Today, disease represents a greater menace to our people than the onslaughts of the enemy. It is only thanks to the great vitality of our people that the super-human exertions of our soldiers, undernourishment, the constant movement of the population, often from infected areas, and their mingling with the troops, have not brought with it catastrophic results.

3. The Anti-Fascist Council for Croatia, in accordance with instructions from the Anti-Fascist Council for the National Liberation of Yugoslavia (AVNOJ) has, therefore, organized Health Sections (zdravstvene sekcije) as part of the Committees of Liberation. Success is only possible with the full cooperation of the civilian population, who must rally round these Sections as the nucleus for all activity designed to raise the standard of public health.

The Health Sections

4. These are the organs for all public hygiene and other medical work. They are not, however, independent organs, but formed to assist the national committees in the fields of health. Each section draws up a programme of work for its territory in agreement with the national committee to which it submits reports on the results achieved and from which it applies for help and support. It approaches other authorities and organizations through the national committee.

5. The Health Sections are formed as follows:

a) The village committee of national liberation chooses one of its members as a candidate for the Health Section. The women's and youth organizations (AFZ and USAOJ) do likewise, selecting from amongst the most active and conscientious of their members. The committee of national liberation then calls a meeting of the whole village in which the candidates put forward their plan of campaign and approval is sought for the election of the candidates on to the Health Section. The meeting is also entitled to propose other candidates. When the village meeting has given its approval the candidates become members of the Health Section.

b) The Health Section for the commune (opcina) is composed of one member of the commune committee of liberation, and one representative of the women's organization and one from the youth organization. The same holds good for the Health Sections of the district, county and provincial committees of liberation.

c) The number of members of the Health Section does not need to be strictly limited. It depends on the size and degree of compactness of a village and upon the standard of its population's health.

d) The members of the Health Section elect one of their number as leader. In communes where there is a commune doctor, and in districts, counties and provinces where there are hygiene or health inspectors, these persons shall become the leaders of the Health Sections.

(Note:- The newly formed Health Sections supersede the Health Committees (zdravstveni odbori), which were formed in Kordun, Banija and Lika to combat the typhus epidemic, and take over their functions.)

6. Scope and duties of the Health Section.

a) The Health Sections advise their national committees on the necessary measures to be taken for the protection and improvement of the people's health, and with the help of the voluntary collaboration of the women's and youth organizations assist the committees to carry out these measures.

b) They organize educational work in the villages by calling meetings, giving lectures on health questions, disseminating leaflets, brochures, books and posters, collaboration displays of wall newspapers, cleanliness drives, competitions for the best kept house in the village, etc.;

c) They carry out active propaganda on the need for personal cleanliness, washing of hands before meals and after natural processes, and taking a hot bath at least once a week. At least one "Partisan Barrel" must be set up for the steaming of clothes and bed-linen, and a public bath set up for the needs of the village.

d) They carry out energetic propaganda for keeping cottages clean (lime-washing walls, both inside and out, scrubbing floors, etc.), keeping the courtyards clean, building lavatories, the digging

and disinfecting of drains, the placing of rubbish dumps at a prescribed distance from the house, and the general cleanliness of the whole village.

e) They also see that cisterns, springs and wells and other means of water supply are kept clean and in good order.

f) They go round houses and report any suspect cases of a contagious nature and send reports of any established cases to the commune committee of national liberation and nearest military authorities.

g) Through their committee of national liberation they issue a weekly report on health conditions in the village and all other work in the sense of the tasks already described above.

7. The Commune Health Section.

a) It is the duty of the commune Health Sections to supervise the village Health Sections, to give them the necessary instructions and to assist them in every way to carry out their tasks.

b) The commune Health Section, as soon as it has taken over its duties, begins at once to obtain and slake lime, which it must have in sufficient quantity, and to distribute it freely to the population through the village committees of liberation for the purpose of lime-washing the cottages, disinfecting the lavatories and courtyards and for use in case of contagious diseases.

c) Every case of infectious or contagious disease, or any suspicion of the same must be at once reported by the commune Health Section to the national committee of the commune in question.

d) In the event of any considerable number of cases of these diseases (an epidemic) the commune Health Section or the national committee of liberation must immediately report to the county or provincial committee and request help. At the same time a report on the outbreak of the epidemic must also be made to the chief medical officer at Croat Headquarters.

e) In order to isolate cases of contagious and infectious diseases, the commune Health Section, in agreement with the village health section where the disease broke out, must set aside one or more houses which shall be equipped with the necessary beds and furniture and where a lavatory shall be constructed according to the instructions given, and a sufficient quantity of lime placed at its disposal.

8. The District Health Section.

a) It is the duty of the district (kotarski) Health Sections to keep a watchful eye on anything which may exert a bad influence on the people's health, and to work out and submit to its national committee proposals as to how these can be removed and to carry these proposals into effect with the cooperation of the commune and village Health Sections and national committees.

b) The district Health Section keeps a record of the movements of contagious and infectious diseases in its areas, and on the basis

of data regarding the number of sick, recoveries and fatal cases, it submits a report to its county or provincial national committee of liberation on the 8th, 15th, 22nd and last day of the month.

c) Attached to each district committee of liberation, and later in each commune, at least one district (or commune) First Aid Post (ambulanta) must be formed. If the district is large and the villages remote or scattered, several of these First Aid Posts should be formed. The First Aid Post should serve in the first place for providing the population with immediate assistance in the event of accidents, broken bones, dislocations, and so on.

d) For the use of the district (or commune) First Aid Post, the Health Section shall, with the help of the national committee, select a suitable house from which the inhabitants must be evacuated and all furniture removed. If the village contains a building which has been abandoned by some enemy of our national liberation movement or which has remained empty through the death or departure of the inhabitants, this house should be used for the district (or commune) First Aid Post.

e) The First Aid Post must be so equipped that it contains one spacious room (the floor of which must be wooden), one cupboard, one shelf, two tables and one bed. The district (or commune) Health Section, in agreements with the Health Section of that village or locality, where the First Aid Post is being set up, must introduce such order into the house as to make of it a model of cleanliness for the whole village. Both outside and inside it must be lime-washed, the floors and furniture must be in spotless condition. It must also have a lavatory built according to instructions issued for this purpose to all Health Sections.

f) If the district (or commune) has no doctor, the running of the First Aid Post should be entrusted to a nurse or assistant public health expert, who shall have successfully completed a course in a military hospital, from the county national liberation committee or the Health Section of the Executive Committee of the anti-Fascist Council for Croatia.

9. Duties of the Chief of the District (or Commune) First Aid Post

a) The Head of the District (or commune) First Aid Post is, at the same time, a member of the Health Section concerned. In addition to his regular work in the Post he takes an active part in carrying out the programme of the Health Section.

b) The committees of national liberation shall provide the Head of the Post with board and lodgings. In addition they shall provide him with material sufficient for two aprons which he must keep clean and wear when working in the Post and visiting invalids at their homes.

c) The Head of the Post shall be provided with a medicine chest with the most necessary medicines and instructions for their use, equipment and bandages for first aid. The medicine chests must be applied for from the county committees of liberation and from the Health Section of the Anti-Fascist Council for Croatia.

d) The Head of the Post, in his capacity as member of the Health Section, carries on the Section's administration, collects and passes on data regarding the work of subordinate Health Sections, compiles reports on the movement of contagious and infectious diseases, and on the progress of public health propaganda, etc. All this must be carried out in accordance with instructions and directives which will be issued for this purpose.

e) As soon as it is possible a district public health officer (Higijenicar) shall be appointed. He must be a doctor or if there are no doctors available, a medical student of some experience. The district public health officer is at the same time the director of the District Health Section.

10. Duties of the County and Provincial Health Sections.

a) The county (or provincial) Health Sections, in addition to supervision and the issuing of directions for the work of the district, commune and village Health Sections, shall concern themselves with providing medical propaganda and hygiene equipment for all sections in their area, control the provincial health personnel and keep a record of their professional abilities, industriousness, political consciousness and the conduct of all workers in the health services.

b) In the event of an outbreak of an epidemic, the county or provincial Health Section must take immediate steps to prevent its spreading.

c) In order to isolate patients suffering from infectious or contagious diseases, the district or provincial Health Sections must see that Isolation Wards are established in the village where the epidemic has broken out and must equip them with the necessary personnel and medical equipment.

d) In order to examine the causes of the epidemic and to take steps for its immediate suppression the county or provincial Health Sections must send a doctor to the locality in question. If there is no doctor available they must ask for one from the Health Section of the Anti-Fascist Council of Croatia. In addition to examining and combatting of the epidemic, the doctor shall be responsible for the care of the patients who shall be removed into the Isolation Ward or Temporary Hospital.

e) In settled conditions, the county or provincial Health Sections must draw up a plan of work for their area and circulate it to all their Health Sections together with instructions as to how it shall be carried into effect. They shall be responsible for seeing that this programme is carried out within the prescribed time.

f) The county or provincial Health Sections must endeavour to build up a stock of the most necessary medicines, disinfecting apparatus and other equipment with which to supply the district and commune First Aid Posts, and in the case of the outbreak of epidemics, the Isolation Wards and Temporary Hospitals.

g) The county or provincial Health Sections have the right to propose to their national liberation committee the dismissal of individual members of the village, commune or district Health Sections

in the event of their inactivity, gross negligence or bad conduct. They may also submit proposals to their national committees of liberation for the dissolution of individual sections within their area. When the proposals have been approved by the national liberation committee concerned, new elections to the Health Section shall take place as laid down in point 2 above.

h) All other institutes of the civilian health services (hospitals, institutes of national health, etc.) on liberated territory, come directly under the control of the county or provincial committees of national liberation.

k) On the 16th and last day of every month the county or provincial Health Sections shall submit a report to the Health Section of the Executive Committee of the Anti-Fascist Council for Croatia and to the Chief Medical Officer of G.H.Q., Croatia regarding the work of their Health Sections and institutes and also regarding general health conditions in their area.

l) County or provincial health inspectors (Zdravstveni Inspektor) shall be attached to the counties or provinces. They shall be doctors and shall also carry out the duty of chiefs of the Health Sections concerned.

11. Health Section of the Executive Committee of the Anti-Fascist Council for Croatia.

a) The Health Section of the Executive Committee of the Anti-Fascist Council for Croatia directs the whole health service for the liberated territory of Croatia. This Health Section is headed by a doctor to whom shall be attached, according to need, a number of experts (referenti) for different questions which are closely bound up with the organization of the health services.

b) The Health Section appoints and dismisses commune doctors, district public health officers, county and provincial health inspectors and the medical personnel in the different health institutes.

c) The Health Services shall organize courses for training as many as possible of the assistant personnel of the health services (nurses, heads of the commune and district Posts, assistant public health officers, disinfestors), organize stocks of medicine and medical equipment, arrange workshops for the production of different hygienic equipment (apparatus for disinfesting and disinfecting, baths, disinfesting stations, and so on).

d) In order to combat epidemics as quickly and effectively as possible, the Health Section shall set about organizing Mobile Units (Pokretne Ekiye) which shall consist of one doctor, one person responsible for public health propaganda, one political leader and at least three assistant public health officers who have passed through the necessary courses. These units shall be provided with all the necessary equipment for combatting infectious and contagious diseases; Partisan Barrels, portable baths, a sufficient quantity of disinfectant, soap, hair cutting utensils, anti-lice powder, the necessary equipment and tools for constructing lavatories, digging drains, lime-washing, cleaning out houses, and so on.

e) The first Mobile Units shall serve as a medical pool and come under the Health Section of the Executive Committee of the Anti-Fascist Council for Croatia to whom demands should be addressed in the case of an outbreak of epidemics. When more of these units have been formed they shall be attached to the county or provincial committees of liberation, at whose disposal they will remain. When there are no epidemics the unit shall be used for disinfecting, for combatting scabies and for improving the public health conditions in the villages.

12. Owing to the temporary lack of doctors, assistant personnel and medical equipment, these directives cannot all immediately be carried into effect. Their purpose is to lay down the line for the temporary organization of our health service in liberated territory which shall be gradually built up according to the means at our disposal.

In this first stage it is necessary to arouse public interest and organize the people themselves for work in the field of public health through their committees of national liberation and Health Sections. The professional standard of the organization will be greatly raised as new cadres of qualified personnel and improved equipment are brought into commission.

YUGOSLAV AGREEMENT

WHEREAS, The United Nations and Associated Nations have,
in the Agreement of 9 November 1945, signed at Washington, D. C.,
created the United Nations Relief and Rehabilitation Administration,
(hereinafter referred to as the Administration) whose principal
purpose is:

"To plan, coordinate, administer or arrange for the
administration of measures for the relief of victims of war
in any area under the control of any of the United Nations
through the provision of food, fuel, clothing, shelter and other
basic necessities, medical and other essential services; and to
facilitate in such areas, so far as necessary to the adequate
provision of relief, the production and transportation of these
articles and the furnishing of these services;"

and

WHEREAS, the Government of Yugoslavia (hereinafter
referred to as the Government) is a signatory to the aforementioned

Agreement of 9 November 1943, and has expressed its agreement with the Resolutions on Policy of the Council of the Administration, (hereinafter referred to as the Resolutions); and

WHEREAS, Yugoslavia has been subjected to devastation and its people have suffered as a result of hostilities, occupation by the enemy and active resistance in the struggle against the enemy; and

WHEREAS, the Government has requested assistance of the Administration in furnishing relief and rehabilitation supplies and services for the relief of victims of war in Yugoslavia upon the termination of the period of military responsibility for civilian relief; and

WHEREAS, the Administration desires to bring all practicable relief to the victims of war within the territory of Yugoslavia and in accordance with the Agreement of 9 November 1943 and the Resolutions; and

WHEREAS, in accordance with Resolution 14 of the Council of the Administration, the Director General has determined that Yugoslavia is not at this time in a position to pay with suitable means of foreign

exchange for relief and rehabilitation of Yugoslavia; and

WHEREAS, it is desired that the mutual responsibilities of the Government and the Administration with respect to relief and rehabilitation shall be fulfilled in a spirit of friendly cooperation, and that the details of the practical applications of such responsibilities shall be arranged on the basis of mutual understanding;

The Government of Yugoslavia represented by _____
_____ and the United Nations Relief and
Rehabilitation Administration represented by _____
_____ have agreed as follows:

ARTICLE I

Furnishing of Supplies and Services

(a) In accordance with the Agreement of 9 November 1943 and the Resolutions, the Administration will furnish liberated Yugoslavia with relief and rehabilitation supplies and services upon the termination of the period of military responsibility for civilian relief, and the Government will cooperate with the Administration

for this purpose. Such supplies and services will be furnished within the limit of the Administration's resources and available supplies and transport and in accordance with Council policies.

The supplies and services will be furnished by the Administration for such period of time as it is determined, in accordance with Resolution 14, that Yugoslavia is not in a position to pay therefor with suitable means of foreign exchange. The Administration will make no request, and shall have no claim, for payment in foreign exchange for the supplies and services furnished by it under this Agreement. In the case of certain categories of long-term equipment, the Administration may, pursuant to special agreements between it and the Government, retain ownership but furnish the use of such supplies during the life of this Agreement.

(b) The Government will present schedules of supplies it desires monthly, for periods of at least six months in advance of the time the supplies are desired. These schedules will provide insofar as possible quantities, specifications, and points for the delivery of the supplies.

In recognition of many uncertainties including the uncertainty of the volume of shipping the Administration can obtain, the Government will also present priorities covering a period of at least three months with respect to supplies it desires, to guide the Administration in case the full amounts requested by the Government cannot be supplied. In turn, the Administration will state its program of supplies to be delivered in response to the Government's request, giving notice as far in advance as practicable, and if possible at least three months ahead of the probable arrival of the supplies in ports of entry for Yugoslavia. The Administration will be glad, through its authorized representatives, to discuss its plans for supplies and communicate any changes therein at any time and to obtain from the Government its proposals for changes in the plans.

ARTICLE II

Administration of Services

The relief and rehabilitation services furnished by the Administration pursuant to Article I above will be administered in accordance with plans agreed upon between the Administration and the

Government and in conformity with the policies of the Council, particularly those embodied in Resolutions 2, and 7 through 15. Wherever necessary the Government will take measures to insure that such policies are followed throughout the country.

ARTICLE III

Transfer and Distribution of Supplies

(a) The Government, having the responsibility for the distribution within Yugoslavia of relief and rehabilitation supplies furnished by the Administration, will take appropriate measures to assure that such distribution will be governed by the policies of the Council, particularly as embodied in Resolutions 2 and 7.

(b) The relief and rehabilitation supplies furnished by the Administration, which are destined for Yugoslavia, will be consigned to the Administration mission in the country. The supplies will be transferred to the Government or its designee, against appropriate receipts, at such designated ports of entry, or frontier points, as may be agreed upon from time to time by the Administration. The Government and the Administration will agree upon appropriate

procedures for the determination of the quantity and quality of goods delivered to the Government by the Administration.

(c) To enable the Administration effectively to discharge its responsibilities under this Agreement, the Agreement of 9 November 1948 and the Council Resolutions, the Government will inform the Administration and receive its views regarding the plans for, and operations respecting, the distribution of supplies, including at least the following subjects:

(1) The agencies and channels of distribution for the supplies furnished by the Administration.

(ii) The allocation of such supplies by regions and main groups of consumers.

(iii) Price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically.

(iv) Rationing and price controls by commodity, by region, and by classes of consumers for each of the commodities supplied by the Administration.

(v) The facilities and methods for handling, moving and storing the supplies furnished by the Administration.

(d) Further to enable the Administration effectively to discharge its responsibilities under this Agreement, the Agreement of 9 November

1943, and the Council Resolutions, the Government will keep the Administration fully informed regarding the distribution of supplies within Yugoslavia. The Government will further afford representatives of the Administration opportunity to observe the distribution of supplies furnished by the Administration at each stage, to make inquiries of and to consult with the appropriate governmental authorities with respect to such distribution and generally to satisfy themselves that the system of distribution is operating in accordance with the Council Resolutions.

(e) The Government will afford the Administration opportunity for, and will cooperate with the Administration in, making public information regarding deliveries and distribution of relief and rehabilitation supplies furnished by the Administration and will permit the use of special labels or other designations on supplies and equipment belonging to or furnished by the Administration.

ARTICLE IV

Financial Provisions

(a) The Government will, as requested, furnish the Administration

with sufficient amounts of local currency to enable the Administration to meet its administrative and operating expenses incurred in Yugoslavia in the execution of relief and rehabilitation programs undertaken pursuant to Articles I, II, and III of this Agreement.

Such expenses will include, but not be limited to, payments to personnel and costs of rent, storage, communications, transportation, and public services within the country.

(b) The Government will provide the Administration monthly with a record of the net proceeds derived by the Government in the preceding month from the sale, lease, or other transfer of relief and rehabilitation supplies and services furnished by the Administration under this Agreement. In lieu of a record of actual net proceeds, a lump sum approximation of proceeds may be mutually agreed upon by the Government and the Administration.

(c) It will be the policy of the Government to use for relief and rehabilitation purposes, within a reasonable time after the commencement of the Administration's operations in the country, funds equivalent in amount to the sums recorded as net proceeds

under paragraph (b) hereof, less such amounts as are transferred to the Administration for its expenses under paragraph (a) hereof.

Such relief and rehabilitation purposes may include, for example, the following activities:

(i) Activities undertaken by or under the direction of the Government with respect to agricultural and industrial rehabilitation.

(ii) Activities undertaken by or under the direction of the Government with respect to welfare services.

(iii) The care and movement of displaced persons in addition to such activities as have been undertaken pursuant to Article II of this Agreement.

(iv) Warehousing, handling, and transportation services required by the Administration in connection with relief and rehabilitation operations in other areas.

(v) Procurement of supplies and services available in Yugoslavia for relief and rehabilitation in other areas, insofar as such procurement is consistent with the economic requirements of Yugoslavia.

The Government will have discretion to determine what sums will be made available to the Administration pursuant to this paragraph.

(d) The Government will discuss with the Administration its plans for relief and rehabilitation expenditures as provided for in paragraph (c) above. In addition, the Government will furnish the

Administration with periodic reports of the expenditures made and receive the Administration's views regarding such expenditures. In those cases where funds are made available to the Administration for its activities pursuant to paragraph (c) above, they shall be utilized in accordance with programs jointly formulated and agreed to by the Government and the Administration.

(e) At the end of the first six months of the Administration's operations in Yugoslavia under this Agreement, the parties hereto will review the provisions of this Article in the light of the needs and circumstances at the time.

ARTICLE V

Administration Mission and Personnel

(a) The Administration will establish a mission in Yugoslavia which will include, within the limits of the Administration's resources, the personnel necessary to discharge effectively its responsibilities under this Agreement, the Agreement of 9 November 1943, and the Council Resolutions. The mission will include personnel necessary to carry out Article I hereof with respect to the deter-

mination of relief and rehabilitation requirements and the furnishing of supplies, personnel required for the administration of services pursuant to Article II hereof, personnel required in connection with the distribution of supplies pursuant to Article III hereof, and such other personnel as may be required in connection with the Administration's reporting, accounting, and financial activities within Yugoslavia pursuant to this Agreement.

(b) The chief of the Administration mission, his deputies and major assistants will be appointed in agreement with the Government. The Administration will communicate to the Government the general authority delegated to the chief of the Administration mission.

(c) The Government will facilitate the admission and movement of Administration personnel in Yugoslavia pursuant to this Agreement.

(d) The Administration will assure the good conduct, integrity, and moral character of its personnel and will discharge or recall such of its personnel who violate these standards.

(e) The term "Administration personnel as used in this Agreement includes, in addition to employees of the Administration, employees

of non-indigenous voluntary relief societies working under the authority of the Administration.

ARTICLE VI

Facilities, Privileges, and Immunities

(a) The Government will take all practicable measures to facilitate the activities of the Administration and to assist the Administration in obtaining such services and facilities as may be required to carry on its operations within Yugoslavia.

(b) The Government will accord the Administration the following facilities, privileges, immunities and exemptions:

(i) Immunity from suit and legal process, except with the consent of, or so far as is provided for, in any contract entered into by or on behalf of, the Administration;

(ii) Inviolability of premises occupied by and of the archives of the Administration;

(iii) Such exemptions from or facilities in respect of foreign exchange controls as are granted to governments which are members of the Administration.

(c) The Government will take any steps that may be necessary to enable the Administration to exercise within the jurisdiction of the Government the powers conferred on the Administration by Article

I, paragraph 1, of the Agreement of 3 November 1943.

(d) The Government will accord to the personnel of the Administration when engaged on the business of the Administration the following privileges and immunities:

(i) Immunity from legal process of any kind in respect of acts performed by them in their official capacity and falling within their function as such;

(ii) The same immunities from immigration restrictions, alien registration and military service obligations, and the same facilities as regards exchange restrictions as are accorded to representatives, officials and employees of similar rank of other member governments;

PROVIDED that the foregoing privileges and immunities will not be accorded to nationals or permanent residents of Yugoslavia except to the extent determined by the Government.

(e) The Government will expedite to the extent possible supplies and equipment of the Administration in transit, and it will exempt such supplies and equipment of the Administration from adverse legal action or seizure.

(f) The Government will accord the official correspondence of the Administration the same treatment as is accorded by them to the official correspondence of member governments, including:

(i) Priorities for telephone and telegraph communications, whether cable or radio, and for mail transmitted by pouch or by courier.

(ii) Government rebates for official telegrams.

(iii) Diplomatic status for couriers and pouches of the Administration.

(iv) Under appropriate safeguards, exemption from censorship of the official correspondence of the Administration.

(v) Appropriate arrangements for the use of codes and of cable addresses for the telegraphic correspondence of the Administration.

The Government will accord the Administration appropriate postal facilities, including such franking privileges or arrangements for the use of specially printed or over-printed stamps as may be possible.

(g) The Government will accord the Administration and its personnel such travel facilities and privileges relating thereto as are recommended by Resolution 36.

(h) Administration personnel who are nationals of Yugoslavia but who are not permanent residents of Yugoslavia and who have by naturalization or otherwise acquired another nationality, shall be entitled to the same privileges and immunities under this Article and under Article VII as Administration personnel who are not nationals of Yugoslavia or

permanent residents thereof.

(i) The Administration shall have the right, free from export controls or other restrictive measures, to transfer to other areas imported relief and rehabilitation supplies owned by the Administration and located in or in transit through Yugoslavia.

ARTICLE VII

Taxation

(a) The Administration, its assets, property, income and its operations and transactions of whatsoever nature shall be immune from all taxes, fees, tolls or duties imposed by the Government or any political subdivision thereof or by any other public authority in Yugoslavia. The Administration shall also be immune from liability for the collection or payment of any tax, fee, toll or duty imposed by the Government or any political subdivision thereof or by any other public authority.

(b) No tax, fee, toll or duty shall be levied by the Government or any political subdivision thereof or any other public authority on or in respect of salaries or remunerations for personal services paid by the Administration or by non-indigenous voluntary relief

societies to its officers, employees or other Administration personnel (as defined in Article V hereof) who are not nationals of Yugoslavia or permanent residents thereof.

(c) The Government will take such action as is necessary for the purpose of making effective the foregoing principles. In addition, the Government will take whatever other action may be necessary in accordance with Resolution 16 to insure that relief and rehabilitation supplies and services furnished by the Administration are not subjected to any tax, fee, toll or duty in a manner which reduces the resources of the Administration.

ARTICLE VIII

Reports and Records

(a) The Government will maintain adequate statistical records on relief and rehabilitation operations necessary to the discharge of the Administration's responsibilities, and will consult with the Administration, at its request, with respect to the maintenance of such records.

(b) The Government will furnish the Administration with such records, reports, and information as the Administration shall request pertaining to relief and rehabilitation which are necessary to the discharge of the Administration's responsibilities.

ARTICLE IX

Modification of Agreement and Supplementary Agreements

(a) The Government and the Administration will give sympathetic consideration to any representations which either may make with regard to modifications of this Agreement. Any such modifications shall be by mutual consent.

(b) To the extent necessary or desirable, the parties hereto will enter into subsequent agreements and arrangements supplementing the provisions hereof.

ARTICLE X

Period of Agreement

This Agreement shall take effect as from this day's date. It shall remain in force until the expiration of six months from the date upon which either of the parties hereto shall have given notice

in writing of its intention to terminate it. Notwithstanding the expiration of this Agreement,

(a) the relations between the parties shall continue to be governed by the Agreement of 9 November 1943 and the Resolutions of the Council;

and

(b) Articles IV, V, VI, VII, and VIII shall remain in force for the purpose of an orderly liquidation until all Administration activities in Yugoslavia are completed.

For the Government of Yugoslavia

For the United Nations Relief and
Rehabilitation Administration

Date

MINUTES OF MEETING OF DIRECTORS
UNRRA JUGOSLAV MISSION

Held in Belgrade on 1st June, 1945
at 3.30 pm.

Present: Michail Sergeichic (In the Chair)
Dr. H. S. Banks
Mr. S. Bruynseraede
Mr. I. Fasteau
Mr. Vladimir Gloustine
Mr. W. E. Johns
Mr. Dave Leff
Mr. N. J. Klugmann
Dr. Lipszyc
Mr. Rolf Nugent
Mr. G. Perazich
Miss Ann Racich
Mr. B. Reiner
Mr. D. Stansby
Mr. M. Strumillo
Dr. D. Warriner
Miss B. Zoeller (Secretary)

Mr. Sergeichic stated there was only one question he wished to bring up, and that was the matter of the preparation of reports for May, 1945. He would like all directors who are responsible for reports of their respective divisions to approach the question in a very serious and careful manner. The report should state all that had been done during this first month of work, since the second half of April was merely a beginning. Our work is not yet fully developed, and at this point it is necessary for all directors to bring up questions and suggestions affecting the Mission in general. Since he has been here such a short time it is difficult for him to speak of the work done in May. He personally had done nothing in May, but the rest of the Mission had, of course, done considerable work. That is why he must stress the necessity for all directors to bring up questions on future tasks, not only for their own division but for the work of the whole Mission. This would enable us to generalise these questions correctly for presentation to London and Washington. The 3rd Session of the Council will be held in London on July 24 (Note: since changed to August 7), when we will be able to put forward for discussion the problems which will be set out in this report. Everybody understands that this is our first task and all must be guided accordingly. The suggestions he wished the directors to make would aim at solving these problems. We all understand the difficulties under which we are working - we are short of the most necessary personnel, secretaries and typists, on whom our work very largely depends. Mr. Sergeichic hoped this question would be solved in a few days, as we have already obtained clearances for 24 people from San Spirito.

Mr. Sergeichic stated that when he arrived here he heard statements of the unfriendly attitude of the Yugoslavs towards us, and various explanations were offered as to the cause of this attitude. He did not wish to repeat the complaints since he had no means of estimating how true they were. The article published yesterday in the Yugoslav press shows they were not as unfriendly as it might seem. He has held a number of conferences with the Yugoslav authorities, and they are ready to solve most of the problems. He considered there is a possibility of finding a common language with them. Of course, the question they always bring up is that they want to be kept fully informed of what personnel we have here and the work they intend to do in this country, and this request is fully justified. It is stated in the UNRRA Agreement that we must keep them fully informed of our intentions. In the next few days he hoped we would be able to solve a very important question - that of passes.

The question of control and distribution is also capable of solution and the Yugoslavs have nothing against our controlling distribution on the spot. They say, however, that sometimes members of the Mission exceed the proper limits of contact with the Yugoslav authorities who are their opposite numbers by trying to avoid the organisation which was created for the purpose of facilitating and establishing liaison with the necessary Ministers and going directly to the various representatives. The Yugoslavs maintain that this method only makes it more difficult and causes decisions to take longer. They state that if we proceed through the proper channels we will not be refused passes and permission to see certain things, but if we try to avoid these channels then permission will be delayed. He had been given an example of this incorrect procedure which he did not want to repeat, but had assured the authorities that we would work in full contact with them and that no such mistake would be repeated. Mr. Sergeichic stated that he was bringing up this matter at the meeting in order that the fact that we have been denied passes and our difficulties with the Yugoslav authorities, should not form the main theme of the monthly report, because he did not consider it to be the main problem, and in any case it is one which can be solved here. In the Chief's report to Washington and London these difficulties will, of course, be mentioned, since it is a general question for the whole Mission and if any director thought this was the main problem of his division, he was free to say so.

The main problem which faces us in June is to ensure that the Yugoslavs get as many supplies as possible and that these supplies get into the right hands. He had started to acquaint himself with the report for last month, but there were some difficulties which prevented him from studying in detail the report of each division. He would therefore refrain from commenting on the April report, but he hoped that directors would be able to reflect in their reports all the work which had been done in May. The main result of our work - that is, the amount actually delivered to the Yugoslavs - was small - we have delivered little. All reports dealing with supply programmes should come only through Mr. Nugent. The other divisions were to forward their reports direct to the Chief of Mission. It had been suggested that the reports be typed on stencils and carbon copies forwarded for approval, as it is now necessary to forward a large number of copies to London and Washington and it was hoped by this procedure to make less work for typists.

It was agreed that those division which considered the plan practicable should follow this procedure.

Mr. Sergeichic pointed out that it would be necessary to state in the May reports to what extent the tasks set out in the April reports had been fulfilled.

Mr. Sergeichic then undertook to answer questions.

Mr. Stansby asked if it would not be better to write the report on two parts - a monthly report on what we have done, which could be transmitted if approved by the Chief to London and Washington, and a second part containing suggestions intended only for the Chief of Mission.

Mr. Sergeichic replied that it was unnecessary to make a report to him, and if there were any problems, the directors could attach a small note to the report. During the short period he had been with the Mission he had found the advice and suggestions which had been put forward, to be very useful. They had given him a chance to grasp the full picture of the Mission, and he hoped the additional suggestions in the reports will give him practical material to work on as Chief of Mission.

Mr. Nugent asked if the report was required on any particular date.

Mr. Sergeichic said he had not set a date because he would like to hear the comments of the meeting. We must remember that the programme from Washington might arrive at any time, and will mean a great deal of additional work. For this reason the reports should be ready in order to leave the staff free for the main task. He thought that directors should try to have reports completed by 5th June. This was agreed.

Mr. Nugent thought it was important for him to see draft copies of the report in order to prevent overlapping in his Bureau, but this would not, of course, be necessary in the case of the Displaced Persons and Health Divisions.

Dr. Banks stated he would send in his report already stencilled.

Mr. Klugmann asked directors not to have the copies run off the stencils until advised, but merely to send in a carbon copy.

Mr. Sergeichic stated that in July the 3rd Session of the Council will be held and we have received a cable asking us to present problems to go before the Session. He would like to hear opinions as to whether it was desirable for us to put under discussion the work of the Yugoslav Mission as a whole.

Mr. Perazich thought this depended on what form the agenda of the Council meeting took. It would only create a problem if one Mission made a report while the others did not. From the cable he understood that London is very much interested in the work of the Mission.

Mr. Nugent suggested we postpone the answer to this question.

Mr. Sergeichic agreed it was a difficult problem, and this was why he had not answered the cable. He thought there might be other less general questions we might raise.

Mr. Fasteau mentioned the question of those displaced persons who did not wish to be repatriated to the country in which they held citizenship.

Mr. Sergeichic had already considered this question and considered it one which should be brought up.

Mr. Fasteau asked if a date had been set for suggestions for the agenda.

Mr. Sergeichic said that 10 June was stated in the cable. He thought that a short report on the work of our Mission should be prepared, as those representatives of the Mission who were at the Session must be able to state their opinions and make suggestions. The question concerning displaced persons would be put into a cable.

Mr. Perazich enquired whether it would be proper to put up a question regarding procurement of materials for UNRRA in some other country such as Hungary or Germany.

Mr. Nugent answered that this is defined in the Resolutions and it would be useless to bring up the question unless it was a matter of being severely handicapped.

Mr. Sergeichic agreed that it would be an unreal question to put up since it was already settled.

Miss Racich asked whether we could not establish relations on a high level to facilitate travel and communications which services we were not getting on account of lack of recognition on the part of the authorities.

Mr. Sergeichic stated that E.R.O. would be able to settle this question.

Dr. Banks said that the urgent supply of materials also affected the Health Division and tied in with Miss Racich's suggestion.

Mr. Sergeichic accepted Mr. Nugent's suggestion that we postpone decision as to our request for the inclusion of discussion on the work of the Yugoslav Mission on the Council agenda.

He referred to an Administrative Order from London in which it is recommended that we wear civilian clothing. He did not think it would be necessary to issue specific orders here but would like members of the Mission to wear civilian clothing as far as possible. The trouble is that some of the members do not have civilian clothing, but we are trying to get cloth from London or Washington so that clothing could be made here. Of course, in the same way as our requirements do not arrive, we may be through with our work before the material arrives.

Miss Racich asked if it would be furnished to members plus the cost of tailoring, in lieu of the UNRRA uniforms which have not been received.

Mr. Strumillo replied that if it is foreseen in the budget he will make payment.

Mr. Sergeichic made appropriate remarks as to the competence of accountants to arrange these matters. He then brought up the matter of running a Mess when we move to the new building, and asked Finance and Administration to consider this matter very carefully.

The meeting closed at 1630 hours.

W 324
25th June 1945.

TO: Administrative Council,
UNRRA E.R.O.
London

and

Director General,
UNRRA HQ
Washington

FROM: Michail Sergeichic
UNRRA Yugoslav Mission.

SUBJECT: MONTHLY REPORT FOR MAY

I arrived in Belgrade on May 18th, 1945, and formally assumed responsibility for the direction of the Mission on May 28th. With this arrival so late in the month, and with the absence of eight days on duty in Italy at the beginning of June, I was not in a position to prepare a general report covering the activities of this Mission for the month of May. I am therefore forwarding, without comment, the reports of Mr. Nugent, of the Directors of Divisions and of the Heads of Branches.

I am sending together with these reports a short note summarising the main problems facing the Mission, as I see them after three weeks in Belgrade, during which time I have endeavoured to familiarise myself with the work of the Mission.

MICHAIL SERGEICHIC

Chief of Mission

NOTE ON MAIN PROBLEMS FACING THE UNRRA JUGOSLAV MISSION

by Michail Sergeichic - Chief of Mission

25 June, 1945.

I. SOME BASIC TASKS OF THE MISSION.

I consider that it is important that we should be clear as to the basic tasks of the UNRRA Mission in Yugoslavia. I would define these tasks as follows:-

- (a) To develop the UNRRA Mission in the spirit of the original resolutions of the Atlantic City Conference - as a branch of an International organisation of 44 Nations, uninfluenced by local tensions or political frictions between one or two of its members, pursuing unswervingly its general approved line of relief and rehabilitation.
- (b) To give the maximum, most speedy and most efficient aid to the Yugoslav Government and people for the relief and rehabilitation of their country, bearing constantly in mind the magnitude of suffering, loss of life, destruction of industry, agriculture and communications suffered in their fight against the common enemy, and that many of their most vital lines of communication and much of their most important industry was destroyed by their own hands in order to prevent their being used by the enemy against the United Nations.
- (c) It is essential that it should be clearly appreciated that UNRRA is not and should not become a philanthropic institution distributing charity, but that it aims to give the Yugoslav authorities and people the maximum assistance in rehabilitating their own country by their own efforts. This must be constantly remembered in particular in relation to the problems of the Services such as Health and Welfare.

II. SUPPLY PROBLEMS.

- (a) I consider that the main task confronting our Mission is the task of supply. By our answer to this task we will be judged, and by our capacity to deliver at the right time and in the right place the needed materials in the form requested, the reputation of UNRRA will stand or fall. We must bear the following points in mind:
 - (i) It is not sufficient to send the correct quantity of stores if the stores are of the wrong character. (This has been the case with the delivery of soya flour and with the large quantity of nitrates planned for the July program.)
 - (ii) It is not enough to send the right stores if they arrive too late to meet emergency needs. (This is partly the case for deliveries of tractors and seeds.)
 - (iii) It is not sufficient to send the right stores at the right time if they are sent to the wrong place. (This is the case with the delivery of UNRRA stores to Split and Dubrovnik only instead of to Trieste, Black Sea Ports, Zadar, Sibenik, Split and Dubrovnik.)
- (b) The Present Position of Supply.

From April 15 to June 15 the stores delivered were ML stores paid for by UNRRA, and it was not possible for the UNRRA Mission to influence their delivery. It was only on 9 June that SS DUBROVNIK, Yugoslav merchant vessel arrived at Split from the U.K. bearing the first stores prepared by UNRRA and enthusiastically welcomed by the Yugoslav people.

(c) Programming.

(i) During the first part of May the Bureau of Supply was mainly active in the preparation of programmes. With the completion of the July programme and the programme of first shipments to the Black Sea ports at the end of April, the beginning of May was devoted mainly to the preparation of general programmes for August and September. This work ceased on receipt of the Washington telegram of May 12 outlining the new procedure for the procurement of stores explained in Mr. Nugent's report. This new order from Washington gives rise to the urgent problem of developing a procedure for obtaining stores which gives due consideration to the needs outlined by the Yugoslavs themselves and due time for the Yugoslav authorities to consider in detail offers of stores and proposed shipments from U.S.A. and U.K.

(ii) A problem of equal importance is the necessity for due warning to be given to the Yugoslavs of proposed shipments so that the Yugoslav authorities will be in a position to plan the use of UNRRA material. Much of the effect of these stores is wasted if they have to work ad hoc from day to day.

(d) Distribution.

Observers' reports from the field have been in general most favourable. There have been minor criticisms in a few localities, but observers in the main stress efficiency and equitability of distribution. Many of the difficulties of distribution, including port clearance, are due basically to lack of transport. This difficulty can only be overcome by UNRRA.

(e) Ports.

Delivery of stores to the right port is essential to the Yugoslav authorities -

- (i) to organise efficient unloading
- (ii) to organise efficient distribution to the interior and to the areas most in need of help.

This problem is one of the most urgent facing the Mission and we need maximum help of Washington and London and Allied Military authorities in order to solve it.

- i. Zadar and Sibenik. These ports, used extensively before the war, have been estimated both by the Yugoslav authorities and by British military experts as suitable for the reception of UNRRA ships. AFHQ, however, have as yet refused to give their consent to the diversion of shipping to the port of Zadar, and only agreed to the use of Sibenik after prolonged negotiation.
- ii. Bakar, Susak, Fiume. These ports which are capable of taking large quantities of stores into areas near where the need is greatest, are rendered unworkable owing to the presence of mines. The Yugoslav authorities have now requested AFHQ to sweep these ports, and prompt attention to this request will greatly facilitate the work of this Mission.
- iii. Trieste. Trieste is the most favourable port for the reception of UNRRA stores. Trieste has working railway connections not only with Slovenia and Zagreb, but from Zagreb to Belgrade. From the Zagreb-Belgrade line some of the most famine-stricken areas in Central and Eastern Bosnia can be reached with relative ease. Important agricultural and industrial rehabilitation equipment could be transported without difficulty from Trieste to areas in all parts of Yugoslavia where it is urgently needed. The Yugoslav authorities have several times now asked this Mission to arrange

delivery of a large percentage of UNRRA stores to the port of Trieste. They point out, and with complete justification, that it is impossible for them to move stores in any quantity from Split to Dubrovnik to the interior of the country in view of the lack of railways, the bad condition of the roads and the chronic lack of transport.

(f) Transport.

The provision of sufficient transport is the key to the rehabilitation of Yugoslavia. The problem of port clearance which could be solved in part by delivery of stores to all Yugoslav ports from Trieste in the north to Dubrovnik in the south, can only be fully overcome by the provision of sufficient transport to carry the material from the ports to the interior. Throughout the whole country the problem is urgent of finding means of transporting food from depots where it is accumulated to villages and townlets where it is urgently needed. It is estimated that 1500 trucks are needed immediately and that the eventual needs will be at least 10,000. Considerable quantities of trucks have been included in programmes of delivery of stores from Washington from August onwards, but it is hoped that it will be possible to obtain at least 1500 immediately from superfluous military stores now available in Italy.

(g) Emergency Supplies by Air.

This question first arose in connection with the towns of Zagreb and Sarajevo where the population had been more than doubled by refugees and where there was a chronic lack of food. It was estimated that 400 tons of food - 300 to Zagreb and 100 to Sarajevo - were urgently needed to meet emergency requirements. It has not as yet been possible to obtain the necessary planes for these deliveries from AFHQ, but this Mission is still making efforts to obtain them and it is considered essential that the Mission should in general be in a position to meet emergency demands of this nature if threats of disease, and starvation are to be met.

(h) Problem of Discrimination.

(i) Dissatisfaction was expressed by the Yugoslav authorities at the proportion of stores delivered by UNRRA to Yugoslavia in relation to the proportion delivered to Greece. The 450,000 tons delivered by ML to Greece was very high compared to the tonnage delivered by ML to Yugoslavia, and the published figures for May and June made the Greek totals of UNRRA deliveries much higher than these budgeted for Yugoslav delivery.

(ii) It is necessary also to understand that the Yugoslav population is more than twice as great as the population of Greece; that the destruction suffered by the Yugoslavs in the course of the war was far higher than destruction suffered by the Greeks, and that now that the Adriatic ports of Trieste, Sibenik, Zadar and the Black Sea ports are available for the reception of stores, there is hardly a limit to the reception capacity of the Yugoslav ports. It is idle also to expect the Yugoslav authorities to feed their population with their own food if transport is not made available for them to carry this food from the fertile areas to the areas where it is most needed. It is therefore important for the Yugoslav authorities to be given assurance that the total programme of delivery to Yugoslavia will be based on population and on destruction suffered, and any deficiency in earlier months due to limitations of port capacity and port clearance will be made up in subsequent programmes. This adjustment is fundamental to the whole spirit of the UNRRA resolutions.

III. PROBLEMS OF THE SERVICES.

- (a) Health. The first step with the Health Division is to obtain agreement with the Yugoslav authorities as to which of our specialists they wish to employ. Following on discussions with Mr. Petrovic, Minister of Commerce and Supply, this problem is in process of solution. For those health specialists not required by the Yugoslav authorities there will be, in some cases, work to be carried out in relation to observing the distribution of medical stores, the development of medical institutions and work on the justifications of programmes of medical supply. It is important that any superfluous personnel should be reassigned as quickly as possible as this is the fairest step, both to the individuals concerned and to the Mission as a whole.
- (b) Welfare. The work of the Welfare Division is on a reduced scale and mainly concerned with the justification of programmes of welfare supplies. This is in accordance with the wishes of the Yugoslav authorities.
- (c) Displaced Persons
- i. The Yugoslav authorities have now organized a series of repatriation centres throughout the country and have begun useful work of repatriation of large numbers of Greeks, Poles and displaced persons of other countries.
 - ii. The staff of UNRRA Displaced Persons Division, collaborating with the Yugoslav authorities in this work, has provided registration cards and is sending representatives to the main repatriation centres.
 - iii. The Division, too, is assisting the Yugoslavs by the repatriation of displaced persons to Italy. It is carrying on through the Middle East UNRRA Office the work of returning the Yugoslav refugees from Egypt to their homeland.
 - iv. The main weakness in the work of the Displaced Persons Division has been the complete lack of information concerning the position, location and numbers of Yugoslav displaced persons in Germany and Austria, nor has any information been available as to the date or route of their return. It is hoped to remedy this weakness with the aid of the ERO and of the UNRRA staff operating in Germany. It is essential that this information be made available to the Yugoslav authorities if the work of the Displaced Persons Division is to be justified in Yugoslavia.

IV. ORGANISATION OF THE MISSION IN JUGOSLAVIA.

- (a) The Belgrade office is now well established in the Excelsior Hotel and problems of both office and personnel accommodation have been successfully solved.
- (b) The Belgrade office will become the sole executive office of the UNRRA Yugoslav Mission. The Split office as an intermediary between Belgrade and the Regional Offices will be eliminated, and the San Spirito office will be reduced to a small office concerned with the procurement of certain special stores from AFHQ, and will act as a transit camp for UNRRA personnel. In future all specialists will be based at Belgrade and will operate from there.
- (c) It has at last been possible after full discussion with the Yugoslav authorities to come to agreement as to the nature of the organisation of Regional Offices. It has been agreed that a Regional Office will be established at the seat of each of the Federal Governments and will be accredited there to the

representative of the Central Government and through him to the Central and Federal authorities. A representative of the Chief of Mission will be at the head of each Regional Office and will report direct to the Office of the Chief of Mission. With him two or more Field Officers will observe distribution of UNRRA stores and report through the representative of the Chief of Mission to the Bureau of Supply. UNRRA Port offices will be maintained at all ports to which UNRRA stores are delivered, and they too will be accredited to the Yugoslavs through representatives of the Central Government. At a conference of Regional Offices that will be held shortly, the final details of regional organisation will be worked out and personnel appointed for all areas.

V. FINANCE & ADMINISTRATION PROBLEMS

- (a) It is necessary to acknowledge that through lack of F & A Personnel the Mission position - both as regards finance, accounting and internal organisation, is chaotic. It is one of our major tasks to remedy this forthwith.
- (b) It is hoped that the Accounting position will be put in order now that the Chief Accountant, Mr. Friendlee, has arrived in Belgrade.
- (c) A new personnel budget has been drafted and is being submitted for approval to London. This budget is based on a realistic evaluation of the situation after two months' experience of work in Yugoslavia. It has been my policy to reduce personnel to a minimum, shedding all superfluous or inefficient personnel and seeing that personnel are only retained in places where experience in the field shows that there is an essential job to be done.
- (d) A new order has been issued regularising the distribution and filing of papers, and it is hoped shortly to set up an efficient registry.
- (e) The policy has been adopted that in future all UNRRA personnel operating in Yugoslavia will wear civilian clothes provided they are available, and efforts have been made to secure further clothes and supplies of material from Washington and London. This decision was taken owing to the feeling amongst many Yugoslavs that UNRRA was a military organisation, and the necessity of making it clear that UNRRA was an independent international civilian organisation.
- (f) Communications. The problem of communications is one that is especially urgent for the efficient working of this Mission. With reference to wireless communication, the position is extremely unsatisfactory. The Mission is dependent on the American and British Embassies in Belgrade for wireless contact with the London and Washington offices, and thanks to their aid has continued an efficient contact with these offices, but with regard to contact with the field and Port Missions in all parts of Yugoslavia, the position is very different. From Belgrade it is possible to wire to Split and Dubrovnik through military channels, from Belgrade to Rome, thence by military channels from Rome to Bari, thence by ML channels to Split or Dubrovnik. On the military link the maximum priority allowed to UNRRA is "Important" - a low military priority - and on this priority all military signals take precedence. As a result there is the most dangerous delay and information on the arrival of ships, for example, usually arrives well after the ships themselves. With other Regional Offices such as Sarajevo, Zagreb and Cetinje there is no wireless contact available, and for those planned for Ljubljana, Skoplje, Trieste and Susak there is at present no wireless link available. It is essential

that this problem, which is an obstacle to every type of efficient work, should be overcome at once, and I consider that the only solution is the prompt delivery to the Yugoslav authorities of the wireless sets which have been requested from AFHQ. The Yugoslavs have promised to allow the UNRRA Mission every facility once their own internal telegraphic links are established.

Communications by road and rail are of course difficult. The Yugoslav Government has allowed UNRRA to use the regular weekly motor courier from Belgrade via Sarajevo to the Coast, and it is possible to carry out a certain amount of courier work through the use of Mission jeeps. A number of jeeps are being brought forward from S. Spirito and the Coast to Belgrade, and a request for 10 further jeeps and for a number of passenger cars has been forwarded to Washington. It is considered that it is of the utmost importance that two or three planes should be made available to the UNRRA Mission for courier work for contact with Italy, especially Caserta, and for the emergency transmission of light stores such as vaccine, penicillin, etc.

VI. RELATIONS WITH THE JUGOSLAVS.

- (a) In my estimation good relations with the Yugoslavs are fundamental to the whole work of this Mission.
- (b) It is clearly not necessary that the members of the UNRRA Mission should accept or agree with every action or policy of the Yugoslav authorities, but a certain sympathetic understanding of the people and their problems is essential for proper working of the Mission.
- (c) A number of small misunderstandings have existed growing out mainly from the transition of UNRRA from the military ML period and from the confusion in the minds of some of the Yugoslavs that UNRRA was a military organisation under control of the Allied Military Command. Some misunderstandings, too, have grown up from the fact that insufficient information on the personnel of UNRRA and their movements and location and the nature of their work, and also of UNRRA plans and intentions, was given to the Yugoslav authorities.
- (d) I have discussed these problems freely and frankly with Minister Petrovic and other Yugoslav officials, and I am confident that these misunderstandings have been cleared and that we can look forward to the fullest possible cooperation of the Yugoslav authorities with UNRRA activities in this country.
- (e) I am proposing to initiate shortly discussion with the Ministry of Commerce and Supply on the use of funds derived by the Yugoslav Government from the sale of UNRRA goods. I am proposing to discuss at once the question of the type and character of projects on which these funds may be expended, and at a later date when the first quarter's work in Yugoslavia has elapsed to begin concrete discussions on the amount of money which the Yugoslav Government has derived from the sale of UNRRA goods and the concrete projects on which it is proposed to expend these funds.
- (f) Full agreement has now been reached with the Yugoslav authorities on the nature and locations of UNRRA Regional organisation, and I am confident that any difficulties that existed in the past owing to the fact that our Missions were not properly accredited, will now be overcome.

VIII. SUMMARY.

- (a) This note has dealt little with work achieved in Jugoslavia, as it is only in the last few days that the first UNRRA supply ship has arrived from the Coast, and therefore it can be said that the work of UNRRA is only beginning. I hope next month to be able to report more in detail the actual work achieved.
- (b) As our work was at a beginning, I considered that it was more important at this stage to raise the main problems and difficulties facing the Mission.
- (c) I would like to take this opportunity for thanking the staff of the Mission for the welcome they gave me and for their loyal cooperation.
- (d) In putting forward our problems and difficulties to London and Washington, I would earnestly request them to make every effort to help us in their solution.

MICHAIL SERGEICHIC

Chief of Mission

DUPLICATED AT HEADQUARTERS
23 AUGUST 1945

MINUTES OF MEETING OF DIRECTORS

Held in Belgrade on 18 July, 1945
at 3 p.m.

PRESENT: Mr M. Sergeichic (In the Chair)
Mr S. Brunyseraede
Mr I. Fasteau
Mr J.G. Friendlee
Mr V. Glouskine
Mr W. E. Johns
Mr N.J. Klugman
Mr D. Leff
Dr A. Lipszyc
Mr T. Martin
Mr R. Nugent
Mr G. Perazich
Miss Ann Racich
Mr B. F. Reiner
Mr N.K. Rezak
Dr K. Sinclair-Loutit
Mr D. Stansby
Mr M. Strumillo
Miss Doreen Warriner
Miss Berta Zoeller (Secretary)

MR SERGEICHIC announced that, accompanied by Minister Petrovic, he had yesterday visited Marshal Tito at his residence and informed him of the activities of this Mission. He had expressed to the Prime Minister his satisfaction that the Yugoslav Government has taken the necessary measures to improve port performances and has finally solved the question of our regional representation in the Federal Units. He also informed Marshal Tito of the decisions made at the Rome Conference, stressing the fact that this Mission would receive the greater part of the Balkan stockpile.

He explained the new procedure which has been adopted with regard to requirements, whereby the Yugoslav Government will make out its requirements and the Mission submit justifications. He also informed the Prime Minister of the proportion that has been established with regard to delivery of trucks, and expressed his satisfaction of the good work being done at the ports - Sibenik in particular. Marshal Tito was informed of the forthcoming visit of Governor Lehman and stated he would be happy to receive the Director General and to do all he could to make it possible for Governor Lehman to acquaint himself with the real situation in the country.

The Prime Minister stressed the fact that UNRRA must realise the difficult food situation existing in Yugoslavia, aggravated by poor crops and lack of M.T. Mr Sergeichic replied that both this Mission and Headquarters are doing all they possible can to ensure that supplies of food are forwarded, and agreed with the Prime Minister that UNRRA supplies will play an important role in the general effort towards rehabilitation following the war and occupation.

Regarding the Rome Conference Mr Sergeichic reported that a number of important questions had been solved and it had also enabled him to learn the truth concerning what we could expect to get in future.

The first important question discussed and solved was the procedure for working out and submitting requirements. In future the recipient Government will, with our assistance, work out its own requirements, and we will justify them. This will prevent criticism that we are limiting requirements presented by the Government. The matter of justification must be seriously considered by every member concerned in the Mission. In many cases we should be able to justify requirements without having to inspect installations. Mr Sergeichic stated that frankly he had been unable to see any real value in some of the trips our specialists had made during the last month, especially as in a number of cases he had not even received reports on these trips. These should in future be submitted immediately without further reminder. Every trip should be made for a specific purpose and if one specialist had visited a certain area it should not be necessary for another specialist with similar qualifications to do so at an immediately following date. This remark was especially applicable to the Health Division. In order to justify demands for castor oil it was not necessary to visit every hospital in Yugoslavia.

MR. NUGENT remarked that while he could not quarrel with anything Mr. Sergeichic had said, it was possible to overstress the importance of limiting observations, as many requests - especially for finished machinery - could be granted only after very powerful justification. Our justifications for many types of equipment have not been satisfactory and will certainly not convince the Combined Board. Almost any specialist will understand the distinction between equipment which can be easily obtained and that which requires special justification.

DR. SINCLAIR-LOUIT stated he had just seen the proposed program for the next nine months prepared by the Yugoslav Government. He considered it totally inadequate both in quality and quantity, and thought that proper field reports would enable the Yugoslavs in preparing fuller programs.

MR. SERGEICHIC replied that our Mission should be so organized that we can point out their mistakes to the Yugoslavs, as especially in the field of medicine such mistakes may have disastrous consequences.

Reverting to the Rome Conference he stated that he had been encouraged by the amount which had been assigned to Yugoslavia and had to thank Commander Jackson for his help in this respect.

The difficult question of port capacity has been finally solved. Our representatives from London and Washington had no objection to the figures we submitted. It was agreed that the capacity of the Dalmatian ports would be considered as 100,000 tons a month. The master of one of the ships discharged there had written to the local UNRRA office stating that it had been long since he had seen such well-organized and speedy work in that port. Mr. Nugent had also told him of the good work being done at Sibenik which had been confirmed by various newspaper reports, and there is no reason to doubt that any of the ports will be able to handle the tonnage agreed upon. The capacity of Trieste for UNRRA supplies has been established at 45,000 tons a month, i.e., 1,500 tons a day. One ship has already been discharged, two more arrived on the 17th, and two more are expected on the 21st. The Allied Shipping Authorities have agreed that if Trieste proves it can handle more than the tonnage stated, our supplies to that port will be increased accordingly. Mr. Sergeichic praised the War Shipping Administration for the business-like way in which they had dealt with this question. The question of Black Sea ports is still not settled because of certain formalities which must be solved by the Soviet Government, but 145,000 tons a month was the estimated quantity of supplies expected by this route, of which 80,000 tons would be for UNRRA in July and 62,000 tons in August. In September there will be a drastic reduction in food supplies - grain, fats, milk and sugar being greatly reduced. We had however, today received a cable promising loadings in addition to the program received for August. In Rome, our delegation defended very firmly our need for the requirements submitted, and we will continue from Belgrade to stress the necessity for receiving our requirements in full, especially as during the next few months we would be able to deliver supplies to regions which will be inaccessible in winter.

With regard to trucks, the ratio between deliveries to Greece and Yugoslavia has been agreed as 2:3 in favour of Yugoslavia. Deliveries will be considered in terms of lifting capacity, and we will receive an additional quantity owing to the fact that those already received were of low lifting capacity. Prospects of delivery within the next 2 months, however, are not good. Figures quoted in Rome differ from those mentioned in cables from Washington and at the moment we are unable to determine what the actual deliveries will amount to. 52 trucks from England are now being unloaded in Trieste. A cable from Washington states that 380 trucks have been loaded for us in June, 662 in July and a further 600 in August. The last cable from Washington on the subject stated they are procuring 345 trucks for us. The question of truck is vitally important because despite the fact that the Yugoslav ports are able to clear considerable quantities of supplies, these are not being distributed effectively.

Mr. Sergeichic said he would discuss a number of smaller points when the stenographic reports of the Rome Conference reach us. He would like to say now, however, that Washington claims that our reports are not reaching them and that they have not been kept informed of the difficult conditions existing in this country. We must in future, therefore, pay particular attention to the receipt of confirmation of important cables and if this is not forthcoming within a reasonable period we must send reminders. Likewise, questions raised by London and Washington must be answered immediately to obviate the receipt of a reminder from them. Washington had asked that, in order to enable them to fill tonnages which are sometimes available without prior notice, we cable them the urgent requests for certain commodities.

Mr. Sergeichic wishes to thank all directors who had prepared material for the conference, especially the head of the Food Section, whose problems unexpectedly turned out to be the main questions at the Conference.

Mr. Sergeichic then called for questions.

MR STANBY: To avoid any misunderstanding of the position I would like to emphasize that as regards justifications of a program it is the Government who has to make those. It is of course, the duty of the head of the commodity division to present the justification, but the actual reasons must come from the Government.

MR SERGEICHIC: The development of the programs and their justifications must be coordinated between the Government and our representatives.

MR NUGENT: I am sure that when we speak of justifications it means they are to be our own justifications, and in this respect we are in a neutral position between Headquarters and the Yugoslav Government and our justification should involve a review in relation to the bases established by UNRRA in each case. In connection with some Industrial Rehabilitation commodities excessive quantities have been requested in relation to the amount which could be used within a reasonable time.

MR PERAZICH: Regarding the whole question of justification we should set up some regular machinery to arrange for trips, each unit submitting a list of trips required and their purpose in order that they may be cleared through prop. liaison.

MR NUGENT in reply to a question from Dr. Harriner asking for particulars about the Balkan stockpile, stated there was no food available. The whole stockpile amounted to 50,000 tons to be distributed between Greece, Yugoslavia and Albania. 3,000 tons of textiles would be received by Yugoslavia. A Yugoslav specialist will inspect the stockpile in the near future.

MR PERAZICH stated he had read a memo on the subject of Regional Offices to which he had several objections. The functions of these offices should have been discussed - especially with the Supply Bureau - before being finalised. As it stands a lot of these proposed functions are impractical.

MR NUGENT agreed with Mr. Perazich's criticisms and stated that the documents would never have been issued with the consent of the Bureau of Supply.

MR REZAK pointed out that the draft of the statement which had been prepared by Mr. Sergeichic, had been reviewed by Mr. Nugent and discussed at a meeting at which both Mr. Sergeichic and Mr. Nugent had been present.

MR SERGEICHIC stated that the document was temporary and subject to amendment. Written suggestions in this respect should be forwarded to Mr. Rezak.

MR JOHNS: The important thing is that the functions of the Regional Offices affect the Bureau of Supply very drastically and should have been discussed with the Bureau before being put into effect.

MR SERGEICHIC concluded the meeting by announcing that Mr. Martin Deputy Chief of Mission for F & A had arrived. A considerable number of problems faced him, especially with regard to the observance of Administrative Orders.

The meeting concluded at 4.45 p.m.

DUPLICATED AT HEADQUARTERS
23 AUGUST 1945

MINUTES OF MEETING OF DIRECTORS

Held in Belgrade on August 1
at 8.50 a.m.

PRESENT	Mr M Sergeichic (In the Chair)	Mr R. Love
	Mr E. K. Balls	Dr A. Lipszyc
	Mr S. Brynseraede	Mr T. Martin
	Miss Mary Cozens-Hardy	Mr R. Nugent
	Mr J. G. Friedndlee	Miss An Racich
	Mr L. Fuller	Mr D. Stansby
	Mr V. Glouskine	Mr M. Strumillo
	Mr W. E. Johns	Mr W. Taylor
	Mr N. J. Klugmann	Dr D. Warriner
	Mr J. Krasjuk	Miss Berta Zoeller (Secretary)

MR SERGEICHIC opened the meeting by asking the directors to state their suggestions and wishes on problems of operation which they considered should be taken up at the London conference. The following suggestions were made:-

MR MARTIN stated he would like to know the result of Mr Handy's work on the problems of communications and use of radio stations.

MR STANSBY said he was taking with him detailed notes of certain supply problems - notably petrol and medical. .

MISS RACICH said she would like to have a decision regarding supply of winter clothing for UNRRA personnel.

MR BALLS said he would like the mater of the stockpile of relief goods looked into. He understood this stockpile was being assembled in the United States.

MR STANSBY thought that only lists were being assembled and not the actual goods.

MR SERGEICHIC stated that one of the questions he would raise would be that of information on arrival of ships and cargoes, since the decisions of the Rome Conference on this matter were not being followed, and during the last few days the Yugoslavs had presented a number of complaints which he considered were fully justified. He hoped that when the Shipping Branch was established in Belgrade there would be an improvement.

MR FULLER hoped that the Public Information Division in London would cable as fully as possible reports of discussions on Yugoslav affairs during the conference, in order that these could be published throughout Yugoslavia.

MR SERGEICHIC replied that Mr Klugmann would see that full information on the Council Session arrived here. The food question would be discussed in great detail. The report of the Director General should prove very interesting, and questions of Displaced Persons would be also discussed. In fact UNRRA would be expected to give an account of its operations in general.

Those directly concerned with supplies arriving into the country would be asked next month to adopt the procedure of reporting every ten days to London and Washington on the amount of supplies delivered.

Suggestions had been made on the proposed reorganisation of our Distribution Branch and these would be studied carefully before a decision was made. At a conference yesterday Yugoslav authorities agreed to present us with full detailed information on the destruction of Yugoslav economy during the war in order that we might justify their requirements. They explained that they had been unable to supply these figures earlier as the information was not available.

Mr Sergeichic said that the Health Division had reached a satisfactory understanding with the Yugoslav Minister of Health. He had suggested that the Health Division should not try to solve every detail in Belgrade, but should start work in the regions and deal with problems as they arose.

Mr Sergeichic announced that Mr Nugent was leaving the Mission at the request of Mr. Lehman and Commander Jackson, and he would like on behalf of himself and the staff to thank Mr Nugent for the excellent work he had done. The first steps in any organisation are always most difficult--especially when the organisation is an international one -- and a large percentage of the work accomplished had been the result of Mr Nugent's efforts. Mr Sergeichic wished him every success in his new job.

MR. NUGENT stated he regretted very much leaving the Mission and was deeply appreciative of the loyalty his staff has shown him. Problems of adjustment of personalities and nationalities had been overcome in a spirit of good will which boded well for the success of the Mission. It is probably because this is a good Mission that Governor Lehman had felt he could be spared to undertake other work.

MR. SERGEICHIC hoped that members of the Mission would support Mr Hohns as they had supported Mr Nugent in the past.

He stressed the point that Directors should go through their cable files in order to make sure that requests from London and Washington had been answered. The Bureau of Supply had established a control system on cables and the Office of the Chief was preparing to do likewise.

Mr Sergeichic closed by stating that a number of rumours were circulating in Washington alleging discriminatory distribution of UNRRA supplies in Yugoslavia, and he hoped these rumours would be proved false. The Yugoslavs were not refusing our help in the organisation of their distribution;

749-3700

FILED UNDER: Cz-3700

DATE: 17 January 1945

FROM: Frank Weisl

TO: Dr. Jan Hostie

DRAFTED BY:

TYPE OF COMMUNICATION: Letter (Personal Note)

SUBJECT: Request by Mr. Menshikov for summarization of problems of a landlocked or semi-landlocked country in connection with the transportation of relief supplies.

At loss to find out what provisions of the Treaty of Versailles have to do with relief supplies to Czechoslovakia.

(Memorandum To Michail Menshikov from Jan Hostie dtd. 8 Jan 1945- Subject Report on operations in the case of landlocked or semi-landlocked States) attached. Draft

Attached- Memo: To: Hostie from Weisl- Dtd. 10 Jan. 45
Subject: Draft of 9 January 1945, Report on Operations in Land-Locked and Semi-Land-Locked States.

Memo: To Menshikov from Weisl - Dtd. 13 January 45
Subject: Dr. Hostie's Memorandum on Inland Transportation in Landlocked or Semi-Landlocked States, 13 January 1945.

Memo: To: Menshikov from Hostie, dtd. 15 January 1945
Subject: Mr. Weisl's Memo of 13 January 1945 Re our Memo on Operations in Landlocked or Semi-Landlocked States.

FEB 15 1945

Yugoslavia

The attached is a copy of a letter sent by Sir Frederick Leith Ross to His Excellency Monsieur B. Jevtic of the Royal Yugoslav Government covering the final text of the Agreement concerning the Care and Repatriation of Displaced Persons. Similar letters were also sent to Messrs Kwapinski, Massigli, Lic, Clasen, de Marchienne, and van Kleffens. The final text of the Agreement has already been duplicated and distributed.

FEB 15 1945

30th January, 1945.

Your Excellency,

I have the honour to refer to Monsieur Kosanovitch's letter of the 9th October, informing me that the Royal Yugoslav Government has agreed to sign the Agreement for the Care and Repatriation of Displaced Persons, subject to the reservation set out therein. The Government of Belgium, the Provisional Government of France, and the Governments of Luxembourg, the Netherlands, Norway and Poland have also agreed to sign, the Governments of the Netherlands and Poland, however, only subject to a reservation in each case.

I have the honour to transmit herewith a copy of the final text of the Agreement, together with a protocol of signature setting out the reservations expressed by the Royal Yugoslav Government and by the Governments of the Netherlands and Poland. It is proposed that the act of signature should take place in the conference room at this office on Tuesday 20th February, at 12 noon.

It is proposed that the text of the Agreement after signature shall be deposited in the archives of the French Government, which shall be responsible for receiving notifications of accession and informing other signatory Governments thereof. I should be glad to learn whether this proposal is acceptable to your Government.

I should be grateful to receive a confirmation that the plenipotentiary representing your Government will be able to carry out its expressed intention of signing the Agreement on the date mentioned. It will be appreciated if the full powers of such a plenipotentiary could be communicated to me in advance of the date of signature.

I have the honour to be,

Your Excellency's obedient Servant,

for the Director General,

Deputy Director General of Administration.

His Excellency Monsieur B. Jevtic,
Royal Yugoslav Government,
64, Kingston House,
Princes Gate, S.W.7.

MEMORANDUM

17 January 1945

TO: Michail Menshikov
FROM: Jan Hostie
SUBJECT: Staff of the Yugoslav Mission

A report from Mr. George Peracich, Chief of the Industrial Rehabilitation Division of the Yugoslav Mission, to Mr. Day, raises what I consider a point of policy which is of importance for all Missions. It constitutes only one aspect of the lack of clarification in the relationship between the Bureau of Area Operations, and the Bureau of Supply. Mr. Peracich makes the proposal that there should be among the Industrial Rehabilitation personnel, a Transport Equipment Supply Specialist and a Construction Engineer. The Transport Equipment Supply Specialist "will help in the preparation of supply programs for railroads, motor transport, river and coastal transport and telecommunications". The Construction Engineer "will help in the development of requirements for road and rail repair equipment, assist in its utilization when imported into the country", and will also "when required"..."provide technical assistance in the rehabilitation of the communications system".

It is obvious that part of the functions of these officers will duplicate those of the transportation personnel of the Mission. Apart from this duplication, conflicts within the Mission are almost bound to arise which the Chief of Mission will find difficult to settle unless there is some general ruling. This ruling as I see it, ought to be that no personnel should be hired by Industrial Rehabilitation for transportation and telecommunications problems of any kind unless the Chief of Mission himself finds that the Transportation Staff could not adequately deal with transportation and telecommunications rehabilitation problems.

CC: Brown
Xanthaky
Weisl
Arnold

JHostie/jca
16 Jan 1945

~~SECRET~~
6 November 1944

Second Draft of Basic Agreement
with Yugoslavia

WHEREAS, The United Nations and Associated Nations have,
in the Agreement of 9 November 1943, signed at Washington, D.C.,
created the United Nations Relief and Rehabilitation Administra-
tion, (hereinafter referred to as the Administration) whose prin-
cipal purpose is:

"To plan, coordinate, administer or arrange for
the administration of measures for the relief of
victims of war in any area under the control of
any of the United Nations through the provision
of food, fuel, clothing, shelter and other basic
necessities, medical and other essential services;
and to facilitate in such areas, so far as neces-
sary to the adequate provision of relief, the
production and transportation of these articles
and the furnishing of these services;"

and

WHEREAS, the Government of Yugoslavia (hereinafter referred
to as the Government) is a signatory to the aforementioned Agree-
ment of 9 November 1943, and has expressed its agreement with
the Resolutions on Policy of the Council of the Administration,
(hereinafter referred to as the Resolutions); and

WHEREAS, the Government has requested assistance of the
Administration in furnishing relief and rehabilitation supplies
and services for the relief of victims of war in Yugoslavia as
soon as possible after the period of military responsibility for
civilian relief; and

insert

WHEREAS, Yugoslavia has been subjected to devastation and its people have suffered as a result of hostilities, occupation by the enemy and active resistance in the struggle against the enemy; and

WHEREAS, The Administration desires to bring all practicable relief to the victims of war within the territory of Yugoslavia in accordance with the Agreement of 9 November 1943 and the Resolutions; and

WHEREAS, in accordance with Resolution 14 of the Council of the Administration, the Director General has determined that Yugoslavia, due to the extensive loss and damage sustained by the Yugoslav economy during this war fought for the common cause of the United Nations, is not at this time in a position to pay with suitable means of foreign exchange for relief and rehabilitation of Yugoslavia; and

WHEREAS, it is desired that the mutual responsibilities of the Government and the Administration with respect to relief and rehabilitation shall be fulfilled in a spirit of friendly cooperation, and that the details of the practical application of such responsibilities shall be arranged on the basis of mutual understanding;

The Government of Yugoslavia represented by _____

and

The United Nations Relief and Rehabilitation Administration,
represented by _____ have agreed as follows:

ARTICLE I

Furnishing of Supplies and Services

(a) In accordance with the Agreement and the Resolutions, the Administration will furnish Yugoslavia with relief and rehabilitation supplies and services upon the termination of the period of military responsibility for civilian relief, and the Government will cooperate with the Administration for this purpose. Such supplies and services will be furnished within the limit of the Administration's resources and available supplies and transport and in accordance with Council policies. The Administration will furnish such supplies and services and will not request payment in foreign exchange for such period as it is determined, in accordance with Resolution 14, that Yugoslavia is not in a position to pay therefor with suitable means of foreign exchange.

(b) The Government will present schedules of supplies it desires monthly for periods of at least six months in advance of the time the supplies are desired. These schedules will provide insofar as possible quantities, specifications, and points for the delivery of the supplies. In recognition of many uncertainties including the uncertainty of the volume of shipping the Administration can obtain, the Government will also present priorities covering a period of at least three months with respect to supplies it desires, to guide the Administration in

omitted

case the full amounts requested by the Government cannot be supplied. In turn, the Administration will state its program of supplies to be delivered in response to the Government's request, giving notice as far in advance as practicable, but at least three months ahead of the probable arrival of the supplies in ports of entry for Yugoslavia. The Administration will be glad, through the authorized representative, to discuss its plans for supplies and communicate any changes therein at any time and to obtain from the Government its proposals for change in the plans.

ARTICLE II

Administration of Services

The relief and rehabilitation services furnished by the Administration pursuant to Article I above will be administered in accordance with plans agreed upon between the Administration and the Government and in conformity with the policies of the Council, particularly those embodied in Resolutions 2, and 7 through 15. Wherever necessary the Government will take measures to insure that such policies are followed throughout the country.

ARTICLE III

Transfer and Distribution of Supplies

(a) The Government will have the responsibility for the distribution within Yugoslavia of relief and rehabilitation supplies furnished by the Administration and will take appropriate

measures to assure that such distribution will be governed by the policies of the Council, particularly as embodied in Resolutions 2 and 7.

(b) The relief and rehabilitation supplies furnished by the Administration, which are destined for Yugoslavia, will be consigned to the Administration mission in the country. The transfer of such supplies to the Government or its designee, against appropriate receipts, will be at such points as may be agreed upon from time to time by the Government and the Administration.

(c) To enable the Administration effectively to discharge its responsibilities under this Agreement, the Agreement of 9 November 1945 and the Council Resolutions, the Government will discuss with the Administration and receive the Administration's views with respect to the plans for, and operations regarding, the distribution of supplies. Such discussion will cover at least the following subjects:

(i) The agencies and channels of distribution for the supplies furnished by the Administration.

(ii) The Allocation of such supplies by regions and main groups of consumers.

(iii) Price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically.

(iv) Rationing and price controls by commodity, by region, and by classes of consumers for each of the commodities supplied by the Administration and for other commodities having an important bearing on the distribution of Administration supplies.

(v) The facilities and methods for handling, moving and storing the supplies furnished by the Administration.

(4) (d) Further to enable the Administration effectively to discharge its responsibilities under this Agreement, the Agreement of 2 November 1948, and the Council Resolutions, the Government will afford representatives of the Administration opportunity to observe and examine into the distribution of supplies within Yugoslavia and to consult with the authorities designated by the Government with respect to such distribution. The Government will accord such representatives reasonable access to warehouses, transport depots and distribution centers to the extent necessary to insure adequate information regarding the movement and distribution of goods. The Government will issue special certificates to the Administration personnel assigned to perform functions provided for by this paragraph.

(e) The Government will afford the Administration opportunity for, and will cooperate with the Administration in, making public information regarding deliveries and distribution of relief and rehabilitation supplies, and will permit the use of special labels or other designations on supplies and equipment belonging to or furnished by the Administration.

ARTICLE IV

Financial Provisions

(a) The Government will provide that supplies and services furnished by the Administration pursuant to this Agreement will be sold, leased or otherwise transferred to distributors and users against payments in Yugoslav currency to the extent consistent with the equitable distribution and effective use of such supplies and services. The Government will consult with the Administration with respect to general policies on prices and free distribution of supplies and services furnished by the Administration.

(b) The Government will arrange to make available to the Administration without undue delay the proceeds derived from the sale, lease or other transfer of relief and rehabilitation supplies and services furnished by the Administration under this Agreement. In lieu of actual proceeds, the Government and the Administration may agree upon lump-sum payments, approximating the value of expected proceeds, to be made available by the Government to the Administration. Such proceeds or payments will be deposited in Yugoslav currency in a special account in the name of the Administration with the National Bank of Yugoslavia. All financial operations of the Administration in Yugoslavia, in Yugoslav or foreign currency, will be conducted through the National Bank of Yugoslavia or such other banks as it shall designate.

(c) The Administration will use its Yugoslav currency holdings to pay for its administrative and operating expenses incurred in Yugoslavia in the execution of relief and rehabilitation programs undertaken pursuant to Articles I, II, and III

of this Agreement, Such expenses will include, but not be limited to, payments to personnel, and the costs of rent, storage, communications, transportation and public services incurred in connection with the furnishing of assistance by the Administration to Yugoslavia.

(d) The Government will make advances of Yugoslav currency to the Administration in sufficient amounts to initiate the Administration's operations under this Agreement; and, as requested, the Government will make further advances of Yugoslav currency to the Administration to the extent that the proceeds available to the Administration from the sale, lease or other transfer of relief and rehabilitation supplies and services are at any time insufficient to defray the Administration's expenses in Yugoslavia as provided in paragraph (c) of this Article. Such advances will be repaid only in Yugoslav currency and if the Administration obtains sufficient proceeds pursuant to paragraph (b) of this Article.

(e) In addition to the utilization of the Yugoslav currency holdings provided for under paragraph (c) of this Article, the Administration may utilize, or release to the Government, Yugoslav currency for expenditures in Yugoslavia for other purposes in accordance with programs jointly formulated and agreed to by the Government and the Administration. Such purposes shall include, for example:

- (1) Warehousing, handling, and transportation services required by the Administration in connection with relief and rehabilitation

operations in other areas.

(11) Procurement of supplies and services available in Yugoslavia for relief and rehabilitation in other areas, insofar as such procurement is consistent with economic requirements of Yugoslavia.

(111) Payments for relief and rehabilitation services and programs over and above the expenses incurred for relief and rehabilitation services pursuant to Article II of this Agreement.

(f) The Administration shall have the right to use its Yugoslav currency holdings, for the purposes agreed upon by the Administration and the Government under this Agreement, free from restrictions on circulation in Yugoslavia and shall have the right to exchange freely Yugoslav currency into any other type of Yugoslav currency used in Yugoslavia.

ARTICLE V

Administration Mission and Personnel

(a) The Administration will establish a mission in Yugoslavia which will include, within the limits of the Administration's resources, the personnel necessary to discharge effectively its responsibilities under this Agreement, the Agreement of 9 November 1943, and the Council Resolutions. Such Administration personnel shall include personnel necessary to carry out Article I hereof with respect to the determination of relief and rehabili-

tation requirements and the furnishing of supplies, personnel required for the administration of services pursuant to plans agreed to under Article II hereof, personnel required in connection with the distribution of supplies pursuant to Article III hereof, and such other personnel as may be required in connection with the Administration's reporting, accounting, and financial activities within Yugoslavia pursuant to this Agreement.

(b) The headquarters of the Administration will be located at the seat of the Government.

(c) The chief of the Administration mission in Yugoslavia will be appointed in agreement with the Government. The Administration will communicate to the Government the general authority delegated to the Chief of the Administration mission.

(d) In pursuance of paragraph (a) above the Administration shall be free to employ residents of Yugoslavia to the extent necessary to discharge its responsibilities. The Government will furnish all practicable assistance to enable the Administration to locate and employ qualified residents of Yugoslavia for its operations under this Agreement.

(e) The Government will facilitate the admission and movement of Administration personnel in Yugoslavia pursuant to this Agreement.

(f) The Administration will assure the good conduct, integrity and moral character of its personnel and will discharge or recall such of its personnel who violate these standards. The Government may call to the attention of the Administration any violation of these standards by Administration personnel.

(g) The term "Administration personnel" as used in this Agreement includes, in addition to employees of the Administration, employees of non-indigenous voluntary relief societies working under the authority of the Administration.

ARTICLE VI

Facilities, Privileges and Immunities

(a) The Government will take all practicable measures to facilitate the activities of the Administration and to assist the Administration in obtaining such services and facilities as may be required to carry on its operations within Yugoslavia.

(b) The Government will accord the Administration the following facilities, privileges, immunities and exemptions:

- (i) Immunity from suit and legal process, except with the consent of, or so far as is provided for, in any contract entered into by or on behalf of, the Administration;
- (ii) Inviolability of premises occupied by and of the archives of the Administration;
- (iii) Such exemptions from or facilities in respect of foreign exchange controls as are granted to representatives of other member governments in Yugoslavia.

(c) The Government will take any steps that may be necessary to enable the Administration to exercise within the jurisdiction of the Government the powers conferred on the

Administration by Article I, paragraph 1, of the Agreement of 9 November 1943.

(d) The Government will accord to the personnel of the Administration when engaged on the business of the Administration the following privileges and immunities:

- (i) Immunity from legal process of any kind in respect of acts performed by them in their official capacity and falling within their function as such;
- (ii) The same immunities from immigration restrictions, alien registration and military service obligations, and the same facilities as regards exchange restrictions as are accorded to representatives, officials and employees of similar rank of other member governments;

PROVIDED that the foregoing privileges and immunities will not be accorded to nationals or permanent residents of Yugoslavia except to the extent determined by the Government.

(e) The Government will expedite to the extent possible supplies and equipment of the Administration in transit, and it will exempt such supplies and equipment of the Administration from adverse legal action or seizure.

(f) The Government will accord the official correspondence of the Administration the same treatment as is accorded by them to the official correspondence of member governments, including:

(i) Priorities for telephone and telegraph communications, whether cable or radio, and for mail transmitted by pouch or by courier.

(ii) Government rebates for official telegrams.

(iii) Diplomatic status for couriers and pouches of the Administration.

(iv) Under appropriate safeguards, exemption from censorship of the official correspondence of the Administration.

(v) Appropriate arrangements for the use of codes and of cable addresses for the telegraphic correspondence of the Administration.

The Government will accord the Administration appropriate postal facilities, including such franking privileges or arrangements for the use of specially printed or overprinted stamps as may be possible.

(g) The Government will accord the Administration and its personnel such travel facilities and privileges relating thereto as are recommended by Resolution 36.

(h) Administration personnel who are nationals of Yugoslavia but who are not permanent residents of Yugoslavia and who have by naturalization or otherwise acquired another nationality, shall be entitled to the same privileges and immunities under this Article and under Article VII as Administration personnel who are not nationals of Yugoslavia or permanent residents thereof.

(i) The Administration shall have the right, free from export controls or other restrictive measures, to transfer to other areas imported relief and rehabilitation supplies owned by the Administration and located in or in transit through Yugoslavia.

ARTICLE VII

Taxation

(a) The Administration, its assets, property, income and its operations and transactions shall be immune from all taxes, fees, tolls or duties imposed by the Government or any political subdivision thereof or by any other public authority in Yugoslavia. The Administration shall also be immune from liability for the collection or payment of any tax, fee, toll or duty imposed by the Government or any political subdivision thereof or by any other public authority.

(b) No tax, fee, toll or duty shall be levied by the Government or any political subdivision thereof or any other public authority on or in respect of salaries or remunerations for personal services paid by the Administration or by non-indigenous voluntary relief societies to its officers, employees or other Administration personnel (as defined in Article V hereof) who are not nationals of Yugoslavia or permanent residents thereof.

(c) The Government will take such action as is necessary for the purpose of making effective the foregoing principles. In addition, the Government will take whatever other action may be necessary in accordance with Resolution 16 to insure that relief and rehabilitation supplies and services furnished by the Administration are not subjected to any tax, fee, toll or duty in a manner which reduces the resources of the Administration.

ARTICLE VIII

Reports and Records

(a) The Government will maintain adequate statistical records on relief and rehabilitation operations and will consult with the Administration, at its request, with respect to the maintenance of such records.

(b) The Government will furnish the Administration with such records, reports, and information as the Administration shall request pertaining to relief and rehabilitation or necessary to the discharge of the Administration's responsibilities. The Government will accord representatives of the Administration reasonable access to all records pertaining to relief and rehabilitation or necessary to the discharge of the Administration's responsibilities.

(c) Pursuant to arrangements between the Government and the Administration, the Administration will furnish the Government with reports and information pertaining to the Administration's activities within Yugoslavia.

ARTICLE IX

Modification of Agreement and Supplementary Agreements

(a) The Government and the Administration will give sympathetic consideration to any representations which either may make with regard to modifications of this Agreement. Any such modifications shall be by mutual consent.

(b) To the extent necessary or desirable, the parties hereto will enter into subsequent agreements and arrangements supplementing the provisions hereof.

ARTICLE X

Period of Agreement

This Agreement shall take effect as from this day's date. It shall remain in force until the expiration of six months from the date upon which either of the parties hereto shall have given notice in writing of its intention to terminate it. Notwithstanding the expiration of this Agreement,

(a) the relations between the parties shall continue to be governed by the Agreement of 9 November 1943 and the Resolutions of the Council; and

(b) articles IV, V, VI, VII, and VIII shall remain in force for the purpose of an orderly liquidation until all Administration activities in Yugoslavia are completed.

For the Government of Yugo-
slavia

For the United Nations Relief and
Rehabilitation Administration

MAY 21 1945

initial
Room 324CONFIDENTIAL

SHIPPING REPORT ON VESSEL Y-B.1.

YUGOSLAVIA VIA BARI

MAY 1945

<u>Req.</u>	<u>FAS</u>	<u>Material</u>	<u>Quantity</u>	<u>Lbs.</u> <u>Gross wt.</u>	<u>B/L</u>
CEB-B-787 UXN-9		Penicillin	9 cases (8,500 vials)	1,190	2
CEB-B-787 UXN-10		Penicillin	9 cases (8,500 vials) 1,200 net	1,352	3
UA-42	UXN-2	Comforters, cotton	515 bales	36,834	1
UA-304	UXN-1	Cotton, Standard low middling	154 bales	81,895	4
UA-304	UXN-1	Cotton, Standard low middling	153 bales	81,047	5
UA-304	UXN-1	Cotton, Standard low middling	154 bales	82,345	6
UA-308	UXN-8	Wool, scoured	325 bales	137,966	7
			Total	422,629 lbs.	
			or	188.7 long tons	

BReynolds/pm
Ocean Shipping Branch
18 May 1945

453963

MAY 4 1945

TO: Morse Salisbury
Leonard Ingram

UNRRA
Dubrovnik

FROM: Bill Morrell

March 25, 1945.

I have just finished a seven-day tour of Dalmatia, Montenegro and parts of Hercegovina, travelling with Bill Harris and Milton Bluestein and am waiting now for the earliest passage back to Bari, although whether this will be via Split or direct to a heel port I do not yet know. However, while waiting, this seems as good a time as any to rough out a report on the results of the journey.

We watched food being unloaded from a Liberty ship in Dubrovnik, and in the country districts we saw food from earlier shipments being carried away to the village distribution centers by truck, mule, donkey and (as was often the case) on the backs of women and girls, and I think the most striking impression I received as far as public information is concerned is that we have an enormous and urgent job to do in making known the needs of this country. I have seen enough to convince me that it is almost impossible for UNRRA to fail in Yugoslavia. Relations with the Yugoslavs are improving constantly as their earlier suspicion melts and officials of both ML and UNRRA assure me that the difference in three weeks is most noticeable. The Yugoslavs themselves are tackling the job with their usual enthusiasm and energy, and wherever civilian effort shows any tendency to break down (as for example in the ports, where they have not yet developed the science of unloading, and moving the goods away from transit warehouses as quickly as should be done) the army is brought in to help. Distribution is taking place efficiently, and, as far as anyone can possibly check, fairly. The needs are enormous and the situation is so bad that it can only improve, so that UNRRA is bound to derive some credit. Short of declaring an economic boycott on the country, it will be almost impossible for UNRRA to do anything to stop success. What is most vitally required, however, is a public appreciation of the needs.

Never forget that for the last four years this country has suffered a more ruthless occupation than any other European country with the exception of Poland. For four years we knew nothing of what the occupiers were doing here. True, in some respects Yugoslavia was in the same position as France, Belgium, Holland and the rest. But to-day these countries are being liberated. Vast armies of Americans and British are in these countries and, apparently, vast armies of correspondents, too. To-day we know a great deal about what happened in France and the Low Countries and we also know a great deal about what the "red hot rake of war" has done to Italy. But there are still very few correspondents in Yugoslavia. Furthermore, they are all in Belgrade. And, most important of all, their stories are not very good copy compared with the news from other fronts. Everybody knows about Cassino. But nobody seems to know (I certainly did not know until I came here) that Yugoslavia has thousands of Cassinos, each one more dead than Cassino itself. A few families have returned to live in Cassino, but the destroyed villages of Yugoslavia are completely dead and long since cold.

The reasons are fairly simple. Partisan commanders with whom I have talked have explained their methods of warfare. They were to isolate the enemy in the towns, to cut off the towns from each other. This was accomplished very easily for Yugoslavia is a wild country with towns few and far between and the roads winding tortuously between endless chains of rocky hills and mountains (except, of course for the fertile east.) It was an easy matter to mine the roads and ambush the truck convoys as they came through, and while the face of the landscape today is scarred with burned and destroyed villages it is also covered with the litter of wrecked enemy equipment which caused these retaliations. The three provinces I have toured are like a drawing room the morning after a wild party. Wrecked German and Italian trucks and tanks and cars, stripped down to the steel skeletons, line the roadsides, tipped onto their sides to clear the roads. Ten minutes drive from anywhere on this coast you can pick up enough German helmets and gasmasks to satisfy any souvenir hunter. Nobody has had time to do any clearing other than the repair of the roads for traffic. Everything else has been left where it is or (if it was on the road) shoved to one side out of the way. Between Metkovic and Dubrovnik, the road winds away from the coast and passes through a valley behind the hills. In one of these valleys, the Partisans trapped 1,500 German in an armoured column only a few months ago and slaughtered the lot. The dead are still buried in mass graves on the shoulder of the road. Higher up the hinterland, between Gacko and Mostar, where more recent fighting took place, the dead are still lying under the snow and now that the snow is melting, arms and legs stick out grotesquely above the surface. As I said before the only work of reconstruction

undertaken in liberated areas has been to repair the roads.

While the Partisan war was on, the Germans and Italians quite logically retaliated by burning the villages. It was the only thing they could do. They lived precariously in the towns and the villages were centers of resistance. In an attempt to drive the Partisans into the hills and forests, where they trusted life would be untenable, the Germans and Italians made sporadic raids into the countryside and destroyed all the villages. Everything was done quite scientifically. Effort was not wasted in demolishing the squat houses. Gasoline was merely sprayed over the contents and then the roof was set on fire. In some cases such as on the Dalmatian islands where timber was scarce, the roofs and furniture were saved for use in the German dugouts. In Montenegro and Hercegovina, a hard, stony, mountainous land, where the peasant made a precarious living on his tiny terraces, punched and patted laboriously out of the mountain side, harrows were dragged over the small vines and the stores of fertilizer were scattered to the winds. In other words, within the space of four years the Germans and Italians (everyone agrees that the Italian behaved just as badly as and in most cases much worse than, the German) reduced the rebellious areas to deserts through which were sprinkled the towns with their garrisons of enemy troops. In some cases, this fitted in with the partisan method of warfare which was to force the population to fight on their side. The only way in which the peasants could live, other than in the towns (where they would have had to rely on enemy charity) was within the ranks of the Partisan organizations in the mountains and forests. But the enemy was too stupid to see this, or, if they did, too pressed for time and manpower to devise any other system of warfare. Now that the ordeal is over, however, the country is in a pitiable state. The only tolerable places are the towns, especially such towns on the Dalmatian coast as Split, Dubrovnik and Kotor, where the enemy lived fairly safely and from which his retreat was too precipitate to permit scorched earth tactics. All else is ruin and desolation. No one lives in the mountains where the empty sockets of the cottages stare up to the sky, nearly all the men are away at the front, and women and children are left to carry on as best they can, there are no communications except for the lucky few who manage to be at the right spot when the infrequent trucks come along (generally laden already with troops and arms), the bridges over the gulfs and mountain streams are blown, the railroads do not function. Yugoslavia is probably the only country in the world where you never need to slow down at a railroad crossing. There are no trains. So far as I have been able to ascertain, the narrow gauge railroad that connects Dubrovnik with Sarajevo (and thence with Belgrade), and with the interior, has only eight locomotives. Three of these are down the coast at Zelenika and cannot be used because the bridges between Zelenika and Dubrovnik are blown and cannot be repaired in months. ML are talking about bringing them out by ship and putting them on the Dubrovnik-Mostar stretch if the bridges on the latter stretch can be repaired.

The situation in the hospitals has to be seen to be fully comprehended. We took advantage of our stay at Niksic, which town is in the hills about eighty miles behind Dubrovnik, to visit the local hospital. For such a wild and primitive part of Europe, the building itself was not bad, although it would not have formed even the basement of any hospital in New York. There were three low stone buildings, white-washed walls, spotlessly clean floors, the whole containing forty-four beds. The beds themselves were ancient affairs, and the mattresses were very old and very stained. To accommodate that number of patients, the beds were crowded close together in the wards. There were three beds, for example, in a ward the size of ShelbyThompson's office. To take care of the patients were three partisan nurses and three doctors of whom only one was a surgeon. He was an Italian doctor who had fled to the hills at the time of the Italian capitulation and had joined the partisans there. He had by no means sufficient medical instruments to perform major operations and only local anesthetics. Furthermore, he was being repatriated within two

days and there was no possibility of replacement. This would mean that the Niksic hospital, which is the only hospital for the whole district, comprising about 70,000 people, would be left with only two doctors, neither of whom is a surgeon. As I write, the Italian surgeon must now be on his way back to Italy.

Dr. Macphail and her unit expect to be posted any day to Montenegro, here they are to open a home for orphaned children. There is a possibility that they will be allocated the house which King Alexander gave Queen Marie on her birthday shortly before he was assassinated in 1934. About ten miles below Budva on the coasts, a few miles north of the Albanian frontier, the house is in a beautiful location, but was stripped of all its furniture and minutely mined by the Germans before they left so that it is still uninhabitable. At present she hopes to be able to get sufficient equipment from ML (beds, bedding and so forth) to set up her unit as soon as the house is turned over to her. This brings up a problem which will face us increasingly on the medical side. During the last war, as you probably know, the Serbs appealed to the Allies to set up so many hospital units containing so many beds, and this was done. We brought in complete units and did the job. The present proposals to turn over equipment to the Yugoslavs and then to ask it back in order for our people to function does not look by any means so workable. (I am talking solely of the medical people at present.) In theory, of course, the Yugoslav authorities are the people who should know where and how much supplies are needed. On the food side, they are certainly in a much better position than we to know. But on the medical side they are desperately short of trained doctors and officials, who can assess the situation and allocate priorities as to areas. From my purely layman's point of view and from the talks I have had with U.S. P.H.S. doctors and with the unit doctors, it appears that the most workable system would be to divide our medical side into two sections. The individual doctors of the Public Health Service can and should work as individuals with and for the Yugoslavs, going where they are told to go by the Yugoslavs and functioning with the supplies turned over to them by the Yugoslavs. The units, such as Dr. Macphail's "Save the Children Fund" unit, should be equipped to go into action as units immediately they are asked for by the Yugoslavs. The present system, it seems to me, will cause great delay.

The food supply situation in this region, which has Dubrovnik as its port is improving rapidly in spite of the fact that the harbour is not yet cleared of mines. To date five vessels have arrived here since the port was opened on February 28th, and the situation is as follows:

<u>Date</u>	<u>Tons of Supplies</u>	<u>Vessel</u>
February 28	1635 plus 100 vehicles	Samleven
March 2	130	Aida (schooner)
March 6	2320 plus 99 vehicles	Nailsen Moor
March 7	1640 (POL)	Titus (Dutch registry)
March 17	3000	Sasfinn (British)

A sixth ship, the Samdauntless, arrived yesterday afternoon carrying about 4,000 tons of grain, some more motor transport and the first fifty agricultural tractors to reach this country since 1941. A minor crisis has arisen due to the fact that the unloading of the Sasfinn and the clearance of the dockside has not been yet finished. The commission authorities here are by no means as efficient as those in Dubrovnik and little system seems to have been used in the unloading and clearances to the warehouses. Down at the docks yesterday I counted as many Yugoslav officials just standing around checking the supplies as there were dock workers. Plenty of chiefs but no Indians. However ML are holding a meeting with the commission today and laying down some sort of system. One thing that has been giving the ML people here some grey hairs is the fact that several thousand tons of gasoline in barrels have been standing in the open quay for the last few weeks within stones throw of a

sunken German ammunition ship. After much prodding, the Commission began clearance of this fuel yesterday. Three more ships are due here within the twenty days, bringing the total of supplies in Dubrovnik between February 28th and April 13 (approx) to about 17,000 tons of supplies, excluding motor transport.

In our talks with the local officials during this tour, Harris, Bluestein and I obtained the following list of priorities in needs,

1. Materials to repair roads and road bridges.
2. Transport (railroads are well down on the list as these are clearly a long-term project.)
3. Food
4. Clothing
5. Medical supplies
6. Copper sulphate (for the vineyards)

Everything in this part of the world is done by barter. Money has almost no value except for such things as a shoe-shine, a hair-cut (if you can find a barber - most of them are working for the partisans) or a glass of rakija in a cafe. The peasant women (in talking of civilians, you should always remember that I mean women or children in their teens) walk incredible distances carrying incredible loads in order to barter. The breakdown of the economic system is so complete that a drastic shortage of a commodity in one district may not exist in another fifteen miles away. Consequently you see civilians hitch-hiking with sacks of potatoes to a village some miles away where potatoes were not grown before the war and where they consequently do not exist now, in order to barter them for olive oil or wine or flour, which may be unobtainable in their district. Harris and I worked out the following example which may interest you and which might be usable as a story. On his last trip to Italy, he bought twenty kilos of oranges for five dollars. Oranges are very scarce here and are selling in Dubrovnik for 4,800 kuna a kilo, so that he could have realised 96,000 kuna on his oranges, had he sold them. For 96,000 kuna he could have bought a rug in Dubrovnik that would have sold in New York for at least 500 dollars, thus realising 500 dollars on his original five dollar purchase. However, he could have obtained his oranges in Italy for three packs of American cigarettes, which would have cost him 15 cents at the PX. On a barter system therefore, it would have been possible to realise 500 dollars for an original outlay of fifteen cents.

Some facts about distribution may be of interest. In the Srez, i.e. District, of Niksic, to take a fairly typical example, there are about forty thousand people. So far the only food supplies that have arrived are forty thousand kilogrammes of flour. (In this respect, however, the district is not typical. Other, more accessible districts have received other supplies besides flour and received them much earlier.) To proceed, however, the average prewar consumption of flour was about four hundred grammes of bread a day, making a total of about hundred and eighty thousand kilogrammes, or four hundred and eighty tons a month. In other words, the supplies received are enough for about one twelfth of a month if all the population of this particular Srez were to be fed. All the population is not being issued these relief supplies, however, we were informed. The town commander told us that the practice in the war has been to take from those who have and give to those who have not, "consequently", he went on, "we ascertain which people have enough food to last them for another fortnight or who have possessions they can barter for food," (The barter system and, to a certain extent, the black market, is apparently winked at by the authorities,) "and give only to those who have absolutely nothing." "There would be no sense," he went on, "to issue relief supplies to everyone only to take it back next day from those who already had some stocks of their own."

The precise method of determining who should receive food seems to vary from district to district. At Zelenika, on the coast below Dubrovnik, the local official in charge told us that the people were divided into two sections, those who have absolutely nothing except their lives and the clothes they wear and those who have no money but houses which they may be able to put into shape in a few months time and thus be able to pay. These received food, the first category free, and the second on credit. About ten per cent received no food. They, he admitted, had no flour but did have, say, some oil or wine which they were told to take to the nearest village and barter. You will thus see that, willy nilly a great levelling out process is taking place in this country. Only the foodless with no immediately realisable possessions receive food, the question of credit depending upon whether or not they may eventually be able to pay. Those with possessions of any kind which can be used for barter at this moment, whether it be olive oil or wine or clothes or private possessions are told they must barter them on the open market. I hesitate to give any opinion on the merits of this system since it is apparent that supplies received so far are not sufficient for all the population in the areas which have been liberated.

Whether or not relief supplies are being used as a political weapon no one can say with certainty. My own firm opinion at this moment is that they are most definitely not being used in this way and that it is time for us to stop looking for the partisan in the woodpile. Dave Leff told me of a conversation he had with the mayor of Budva, a delightful old man in his sixties named Petar Lusetch. Dave had spent some time at the University of Arizona, and discovered that Petar had also attended it when it was the University of Tucson, class of 1901, so they had some common ground to meet on. Dave asked whether relief supplies were being given to the families of Chetniks. The old mayor was most offended, "we do not make war on women and children" he said. "The Chetniks whom we know have committed murders we intend to kill without mercy, but so long as I am mayor of this town their women and children will receive the same food as the families of the partisans." There was no doubting his sincerity.

On the supplies themselves, I think some section of UNRRA should give urgent attention to the labelling of condensed or dehydrated foods which have to be mixed with water before consumption. One of the stock jokes about the Hoover Relief Commission after the last war told how the peasants of Buthenia, never having heard of cocoa, mixed it with water and painted the walls of their cottages with it. I thought we had learned from that story. Yet only the other day Dave Leff came on a partisan mess, was called to one side by the perplexed cooks, shown some cans of pea soup powder, and asked what they were supposed to be. The detachment had just received thirty kilos of the stuff, enough for 200 men. Not being able to read the English label, they had first tried making cakes with it and then, in some desperation, puddings. The results, even to war hardened soldiers who have lived on roots in the forest, were neither appetising nor digestible.

It would perhaps be preferable, at least in the early stages, to reserve such condensed or powdered foods for communal consumption, such as in hospitals or orphanages. Failing this, however, I think every case of such food should have enclosed with it a label of instructions in Serbo-Croatian so that local officials can instruct the recipients on the method of preparation when it is being distributed. I finally managed to get some pictures today. Up to the present nothing has happened to alter the original system laid down by the Brigadier whereby we could take all the pictures we wanted in Italy but not on this side. I reported to you from Split my unsuccessful attempt to persuade local members of the Commission to take a decision on this and how the responsibility had been passed back to Belgrade. It may be that the Brigadier raised this in Belgrade on his recent trip, but I have not yet received any notification of any new decision. However, walking through Dubrovnik the other day, I noticed a display of photographs in the local partisan

propaganda office and saw that they were pictures of ML food supplies being unloaded here. I went into the shop and managed to buy a selection. They cost me 250 kuna each and, unfortunately, are only single prints on not too suitable paper, but they are at least a start. Later in the day I was down at the quayside and saw a photographer in civilian clothes wandering around, it transpired that he was the man who took the original photographs. I have made an arrangement with him whereby he will take photographs for us, turning the negatives over to us, in return for payment or, preferably, food. There is little doubt in my mind that the fact that the Commission had no information division with which we could work is because it is composed mainly of men who have dealt either in shipping, dock work, transportation, or merchandising of some kind, have had no experience in public relations, have not comprehended its necessity and have been scared to touch it because, in the new political system in this country, public information is synonymous with propaganda, which is a very high-level affair indeed. I am inclined to think that by dealing with the local propaganda office (we can rest assured that there is one in every community, large or small), we shall get more results.

In this particular case I held the interview with the photographer in the office of the local head of the Commission and the latter readily agreed to my obtaining photographs locally. He explained that he had already sent prints of the photographs to the Commission Headquarters in Split, but understood when I explained to him our need for obtaining negatives as well as prints. As things stand at present in this district, therefore, we can use the local photographer by applying for him through the Commission, and may even have him accompany our people on two-day trips into the countryside. We shall, however, need to supply him with 35 millimetre film and I am taking this up with Morse Salisbury when I reach Bari.