

8220 Yugoslavia UNRRA Agreement with
the Country

17 August 1944

To: George Xanthaky
From: Joel Gordon
Subject: Agreement with Yugoslavia and Greece

As requested, I am outlining my views on the two proposed drafts of an agreement between UNRRA and the Yugoslav and Greek government.

The earlier draft of 4 July provides for direct operation by UNRRA in these countries premised on the fact that they will be non-paying countries. I am inclined to disagree with this draft because I have the following questions about it.

1. How is it possible to reconcile the plan for direct operation with UNRRA policy by which we must be guided and which states: "In general the responsibility for the distribution, within an area, of relief and rehabilitation supplies should be borne by the government or recognized authority which exercises administrative authority in the area." (Resolution 7). This policy further provides that the "Administration be prepared to render direct assistance in distribution whenever, because of unusual circumstances, the government or recognized authority concerned requests such aid (underscoring mine) within its territory."
2. From a realistic point of view is it conceivable that the governments of Greece and Yugoslavia would be willing to sign an agreement which turns over to UNRRA control over a large segment of the internal economy of its country and thousands of employees to be paid by them so long as they consider themselves able to handle the problem themselves? If because of "unusual circumstance" (not the fact of being a non-paying country) these governments request direct assistance by UNRRA, that will be a different matter.
3. What specific UNRRA policy can be cited which gives us authority to establish conditions for non-paying countries which are not applied to paying countries? Is it consistent with UNRRA philosophy to set such conditions on the theory that we are in a superior bargaining position since we are bearing the financial burden?
4. Wouldn't the agreement be more effective and more easily negotiated if limited to basic essentials and if it left details to supplemental agreements; so if that were done the basic agreement could be a simple and clear cut document which converts the multilateral UNRRA agreement into a bilateral one?

George Xanthaky

-2-

17 August 1944

The later draft (prepared by Mr. Shacter in the General Counsel's office) appears to meet the above questions which I have on the earlier draft and seems to be in greater conformity with UNRRA policy as developed at Atlantic City.

cc: Mr. Menshikov

JGordon/mm

17 August 1944

To: George Xanthaky
From: Joel Gordon
Subject: Agreement with Yugoslavia and Greece

As requested, I am outlining my views on the two proposed drafts of an agreement between UNRRA and the Yugoslav and Greek government.

The earlier draft of 4 July provides for direct operation by UNRRA in these countries premised on the fact that they will be non-paying countries. I am inclined to disagree with this draft because I have the following questions about it.

1. How is it possible to reconcile the plan for direct operation with UNRRA policy by which we must be guided and which states: "In general the responsibility for the distribution, within an area, of relief and rehabilitation supplies should be borne by the government or recognized authority which exercises administrative authority in the area." (Resolution 7). This policy further provides that the "Administration be prepared to render direct assistance in distribution whenever, because of unusual circumstances, the government or recognized authority concerned requests such aid (underscoring mine) within its territory."
2. From a realistic point of view is it conceivable that the governments of Greece and Yugoslavia would be willing to sign an agreement which turns over to UNRRA control over a large segment of the internal economy of its country and thousands of employees to be paid by them so long as they consider themselves able to handle the problem themselves? If because of "unusual circumstance" (not the fact of being a non-paying country) these governments request direct assistance by UNRRA, that will be a different matter.
3. What specific UNRRA policy can be cited which gives us authority to establish conditions for non-paying countries which are not applied to paying countries? Is it consistent with UNRRA philosophy to set such conditions on the theory that we are in a superior bargaining position since we are bearing the financial burden?
4. Wouldn't the agreement be more effective and more easily negotiated if limited to basic essentials and if it left details to supplemental agreements; so if that were done the basic agreement could be a simple and clear cut document which converts the multilateral UNRRA agreement into a bilateral one?

George Xanthaky

-2-

17 August 1944

The later draft (prepared by Mr. Shacter in the General Counsel's office) appears to meet the above questions which I have on the earlier draft and seems to be in greater conformity with UNRRA policy as developed at Atlantic City.

cc: Mr. Menshikov

17 August 1944

To: George Kanthaky
From: Joel Gordon
Subject: Agreement with Yugoslavia and Greece

As requested, I am outlining my views on the two proposed drafts of an agreement between UNRRA and the Yugoslav and Greek government.

The earlier draft of 4 July provides for direct operation by UNRRA in these countries premised on the fact that they will be non-paying countries. I am inclined to disagree with this draft because I have the following questions about it.

1. How is it possible to reconcile the plan for direct operation with UNRRA policy by which we must be guided and which states: "In general the responsibility for the distribution, within an area, of relief and rehabilitation supplies should be borne by the government or recognized authority which exercises administrative authority in the area." (Resolution 7). This policy further provides that the "Administration be prepared to render direct assistance in distribution whenever, because of unusual circumstances, the government or recognized authority concerned requests such aid (underscoring mine) within its territory."
2. From a realistic point of view is it conceivable that the governments of Greece and Yugoslavia would be willing to sign an agreement which turns over to UNRRA control over a large segment of the internal economy of its country and thousands of employees to be paid by them so long as they consider themselves able to handle the problem themselves? If because of "unusual circumstance" (not the fact of being a non-paying country) these governments request direct assistance by UNRRA, that will be a different matter.
3. What specific UNRRA policy can be cited which gives us authority to establish conditions for non-paying countries which are not applied to paying countries? Is it consistent with UNRRA philosophy to set such conditions on the theory that we are in a superior bargaining position since we are bearing the financial burden?
4. Wouldn't the agreement be more effective and more easily negotiated if limited to basic essentials and if it left details to supplemental agreements; so if that were done the basic agreement could be a simple and clear cut document which converts the multilateral UNRRA agreement into a bilateral one?

George Xanthaky

-2-

17 August 1944

The later draft (prepared by Mr. Shacter in the General Counsel's office) appears to meet the above questions which I have on the earlier draft and seems to be in ~~greater~~ conformity with UNRRA policy as developed at Atlantic City.

cc: Mr. Menshikov

Interpretation of Agre

Belgrade, March 24, 1945.

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

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.

TEXT OF UNRRA-YUGOSLAV AGREEMENT

24 MARCH 1945

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, 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 the Resolution 14 of the Council of the Administration, the Director General has determined that due to the extensive loss and damage to its Economy during this war fought in the common cause of the United Nations 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
Ing. Nikola L. Petrovic, Minister of Commerce and Supply
and the United Nations Relief and Rehabilitation Administration
represented by - Mr. Roy F. Hendrickson, Deputy Director
General, United Nations Relief and Rehabilitation Administration.
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 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

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 13. Wherever necessary the Government will take measures to insure that such policies are followed throughout the country. Supplementary agreements will be concluded between the Administration and the Government in regard to the organization of relief and rehabilitation services. In these agreements it will be provided that the Government will administer

the aforementioned services and afford the necessary funds for the execution of services which shall be derived from the proceeds of the sale of relief supplies and the Administration will provide the Government with the personnel and necessary supplies.

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 and legal title in the property will be passed to the Government or its designee, against appropriate receipts, as soon as they reach such designated ports of entry, or frontier points of Yugoslavia or such other ports designated by the Government of Yugoslavia, as may be agreed upon from time to time by the Administration and the Yugoslav Government. 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 1943 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 for example 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.

/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 adequately informed regarding the distribution of supplies within Yugoslavia. The system of distribution of these supplies in Yugoslavia will be based upon the Council Resolutions and the Government will afford representatives of the Administration opportunity to observe at all necessary stages the distribution of supplies furnished by the Administration and to discuss such distribution with the appropriate Governmental authorities.

/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, when 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 quarterly with a record of the net proceeds derived by the Government in the preceding quarter 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, including the public utilities.
- /ii/ Activities undertaken by or under the direction of the Government with respect to health and welfare services.
- /iii/ The care and movement of displaced persons in addition to such activities as ^{been} have/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.

/f/ All financial operations of the Administration in Yugoslavia including its transactions in foreign currency, will be carried out utilizing the services of the National Bank of Yugoslavia or banks designated by it.

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 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.

The Headquarters of the Mission will be situated at the seat of the Government.

/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 as recommended by Resolution 36.

/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. The Government is entitled to request the Administration to discharge or recall such of the Administration's 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 within the limits of the Resolution 9 /3/.

/f/ In pursuance of paragraph (a) above, the Administration shall be free to employ Yugoslav subjects and permanent

residents of Yugoslavia to the extent necessary to discharge its responsibilities. The Government will furnish all practical assistance to enable the Administration to locate and employ suitable subjects and residents of Yugoslavia for its operations under this Agreement. Permanent residents in Yugoslavia or Yugoslav subjects will be employed by the Administration only provided, the Government's confirmation is obtained.

/g/ All locally engaged personnel will be paid at the prevailing scale of wages for similar employment in Yugoslavia.

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 out 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 behalf of, the Administration,

/ii/ Inviolability of the archives of the Administration and of the premises of its official business headquarters at the seat of the Government.

/iii/ Such exemptions from or facilities in respect of foreign exchange control as are granted to representatives of 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 Articles 1, paragraph I, 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 ranks 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 Chief of the UNRRA Mission at the seat of Government, to

and from points outside of Yugoslavia.

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 Administration will from time to time present to the Government the names of members of the mission in Yugoslavia who are entitled to the benefits mentioned in Articles V, VI, VII of this Agreement.

/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. The Government will examine cases relating to those persons who are nationals of Yugoslavia but who are not its permanent residents and who by naturalization or otherwise acquired another nationality.

/i/ The Administration shall have the right, free from export control or other restrictive measures, to transfer to other areas imported relief and rehabilitation supplies owned by the Administration and intended for use in countries other than Yugoslavia but temporarily 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. Notwithstanding the above the Administration agrees to collect from its officers and employees who are Yugoslav subjects or permanent residents of Yugoslavia, such taxes as are normally in Yugoslavia collected through the medium of employers. Nor shall the provisions of this Article preclude the Yugoslav Government from collecting indirect taxation from the sale of supplies in accordance with current legislation. The Government shall be under no obligation to refund any taxes so collected.

/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. Exemption from taxation granted to non-Yugoslav officers and employees of the Administration shall not entitle them to claim reimbursement of any indirect taxes and more particularly consumption taxes.

/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.

/d/ Should the Government collect any taxes or other duties in contravention of this Article a refund will be made by the Government.

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 relation 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.

This Agreement has been made out in five exemplars, of which three are in English and two in Serbo-Croatian. Both the English and Serbo-Croatian texts are equally authentic for the contracting parties.

In effect whereof the undersigned plenipotentiaries, having been duly authorized thereto, have signed the present Agreement.

Done this 24th day of March 1945 in Belgrade in five exemplars.

(Signed) NIKOLA B. PETROVIC.

For the Government of Yugoslavia.

(Signed) ROY F. HENDRICKSON.

For the United Nations Relief and Rehabilitation Administration.

Belgrade, March 24, 1945.

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

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.

14

JUGOSLAV AGREEMENT

AS SIGNED AT 11 A.M. ON SATURDAY, 24th MARCH, 1945.

WHEREAS The United Nations and Associated Nations, have in the Agreement of 9th 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 9th 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 9th November, 1943, and the Resolutions; and