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OFFICE OF STRATEGIC SERVICES  
Research and Analysis Branch

FIELD MEMORANDUM 122 (FR-207)

12 January 1945

Belgrade, 21 December 1944

SITUATION IN LIBERATED SREM, (YUGOSLAVIA)

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

Economic Situation

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

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

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

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

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



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

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

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

### Population

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

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

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



### Civilian Organization

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

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

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

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

### German Behavior and Morale

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

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

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



RELIEF NEEDS OF YUGOSLAVIA

This is a sketch of reasons why Yugoslavia will continue to need UNRRA assistance during 1946.

I. Food. If the population of Yugoslavia is to be supplied with food containing approximately 2600 calories per day during 1946, Yugoslavia will have to import the following quantities of food monthly: between 80,000 and 70,000 tons of grains until the end of June 1946, 5,000 tons of sugar, 4,000 tons of meat, fish or cheese, 4,000 tons of fats and oil and 5,000 tons of milk until the end of 1946.

The need for grains is explained by two factors: (a) the acreage sown to wheat was perhaps about 80-70 percent of the prewar acreage and that under corn about 50 percent, which explains partly the reduction in domestic production, and, (b) Yugoslavia and the other parts of Southeastern Europe experienced last summer one of the worst droughts in more than 20 years and it is the yield rather than acreage that controls production. Thus the total available supply of grains for human consumption will leave a gap of about 800,000 to 900,000 tons for the crop year which has to be covered by imports.

The estimated Yugoslav sugar production in 1945/46 is put at about 27,000 as against prewar production of 75,000 tons which assured per capita annual consumption of only 5 kilograms. Domestic production will assure now only about 1-1/4 kilograms per capita per annum.

The preliminary data show that the livestock numbers due to excessive killing, looting and destruction have been reduced to the following levels (1945 percent of 1939):

	<u>Percent</u>		<u>Percent</u>
Horses	59	Hogs	44
Donkeys	56	Sheep	47
Mules	77	Goats	54
Cattle	45	Poultry	47
Buffalo	95		

The Yugoslav prewar meat production of about 140,000 tons would thus be cut in half even if the prewar slaughter rates were maintained, which in view of the need to replenish the livestock as one of the essential preconditions of agricultural rehabilitation, should not be the case. The fall in livestock numbers explains the import needs for animal protein foods, for fats and for oil.

The above import needs for meat, cheese and fish were calculated to fill the gap in domestic production to assure a per capita annual supply of 16 kg. of meat, 1.6 kg. of cheese and 1.4 kg. of fish which would assure a daily intake of 7 grams of animal proteins per day as against 15 grams according to UNRRA bases. Fat imports in addition to domestic production would insure 32 grams per day as against 75 grams according to UNRRA bases, while milk imports in addition to domestic production should assure an allotment to priority groups - children up to seven years and nursing mothers in deficiency regions only.

II. Clothing and Textiles. In 1938 Yugoslavia imported 45,600 tons of textiles and textile raw materials and produced at home about 8,000 tons of low quality scoured wool. Due to the reduction in the number of sheep domestic production will be halved and so will be the domestic production of hides. If 54,000 tons of textiles and textile raw materials was needed before the war to keep refilling the existing wardrobe and household textiles, the present imports have to replenish the gap caused by absence of any imports through more than four years, considerable destruction and looting by the current war. According to the Yugoslav authorities 77 percent of all people in Yugoslavia need to be fully provided with clothing and footwear, but this figure could not as yet be checked by UNRRA Mission in Yugoslavia.

III. Medical Supplies. Continuing need of importing medical supplies into Yugoslavia is caused primarily by three facts: (a) Yugoslavia always imported the largest part of these supplies since it had no producing facilities for them, (b) a considerable number of hospitals, laboratories and other medical facilities has been destroyed or looted, (c) the need for medical supplies increased because of the ravages that occupation and starvation caused to the health of the people. Thus up to now 66,000 limbless people have been registered who will require orthopedic treatment. The death rate of tuberculosis has risen from 200 to 400 per 100,000. Due to the drought, the malaria incidence has been relatively low during the last summer, but epidemics of large proportions are feared for the next year. The presence of endemic typhus in Yugoslavia, which under present hygienic conditions would have great chances to turn into an epidemic, requires large scale preventive measures employing vaccination and DDT treatment. Finally, widespread nutritional diseases, especially among children, require supply of protective foods, especially milk and fats, as undernourishment is the best invitation to any disease.

IV. Agricultural Rehabilitation Supplies. Seven main types of these supplies are involved. (1) Tractors to make good the above indicated loss of horses and oxen. (2) Plows for tractors and draft teams, seeders, planters, simple implements, repair and servicing shops and fuel for tractors. This import is needed to replenish destroyed implements and fill the gap in domestic production. (3) Seed of several types is also necessary such as wheat, alfalfa, vegetables, etc. (4) Fertilizers primarily to fill the gap caused by smaller manure production due to the loss in livestock and in general to boost the yields. (5) Livestock for draft such as mules and horses and for breeding such as dairy cattle and mares. (6) Food to fill the gap caused by the great drought and (7) Veterinary supplies to assure the health of livestock. Thus, for example, an outbreak of hog cholera, killed an estimated 100,000 pigs last summer.

V. Industrial Rehabilitation Supplies. These encompass a tremendous variety of items and it is very difficult to give a pointed answer of the degree of need of various items. One item of top priority for relief work in general and for the economic mobilization of the country is *transport*. Yugoslavia lost perhaps 50-60 percent of its railroad rolling stock and hundreds of bridges. Although a certain number of locomotives and railroad cars is scheduled for delivery to Yugoslavia, speedy help in the



field of transportation was possible only by supplying thousands of trucks and supplies to service them. But as roads are bad and the resulting wear and tear great, a continued stream of transportation supplies will be required in Yugoslavia during 1948. Closely connected with the rehabilitation of transport is also supply of bridging, road repair machinery, maintenance material and fuel for the truck fleet.

Due to the destruction and sabotage of coal mines, the Yugoslavs will need also large supplies of coal. As a matter of fact, Yugoslavia always imported its coking and metallurgical coal, as coal produced domestically is of low quality. Yugoslavia also always imported its total liquid fuel requirements.

In the field of machinery, accessories, etc. it depends on UNRRA supplies to start most of its industries. One of the key items is belting which was destroyed or otherwise utilized during the war. In many factories key installations have been destroyed, e.g., drawing rings in cable factories, ball bearings, motors and motor wiring, rectifiers in steel plants, etc. It is through supply of a great multitude of small items and spare parts that a considerable portion of the Yugoslav industry can be put on its feet again.

One of the essential industrial rehabilitation items that is needed all over the country is simple tools, hammers, pliers, saws and the like. To illustrate this point, the Chief of the Health Division, Dr. Sinclair-Loutit was making a field survey. His jeep broke down in a Serbian city called Kragujevac, which has not much suffered from the war. But it took him more than half an hour to locate a broken hammer. With ampler supply of tools, rehabilitation, especially of housing, would be greatly helped.



## YUGOSLAVIA - TEXTILE SITUATION

(1) Before the war Yugoslavia had about 1500 textile establishments, many of which were very small enterprises. In 1940, its industry possessed about 250,000 spindles and 15,000 looms employing about 70,000 workers in two shifts. The industry was based mainly on imported raw materials. In 1938 Yugoslavia imported 45,600 tons of textile raw materials and fabrics, among which were 21,600 tons of raw cotton and 14,000 tons of cotton yarn. Yugoslavia produced domestically about 8000 tons of scoured wool of poor quality and a negligible quantity of cotton.

(2) The bulk of the Yugoslav textile industry did not operate during the war because of lack of raw materials, fuel and because it was an industry in which the Germans had a great over-capacity. Several leading plants were converted to production of airplane parts and assembly of airplanes. In most others belting and various parts were removed. There are no definite data on the present state of the textile industry but the chief obstacle to its operation - lack of raw materials - has been partly removed by imports through UNRRA. One of the difficulties in the operation of the industry is that the weaving capacity is much larger than the spinning capacity and it is hard to import yarn. As of the middle of August some of the factories

achieved normal production, some were reported producing 30 - 70 percent, but a large number of them are idle because of lack of belting, spare parts, yarn, etc.

(3) There is no doubt that the Yugoslavs would need all that their textile industry could produce during 1946 and much more. The actual production will depend on the rehabilitation of that part of the industry which is still disabled and on import of cotton and woolen yarn to utilize the weaving capacity.



## Magnitude and Urgency of Yugoslavia's Need for UNRRA Supplies

With industry and transportation fully disorganized and wrecked and agricultural productivity greatly reduced through lack of implements and draft power, Yugoslavia is, and will continue to be, in great need of assistance.

### Food

Yugoslavia needs imported food, including large amounts of cereals throughout this crop year. There are three basic reasons for the scarcity of cereals: First, the acreage that was normally put into winter grains was not seeded, since fighting was going on during the seeding period in the most important producing areas, namely Vojvodina and Slavonia. In addition there was not enough draft power, plows, seeds and fertilizers. These shortages also impeded spring sowing. Thus only about 50 percent of the pre-war wheat area and approximately 80-85 percent of the pre-war corn area was seeded. In the second place, all of southeastern Europe and Italy experienced this summer the worst drought in twenty years and drought, even in peace time, spelled hunger in many sections of this part of Europe. The third reason for the scarcity is lack of transport. About three quarters of the whole crop will be produced in the fertile Pannonian Plain. Even if supplies were available, only small amounts could be transported to the deficit areas as communications are gone. Consequently during this crop year Yugoslavia will need to import between 600,000 and 800,000 metric tons of grains for human consumption.

Yugoslavia needs also large imports of fats and oils, meat and milk. Livestock has been reduced in comparison to 1939 by the following percentages: hogs, 58 percent; cattle, 44 percent; sheep, 50 percent; goats, 50 percent; poultry, 60 percent. In addition, a hog cholera epidemic has killed an estimated 100,000 hogs since liberation.

In a cable of 4 September asking for additional fats and milk shipments the UNRRA Mission in Belgrade said:

"Gravity of milk shortages revealed recent inspection by Health Division. Medical examination 40 children under 5 in Sarajevo (the capital of Bosnia with a present population of about 100,000) showed all suffering rickets. 1 florid rickets. Skeletal development far below normal. All suffering worms. Several suffering hunger edema produced by dysentery and chronic malnutrition. UNRRA observers confirm similar conditions widely prevalent. We are planning with Yugoslav

authorities nutrition survey ascertain exact extent these diseases. Only increased milk and fat supplies remedy this situation. Urge you take special measures increase supplies to meet this need otherwise winter conditions mean severe increase nutritional diseases and rise infant mortality rates throughout deficiency areas."

A shipment of 10 tons of evaporated milk for Sarajevo children in hospitals and orphanages has been flown in from England.

The ration, on the basis of which the Yugoslav Government requests additional milk, fat and meat, is 50 grams of dried milk per head daily for nursing mothers and children, 300 grams of fat per head per month and 400 grams of meat per head per month.

Also sugar imports are essential as Yugoslav sugar production in 1944/45 was only 20,000 tons as against 71,000 tons in pre-war years.

Comparison of the estimated 1945 production with the pre-war production highlights the Yugoslav needs for food imports.

	<u>1945</u> <u>Metric tons</u>	<u>1935/38</u> <u>Metric tons</u>	<u>1945 as a</u> <u>Percentage</u> <u>of</u> <u>1935/38</u>
Grains available for human consumption	2,620,000	5,100,000	51
Meat	80,000	310,000	26
Fats and Oils	48,000	144,000	33
Milk and milk products	837,000	2,830,000	30
Sugar	20,000	71,000	28

### Health

Because of malnutrition, lack of clothing and housing, the absence of soap, medical supplies and facilities, and the breakdown of preventive medical work during the war, the health of the Yugoslav people, very bad even in peace time, has greatly deteriorated. The most pressing problem has been the prevention of a typhus epidemic. In Yugoslavia typhus is endemic and several epidemics broke out in recent years and last winter. The Yugoslav authorities, with supplies and advice from the U.S.



Typhus Commission, have undertaken the greatest preventive campaign against typhus ever recorded. By the end of December 1945, 1.3 million people will have been vaccinated against typhus and an even larger number will have been treated with D.D.T.

Typhoid fever is also a very serious problem.

One of the essential tasks is the provision of hospital and medical supplies as a large part of the hospital facilities, including medical literature, have been destroyed or taken away by the Germans.

All of the malaria control accomplished before the war has been undone.

Tuberculosis, always rampant in Yugoslavia where at least 12 percent of deaths before the war were caused by it, has greatly increased. In Belgrade the tuberculosis rate has increased more than 50 percent.

Nutritional deficiency diseases such as rickets have spread and can be combatted only by increasing the supply of protective foods.

#### Clothing.

Prior to the war Yugoslavia consumed roughly 50,000 tons of textiles and textile raw materials, of which 40,000 tons were imported. Imports ceased early in 1941. The sheep herds which used to give about 8,000 tons of scoured wool were cut in half. Much of the clothing and household textiles such as sheets and blankets were plundered by the occupying forces. Some of the best textile mills, especially in Slovenia, were converted by the Germans to production of airplane parts or to airplane repair shops; others have been sabotaged or destroyed. Similar conditions prevail regarding footwear.

The seriousness of the clothing and footwear situation in Yugoslavia is demonstrated by the fact that toward the end of 1944 a deficiency of 70 to 80 percent was estimated, and that in all early statements of requirements the Yugoslav authorities assigned the highest priority to clothing and footwear.

#### Housing.

The Yugoslavs estimate that from 300,000 to 500,000 homes or one-seventh to one-fifth of all their homes have been destroyed. In addition a million have been damaged. The nature of guerrilla warfare and its rebuttal caused extensive destruction.

Scorched earth tactics were used to deprive the guerrillas of the economic basis of their resistance. Actually whole areas of Yugoslavia have been laid waste - southern Croatia, eastern Bosnia, Montenegro, parts of Dalmatia, and Slovenia. Allied air damage was heavy also in such cities as Belgrade, Nish, Brod, because these cities were important communication centers for the enemy. To help the housing problem, aggravated by a huge displacement of the population, machinery for the lumber industry, means of transportation, and glass are needed. Approximately 100,000 people will be homeless during the next winter and exposed to epidemics and suffering.

#### Agricultural rehabilitation

To help people get on their feet and to reduce future imports of food, rehabilitation of agriculture is essential. The greatest loss in agriculture in Yugoslavia was in draft power. The number of tractors in operation was reduced from about 1,800 before the war to about 1,200 at the time of liberation; the number of horses from 1,270,000 to 450,000 - 65 percent; and the number of cattle from 4,200,000 to about 1,800,000 - 56 percent. Help can be given only by large imports of tractors, tractor plows, tractor repair shops, various agricultural machinery, implements, fertilizers and seeds, as most of the inventory has been either destroyed or worn out.

One of the reasons for large import requirements of animal foodstuffs is the government policy of killing only a small number of animals, especially cattle, in order to replenish the herds - an essential prerequisite of rehabilitation of agriculture in general.

#### Industrial rehabilitation

No complete surveys are available on destruction suffered by Yugoslav industry during the war. It was entirely in German hands and only those branches that contributed to the German war effort were kept in operation in so far as raw materials and labor permitted. Many plants were sabotaged by guerrillas, others converted to production of war materials (e.g. textile plants for airplane repair), and still other dismantled. The Germans sabotaged most of the plants still in operation as they withdrew.

Coal production has fallen by 60 to 70 percent in relation to pre-war years.

The greatest industrial needs are for transmission belting, motors and bearings.

#### Transport

For about four years the transportation system of Yugoslavia



was a target of the enemy, of the guerrillas, and in the last year of war of the Allied Air Forces. It is estimated that more than 60 percent of all railway rolling stock has been destroyed. The remainder cannot operate efficiently because of breaks in the lines, makeshift bridges, lack of repair facilities, etc. Harbor installations and coastal shipping have also been heavily damaged. Of more than 18,000 motor vehicles before the war, there are now about 1,500 in operation.

Provision of transport is thus as necessary a point in the relief program of Yugoslavia as provision of food, clothing and medical supplies. The essential need is for trucks and materials to service them, including oil, road repair materials, materials for harbor clearance and operation, and ships for coastal traffic. To insure delivery of medical and food supplies to isolated areas in the case of emergencies some airplanes are also necessary.

15 September 1945

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YUGOSLAVIA

Introduction

Relief operations in Yugoslavia started in January 1945 by the ML. After the conclusion of the Yugoslavia-UNRRA agreement on 24 March, UNRRA assumed responsibility for relief as of 15 April. Until the end of June it carried its operations with the help of the military supply line and shipping allocations but it paid for these supplies and services. Due, however, to difficulties with port acceptance and clearance capacities the program came into full swing only in August, or actually September when 156,000 tons of various supplies will be dispatched.

Food shipped in by the Administration provided the basic allotment for about 3 million people and supplementary allotments for an additional 4 million people in the deficit areas.

With its industry and transportation fully disorganized and wrecked and her agricultural productivity greatly reduced through lack of implements and draft power, Yugoslavia will be in need of assistance for at least another year. But let us see the situation in more detail:

A. Food. Yugoslavia needs to import food throughout this crop year for several reasons. As far as cereals are concerned there are three basic reasons: (1) Because the acreage that was normally put under winter grains was not seeded as fighting was going on during the seeding period in the most important producing areas, namely Vojvodina and Slavonia. In addition the people did not have enough draft power, plows, seeds and fertilizers, which impeded also spring sowing. Thus only about 50 percent of the pre-war wheat area and approximately 80-85 percent of the prewar corn area was seeded. (2) All of southeastern Europe and Italy experienced this summer the worst drought in twenty years and drought, even in peace time, spelled hunger in many sections in this part of Europe. (3) Perhaps three quarters of the whole crop will be produced in the fertile Pannonian Plain. Even if supplies would be obtainable, only a small amount could be transported to the deficit areas as communications are gone. During this crop year Yugoslavia will thus need to import between 600,000 and 800,000 metric tons of grains for human consumption. Yugoslavia needs also large imports of fats and oils, meat and milk. Reason for such great need is that livestock has been reduced in relation to 1939 numbers to the following percentages: hogs 58, cattle 44, sheep 23, goats 50, poultry 60. To make things worse a hog cholera epidemic has killed an estimated 100,000 hogs since liberation.

In a cable of 4 September asking for additional fats and milk shipments our Mission in Belgrade said:

"Gravity of milk shortages revealed recent inspection by Health Division. Medical examination 40 children under 5 in Sarajevo (the capital of Bosnia with a present population of about 100,000) showed all suffering rickets. 1 florid rickets. Skeletal development far



below normal. All suffering worms. Several suffering hunger edema produced by dysentery and chronic malnutrition. UNRRA observers confirm similar conditions widely prevalent. We are planning with Yugoslav authorities ~~institute~~ survey ascertain exact extent these diseases. Only increased milk and fat supplies remedy this situation. Urge you take special measures increase supplies to meet this need otherwise winter conditions mean severe increase nutritional diseases and rise infant mortality rates throughout deficiency areas."

A shipment of 10 tons of evaporated milk for Sarajevo children in hospitals and orphanages has been flown in from England.

The rations on the basis of which the Yugoslav requests for additional milk, fat and meat is 50 grams of dried milk per head daily for nursing mothers and children, 300 grams per head fat per month and 400 grams per head meat per month.

Also sugar supplies are essential as Yugoslav sugar production in 1944/45 was only 20,000 tons as against 71,000 tons in prewar years.

The Yugoslav needs for food imports are best explained by a comparison of the estimated 1945 production with the prewar production.

	<u>1945</u> M. tons	<u>1935/38</u> M. tons	<u>Percentages</u> 1945 of 1935/38
Grains available for human consumption	2,620,000	5,100,000	51%
Meat	80,000	310,000	26%
Fats and oils	48,000	144,000	33%
Milk and milk products	837,000	2,830,000	30%
Sugar	20,000	71,000	28%

B. Health. Due to worsened nutrition, clothing and housing, due to lack of soap, medical supplies and facilities, and the absence of preventive medical work during the war, and finally due to great physical and mental exertions, the health of the Yugoslav people, very bad even in peace time, has greatly deteriorated. The most pressing problem was prevention of a typhus epidemic as in Yugoslavia this disease has an endemic character and several epidemics broke out in recent years and last winter. The Yugoslav authorities with the supplies and advice from the U. S. Typhus Commission have undertaken the greatest preventive campaign against typhus ever recorded. Until the end of December 1945, 1.3 million people will be vaccinated against typhus and an even larger number will be treated with D. D. T. Typhoid fever is also a very serious problem.

One of the essential tasks was to provide hospital and medical supplies as a large part of hospital facilities including medical literature has been destroyed or taken away by the Germans.

All the good work of malaria control during the interwar period has been undone and a great deal of work will be necessary to get it under control. Tuberculosis, always rampant in Yugoslavia where at least 12 percent of deaths before the war were due to this disease, has greatly increased. The tuberculosis rate has increased in Belgrade by more than 50 percent. Nutritional deficiency diseases such as rickets have greatly spread and can be combated only by increasing the supply of protective foods.

Special health problems arise, of course, from large numbers of wounded and maimed during the war and from spread of diseases directly related to the sufferings during the time of war, such as rheumatic fever, etc.

C. Clothing. Prior to the war Yugoslavia used to consume roughly 50,000 tons of textiles and textile raw materials of which 40,000 tons were imported. Imports ceased early in 1941. The sheep herds which used to give about 8,000<sup>000</sup> of scoured wool were cut in half. A great deal of clothing, especially household textiles like sheets, blankets, etc., has been plundered by the occupying forces. Some of the best textile mills, especially in Slovenia, have been converted by the Germans to production of airplane parts or to airplane repair shops, others have been sabotaged or destroyed. Similar conditions prevail regarding footwear.

The clothing and footwear situation in Yugoslavia was best shown by the fact that toward the end of 1944 a deficiency coefficient of 70-80 percent was assumed and that in all early requirements the Yugoslav authorities assigned the highest priority to clothing and footwear.

D. Housing. The Yugoslav estimate that about 300,000 to 500,000 homes or one seventh to one fifth of all homes have been destroyed and up to one million damaged. The reason for such destruction was the nature of guerrilla warfare in Yugoslavia and large scale atrocities perpetrated by the occupying armies and the domestic quisling forces. Scorched earth tactics were supposed to deprive the guerrillas of the economic basis of their resistance. Actually whole areas of Yugoslavia have been laid waste, such as southern Croatia, eastern Bosnia, Montenegro, parts of Dalmatia, Slovenia etc. Damage was great also in such cities like Belgrade, Nish, Brod, inflicted mostly by the Allied air forces because these cities were important communication centers for the enemy. To help with the housing program, aggravated greatly by the huge displacement of population, machinery for lumber industry, means of transportation and glass are needed. Still approximately 100,000 people will be homeless during the next winter exposed to epidemics and suffering.



E. Agricultural Rehabilitation. To help people get on their feet and to reduce the imports of food at a later date, rehabilitation of agriculture is essential. The greatest loss in agriculture in Yugoslavia was in draft power. The number of tractors in operation was reduced from about 1,800 before the war to about 1,200 at the time of liberation, the number of horses from 1,270,000 to 450,000 (by 65 percent) and the number of cattle from 4,200,000 to about 1,800,000 (by 56 percent). Fast help could be given only by large imports of tractors, tractor plows, tractor repair shops, various agricultural machinery, implements, fertilizers and seeds, as most of the inventory was either destroyed or worn out.

One of the reasons for large requirements of animal foodstuffs is the natural policy of the government to kill only a small number of animals, especially cattle, to replenish the herds, which is an essential prerequisite of rehabilitation of agriculture in general.

F. Industrial Rehabilitation. No complete surveys are available on destruction of the Yugoslav industry during the war. It was completely in German hands and only those branches that contributed to their own effort were kept in operation as far as raw materials and labor permitted. Many plants have been sabotaged by guerrillas, other converted to production of war materials (e.g. textile plants for airplane repair), and many dismantled. At the time of withdrawing, the Germans sabotaged most of the plants still in operation.

Coal production which is essential for all rehabilitation work has fallen by 60-70 percent in relation to prewar years. Greatest needs are for transmission belting, motors and bearings, as these are the items which were most sabotaged and without which no plants can operate.

G. Transport. For about four years the communication system of Yugoslavia has been a target of the enemy, of the guerrillas, and in the last year of war, also of the Allied Air Forces. It has been destroyed more thoroughly than in any other country in Europe. Perhaps more than 60 percent of all railway rolling stock has been destroyed and the remainder cannot operate efficiently because of breaks in lines, makeshift bridges, lack of repair facilities, etc. Harbor installations and coastal shipping have also been greatly damaged. Of more than 18,000 motor vehicles before the war, ~~there are now~~ about 1500 in *very left* operation.

Provision of transport is thus as essential a point in the relief program of Yugoslavia as provision of food, clothing and

medical supplies. The essential need is thus for trucks and materials to service them, including oil, road repair material, *etc.* material for harbor clearance and operation, and ships for coastal traffic. To insure delivery of medical and food supplies in the case of emergencies to isolated areas some airplanes are also necessary.



1 June, 1945

YUGOSLAVIA

file 37

Pre-War Conditions

Yugoslavia<sup>1/</sup> belongs to the group of southeastern European countries whose economy is characterized by peasant agriculture and a low development of industry, transportation and finance. According to the census of 1931 Yugoslavia had a population of 13.9 million and its estimated population at the time of the Axis invasion in April 1941 was 16 million. Of its 6,682,615 gainfully employed in 1931, 5,098,888 (76.3 percent) were employed in agriculture, forestry, or fishing. Industry and handicraft employed 717,002 (10.7 percent); trade banks, and transportation 272,349 (4.1 percent); civil service, armed forces and liberal professions 305,770 (4.6 percent); and all other professions 286,606 (4.3 percent). The population increase since 1931 was mostly absorbed by agriculture, although the number employed in industry and trade also increased.

Agriculture

Agriculturally, Yugoslavia can be divided into two main parts: the plains in the northern and northeastern sections along the Danube and its tributaries, and the mountainous regions which comprise the rest of the country. Of the total area of 24.75 million hectares, only 14.55 million hectares were in 1938 utilized agriculturally. Of this, 56% was under

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<sup>1/</sup> Administratively the country between 1929 and 1941 was divided into ten large administrative units, nine banovinas (Drava, Drina, Dunav, Morava, Primorje, Sava, Vardar, Vrbas and Zeta), and the Prefecture of Belgrade.

crops, the remainder comprising grazing land, marshes, etc. Due to geographical conditions arable land is extremely unequally distributed. In banovina Dunav, 85 percent of the total area was under cultivation as compared to only 27 percent in vanovina Primorje and 24 percent in banovina Zeta. Food surpluses in general existed only in banovina Dunav, some of the other banovinas were more or less self-sufficient, while still others, primarily banovinas Primorje and Zeta were deficit regions, even in years of best crops, largely dependent upon outside supplies.

About 2/3 of farms in Yugoslavia was of the purely subsistence type, namely, below 5 hectares. Production in this sector of agriculture was limited by small holdings, primitive working techniques, distance from market, and other disadvantageous factors. Actually a large part of these farms did not produce enough food to cover family requirements. The marketable surpluses, consisting of wheat and corn, hops, fruits, tobacco, hemp, hogs, etc., came from the northeastern and northern parts of the country and exclusively from larger farms.

Due to unfavorable soil conditions and primitive working techniques in most parts of the country, the average yield of crops such as wheat, corn and potatoes was approximately half of that in the central and western European countries. Between 1934 and 1938 the average yield of wheat per hectare



in Yugoslavia was 11.4, barley 9.6, rye 8.2, corn 17.6 and potatoes 62.0 quintals (100 kilos).

The average production of animal foodstuffs per animal, such as milk and meat, is also much lower than in the central and western European countries.

The country suffered from serious agrarian overpopulation. There were too many people per unit of farming land so that, on the one hand, the existing labor force could not be utilized fully, and, on the other hand, too many consumers prevented the saving necessary for the improvement of production techniques.

As a result of all these factors the nutrition of the broad masses of the Yugoslav population was based on cereals. The daily per capita caloric intake was on the average 3,000 - 3,200 calories but more than 80 percent of it was derived from cereals, primarily from corn which is the basic staple food of broad masses. The consumption of protective foods, meat, milk, fats, vegetables, and of such items as sugar, was very low. Combined with other factors, such as bad housing, poor sanitation, etc., bad nutrition was responsible for a generally poor state of health of the Yugoslav people. Infant mortality was about 140 per 1,000 and thus among the highest in Europe. Tuberculosis was widespread.

During the period 1936-1938 Yugoslavia produced 8,586,000 tons of cereals (of which 5 million tons was corn); about 148,000 tons of dried vegetables; about 600,000 tons of fresh

vegetables; 21,000 tons of edible oil; 1,257,000 tons of fruits, including 640,000 tons of grapes for wine production; and 1.6 million tons of potatoes. In the period 1934-38 it produced an estimated 300,000 tons of meat, 100,000 of lard, 1.8 million tons of liquid milk, and about 35,000 of eggs.

Yugoslavia exported in the 1936-38 period 687,000 tons of cereals and some fruits, especially dried prunes. It also exported considerable amounts of animal products, primarily fat hogs and eggs.

But all these agricultural exports were not the expression of true surplus conditions over and above the satisfactory food requirements of the country, but rather an expression of low purchasing power of the people - these exports were properly called "hunger exports".

### Industry

Two major types of industry were relatively advanced in Yugoslavia before the war: the extractive industries such as lumber and mining, working primarily or exclusively for export; and industries having a large and protected domestic market, such as textiles and shoes. The latter were primarily located in the banovinas Drava, Sava, Dunav and Morava. There was a scattering of almost all types of other, generally small, industrial enterprises which could produce for the domestic market, processing food, timber, and producing various chemicals, etc. Industry was largely controlled by foreign capital, primarily French, British, and Czechoslovakian, but many other countries, among them the United States,



had important investments in Yugoslavia. There are, however, no official statistical data on the Yugoslav industrial capacity or industrial production.

In 1938 Yugoslavia produced 5,700,000 tons of coal, but of this only 450,000 tons was bituminous, so that the country had to import all coal for its metallurgical needs (470,000 tons in 1938). It also produced 883,000 tons of lead and zinc ore, 762,000 of copper ore, 807,000 of iron ore, 406,000 of bauxite, 58,000 of chrome ore and small quantities of other ores. Yugoslavia is the second largest producer of copper in Europe. Most of these ores were exported either as ore or as concentrates.

Yugoslavia had to import all its petroleum requirements (166,000 tons in 1938). In 1937 the country produced 912 million kilowatt hours of electric energy, but only a small part of its potential hydro-electric resources has been utilized.

Yugoslavia did not possess a heavy industry in the true sense of the word although considerable progress was made in the steel production during the 1930's. Thus this country was dependent on imports of capital goods and transportation equipment, while it exported foods, tobacco and hemp, and products of extractive industries.

#### Transportation

One of the chief factors in the economic backwardness of Yugoslavia was the lack of adequate communications.

There were approximately 10,000 kilometers of railway track, - about 7,000 standard gauge and 3,000 narrow gauge. The railways were government owned and operated. The highway system, in all about 40,000 kilometers, was inadequate and truck transportation negligible. In 1938, there were only 13,500 passenger cars and 5,200 trucks and buses. There was a considerable amount of river shipping, especially for traffic in grains on the Danube and its tributaries. Coastal traffic on the Adriatic consisted of small steamers, motor and sail boats.

War-Time Developments

The war has caused a relatively greater loss of life and economic destruction and dislocation in Yugoslavia than in any other country in Europe, with the possible exception of Poland and the Ukraine in Soviet Russia. This was caused by the following facts: (1) that the country was split into seven different parts among the Axis, Axis-satellites and domestic puppet governments, (2) that Axis proceeded to subjugate and destroy the country in a most ruthless way, and (3) that the peoples of Yugoslavia organized in the National Liberation Movement and the National Army of Liberation, never ceased to oppose the invader and the domestic quislings without regard to the costs in blood, suffering and material resources.

Population. No exact data exist on the loss of people in Yugoslavia due to the war, but the estimates run between 1,500,000 and 2,300,000, which would compare with a loss of



12 to 18 million people for the United States. In certain areas, such as Southern Croatia, Eastern Bosnia, and Montenegro, 30 to 50 percent of the people have been lost. War also caused great shifts in population. About 600,000 people have been displaced abroad, primarily in Germany and approximately 1.5 million are displaced internally. It is estimated that 500,000 children are orphaned and homeless.

The loss in population, especially those of the working age, and their replacement is causing great labor shortage impeding in this way the progress of rehabilitation work, especially in agriculture.

Housing. Due to the systematic pillage and burning of villages in the course of reprisals for resistance, as well as due to ceaseless guerrilla warfare, certain areas of Yugoslavia are completely devastated, especially the above mentioned areas of Southern Croatia, Eastern Bosnia and Montenegro. It is estimated that more than 300,000 houses, or approximately 1/7 of all houses in Yugoslavia have been destroyed.

Health. Prior to the war Yugoslavia had a most advanced system of public health and made great strides in the reduction of disease and in the general field of preventive medicine. Widespread starvation, lack of clothing and shoes, lack of housing, lack of medical supplies which were formerly imported, and constant exposure and hardships have wiped out all the progress in public health made in the preceding 20 years, and led to an alarming spread of tuberculosis, malaria,

rheumatic fever, scabies, deficiency diseases, etc. Typhus epidemics, which occurred during the war years including last winter, however, never were out of control.

Clothing and Footwear. Although Yugoslavia produced before the war about 15 million kilograms of unwashed wool, only part of it was useable for clothing purposes. In 1938 it imported 46,000 tons of fabrics, yarn and textile raw materials. Due to the lack of imports during the past five years, reduction in sheep herds and plunder by the Axis of the current wool production and existing clothing and household textile reserves, the deficiency in clothing and footwear in Yugoslavia was estimated during the last fall by the Allied observers at about 70 percent. In all their relief requests, the Yugoslavs put the highest priority on clothing and footwear.

Agriculture and Food. During the war the Germans occupied and exploited exclusively for their own use all food surplus producing areas and "blockaded" the food deficient portions of the country. They also systematically plundered and destroyed livestock and food in all areas which they controlled at one time or another. The result was starvation and loss of agricultural resources. There are no exact data but it is estimated that the loss of horses has been between 70-80 percent, of cattle 50-70 percent, hogs and sheep about 50-60 percent. Agricultural machinery,



Yugoslavia

implements, fuel, fertilizers and pesticides are also lacking. Due to these shortages in addition to the shortage of manpower and transportation, and due to the fact that fighting went on in the northern and western part of Yugoslavia until a few weeks ago, Yugoslavia was probably not able to plant to crops but 30-40 percent of its pre-war crop area.

Although in about two years Yugoslavia may succeed -- provided ample aid from outside -- to produce enough bread grains to feed its people, it may take 6-10 years to replenish its livestock and to come to the pre-war level of food production.

Industry. The wartime development of industry in Yugoslavia was affected by the following factors: As far as supplies of raw materials allowed the Axis kept going the industry working for its war machine. The production of civilian consumer goods practically ceased. In some branches, Germany tried to increase production to cover its acute shortages, e.g., in copper, chrome, antimony, and oil. Several bottlenecks developed in addition to lack of raw materials, such as in fuel and lubricating oil, belting, manpower, and above all in transport. In areas which the Germans considered safe from Allied bombing, such as in northwestern parts of the country (Slovenia), many former textile mills were converted to the production of airplane parts.

On the other hand, the chief economic-warfare objective

of the National Army of Liberation was to prevent the utilization of the Yugoslav economic resources by the Axis, and for that reason it engaged in large scale sabotage of industrial plants and transportation facilities.

Allied bombing also contributed to the loss of the Yugoslav industrial capacity.

Finally, before being forced to withdraw, the Germans practiced a scorched earth tactics which eliminated a considerable portion of the remaining industrial facilities.

The Yugoslav industry at present is in a prostrate situation. A large portion of the producing facilities is destroyed. What remains lacks raw materials, coal, lubricants, belting, and in many instances skilled labor. Above all the activity of the existing industrial facilities cannot be coordinated as practically all transport is destroyed.

Without great help from outside in capital goods, credit, and often of special technicians, the Yugoslav industry will not be able to get on its feet for years. Needless to say, most of these production factors will have to come from the United States.

Transport. Literally speaking, a veritable race in destruction of the Yugoslav railways - the backbone of the Yugoslav transportation system - went on for years between the National Army of Liberation, the Germans, and in the past year also the Allied Air Forces. The result was a



*file*  
*37*

SECRET AND CONFIDENTIAL MATERIAL AVAILABLE IN CENTRAL REGISTRY

(Mrs. Deignan, Room 323 has the control cards but the material is obtained from Mrs. Morse, Room 211)

- No. 98 1. Field Memorandum 192 - 16 March 1945 (Prepared in Bari, 3 February 1945): BULGARIA AS A POTENTIAL SOURCE OF SUPPLY FOR EUROPEAN CIVILIAN FOOD RELIEF.

This memorandum reviews the pre-war and wartime state of Bulgarian agricultural production and on the basis of this production and probable requisition by Russia and quantities made available to the Yugoslavs. It estimates also the amounts of foods available after the 1945 harvest. Regarding food quantities available for Yugoslavia it states that they could not be moved from the Bulgarian frontier due to lack of transportation.

- No. 99 2. Field Memorandum 127 - 20 January 1945 (Prepared in Bari 30 December 1944): ECONOMIC SITUATION IN LIBERATED BELGRADE.

It deals with the following items: economics, money and finance, transportation, manufacturing. It contains some interesting data on chemical factories, leather works, shoe factories and power stations in Belgrade.

- No. 100 3. Field Memorandum 175 - 22 February 1945 (Prepared in Bari, 2 February 1945): ORGANIZATION OF LABOR IN YUGOSLAVIA

It gives a review of the establishment of the United Labor Syndicates of Yugoslavia, the new labor union organization. It gives data on personnel and the aims of the new organization, also some information on the wage policies of new Yugoslavia.

- No. 101 4. Field Memorandum 163 - 19 February 1945 (Prepared in Bari 25 January 1945): THE MINING SITUATION IN LIBERATED SERBIA

It gives a review of the coal mines of Serbia and their production in the first few months of the liberation. It contains also short notes on Molybdenum, Antimony, Copper, Gold, Lead and Zinc.

- No. 104 5. Field Memorandum 133 - 2 February 1945 (Prepared in Belgrade December 31, 1944): RECENT AND CONTEMPLATED CHANGES IN YUGOSLAV ECONOMIC ADMINISTRATION

Out of date due to the establishment of the United Government of Federative Democratic Yugoslavia.

- No. 105 6. Field Memorandum 157 - 14 February 1945 (Prepared in Bari, 25 January 1945): THE STATUS OF MINES AND INDUSTRIES IN SLOVENIA.

Contains no new information in addition to what is available in the weekly reports of ML Yugoslavia.

No. 106

7. Field Memorandum 115 - 6 January 1945 (Prepared in Belgrade  
20 December 1944); LIBERATED BELGRADE.

Contains a review of the pre-liberated political conditions in  
Belgrade and the reaction of the Belgrade population to the  
Partisan regime and various of its measures, especially  
mobilization.



## UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

TELEGRAPHIC ADDRESS  
UNRRA-CAIROTELEPHONES:  
47816-41317

*File*

Military Liaison Hq (Jugoslavia)  
APO 512, c/o Postmaster  
New York, New York  
7 February 1945

*21*

*not attached*

*A Do - Rm 3 v3*

Mr. Joel Gordon, Chief YS Branch  
Bureau of Areas  
1344 Connecticut Avenue  
Washington, D. C.

Dear Joel:

Will you please get in touch with Dave Weintraub or Ed Fitzgerald and try to get from them copies of the National Research Project Studies on cement, lumber, beet sugar, coal mining and industrial research. I would very much like to have these studies and will appreciate it if you can send them to me at the earliest possible opportunity.

Dr. Bicanic was here last night on his way to Belgrade and told me about the good work you have been doing while he was in Washington.

We still have not received anything from Washington, such as handbooks, procedures, lists of available materials and similar items.

Sincerely yours

*George*

GEORGE PERAZICH  
Director of IR (JS)

GP:gb

Letter of 11 April, 1945 re: USE OF \$1.00 BILLS FOR  
EXCHANGE PURPOSES FOR MISSION STAFF NEEDS - to be followed  
up with Soholowski and Gill

It provides for cashing personal cheques at the rate of  
3,500 dinar to the dollar, to be reviewed when free market  
varies by more than 250 dinars up or down.

Following distribution by grades:

Up to and including Grade 7	- \$55.00 per month
Grades 8, 9 and 10	\$75.00 per month
Grade 11 and over	\$100.00 per month



COPY FOR FILES

OCCUPATIONS CURRENCIES TO BE WITHDRAWN FROM CURRENCY

C-11

New Yugoslav Telegraph Agency, April 19: "Today's OFFICIAL GAZETTE published the decision of the Presidency of AVNOJ on the withdrawal from circulation of occupation currency. Yugoslav territory was divided into 7 different states in which upon the liberation of Yugoslavia 7 different countries in addition to Reichskreditkasa notes were found. This state of affairs hindered the economic development and caused confusion. The new Yugoslav currency will officially be named the dinar of democratic, federal Yugoslavia.

"The exchange will be at the following rates: 100 Serbian dinars for 5 Yugoslav dinars; 100 Croatian kunas for 2½ Yugoslav dinars; 100 Bulgarian levas for 10 Yugoslav dinars; 100 Albanian francs for 250 Yugoslav dinars; 100 Albanian liras for 50 Yugoslav dinars; 100 Italian lire for 30 Yugoslav dinars; 100 Hungarian pengoes for 100 Yugoslav dinars.

"For all obligations and debts contracted during the war the same rate of exchange applies, while the obligations contracted up to April 18, 1941 a moratorium has been declared with the stipulation that these obligations will be regulated subsequently by a special decree.

"On the Serb territory there were in circulation 35 billion Serbian dinars while on Great territory up to January of this year there were approximately 120 billion kunas in circulation.

"The maximum amount to be received in new dinars will be 5,000 and for any amount exceeding this sum a receipt will be given to be regulated within 3 months."

27 File

BLAGOJEVIĆ ON WITHDRAWAL OF OCCUPATION CURRENCY

G.26 Tanjug (in English) 19.4.45 (12.37).

In connection with the law on the withdrawal from circulation of Occupation currencies (see yesterday's Digest 1739, C38) the Deputy Minister of Finance, Dr. Obren Blagojević, made a statement to Politika. He emphasised that the circulation of the new dinar would be much less than it was before the war. "Such a radical solution," he said, "will have important results and will bring about a series of measures for solving various problems in connection with currency exchange. One of the most significant is the fall of prices. To this end the State will introduce most rigorous measures and will be merciless towards all who attempt to benefit by the new situation. Everybody who works will be enabled to earn decent wages and salaries. Receipts given for amounts of old currencies exceeding 5,000 new dinars will be liquidated as soon as possible. The Government will introduce measures lowering the prices of foodstuffs and diminishing all State taxes and traffic tariffs. All claims and deposits will be registered and, after inquiry into them, corresponding measures will be brought in whereby pre-war depositors will be protected. This law will primarily take into consideration economically weaker members of the community. Unification of the currency is a big step towards the construction of the new Yugoslavia."



*Yugoslavia*  
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UNITED NATIONS  
RELIEF AND REHABILITATION ADMINISTRATION

1344 CONNECTICUT AVENUE  
WASHINGTON 25, D. C.

15 August 1944

TO: Mr. Gordon, Room 320  
FROM: Mary Charles Cole, Room 331 *M.C. Cole*

We have obtained the following reports of Yugoslavia for Mr. Henson. So far as I know, they are not in your file but I was unable to get a second copy from FEA.

EP-86	The Economy of Yugoslavia and its Contribution to the Axis	<i>4 (Lachmann)</i>
EP-110	Inventory of Yugoslavia's Industrial and Mineral Enterprises	<i>11</i>
RR-157	Principal Mineral and Metal Resources of Yugoslavia.	<i>— WC Wright</i>

*800 Yugoslavia*  
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UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

20 May 1944

TO: George Xanthaky  
FROM: George Perazich *GP*  
SUBJECT: Information Desired from Cairo and London

As you suggested in our last staff meeting, I am listing below the type of information which is desired from Cairo and London.

1. Periodical reports and the nature of planning activities for Yugoslavia. We should know who is doing the planning work and what specific phases are being covered. Perhaps an outline of the program under way should be sent to us in order that we might be able to review it and offer assistance.
2. Regular intelligence reports (perhaps weekly) on the situation in Yugoslavia. Yugoslav Government sources should be frequently consulted for up to date information on economic and social problems. From those refugees that have recently escaped from Yugoslavia similar information could be obtained and the summary of different interviews transmitted to us. This gathering of intelligence information should, however, be done systematically and, if possible, one or more people should be assigned specifically to do such work.

Consistent with military security, the Cairo and London Mission people should also endeavor to obtain information from military personnel. When returning from Yugoslavia such military people might have reports and other information that would be extremely useful to us, and every effort should be made to secure it.

3. I am informed that a Yugoslav Office of Economic Research has been established at Bari, Italy, which might be another source of valuable information. I would recommend that our Cairo Mission establish regular contacts with this Office and send us whatever information they might obtain.



CONFIDENTIAL

37

5 April 1944

To: Mr. S.A. Rosenberg

From: Cicely A. Ryshpan

Subject: Attached reports from the Office of Strategic Services

The attached are copies of R & A No. 1366, "Handbook of Yugoslav Population Statistics" and R & A No. 998, "Survey of Yugoslav Relief Agencies", which you requested from the Office of Strategic Services.

The Office of Strategic Services has called to my attention the fact that these are classified documents containing information affecting the national defense of the United States within the meaning of the Espionage Act, 50 USC 31 and 32, as amended. Their transmission or the revelation of their contents in any manner to an unauthorized person is prohibited by law. I have assured the Office of Strategic Services that suitable facilities for the protection of these reports are available in your office and that the documents will be protected as required.

CAR:RG

The above received by:

*In the Rosenberg*  
*G. N. Peruzzi*

April 6, 1944

Good - Yugoslavians  
37

SUMMARY OF UNRRA AGREEMENT AND RESOLUTIONS

I. ORGANIZATION

A. Council

- (1) The policy making body
- (2) Each member government shall name 1 representative
- (3) Vote by majority
- (4) Meet not less than twice a year

B. Central Committee

- (1) Composition: China, U.K., U.S., Soviet Union
- (2) Powers: May make policy decisions of an emergency nature between Council sessions subject to reconsideration by Council

C. Committee on Supplies

- (1) Composition: Member governments who are likely to be principal suppliers, appointed by Council: U.K., U.S., S.U., China, French Committee, Australia, New Zealand, Belgium, Netherlands, Canada and Brazil
- (2) Powers: To formulate and recommend to Council and Central Committee policies to assure provision of required supplies.
- (3) Central Committee shall meet with Committee on Supply from time to time re policy on supplies.

D. Committee on Financial Control

To review budgets and financial reports.

E. Committee of Council for Europe

- (1) Composition: European members, Brazil, Canada and U. S. (Replaces Inter-Allied Committee of Europe for Post War Relief)
- (2) Powers: Recommend to Council and Central Committee policies with respect to Europe.

F. Committee of Council for Far East

- (1) Composition: Australia, China, French Committee, India, Netherlands, New Zealand, Phillipines, U.K. and U. S.
- (2) Powers: See E above



G. Technical Committees

Agriculture, Displaced Persons, Health, Industrial Rehabilitation, Welfare

Functions:

- (1) To advise Council, Central Committee and Director General as to nature and scope of problems
- (2) Periodically review programs
- (3) Formulate proposals on technical policies
- (4) Appoint sub-committees to advise Committees on Europe and Far East.

II. RANGE OF SERVICES

- A. Relief supplies: Essential consumer goods to meet immediate needs, such as food, fuel, clothing, shelter, medical supplies.
- B. Relief services: Such as health and welfare; assistance in caring for and maintaining records of persons who have been displaced and securing their repatriation.
- C. Rehabilitation supplies and services: Materials (such as seeds, fertilizers, raw materials, fishing equipment, machinery and spare parts) needed to enable country to produce and transport relief supplies for its own and other liberated areas and such technical services as may be necessary for these purposes.
- D. Rehabilitation of public utilities and services: So far as they can be repaired or restored to meet immediate needs, such as light, water, sanitation, power, transport, temporary storage, communications and assistance in procuring equipment for rehabilitation of educational institutions.

III. AREAS OF OPERATION AND RELATION TO OTHER AGENCIES

A. Areas in which Administration will operate

- (1) Administration shall not undertake activities in any area while hostilities or other military necessities exist without consent of military command and subject to such necessary control. Determination of military necessity to be made by military commander. (Source: Agreement)

- (2) Area and kind of operation to be determined by Director General only after consultation and consent of Government within area.
- (3) May operate in enemy or ex-enemy territory only with approval of Council and provided all expenses carried by enemy or ex-enemy country. The Director General will consult with military to secure information on surpluses of supplies in such areas from which relief and rehabilitation requirements of liberated areas might be met.

#### B. Relation to military

- (1) Before liberation, Administration will on request of military:
  - a. Consult on planning of supplies during military period
  - b. Arrange for advance procurement of supplies to supplement military supplies
- (2) During military control, Administration will on request of military:
  - a. Arrange for procurement of supplemental supplies
  - b. Furnish personnel and advice on conservation and utilization of stocks and productive resources
  - c. Assist on displaced persons
  - d. Undertake other relief and rehabilitation activities
  - e. Assume responsibility in whole or in part for such activities
- (3) Transition from military to civilian relief operations to be consummated at earliest date military considerations permit (now thought of as six months).

#### C. Relation to voluntary agencies

- (1) Foreign voluntary relief agencies may not engage in activity in any area receiving relief from the Administration without the consent and unless subject to the regulation of the Director General.
- (2) The Administration shall enlist the cooperation and seek participation of appropriate voluntary relief agencies.

### IV. PROCUREMENT, DISTRIBUTION AND FINANCING OF SUPPLIES

#### A. Procurement

- (1) It will be the function of the Administration to secure fair distribution of goods short in supply and of shipping services. Therefore, it must have full knowledge of all relief



and rehabilitation import requirements whatever arrangements are for procurement and finance; member governments shall keep Administration fully informed.

- (2) Director General may present to intergovernmental allocating agencies recommendations to obtain fair distribution; he will also present before them overall requirements for relief and rehabilitation of all areas to permit global consideration; he will also present particular requirements of individual countries requesting aid; he will take into account degree of urgency and extent of damage suffered.
- (3) To expedite procurement and distribution; Director General will make use of established national agencies for procurement, handling, storage and transport of supplies.
- (4) Relief and rehabilitation supplies not to be subject to taxation by export taxes.
- (5) Procedure for ascertaining and meeting deficits in supplies requiring importation:
  - a. Council will determine policies on basis of overall estimates of requirements.
  - b. Director General to compute requirements pursuant to bases and policies of Council.

#### B. Distribution

- (1) In general, responsibility for distribution should be borne by the Government in the area (p. 34).
- (2) Prices should be set at levels to facilitate flow of supplies into proper hands and to avoid maladjustments in price structure.
- (3) Distribution should take place under effective rationing and price controls; suppression of black markets should be enforced vigorously.
- (4) The Government in the area should insure that remuneration earned by private traders is more than fair and reasonable.
- (5) Use should be made to maximum extent of "normal" agencies of distribution (Governmental, commercial, cooperative) to combat inflation and restore normal economic activity except that adequate control of distribution of supplies to appropriate consumers shall be insured.

- (6) Administration when working for military should make fullest use of local authorities and local organizations.
- (7) Administration shall on request of national authority render direct assistance on internal distribution.
- (8) Director General should be kept fully informed concerning distribution.

C. Financial Plan

- (1) Annual administrative budget for calendar year and any necessary supplements. Expenses of Administration in area to be borne by Government of area and paid in local currency derived from sales of supplies.
- (2) Program of operations to be submitted to Council.
- (3) Each country which has not been occupied by enemy to contribute "approximately equivalent to one percent of the national income of the country" for year ended June 30, 1943; amount subject to demands for continuance of war or excessive burden.
  - a. Not less than 10% of above in form of currency expendable outside country; balance in form of credit in local currency available for purchase of contributing country's supplies and services.
  - b. Administration shall not deplete its available resources for relief of any area whose Government is in a position to pay with suitable means of foreign exchange. This determination to be made by Director General on advice of Council Committee; to be taken into account are:
    - 1. Applicant's foreign exchange assets
    - 2. Sources of foreign exchange
    - 3. Need for foreign exchange for other purposes
    - 4. Country not to assume an "enduring" foreign exchange debt for procurement of relief.
  - c. Governments unable to pay in suitable means of foreign exchange to make available to Administration in whole or in part local currency proceeds from sale of supplies furnished by Administration and such local currency to be used for relief and "such other purposes as may be agreed upon with the Government".
  - d. No distribution of gold or convertible currency resources to be made by Administration except for purchases of essential supplies and services.



V. DETAILED POLICIES ON EACH SERVICE (Excluding general supply and distribution)

A. Agricultural Rehabilitation

- (1) For first crop year after liberation in area, priority to be given to production of food for direct human consumption.
- (2) Administration shall assist governments immediately to take necessary steps in providing supplies and services to enable farmers to sow and harvest essential crops during first crop year, to maintain dairy herds and rehabilitate farms for immediate food production, to assist in restoring necessary processing facilities; providing for early expansion of fisheries and whaling industry; reinstating agricultural labor needed; reestablishing experimental stations and essential agricultural institutions and services in making necessary surveys.
- (3) Administration shall integrate its program with long-run program of United Nations Organisation for Food and Agriculture.
- (4) Priority shall be given to agriculture and fishing requirements which will bring earliest and largest return of crops and fish for direct human consumption.

B. Rehabilitation of Industry, Transport and Other Services Essential to Relief

- (1) Rehabilitation supplies to consist of materials (raw, machinery and spare parts) to enable country to produce and transport relief supplies; rehabilitation of public utilities and services to meet basic needs, such as light and water, power, transportation and communication.
- (2) Raw materials to be supplied by:
  - a. liberated countries
  - b. other liberated countries
  - c. other countries

Administration to rehabilitate raw material producing industries, such as coal mines, construction material industries, etc., in situations (a) and (b) above.

- (3) Administration to arrange for allocation and procurement of supplies to be imported so that reserves may be available.

- (4) Pools of materials, such as machine tools, mobile power units, maintenance equipment, industrial machinery, etc., to be created.
- (5) Administration to help countries whose industries can be rehabilitated for production of relief and rehabilitation goods required in other liberated areas; to this end, special allocations to be made of raw materials and machinery, make experienced staff available and special priorities to skilled personnel to be repatriated.
- (6) Governments to keep Administration informed of surpluses available for relief elsewhere.
- (7) Administration to assist in restoring transport and communication system, including repair shops, workshops, shipyards, etc. Pool of transportation equipment to be created, including former equipment of enemy.
- (8) Priorities to be established for raw materials, machinery, parts, and processing materials in each country taking into account:
  - a. Technical factors
  - b. Social factors - e.g. reemployment
  - c. Temporary economic factors - scarcities.
- (9) Rehabilitation co-terminous with relief - no new construction but only rehabilitation; Administration will not undertake to restore continuous employment.
- (10) No general rebuilding policy on shelter; priority to hospitals and schools; habitations for homeless persons (especially workers in essential public services, high priority industries, farmers and agricultural workers).
- (11) Construction tools, such as hand tools, building supplies and equipment, including excavating equipment to be supplied.
- (12) Shelter for displaced persons:
  - a. Temporary accommodations at collecting points
  - b. More permanent although temporary accommodations for persons whose home destroyed or in enemy occupied country - wherever possible existing buildings, camps, barracks and other buildings to be used.
- (13) No large scale permanent reconstruction of holdings and rebuilding of farm houses; camp accommodations for farmers and agricultural workers.



- (14) Where scorched earth, although priority to housing repairs, accommodation or shelter for workers in food processing industries to be provided.

C. Health and Medical Care

- (1) Governments should cooperate with Administration in establishing arrangements for notification of diseases likely to become epidemic, uniformity in quarantine regulations.
- (2) Governments on request of Administration to facilitate assignment of their nationals for training in newer aspects of medical and sanitary sciences in countries where available.

D. Welfare

- (1) Administration should make specific provision for welfare services for victims of war, particularly for children, expectant and nursing mothers, aged and disabled.
- (2) Welfare services, in general, should be administered by Government in area.
- (3) Administration should be prepared to administer welfare services directly, in whole or in part, when requested.
- (4) Welfare services should be designed to help people help themselves.

E. Displaced Persons

- (1) Member governments and Director General shall exchange information, including numbers and places of temporary residence of their nationals and presence of nationals of other countries or stateless persons in theirs.
- (2) Question of displaced persons of enemy or ex-enemy nationality intruded into homes from which nationals of United Nations expelled to be considered as separate issue. (See par. 11 & 12 of Sub-Committee of Committee IV)
- (3) Cooperation to be sought of International Red Cross and Intergovernmental Committee on Refugees.

MEMORANDUM

February 4, 1944

*8005  
Yugoslavia*

To: George Xanthaky  
From: George Perazich *GMP*  
Subject: Studies on Yugoslavia

I have examined the various reports that have been prepared by OFRRO and other agencies and am attaching a brief summary of each. It is apparent that nearly all the background material is already available and there is little need for further studies along this line. However, much could be done in preparing an operational plan for the UNRRA mission. The following projects are suggested:

1. Re-evaluation of the relief requirements which have been prepared by OFRRO with special emphasis on the selection of critical areas. Some attempt should be made to estimate the needs for these areas and to establish priorities for supplies and personnel so that human suffering is reduced to a minimum.
2. An attempt should also be made to determine, at least tentatively, the methods of relief distribution. For instance, to what extent cooperatives might be used as distribution centers and what types might be suitable for the UNRRA program. Furthermore it would be desirable to examine some of the newly created organizational forms such as local "odvors" and determine whether these may be suitable as distribution and administrative centers.
3. Another project should be concerned with determining the needs for agricultural rehabilitation. What equipment, seeds and fertilizers will be required? Where are they most likely to be needed? What army equipment might be used for agricultural rehabilitation?
4. A similar program should be worked out for industrial rehabilitation. An effort should be made to determine what industries are likely to need repair and how this could be accomplished. Also, what war equipment that may become available to UNRRA could be used for rehabilitation work.



## REPORTS ON YUGOSLAVIA

### General.

#### 1. Yugoslavia - Office of Strategic Services pp 237, December 1942.

For background on Yugoslavia, this is an extremely valuable document and as source material, it is by far the best that has come to my attention. Several other reports are based largely on material presented here. The report analyzes briefly population trends, social and political conditions of the country, resources such as shipping and port facilities, manufacturing, mining, roads, railroads, public utilities, etc. In addition, there are a series of excellent maps showing the location of mining and manufacturing enterprises as well as ~~photograph of~~ <sup>general information</sup> power transmission lines, telephone and radio broadcasting systems, railroads, roads and highways. There are also nine maps showing the city plans of all larger cities in Yugoslavia.

#### 2. Preliminary Memorandum on Yugoslavia pp 75, Office of Foreign Relief and Rehabilitation Operations, July 1943.

This report gives a general summary of physical characteristics of the country, population, government and politics and economic resources. Most of the material here, however, is based on the report described above and for research purposes, it is of little value. However, this report can be used to good advantage in connection with a training program.

### Special Reports.

#### 1. Relief Requirements for Yugoslavia, Office of Foreign Relief and Rehabilitation Operations, August 1943.

This report contains estimates of food and clothing requirements by regions, develops a basic relief ration, outlines transportation requirements and includes field operation personnel needs. It is the only report that has come to my attention which attempts to develop the relief needs in specific terms. It should prove very valuable in the preparation of an operational plan for the UNRRA work in Yugoslavia.

#### 2. Relief Requirements for Children and Pregnant and Nursing Mothers in Yugoslavia. Children's Bureau, U. S. Department of Labor. p. 67.

This report deals primarily with the problems of relief for mothers and children. It outlines in some detail different methods of the distribution of relief and the organization of medical services, shelter care, etc. The suggestions outlined here should prove very valuable in the preparation of an operational plan for Yugoslavia. One of the very useful parts of the report is a list of institutions, hospitals, (including their capacity) and names and addresses of physicians who were practicing there in 1940.

3. General Report on Agriculture pp 20, Yugoslav Office of Reconstruction and Economic Affairs, New York City. This report gives statistics on agriculture production and exports and should be used in connection with estimating the food requirements.
4. Estimates of Livestock Production pp4. Yugoslav Office of Reconstruction and Economic Affairs, New York City. Gives statistics on livestock.
5. Food Requirements in Yugoslavia pp 11. Yugoslav Office of Reconstruction of Economic Affairs, New York City. Deals in a sketchy form with food habits and requirements, but better information is available elsewhere.
6. Memorandum from Royal Yugoslavia Embassy, pp. 11. Contains statistics on exports and imports of agricultural and livestock products by individual commodities dated September 21, 1943.
7. Memorandum from Royal Yugoslavia Embassy, p. 5, dated August 12, 1943. Contains statistics on agricultural production by commodities.

Civil Affairs Handbooks on Yugoslavia.

1. Public Health and Sanitation pp 56, plus appendix. Gives a fairly detailed account of health and sanitation and incidence of diseases and the methods that have been undertaken for their control and prevention.
2. Industry and Commerce pp 65, contains statistics on industrial production (food, textiles, lumber, chemicals, iron and steel, paper, building materials). Brief discussion of foreign trade is also given. However, much of the statistical material presented in this report can be found in one of the studies mentioned above.
3. Labor.- This report gives a good summary of employment, wages, hours and working conditions. It also deals with trade unions, industrial relations, cooperatives and social insurance.

Reports in Preparation

1. A general report on agriculture is being prepared by Mr. Joze Tomasevich of the Balkan Unit of the Reoccupation Division of FEA.
2. A detailed report on transportation facilities, ports, warehouses, etc. designed to aid those planning the distribution of relief is being prepared by Mr. I. Weissmann, also of the Reoccupation Division of FEA. This report includes several very excellent maps showing the county centers and the best roads and railroads that lead to them.
3. Operational plan for agriculture dealing with requirements for agricultural equipment that will be needed for UNRRA's rehabilitation program. This report was prepared in the Agricultural Division of OFRRO under Mr. Parisius.