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UNRRA REPORTS
JUNE 1946

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION
ITALIAN MISSION

Chief of Mission's Narrative Report for the Month of

June, 1946.

25 JUN 1946

CONTENTS.

This report consists of a brief summary of the Italian Mission's major activities during the month of June, 1946, its most important unsolved problems and targets for the immediate future, plus more detailed reports, statistical data, etc., from the various units of the Mission. The material appears as follows:-

- A. Introduction.
- B. Relationship with the Italian Government.
- C. Relationship with other Agencies.
- D. Supply and Distribution.
- E. Service Provided with UNRRA Resources.
- F. Public Relations.
- G. Organisation and Administration of the Mission.
- H. List of Attachments.

S.M. KEENEY,
Chief of Italian Mission.

Distribution:

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Distribution:

- Allied Commission.
- British Embassy.
- British Embassy.
- Chinese Embassy.
- French Embassy.
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- U.S. Embassy.
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- Washington.

- Albania.
- Austria.
- Cairo.
- Caserta.
- Greece.
- Jugoslavia.
- Italy (All Divisions,
Camps and
Regional Offices).
- Czechoslovakia.
- Germany.

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INTRODUCTION.

1. The mood at the end of June was one of undisguised relief after thirty days of anxiety. On 1 June the grain stocks for the ration were down to ten days' supply, including everything in the mills and bakeries. These stocks were badly distributed and it seemed certain that the level would go much lower. The coal ships were conspicuously absent because of the U.S. strike during May, and the strike of petrol workers in Italy was still threatening not only UNRRA transport, but the whole unloading and distribution program. The elections were to be held on 2 June and the results to be announced only about ten days later. The combination of the crisis in the bread ration and of an election crisis was dynamic. Fortunately there was no big explosion. The end of the month saw the elections held and the outcome accepted. The new harvest was coming in before anybody starved. The trains were still running on the coal that had been saved by rigid allocations. Italy was in a position to tackle her big problems of reconstruction as soon as the Peace Treaty defined the terms under which she would have to work. Except for their emotions about Trieste, the people were calm and even hopeful. Most of them did not even know how near their country had been to disaster.

Elections.

2. The conduct of the election was a great credit to a people who voted for the first time in a quarter of a century. The preparation had been thorough and about 90% of the electorate turned out to vote. The result gave a two million margin for the Republic - a result that was decisive, but which left a very lively minority of ten million voters. The situation was very tense for the first half of the month until the returns were all in and the results approved by the Court. After the King left, interest in the matter rapidly faded out, and the public turned its attention to the popular sport of helping pick a new Government.

Wheat.

3. As foreseen in last month's report, stocks of cereals dropped to a new low point on 10 June, when the entire working stocks fell to 45,000 tons - about one-tenth of what they should be. In the emergency, the Government abandoned any tidy ideas of holding a particular commodity until there was enough for national distribution. The order of the day was to feed anything edible in the provincial warehouses. Even six thousand tons of powdered milk, left from the military program, was tossed into the bread ration, where it helped to make the bread

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4. After what seemed an eternity, 20 June arrived - and there had been relatively few reports of riots even among the hot-blooded Sicilians and Calabrians. Every time the Chief of Mission passed a field of yellowing grain, he acknowledged a thrill he had not known since the old days of the Russian famine.

5. The meeting of this crisis was really a great achievement. This Mission is greatly indebted to everybody at Washington Headquarters and elsewhere who did everything possible to get us the grain, to the countries which supplied the grain and to those which gave up grain for their own supplies in order that Italy might be spared disaster. Special credit is due to the shipping people who handled the incoming supplies with a rapidity new even for them, and to the Italian Government, which

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did an amazingly clever job of making their tiny reserves cover each city before the bread ran out entirely.

Assessing.

6. The Assessing Program has gone exceedingly well. The collection of last year's grain, made under the Emergency Assessing Program during May and June, was disappointing although it finally yielded 41,862 tons, which were worth several times the amount because they were on the spot at the moment they were most needed. The new assessing has been much more successful - in fact the best in four years. By the end of the month 333,956 tons had been turned in, the prospects for further progress were excellent, and grain stocks were more than half-way back to normal. The main factors for the success were:

- (a) The payment of a fair price - about double that of last year;
- (b) A premium of about 25% for early delivery;
- (c) Better Government organization;
- (d) An apparently increased willingness on the part of the farmers to cooperate.

Locust Campaign.

7. This has been proceeding excellently. Final returns are not in, but there is reason to believe that not less than three-fourths of the crop of 200,000 tons in Sardinia has been saved. In order to get the necessary work done quickly, it was essential that the workers be paid promptly. For this purpose an emergency grant of one-half billion lire was made from the Lire Fund.

Coal.

8. The coal imports took a terrific dip in June, but the previous plan of allocations worked excellently. About 130,000 tons had been found in the Ruhr, and although the stocks were low, it was possible to plan for the future now that the American strike was over. In the meantime, of course, industry suffered severely from the lack of coal. Pig iron production is still far behind schedule; the repair of some 40,000 railroad cars needing repair is being held up for lack of coal, and there have been serious delays in the production of brick, tile, and

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Shipping

9. The tonnage handled in June was only 533,000 tons - less than one-half of the April figure of 1,116,000 tons. The total for the second quarter was 307 ships, which brought us 2,450,000 tons. This heavy tonnage was handled with only 23 days' demurrage; at the same time 466 days of dispatch delay were being earned for the early release of ships. Even this small amount of demurrage would have been less except for new regulations, which provide that extra days used in loading a ship are deducted from the time allowed for unloading. This record is one which reflects the greatest credit to our own URSUA shipping people and especially to the Italian staff and workers who actually unloaded the ships.

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The Price and Lire Committees.

10. These two committees had been disappointingly slow in getting under way, but in June both of them did notable work. The Price Committee had an accumulation of emergency decisions, largely concerned with harvesting machinery, seeds, and other seasonal items, which have been largely settled so that the Committee can devote itself to the remaining basic questions of price policy, and can clear the prices of remaining commodities in advance of the arrival of these commodities, thus avoiding delay in distribution.

11. The Lire Fund Control Committee has succeeded in getting really sizeable sums of Lire flowing into the special account. By the end of the month some seven billion Lire were available for re-employment.

Displaced Persons.

12. The month was spent in re-organizing this operation in the light of the decisions made as to eligibility. Surplus staff were released and the eligible displaced persons grouped in thirteen camps.

13. The agreement with the military authorities transferring financial responsibility to UNRRA still hung fire after complete agreement between ASHQ and UNRRA. The signing had to await final approval from the Combined Chiefs of Staff. The prospects were that the agreement would become effective 1 August.

Meeting of Regional Directors.

14. An important three-day meeting was held in Rome, which gave an opportunity for thorough discussion between the regional staffs and Mission Headquarters as to the main jobs ahead. Emphasis was placed on maximum assistance in the collection of grain and on more thorough inspection of the distribution of UNRRA supplies - a problem which grows more acute as the supplies become more varied.

Achievement of Targets for June.

15. Targets for June were reached to the extent shown below:

(a) To complete the massing plan for the new harvest, including the necessary regional organization.

In progress. Excellent results to date.

(b) To complete the anti-locust campaign in Sardinia.

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In progress. Excellent results to date.
- (b) To complete the anti-locust campaign in Sardinia.
In final stages. Results much better than anticipated.
- (c) To expedite the work of the Price Committee.
Now in full swing.
- (d) To get the enlarged textile program under way.
A beginning made but seriously delayed.
- (e) To sign the agreement with SACMED (Supreme Allied Commander Mediterranean Theater of Operations) covering the movement of displaced persons, and to put the service into full operation.

Awaiting final approval from Combined Chiefs of Staff.

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- (f) To formalize the agreement with the Government on the Supply Program for the second semester.
Practically complete.
 - (g) To revise the coal program, taking into account the end of the coal strike in the United States.
Done.
 - (h) To review and improve procedures for expediting distribution of supplies.
In progress - but much more work needed.
16. Targets for July.
- (a) To prepare the necessary reports for the August Council Session.
 - (b) To give maximum assistance to Regions on the Grain Amassing Program.
 - (c) To accelerate work on the Textile Program.
 - (d) To assist in accelerating the CASMS (Comitato Amministrativo Soccorso di Senzototto - Administrative Committee to Aid the Homeless) Building Program for housing homeless Italians.
 - (e) To bring the work of the Price and Live Pural Control Committees up to date.
 - (f) To sign the SACMED Agreement on displaced persons.
 - (g) To review the organization of Relief Services in the light of the HHO study.
 - (h) To improve inspection of distribution of UFRRA supplies.
 - (i) To revise the budget in the light of the Chief of Mission's discussions with FEO and to establish the basis for Fourth Quarter operations.

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- (e) To bring the work of the Price and Lire Fund Control Committees up to date.
- (f) To sign the SACRED Agreement on displaced persons.
- (g) To review the organization of Relief Services in the light of the EEO study.
- (h) To improve inspection of distribution of UNRRA supplies.
- (i) To revise the budget in the light of the Chief of Mission's discussions with EAO and to establish the basis for Fourth Quarter operations.
- (j) To get the maximum amount of automotive transport running and at work on essential projects.

UNRRA's Role in the Italian Economy.

17. With the newly-harvested wheat starting to flow into the granaries, Italy this month was on the way to carrying, for a time, the major part of the burden of providing bread for its people. Stocks in local warehouses, however, had previously been reduced to almost nothing, and not even the rosiest estimates of the 1946/47 crop left any doubt that there would be another deficit next spring to be met by imports. It was for this reason that representatives of the Mission had urged at the Washington supply conferences in May that grain shipments by UNRRA should be continued through the second half of this year. A total of 750,000 metric tons was budgeted for this period in order to meet at least part of the potential deficit.

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15. The new wheat was estimated to be coming into the granaries late in June at the rate of 26,000 tons a day - an equivalent, roughly, of three shiploads. Assessment from the new harvest came to 151,991 tons at 26 June, but by the end of June a total of nearly 400,000 tons had been amassed, as compared with an arrival of UNRRA bread cereals totalling, for the month, only 125,000 tons.
19. Altogether, during June, UNRRA brought in the lowest total tonnages of supplies since February. Coal receipts were down to less than 130,000 tons, hardly more than the indigenous production of about 90,000 tons (including both lignite and roughly 79,000 tons of Sardinian coal). Future prospects were bright, however, with substantial amounts of coal expected once again from the United States, supplemented by the emergency-created flow from the Ruhr and other places.
20. There was a tentative trickle, this month, of coal imported on private account, with the arrival of a shipload of anthracite dust for an Italian firm, and further such shipments were in the offing. One private company requested authorization to import Turkish coal. The exact effect of such shipments with regard to international allocations is not yet apparent.
21. Another potential source of above-UNRRA and post-UNRRA coal was opened up with the conclusion of a revised Italo-Belgian commercial agreement, which provided that Italy would make available up to 50,000 miners for work in the Belgian collieries, in return for which Belgium would export to Italy 3,000,000 tons of coal yearly.
22. Non-UNRRA imports during June increased somewhat over those of the previous month. Over 31,000 tons arrived on Italian Government account, including a shipload of nitrates and one of wheat flour. More than 16,000 tons were privately imported, cotton accounting for about half of the total. All told, of items other than food and fuel, considerably less of the month's imports was provided by UNRRA than by other sources.

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B. RELATIONSHIP WITH THE ITALIAN GOVERNMENT

Supplementary Agreements Negotiated or In Process

23. There is nothing to report under this heading.

General Problems of Relationship

24. The establishment of the republic has not had any noticeable effect on the relations between UNRRA and the Italian Government. It is expected that Avr. Montini will continue as President of the Italian Delegation for Relations with UNRRA, and that the new De Gasperi Cabinet will not differ materially from the old one. The Mission has had most frequent relations with the Ministries of Industry and Commerce and of Foreign Trade, and the High Commissariat for Food. We are particularly interested in the appointment to the Ministry of Industry and Commerce because the former Minister and Under-Secretary played a leading role in the establishment of the controversial Central Industrial Commission, which, among other functions, is responsible for the allocation of UNRRA supplies.

25. The Mission has received and referred to IRO a letter from the Prime Minister expressing his concern over the seizure of a number of Italian fishing boats by the Jugoslav authorities and asking for UNRRA's assistance in the matter.

26. The negotiations between the Polish and Italian Governments regarding the lien placed on the Polish vessel "Batori" by the Italian shipbuilder appear to be progressing favorably. Because the Polish Government has conditioned its sale of coal to the Italian Government, or to UNRRA for Italy, on the lifting of the lien, this Mission has frequently expressed to the Italian Government its interest in an early settlement.

27. The Italian Government has acceded to UNRRA's request for a total exemption from "Diritti di Frontiera" (including customs duties and related fiscal charges) for all UNRRA-imported supplies. The Government had previously maintained that under the Supplementary Agreement customs duties could be charged on UNRRA-imported supplies and that the amounts could be deducted from the gross proceeds of sale.

28. The Ministerial Decree formally establishing the Central Industrial Commission (see paras. 44 and 52, below, and May Monthly Report, H-1, Para 2), was finally published on 6 June. A translation of the Decree is appended as Attachment H-1-f to this report.

29. Two important new UNRRA-Government Joint Committees, the Lire Fund Control and Price Committees, held their first meetings during the month.

30. The main functions of the Lire Fund Control Committee are to keep

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30. The main functions of the Lira Fund Control Committee are to keep an account of the payments made into and disbursements from the Lira Fund, to ascertain distribution costs by commodities, to screen requests for re-employment of the Lira Fund for relief and rehabilitation programs, and to receive monthly reports from the Government as to quantities of supplies transferred to it, quantities sold with the proceeds of such sales, and an accounting for any differences between those two tonnages. This Committee has already recommended the allocation of Lit. 560,050,000 for various relief and rehabilitation projects. Thanks to its action, the Proceeds of Sale Fund, which amounted to less than one billion lire a month ago, is now approximately seven billion lire. For further details on the Committee's activities, see Attachment H-6, Paras. 1-10. The minutes of the first three meetings are appended as Attachments H-1-g, H-1-d, and H-1-e.
31. The chief function of the Price Committee is to make recommendations to the Chief of Mission and the President of the Italian Delegation with regard to the prices of UNRRA-imported supplies. The Government has agreed to accept the prices fixed by the Committee (after notification by the two Chairmen) as final and binding for the Government. This is an important

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development, since it enables the Price Committee to reach final decisions without further reference to other agencies of the Government, which formerly had ultimate responsibility in the establishment of prices.

In its first three meetings the Price Committee has fixed the prices of several types of agricultural machinery, seeds and fertilizers, and has ratified a number of prices previously agreed between the Mission and the Government. For further details see H-6, Para. 12. Minutes of the first two meetings of the Price Committee are appended as Attachments H-1-a and H-1-b.

32. A third Joint Committee, the Displaced Persons Committee, was formed during June, and scheduled its first meeting for 4 July. It will review the developments on displaced persons to date and prepare for the eventual transfer of displaced persons responsibilities from the military authorities to the Italian Government.

C. RELATIONSHIP WITH OTHER AGENCIES

33. A number of amendments have been made to the proposed Agreement between UFERA and SACCEP (Supreme Allied Commander, Mediterranean Theatre of Operations) regarding the transfer to UFERA of responsibility for non-Italian displaced persons. The signing of the Agreement has been further delayed. It is now awaiting final approval by the Combined Chiefs of Staff.

34. The draft Agreement between UFERA and the Congregational Christian Service Committee will be discussed under Voluntary Agency Matters, Para. 76, below.

D. SUPPLY AND DISTRIBUTION.

Requirements.

35. The Italian food crisis has been safely passed. The 200-gram bread ration was cut to 150 grams in Sardinia from 3 to 16 June, and local cuts were made in grain-producing areas in other provinces, particularly in Sicily, but there was no nation-wide reduction. The major factors in averting a bread-farm in the nation were the receipt of about 100,000 tons of imported cereals by 25 June, the speeding-up of unloading from the new harvest, and the intelligent movement of available stocks to cover the day-to-day needs of the population. But pre-harvest stocks in local warehouses had been almost exhausted in May, and even the best possible 1946-47 crop will leave another deficit to be met by imports next spring. The 750,000 metric tons of UFERA grain shipments budgeted for the second half of 1946 will help to meet this deficit. (See Para. 17, above). The Mission is making every effort to assist in the Italian Government's campaign

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36. The resumption of coal shipments from the United States made it possible for the industrial staff to liberalize slightly the allocations to essential industries, and to dip into the emergency stockpile which had been set up against the coal crisis, which in turn permitted advances in iron and steel production. The situation, however, is still problematical. The European Coal Organization Conference in London on 4 June promised Italy 390,000 tons of coal from the Ruhr, South Africa, United Kingdom and United States for July. But there is still formidable competition for the world's scant available coal stocks, which endangers Italy's chances of obtaining the increased supplies of coking quality coals which are so

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- vital to the resuscitation of the iron and steel industries. It is hoped that imported Ruhr coals will have such strong cooking qualities as to permit their adulteration with lower grades from the United States, but of course there are limits to which this can be done.
37. At the Supply Conference in Washington in May, the Italian Mission received a tentative allotment of \$ 127,015,000 for industrial rehabilitation, as well as data on the status of procurement of Italian raw material requirements and tentative approval of a breakdown of procurement for these commodities. In consequence the engineering and power sections of the first and second half year programs for 1946 were reviewed during the month, and the changes incorporated into a revised program of industrial rehabilitation supplies for 1946. (The chemical import program has also been revised.) The report has been approved by the Italian Government and forwarded to Headquarters and the EGO.
38. The entire import program of raw materials for the pharmaceuticals industry was revised, in close collaboration with the Italian Government, and now consists of 125 different items. The final modifications in the procurement list of medical supplies and pharmaceutical raw materials for 1946 have already been forwarded to Headquarters. The list contains a few additions and a larger number of reductions and deletions, resulting in a saving of about \$ 1,850,000 in the Health Division budget.
39. Examination of the lists of medical supplies recently arrived in Italy shows that amounts in excess of the original procurement requests and a number of items not included in the Health Division procurement lists have been sent for inclusion in the medical program. These supplies are now being examined by the Mission Medical Supplies Division for quantity, origin and program allocation.
- Shipments Received and Purchases Within Mission Territory.
40. During the first 25 days of June a total of about 475,000 tons of cargo was received under both the UNRRA and the Italian Government programs, representing acceptance and discharge of 85 ships. Total imports for the month are expected to reach 525,000 to 550,000 tons. This is a reduction as compared with April and May receipts, but an upswing is anticipated in July.
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41. The lull in the Italian import program, resulting from labor and transport tie-ups in the United States, enabled action to be taken to recondition port equipment and installations so that handling capacity would be sufficient to accommodate the increased flow of supplies expected for the second half of 1946.

42. In the field of inter-mission trade 100 doses of anti-snake serum were sent to Greece, and 200 tons of lamp seal were forwarded to port for shipment to Greece, Poland and the Ukraine. Negotiations are in progress regarding the procurement in Italy of fishing lures and serial wire paper for Greece, and cork for China, Jugoslavia and Poland, and investigations are being made into the possibility of procuring certain other commodities needed by other UNRRA Missions.

Distribution.

43. Great progress was made during the month on the intensification of the Mission's distribution work. A unit responsible for coordinating field and headquarters work has been established in the office of the Deputy Chief of Mission for Requirements and Distribution.

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At a conference for Regional Directors and their key supply specialists, held in Rome between 17 and 20 June, a program was developed for strong participation by the field organization in checking distribution and utilization of UNRRA supplies, in accordance with national allocation plans agreed with the Government agencies concerned. The allocation procedures for coal and what have been operating satisfactorily on the whole. But the new distribution inspections will involve more detailed and local review on these commodities. Moreover, major emphasis will also be placed on the other commodities in the supply program, the large volume of which is just beginning to arrive.

44. The Industrial Commission structure necessary for the allocation and control of imported supplies for industrial raw materials was formally established during the month, and it is expected that the general allocation and reporting plan developed jointly between the Government and UNRRA will be in effective operation throughout Italy early in July. As a result of the June Regional Directors' Conference (see Para. 43 above) provision has been made for regular and spot checks at various key points in production and distribution processes, to ensure full compliance with decisions made at the national level.

45. The Mission is somewhat concerned over the distribution of the small quantities of varied items which are now arriving - sometimes single cases and even broken cases. For example, the shipment of wet salted codfish, to arrive in midsummer, causes much anxiety to the Mission and the Government, especially when such shipments are not advised in advance and are in excess of programmed quantities.

46. All clothing accepted from the Brindisi stockpile has been distributed to camps for displaced persons of United Nations nationality; any surplus will be made available to Italian displaced persons.

47. The distribution list for the third general distribution of relief medical supplies, consisting of about 400 tons valued at \$ 499,502, was received during the month from the High Commissioner for Hygiene and Public Health. Packing has begun and the first consignment will be shipped to the Provinces early in July. Preparations for the fourth general distribution are already underway.

48. Plans for special distributions of narcotics, insulin and liver extract (valued at \$ 11,000, \$ 1,920 and \$ 8,507 respectively) were drafted by the High Commissioner, approved by the Mission, and are scheduled to be completed in July.

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49. The distribution of hospital units, beds and mattresses continued during the month, a total of five 200-bed units, ten 40-bed units, 1226 extra folding beds and 660 mattresses having been delivered by the end of June. A survey of the need for hospital units has been completed in southern and central Italy and is now being carried out in Sicily and northeastern Italy.

50. The distribution of hospital linen is progressing satisfactorily, a total of about 249,239 kilograms (1,249,195 square meters) having been delivered to 99 provinces direct from the textile manufacturers since the inception of the program. During the month notification was received that an additional 229,466 kilograms (1,147,322 square meters) is ready for delivery.

51. Two complete X-ray units were distributed during the month, bringing the total up to 16 units delivered. Penicillin distribution in June, amounting to 18,175 vials, was seriously delayed by the dislocation of transport caused by the elections.

Industrial Rehabilitation.

52. The month's most important event in the field of industrial rehabilitation was the formal establishment of the Central Industrial Commission. (See Paras. 28 and 44, above). This body, responsible to the Ministry of Industry and Commerce, is composed of four Sub-Commissions, at Rome, Naples, Palermo and Milan, the last of which has been in continuous operation since March 1946. The Mission's industrial staff, which has been working closely with the Government group, feels that the administrative machinery is now approaching a satisfactory condition.

53. An indication of revival in the iron and steel industry is the fact that two completely-rebuilt open hearth furnaces were put in production during the month. The timely arrival, late in May and early in June, of 2000 tons of special anthracite for Solerburg paste (500 tons of which is for trans-shipment to Albania, the remainder being distributed in Italy) prevented a breakdown in pig iron and steel production. More than 5,200 tons of pig iron also arrived and was distributed during the month, which made it possible to fill in the gaps in steel production caused by earlier cuts in local pig iron production on account of the coal shortage.

54. In the field of IOL, the Government, the Mission and the military authorities continued their efforts to finalize the starting of the Bari and Naples oil refineries. Military releases of bulk fuels in June were sufficient to cover the quantities due us, and the backlog of Diesel Oil outstanding at the end of May was made good. The deliveries of fuel oil from Vado Ligure and Venice have kept pace with the increased demands of North Italian industry. Heavy motor lubricating oil has been in short supply, but recent shipments should relieve the situation.

55. As regards the recent C.I.P. (Comitato Italiano Petroli - Italian Petroleum Committee) strike, negotiations between the Workers' Committee and the interested Ministries continued during the month, but no conclusive results are expected until after the formation of the new Government.

56. The Mission and a special Italian Government Committee are preparing an overall plan for the use of all raw materials for textiles. The plan is to provide for three classes of goods, for free distribution, sale at reduced prices, and (for any residual quantities) controlled sale at minimum economic prices.

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57. The preparation of 300,000 layettes, programmed in 1945, will entail the immediate manufacture of three million meters of flannellette and the procurement, partly from Government stocks and partly by manufacture of raw wool, of 300,000 baby blankets.

Agricultural Rehabilitation.

58. The most dramatic news in the field of agricultural rehabilitation is the startling success in the campaign against the Sardinian locusts, which is now drawing to a close. The final loss to crops was about 6% of wheat, 4% of oats and barley and 5% of dry legumes. It is believed that but for UNRRA's assistance almost all of the Sardinian cereal crop would have been lost.

59. Weather conditions during the month were generally fairly favorable to growth, and prospects for almost all crops are good. Harvesting of wheat, rye, barley and oats has begun, and the horse bean and bean harvest is almost over.

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60. Livestock feed conditions continued to improve during June, but a long period of dry and poor diet has resulted in widespread disease.
61. The agricultural rehabilitation program for the second half of 1946 was re-examined in June.
62. Blue fishing has been a failure to date because of unfavorable weather conditions, but the trawlers are still having good catches.
63. Thanks to steps taken to obtain from the Greek authorities permission for Italian trawlers to cross Greek waters on their way to Turkey to catch bonito fish, 500 tons of this fish reached Italy and was allotted to canneries during the month.

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2. SERVICES PROVIDED WITH UNRRA RESOURCES

Welfare

Services, Programs and Kind of Groups Given Services

64. In June the Mission received corrected statistical reports from the Delegation, which showed that 1,916,381 needy children and nursing and expectant mothers had been fed in April under the UNRRA supplementary feeding program. (This is a correction of the figure given in last month's report - Para. 4 of H-7-b and Attachment H-7-b-(1).) Some of the Italian communes have not yet filed complete reports for May. Reports received to date, and additional estimates by the Delegation for communes not reporting, indicate that 1,546,471 were fed in May. Final returns will be somewhat higher.

65. During June Movement Plan "P", which assures supplies for the supplementary feeding program in July, was completed, and information about it was released to all Provincial Committees.

66. The Delegation has taken further steps towards governmental action for the unification of Italy's welfare services, and has begun discussions on the subject with the Mission. It has prepared considerable material on specific relief programs for the latter half of 1946, which are also being discussed with the Mission. Provincial Committee meetings were held in several Regions during the month to consider future welfare planning.

67. Other major accomplishments in the welfare field during the month were the completion of plans for Summer Colonies and the release of instructions on the subject to all Provincial Committees, the preparation of a nutrition pamphlet for distribution throughout the country, and the conclusion of negotiations with the Mennonite group regarding its special project for the distribution of clothing to Protestants in Northern Italy.

68. Discussions were begun with the Ministry of Post-War Assistance on plans for the evacuation of camps for Italian displaced persons and repatriation of the Italians from Venezia Giulia or the former African colonies who wish to return to their homes.

69. The Co-ordinating Committee, composed of representatives of the Ministry of Post-War Assistance, the Delegation and UNRRA, which was organized in May to plan the distribution of clothing to needy Italians, has been working very well. (See May Monthly Report H-7-b, Para. 29). The Ministry and the Delegation have also begun to develop an improved procedure for reporting clothing distribution figures. The only figures previously reported were on the amounts of clothing released for distribution by the Mission's Processing Section. No reports on actual distribution to individuals were received. The Mission's field staff is at present trying to secure such reports for post clothing distribution, and

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70. During the period 15 May - 15 June the Processing Section sorted 546,321 old garments and repaired 125,349, cut 340,921 new garments and made 74,207. It also sorted 221,006 pairs of shoes and repaired 88,101.

71. In the same period 591,008 clothing items, 165,252 clothing units, 146,422 shoes and 1,753 bedding items were released from warehouses for distribution to Italian displaced persons, refugees and bombed-out individuals. The figures since the commencement of the processing program are 2,935,106 clothing items, 815,363 clothing units, 626,261 shoes and 26,942 bedding items. Corresponding figures for releases to the Mission Camps since the beginning of the processing program are 240,089 clothing items, 42,717 clothing units, 40,377 shoes and 2,518 bedding items, of which 4,392 clothing items, 1,903 clothing units, 3,470 shoes and 122 bedding items were released during the period 15 May to 15 June.

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72. On 10 June a decree was published declaring CASAS (Comitato Amministrativo Soccorso di Sanstette - Administrative Committee to Aid the Homeless) a "public utility" undertaking, of urgent national importance. As such, CASAS will be entitled to certain tax exemptions, and the procedure for obtaining building sites will be much simplified. Plans and specifications for the three standard types of houses are prepared and the proposed sites have been agreed upon with the communes. The Mission is pressing for a speed-up on the repair side of the program.
73. CASAS has now taken over and is operating on its own responsibility all ferries and vehicles previously operated by the UNRRA repair and construction units.
74. The repair program to date has repaired 14,232 rooms (3,508 of them during the past month) in 100 communes, rehousing a total of 29,913 persons.

Problems of Equitable Distribution to Resourceless Persons

75. Some difficulties were encountered in the receipt of food supplies during the early part of June, due to the temporary drop in food imports for the entire Mission program and the change in procedure for making supplies available for the welfare program. The supply line was functioning smoothly by the end of June.

Voluntary Agency Matters

76. A draft agreement between UNRRA and the Congregational Christian Service Committee (on the execution of the special assistance project which the Committee is operating for the cave dwellers in the Naples region) was prepared in June with the assistance of the ERO Legal Advisor. Upon concurrence by the Italian Government it will be submitted for the Director-General's approval.
77. As of 30 June a total of 126 Voluntary Agency workers was attached to the Mission, of whom 93 were working with the Displaced Persons Division, 6 with the Health Division and 25 with the Regional Staff. Most of them are attached as individuals assisting the Mission in its work with the Italian Government. A review of their status and activities will be begun in July.
78. A number of Voluntary Agencies are attached to the Allied Commission or operating independently in Italy. Since they were generally called forward with the approval of the military authorities, the Italian Government has not attempted to co-ordinate their activities. Duplication has been eliminated more through individual contact between the agencies than through concerted action. The Italian Government should take an active part in any plan of co-ordination which is considered, and develop procedures for clearance and registration of agencies. This subject will be discussed with the Italian Delegation.

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NON-ITALIAN DISPLACED PERSONS

Registration, Repatriation and Resettlement

79. In accordance with IRO's request, over 5,000 displaced persons had been interviewed by the end of June - or about 22% of the total eligible DPs in Italy. The field aspect of this project is scheduled for completion by 7 July, after which the data will be tabulated.

80. Some 352 Greeks and 142 Britons were returned to their respective countries during the month, and a group of 240 Poles, which left by truck convoy via Austria, was scheduled to reach its ultimate destination by 30 June. The Mission also effected the departure of 801 persons, most of whom were single cases, to Africa, Australia, the Near East and South America.

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81. Repatriations into Italy during June included 7 Italians from Greece, 175 from Albania, and about 200 from Rhodes who were expected to arrive by the end of the month. The repatriation of nearly 5,000 Italians from Eritrea is now being planned, and negotiations are under way for the movement of 130 Greeks from Albania via Italy to Greece.

Maintenance and Care

82. As of 15 June there was a total of 9,734 displaced persons in UNRRA-operated camps. (See Attachment H-7-d-1) for details.) Some 779 new cases were accepted for care in UNRRA camps during the month, in addition to 150 persons transferred from the outside assistance rolls to the camps.
83. The contraction of the camps to the groups and Cine Citta' has enabled us to place a Class I Nurse Supervisor in every camp and a Class I doctor in the larger ones.
84. We undertook the feeding of the IEPs in the southern camps on 20 June, and are preparing for the ultimate feeding takeover in the north. In addition to the basic ration scale of about 2,450 calories per day, we will maintain the special scales for working elements and cases requiring particular caloric consideration.
85. Negotiations are well under way for UNRRA to take over two additional camps, with a combined capacity of 6,500 to 5,000, in the North, and we are trying to acquire a third. The dispersal of buildings in the Lecce camp group makes it difficult to organize material and personnel efficiently. We are therefore considering the takeover of the Bari Air Lift Camp, which could house 5,000 to 6,000 DPs (approximately the total capacity of the four Lecce camps), but will not make the move until all interested parties (including the A.J.D.C. (American Joint Distribution Committee) and the Lecce refugees themselves) agree on its advisability as a substitute for the present accommodation.
86. As of 15 June UNRRA was assisting a total of 18,110 displaced persons outside camps, of whom 7,301 were in Hochsharoths (Jewish training centers). Continued progress is being made in reducing the out of camp assistance load, particularly in the Rome area. Only 8,823 IEPs receiving outside assistance were carried forward into July.
87. It has been agreed that relief standards will be adjusted to make for greater uniformity in our operations in southern and northern Italy.
88. In conferences between UNRRA and the A.J.D.C. it was agreed that the A.J.D.C. should assume responsibility for establishing, maintaining and furnishing Hochsharoth housing units and paying for utilities and fuels. UNRRA will inspect and generally supervise training programs and sanitation, provide medical necessities for M.I. room services, and, subject to

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89. The Mission is receiving an increasing number of requests (which are forwarded to IBC for action) from persons with relatives in DP camps in Germany. Whether conditions are suitable in Italy or in Germany is a question which will have to be decided in consultation with the related groups in both countries.

HEALTH

Major Results and Problems

90. During the month the Italian Government took title to medical supplies valued at \$ 15,787.
- On the Government's behalf IOZ (Istituto Commerciale Estero - the Foreign Trade Institute) received about 1,100 tons of medical supplies, excluding the Genoa shipment and the Balkan stockpile.
91. Consultations are now taking place with the Government regarding the possibilities of manufacturing the Roth apparatus (for continuous artificial respiration) in Italy for distribution to Italian hospitals, and investigations have been started on the construction of a penicillin plant by the Government, the equipment to be furnished by UNRRA.
92. Thirty Italian nurses are to be sent to the United States to study. Candidates from all over the country are now being processed, and final preparations for their departure should be completed early in July, but it is feared that they, like the candidates for overseas fellowships in mass radiography, sanitary engineering, etc. will be delayed by passport and visa difficulties.
93. Malaria control work in Sicily, Central and Southern Italy was completed in June. The program in Northern Italy has been delayed by transport difficulties, and the fact that some areas in the Provinces of Veneto and Udine will have to be covered twice because numerous houses had to be omitted from the spraying program temporarily, because of the silk worm culture. It is now expected that the program in this region will be completed around 1 August.
94. A disinfection program, to include hospitals, orphanages, institutions and jails, is being planned, to begin in the middle of August.
95. The Assistant Consultant in Tuberculosis toured North Eastern Italy, and found that the increased incidence of tuberculosis in that area was no greater than that shown in other sections of the country; it is hoped that the anti-tuberculosis colony at Sondalo will be able to accommodate many cases now requiring treatment. The High Commissioner for Hygiene and Public Health is particularly interested in this project, and is making every effort to have it organized as soon as possible. At his request UNRRA contributed 600 hospital beds to the colony.
96. A conference of Regional Medical Officers and Mission Headquarters Health Division staff was held in Rome from 6 to 8 June. The whole field of Health Division activities in Italy was reviewed, a complete session being devoted to the distribution of medical supplies, which are now reaching the Provinces in considerable quantity.

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97. A scheme for the provision through the Lira Fund of 50 Fiat motor cars for the use of provincial medical officers and other Health officials was approved by the Lira Fund Control Committee in June. The need for transport for these officials has been stressed repeatedly by UNRRA Medical Officers in all Regions. If the car project is finally approved, the Public Health Service will be materially benefited.

98. The Government has presented preliminary material which is now under consideration by the Mission Health Division, for long range health projects to be financed through the Lira Fund.

RESULTS OF GENERAL HEALTH CONDITIONS

99. The general health of the Italian population remains reasonably satisfactory. No serious epidemic diseases occurred during the month.

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F. PUBLIC RELATIONS.

Visit to the Mission of non-Italian Legislative and Diplomatic Officials.

100. There is nothing to report under this heading.

Major Results and Problems.

101. The attention of the local and foreign press was centered on the Italian elections and referendum during the month. The Administration made clear its neutrality (the Chief of Mission, for example, broadcast on the subject on 4 June) and this attitude drew approving comment from all concerned. The general trend of the Italian and Anglo-Saxon press has been very favorable to UNRRA. Largely due to the work of the Regional Offices and Washington and London's continued emphasis on UNRRA's efforts to prevent starvation and disease during this critical period, it is apparent that the Italian people have a clearer understanding of the Administration, its program and its problems.

102. Although the political crisis held the spotlight in June, the press showed very considerable interest in the bread ration and food conservation plans, the industrial and agricultural rehabilitation programs and the emergency housing campaign, all of which were stressed in "Economic Notes" as well as other releases. The Saragatian grasshopper plague was another popular subject for press and photographic coverage.

103. A party of four correspondents representing the WLW radio visited Rome in June, interviewed the Chief of Mission, toured important UNRRA installations and made a sympathetic broadcast on the Administration's work.

104. A larger number of captioned picture stories and illustrated press releases is being made available to the local and foreign press. An increase in photographic supplies made it possible to make a wider distribution of photographs in the Regions. The new drying and finishing equipment now on order is expected to speed up considerably the dispatch of prints to Headquarters in Washington, but a second Class I photographer is still urgently needed.

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G. ORGANIZATION AND ADMINISTRATION OF THE MISSION.Major Organizational Changes.

105. The Bureau of Finance and Administration was reorganized as of 1 June, in an effort to free the Bureau Chief from the bulk of operational detail and to permit greater emphasis on matters of policy and the planning of financial and administrative work for the balance and wind-up of the Italian Mission program.
106. An Office of Financial Adviser (Lire Fund) has been established within the office of the Bureau Chief to handle the increasing problems arising from the control, receipt and re-employment of lire funds accruing from the proceeds of sale of UNRRA supplies. The Financial Division now comprises two Branches, Claims and Treasury, the Local Currency Control Branch having been eliminated.
107. In the Accounts Division the Field Audit and Voucher Audit Branches have been merged and a Budget Control Branch has been established. Two new Sub-Divisions, with the self-explanatory titles of Staff Services and Office Services, have been established in the Division of Administrative Services. The Division of Personnel has reorganized its Employment and Record Branches into a Class I and a Class II Staff Employment Record Branch.
108. A Division of Organization and Management has been re-established, with two branches, one for management and the other for Budget Planning.
109. The Special Assistant (Preventive Services) has been transferred from the Bureau of Finance and Administration to the Office of the Chief of Mission.
110. The Mobile Cinema Unit has been transferred from the Division of Information to the Camps Group.
111. It was decided during the month that the Sub-Bureau of Industrial Rehabilitation should devote more attention to the Italian housing problem, with which industry is so intimately concerned. A separate branch dealing exclusively with housing was therefore formed within the Sub-Bureau.
- Personnel
112. As of 30 June the Mission staff consisted of 566 Class I (regular), 3236 Class II (locally-employed) and 126 Class III (Voluntary Agency) employees - a total of 3,928 persons.
- By services the staff was divided as follows: Displaced Persons, 361; Health, 47; Welfare, 21; Agricultural Rehabilitation, 39; Industrial Rehabilitation, 122; Requirements Co-ordination and Supply (Bureau of Requirements and Distribution excluding the Divisions of Inland Transport and Agricultural and Industrial Rehabilitation), 228; Division of Inland Transport, 12; Camps Operations, 567; Finance and Administration (excluding the Divisions of Personnel and Vehicle Control and Maintenance), 550; Personnel, 49; Vehicle Control and Maintenance, 843; Office of the Chief of Mission (excluding Information), 129;

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Personnel

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By services the staff was divided as follows: Displaced Persons, 361; Health, 47; Welfare, 21; Agricultural Rehabilitation, 39; Industrial Rehabilitation, 122; Requirements Co-ordination and Supply (Bureau of Requirements and Distribution excluding the Divisions of Inland Transport and Agricultural and Industrial Rehabilitation), 226; Division of Inland Transport, 12; Camps Operations, 567; Finance and Administration (excluding the Divisions of Personnel and Vehicle Control and Maintenance), 550; Personnel, 49; Vehicle Control and Maintenance, 643; Office of the Chief of Mission (excluding Information), 129; Information, 21; and Regional Staff, 939.

Administrative Problems,

113. Clarification is still awaited on the discrepancy (mentioned in last month's report, H-6, Para. 8) between ERO figures on Army pay and allowances and the statements of officers seconded to UNRRA.
114. In the last monthly report it was stated (H-6, Para. 9) that 156 load-carrying vehicles were being obtained from RAF sources. Unfortunately, owing to hasty action on the part of the RAF, these vehicles were turned over to APAR (Azienda Rilievo Alieazioni Residua) - the Italian agency for the chase before the Italian Government of British and American military surpluses) before the Mission was able to collect them. The matter has been referred to UNRRA/APHQ, and it is understood that the Mission will shortly be able to select further vehicles.

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H. LIST OF ATTACHMENTS.

- H-1. Monthly Report of the Special Assistant to the Chief of Mission For Government Liaison.
- H-1-a. Minutes of First Meeting of Price Committee.
 - H-1-b. Minutes of Second Meeting of Price Committee.
 - H-1-c. Minutes of First Meeting of Live Puro Control Committee.
 - H-1-d. Minutes of Second Meeting of Live Puro Control Committee.
 - H-1-e. Minutes of Third Meeting of Live Puro Control Committee.
 - H-1-f. Translation of Decree on Central Industrial Commission.
- H-2. Monthly Report of the Special Assistant for Military Liaison.
- H-3. Brief Summary of the Main Economic Developments in Italy during June 1946.
- H-4. Monthly Report of the Division of Public Information.
- H-4-a. Translation of Chief of Mission's Broadcast on 4 June.
 - H-4-b. "Weekly Bulletin", Vol. 2, No. 19, dated 4 June 1946.
 - H-4-c. "Weekly Bulletin", Vol. 2, No. 20, dated 11 June 1946.
 - H-4-d. "Weekly Bulletin", Vol. 2, No. 21, dated 18 June 1946.
 - H-4-e. "Weekly Bulletin", Vol. 2, No. 22, dated 25 June 1946.
- H-5. Monthly Report of the Bureau of Requirements and Distribution.
- H-5-a. Monthly Report of the Sub-Bureau of Supply Operations.
 - H-5-b. Monthly Report of the Sub-Bureau of Relief Supply.
 - H-5-c. Monthly Report of the Sub-Bureau of Industrial Rehabilitation.
 - H-5-d-(1). Production of Basic Chemicals in Northern Italy in 1946, in Metric Tons.
- H-6. Monthly Report of the Bureau of Finance and Administration.
- H-7. Monthly Report of the Bureau of Relief Services.
- H-7-a. Monthly Report of the Health Division.
 - H-7-b. Monthly Report of the Welfare Division.
 - H-7-b-(1). Number of Persons Fed under the UNRRA Supplementary Feeding Program in April and May 1946.
 - H-7-c. Monthly Report of the Special Relief Projects Division.
 - H-7-d. Monthly Report of the Displaced Persons Division.
 - H-7-d-(1). Monthly Statistical Report for Non-

June 1946. Some Economic Developments in Italy during

H-4. Monthly Report of the Division of Public Information.

- H-4-a. Translation of Chief of Mission's Broadcast on 4 June.
- H-4-b. "Weekly Bulletin", Vol. 2, No. 19, dated 4 June 1946.
- H-4-c. "Weekly Bulletin", Vol. 2, No. 20, dated 11 June 1946.
- H-4-d. "Weekly Bulletin", Vol. 2, No. 21, dated 18 June 1946.
- H-4-e. "Weekly Bulletin", Vol. 2, No. 22, dated 25 June 1946.

H-5. Monthly Report of the Bureau of Requirements and Distribution.

- H-5-a. Monthly Report of the Sub-Bureau of Supply Operations.
- H-5-b. Monthly Report of the Sub-Bureau of Relief Supply.
- H-5-c. Monthly Report of the Sub-Bureau of Industrial Rehabilitation.
- H-5-c-(1). Production of Basic Chemicals in Northern Italy in 1946, in Metric Tons.

H-6. Monthly Report of the Bureau of Finance and Administration.

H-7. Monthly Report of the Bureau of Relief Services.

- H-7-a. Monthly Report of the Health Division.
- H-7-b. Monthly Report of the Welfare Division.
- H-7-b-(1). Number of Persons Fed under the USERRA Supplementary Feeding Program in April and May 1946.
- H-7-c. Monthly Report of the Special Relief Projects Division.
- H-7-d. Monthly Report of the Displaced Persons Division.
- H-7-d-(1). Monthly Statistical Report for Non-Italian Displaced Persons, 16 May - 15 June 1946.

H-8. Monthly Reports of the Regional Directors.

- H-8-a. Monthly Report of the Regional Director, Sardinia Region.
- H-8-b. Monthly Report of the Regional Director, Sicily Region.
- H-8-c. Monthly Report of the Regional Director, Southern Region.
- H-8-d. Monthly Report of the Regional Director, Central Region.
- H-8-e. Extracts from the Monthly Report of the Regional Director, Tuscany and Emilia Region.
- H-8-f. Monthly Report of the Regional Director, Liguria and Piemonte Region.
- H-8-g. Monthly Report of the Regional Director, Lombardia Region.

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H-8-h. Monthly Report of the Regional Director, Veneta Region.

H-9. Form S-50.

H-10. Form MSR-1.

H-11. "Economic Notes".

- H-11-a. Vol. 1, No. 21, dated 7 June 1946.
- H-11-b. Vol. 1, No. 22, dated 14 June 1946.
- H-11-c. Vol. 1, No. 23, dated 21 June 1946.
- H-11-d. Vol. 1, No. 24, dated 28 June 1946.

H-12. Form EP -2. Amount and Utilization of Proceeds from Sale of UNRRA Supplies.
(For Washington and London only).

Declassified E.O. 12356 Section 3.3/NND No. 785016

H-12, Form AF-2, Amount and Utilization of Proceeds from Sale
of UNRRA Supplies,
(For Washington and London only).

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Attachment H-1

MONTHLY REPORT OF
THE SPECIAL ASSISTANT TO THE ITALIAN MISSION FOR GOVERNMENT LIAISON
FOR THE YEAR 1945.

A. RELATIONSHIPS WITH THE ITALIAN GOVERNMENT

The Advent of the Republic

The peaceful transition from the monarchy to the republic has not had any noticeable effect on the relations between URSR and the Italian Government. For the election of Enrico De Nicola as temporary President of the Republic, the De Gasperi Government resigned, according to schedule, and as was expected, De Gasperi himself was asked to form a new Government. It is expected that the new De Gasperi Government will not be greatly different from the previous, although more strength will be given to the Christian Democrats, Socialists and Communists.

The Mission is watching an interested spectator the negotiations which are now taking place. The Mission has had most frequent relations with the Ministries of Industry and Commerce, and Foreign Trade and the High Commissioner of Food. It will be particularly interesting to see who will be in charge of the Ministry of Industry and Commerce, because the former Minister Gronchi and Under-secretary Lombardo had a leading part in establishing the controversial Central Industrial Commission which, among other functions, is responsible for the allocation of URSR supplies.

As regards the Delegation, Arr. Montini is likely to continue as President because of his closeness to Prime Minister De Gasperi.

Problems concerning other URSR Missions.

The Italian Government, in spite of the present international situation, showed its good will toward URSR by granting immediately the request made by the Italian Mission for visas for 141 citizens of the Yugoslav Mission, in transit through Italian territory. The permission had been requested to move a number of trucks purchased by the Yugoslav Mission from Marocillon to Yugoslavia.

On the other hand, this Mission received a letter from Prime Minister De Gasperi expressing his concern over the seizure of a number of Italian fishing boats by the Yugoslav authorities and asking for URSR's intercession on this matter. This Mission has referred the question to S.R.

Another problem which has cropped up is the lien placed on the Polish boat "Bateri" by the Italian shipbuilder. In view of the fact that the Polish Government has conditioned its sale of coal to the Italian Government, or to URSR for Italy, on the lifting of the lien, this Mission has repeatedly expressed to the Italian Government its interest in an early settlement of the controversy. It appears now that good progress is being made in the negotiations between the Polish and Italian Governments.

relations with the Ministry of Industry and Commerce, and Foreign Trade and the High Commissariat of Food. It will be particularly interesting to see who will be in charge of the Ministry of Industry and Commerce, because the former Minister Gronchi and Under-secretary Lombardo had a leading part in establishing the controversial Central Industrial Commission which, among other functions, is responsible for the allocation of UNRRA supplies.

3. As regards the Delegation, Avv. Montini is likely to continue as President because of his closeness to Prime Minister De Gasperi.

Problems concerning other UNRRA Missions.

4. The Italian Government, in spite of the present international situation, showed its good will towards UNRRA by granting immediately the request made by the Italian Mission for visas for 100 drivers of the Yugoslav Mission, in transit through Italian territory. The permission had been requested to move a number of trucks purchased by the Yugoslav Mission from Marzouilles to Yugoslavia.

5. On the other hand, this Mission received a letter from Prime Minister De Gasperi expressing his concern over the seizure of a number of Italian fishing boats by the Yugoslav authorities and asking for UNRRA's intervention on this matter. This Mission has referred the question to E.R.

6. Another problem which has cropped up is the lien placed on the Polish port "Dabow" by the Italian shipbuilder. In view of the fact that the Polish Government has conditioned its sale of coal to the Italian Government, or to UNRRA for Italy, on the lifting of the lien, this Mission has repeatedly expressed to the Italian Government its interest in an early settlement of the controversy. It appears now that good progress is being made in the negotiations between the Polish and Italian Governments.

New Joint Committee.

7. Two important new Joint Committees between UNRRA and the Government began their activities during the month of June. These are:

a) The Price Committee. (The minutes of the first and second meetings are shown as attachments H-1-a and H-1-b). The main function of this Committee is to make recommendations to the Chief of Mission and the President of the Delegation with regard to the prices on UNRRA-imported supplies. Actually the Committee has become the highest authority in the establishment of prices for UNRRA supplies, because the Italian Government has agreed to consider the prices fixed by the Committee (after ratification by the two chairman) as final and binding for the Government. This is an important development inasmuch as it enables the Price Committee to reach final decisions without further reference to other Agencies of the Italian Government such as the Inter-ministerial Price Committee and the Ministry of Foreign Trade which, until now, had the ultimate responsibility in

the establishment of prices. In its first three meetings the Price Committee has fixed the prices of several types of agricultural machinery, seeds and fertilizers, and has notified a number of prices previously agreed between the Mission and the Government.

b) The Lire Fund Control Committee. (The minutes of the first, second and third meetings are under attachments H-1-a, D-1-d, H-1-e). The main functions of this Committee are to keep in account of the payments made into the Lire Fund, to ascertain the distribution costs and to screen the requests for the utilization of the Lire Fund. In its first four meetings the Lire Fund Control Committee has recommended to the Chief of Mission and the President of the Delegation the allocation of Lit. 566,850,000 for various projects of relief and rehabilitation. It is mostly thanks to the action of this Committee that the proceeds of sale fund, which amounted to less than one billion lire until a month ago, has now reached the figure of about seven billion lire.

8. A third Joint Committee, the Displaced Persons Committee, is being formed and will hold its first meeting at the beginning of July.

Central Secretariat.

9. This Office is responsible for the Central Secretariat, which was set up for the purpose of ensuring a general coordination of the work of the various Joint Committees with regard to overall Mission policies and the establishment of common procedures for these committees. In particular the Central Secretariat is responsible for calling meetings, issuing the agenda and the minutes, and following up on action required. The Central Secretariat handles the arrangements for all the meetings of the Joint Committees and other standing and periodic committees between UNRRA and the Government, and, at the request of the Bureau concerned, for any other "ad hoc" meetings between the two parties.

B. ITALIAN LEGISLATION.

Decree on Central Industrial Commission.

10. After a considerable delay a Ministerial Decree formally setting up the Central Industrial Commission (see Para. 2, Attachment H-1 to May Monthly Report) was published on 6 June. (Attachment H-1-f).

C. SUPPLEMENTARY AGREEMENTS NEGOTIATED OR IN PROCESS.

Agreement with Congregational Christian Service Committee

11. This Office has prepared a draft Agreement between UNRRA and the Congregational Christian Service Committee for the execution of a special assistance project to care dwellers in the Naples region. Upon concurrence by the Italian Government, the Agreement will be submitted to Washington

9. This Office is responsible for the Central Secretariat, which was set up for the purpose of ensuring a general coordination of the work of the various Joint Commissions with regard to overall Mission policies and the establishment of common procedures for those commissions. In particular the Central Secretariat is responsible for calling meetings, issuing the Agenda and the minutes, and following up on action required. The Central Secretariat handles the arrangements for all the meetings of the Joint Commissions and other standing and periodic committees between UNRRA and the Government, and, at the request of the Bureau concerned, for any other "ad hoc" meetings between the two parties.

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C. SUPPLEMENTARY AGREEMENTS NEGOTIATED OR IN PROCESS.

Agreement with Congregational Christian Service Committee

11. This Office has prepared a draft Agreement between UNRRA and the Congregational Christian Service Committee for the execution of a special assistance project to save dwellers in the Naples region. Upon concurrence by the Italian Government, the Agreement will be submitted to Washington Headquarters for approval.

Agreement with SACMED (Supreme Allied Commander Mediterranean Theater of Operations).

12. A number of amendments have been made to the proposed Agreement between UNRRA and SACMED. The signing of the Agreement has been further delayed and is now awaiting final approval by the Combined Chiefs of Staff.

D. CUSTOM DUTIES

13. The Government has notified this Mission that all UNRRA-imported supplies will be exempted from all "Dritti di Frontiera" which include custom duties and other related fiscal charges. This is an important development because the Government had taken the position that under the Supplementary Agreement custom duties could be charged on UNRRA-imported supplies and the amounts could be deducted from the gross proceeds of sale. UNRRA took an opposite viewpoint, and the Mission's request for a total exemption has now been accepted by the Government.

Paolo Contini,
Special Assistant to the Chief
of Mission for Government Liaison.

Attachments: See over
CA 3945

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Attachments:

- H-1-a. Minutes of First Meeting of Price Committee.
- H-1-b. Minutes of Second Meeting of Price Committee.
- H-1-c. Minutes of First Meeting of Live Fuel Control Committee.
- H-1-d. Minutes of Second Meeting of Live Fuel Control Committee.
- H-1-e. Minutes of Third Meeting of Live Fuel Control Committee.
- H-1-f. Translation Decree on Central Industrial Commission.

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Attachment H-1-a

UNRRA Italian Mission

PRICE COMMITTEE

Minutes of the First Meeting
held at 5:00 p.m. 18th June, 1946

PRESENT FOR UNRRA:

- | | |
|--------------------|---|
| Mr. S.M. Keony | Chief of Mission |
| Mr. E. Cleveland | Deputy Chief of Mission for Req. & Distribution |
| Mr. B. Luzzatto | Chief Sub-Bureau of Industrial Rehabilitation |
| Mr. F. Contini | Spec. Ass't to C.O.M. for Gov't Liaison |
| Mr. J. Imrie | Ass't Chief Sub-Bureau of Relief Supply |
| Mr. G. Hopkins | Financial adviser (Lira Fund) to C.F.A. |
| Mr. A. Pedinelli | Office Spec. Ass't to Col. for Gov't Liaison |
| Mr. F.J. Verdura | Bureau of Requirements & Distribution |
| Mr. V.B. Sullivan | Analysis Division - Sub Bureau R. Supply |
| Mr. L. Colaneri | Agriculture Division |
| Mr. G. Cardani | Agriculture Division |
| Mr. O. Carracciolo | Bureau of Requirements & Distribution |

PRESENT FOR ITALIAN GOVERNMENT:

- | | |
|---------------------|--------------------------------------|
| Mr. V. Marcolini | Ministry of the Treasury |
| Mr. A. Poffano | Ministry of the Treasury |
| Mr. E. Della Negra | Italian Government Delegation |
| Mr. C. Chiodelli | Italian Government Delegation |
| Mr. Festa Campanile | Ministry of Agriculture |
| Mr. Foglietti | Interministerial Committee on Prices |
| Mr. Zilocchi | Ministry of Foreign Trade |

A G E N D A

1. Terms of reference of the Price Committee.
2. Review of prices of UNRRA imported commodities already agreed between the Italian Government and UNRRA.
3. Commodities for which the price should be urgently agreed between the Italian Government and UNRRA.

Mr. P.J. Verduras Bureau of Requirements & Distribution
Mr. V.B. Sullivan Analysis Division - Sub Bureau R. Supply
Mr. D. Colaneri Agriculture Division
Mr. G. Cardani Agriculture Division
Mr. O. Caracciolo Bureau of Requirements & Distribution

PRESENT FOR ITALIAN GOVERNMENT:

Mr. V. Marcolini Ministry of the Treasury
Mr. A. Poffano Ministry of the Treasury
Mr. E. Della Negra Italian Government Delegation
Mr. C. Chiodelli Italian Government Delegation
Mr. Fosta Campanile Ministry of Agriculture
Mr. Foglietti Interministerial Committee on Prices
Mr. Zilocchi Ministry of Foreign Trade

GENERAL

1. Terms of reference of the Price Committee.
2. Review of prices of URGIA imported commodities already agreed between the Italian Government and URGIA.
3. Commodities for which the price level is urgently agreed between the Italian Government and URGIA.

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MINUTES OF THE FIRST MEETING OF THE
PRICE COMMITTEE HELD ON 15TH JUNE, 1946 AT 5 P.M.

I. TERMS OF REFERENCE OF THE PRICE COMMITTEE (Document No. 1)

1. MR. CLEVELAND opened the meeting by saying that this was the first of a series of joint meetings between UNRRA and the Italian Government to discuss and agree on the prices of the commodities imported by UNRRA and their relationship to prices for similar supplies of indigenous production or imported outside of the UNRRA program. MR. CLEVELAND continued by remarking that the task of agreeing on specific prices presented a number of very complicated problems, and that considerable discussions on this matter had already taken place between the Italian Government and UNRRA. It was during his absence, MR. CLEVELAND added, that it was decided to establish an ad hoc Price Committee between the Italian Government and UNRRA to supplement the work of the Lire Fund Control Committee which is already functioning.
2. MR. CLEVELAND presented the first item on the agenda and asked if there were any comments to be made regarding the Terms of Reference of the Price Committee.
3. MR. FOGLIETTI said that, as regards the reference made in paragraph 5 of the Terms of Reference to Art. III (d) iii of the Supplementary Agreement between UNRRA and the Italian Government, he would like to know the substance of Art. III.
4. MR. CIGNINI explained that in accordance with Art. III (d) iii of the Supplementary Agreement the Government has undertaken to discuss and agree with UNRRA the Government's price policies and specific prices for supplies imported by UNRRA and their relationship to prices for similar supplies produced domestically.
5. MR. FOGLIETTI asked if there was agreement on this on the part of the Ministry of the Treasury.
6. MR. MARCOLINI said that the Treasury had no objection in regard to establishing a uniform price.
7. MR. CLEVELAND referred to the letter of Prime Minister De Gasperi to Mr. Keeny of 16th January 1946 and added that UNRRA had accepted the principle then laid down by the Italian Government that there should be a uniform price system in the country, instead of one price level for UNRRA commodities and another for goods produced locally or reaching Italy through other markets.

of the Lire Fund Control Committee which is already functioning.

2. MR. CLEVELAND presented the first item on the agenda and asked if there were any comments to be made regarding the Terms of Reference of the Price Committee.
3. MR. FOGLIETTI said that, as regards the reference made in paragraph 5 of the Terms of Reference to Art. III (d) iii of the Supplementary Agreement between UNRRA and the Italian Government, he would like to know the substance of Art. III.
4. MR. COMILI explained that in accordance with Art. III (d) iii of the Supplementary Agreement the Government has undertaken to discuss and agree with UNRRA the Government's price policies and specific prices for supplies imported by UNRRA and their relationship to prices for similar supplies produced domestically.
5. MR. FOGLIETTI asked if there was agreement on this on the part of the Ministry of the Treasury.
6. MR. MARCOLINI said that the Treasury had no objection in regard to establishing a uniform price.
7. MR. CLEVELAND referred to the letter of Prime Minister De Gasperi to Mr. Keeny of 15th January 1946 and added that UNRRA had accepted the principle then laid down by the Italian Government that there should be a uniform price system in the country, instead of one price level for UNRRA commodities and another for goods produced locally or reaching Italy through other markets.
8. MR. FOGLIETTI requested that the Terms of Reference of the Price Committee as regards the prices of the supplies produced in Italy or imported outside the UNRRA program be clarified.

9. MR. CLEVELAND stated that UNRA has no specific jurisdiction over any prices except those of UNRA goods, and that, therefore, the prices of similar supplies outside the UNRA program will have to be established entirely by the Italian Government. Mr. Cleveland added, that it would be an important task of the Price Committee to reach an informal agreement on the technical level represented by this Committee on the prices of non-UNRA goods, so that the price structure on the Italian market would not be out of proportion.
10. MR. MARCOLINI read paragraph 6 of the Terms of Reference and added that, in accordance with the Supplementary Agreement of 19th January, the decisions reached by the Chief of the UNRA Mission are binding for UNRA, while those reached by the President of the Italian Government Delegation are binding for the Government. MR. MARCOLINI furthermore stated that as regards the prices of UNRA commodities, an agreement on uniform prices should be reached within the Price Committee. If this agreement could not be reached, the latter should then be submitted to Mr. Keeny and Mr. Montini.
11. MR. CLEVELAND proposed to amend paragraph 6 of the Terms of Reference to read: "All recommendations with regard to specific prices of the supplies furnished by UNRA, reached by the Committee will be submitted to the Chief of Mission and the President of the Italian Government Delegation for final approval and ratification."
- (There being no objections, the amendment was approved.)
12. MR. CLEVELAND asked, for the information of the Committee, what was the procedure followed for the setting of prices on imported supplies within the Italian Government.
13. MR. POZZIETTI replied that originally the prices of imported goods were fixed by the Inter-Ministerial Committee on Prices and later by the Ministry of Foreign Trade. A Sub-Commission recently established by Decree, within the Inter-Ministerial Price Committee was responsible for fixing the prices. However since this Sub-Commission had not yet started functioning, the Ministry of Foreign Trade continues to set prices.
14. MR. CLEVELAND asked whether, subsequent to ratification by the Chief of UNRA Mission and the President of the Delegation of the price of an imported UNRA commodity, a formal ministerial decree would be issued by the Ministry of Foreign Trade.
15. MR. POZZIETTI replied that at present a letter issued by the Ministry of Foreign Trade would be sufficient to fix the price.

regards the prices of UNRRA commodities, an agreement on uniform prices should be reached within the Price Committee. If this agreement could not be reached, the matter should then be submitted to Mr. Keery and Mr. Montini.

11. MR. CLEVELAND proposed to amend paragraph 6 of the Terms of Reference to read: "All recommendations with regard to specific prices of the supplies furnished by UNRRA, reached by the Committee will be submitted to the Chief of Mission and the President of the Italian Government Delegation for final approval and ratification."

There being no objections, the amendment was approved.

12. MR. CLEVELAND asked, for the information of the Committee, what was the procedure followed for the setting of prices on imported supplies within the Italian Government.

13. MR. ROGLIETTI replied that originally the prices of imported goods were fixed by the Inter-Ministerial Committee on Prices and later by the Ministry of Foreign Trade. A Sub-Commission recently established by Decree, within the Inter-Ministerial Price Committee was responsible for fixing the prices. However since this Sub-Commission had not yet started functioning, the Ministry of Foreign Trade continues to set prices.

14. MR. CLEVELAND asked whether, subsequent to ratification by the Chief of UNRRA Mission and the President of the Delegation of the price of an imported UNRRA commodity, a formal ministerial decree would be issued by the Ministry of Foreign Trade.

15. MR. ROGLIETTI replied that at present a letter issued by the Ministry of Foreign Trade would be sufficient to fix the price.

16. MR. MARCOLINI said that as representatives of the Ministry of Foreign Trade, the Ministry of the Treasury, and the Inter-Ministerial Price Committee were sitting on the Committee, they would, respectively, take the necessary action.

- 17. MR. CLEVELAND raised the question of the price of wheat, which has already been fixed and which is now being sold by the farmers to the Consorzi. He enquired how the price of wheat had been formally established by the Government.
- 18. MR. FOGLIETTI replied that a Lieutenantial Decree establishing the price of wheat has been signed and that it will be published shortly. However, this Decree which refers to the 1946 marketing is already effective.
- 19. MR. CLEVELAND asked how soon we assume that there will be some clarification in the Government for the establishment of a well-defined procedure for fixing prices.
- 20. MR. FOGLIETTI replied that at present only a guess would have been possible, but that, however, in the interim period, the Ministry for Foreign Trade would be competent in establishing the prices. The prices fixed in the past by the Interministerial Committee on Prices are still valid.

III. REVIEW ON PRICES OF URBAN EXPORTED COMMODITIES ALREADY AGREED BETWEEN THE ITALIAN GOVERNMENT AND U.S.R.A. (Document No. 2)

- 21. MR. CLEVELAND asked the meeting to scrutinize closely the figures shown on the list of commodities for which prices had already been agreed between the Italian Government and U.S.R.A. He also added that he felt it was important for a new Committee to begin its work by ratifying the action taken up to date in this field.
- 22. MR. FOGLIETTI asked whether the figure of Lire 3,600 for the price of coal for the industries should be changed in that of Lire 3,500. It was agreed to correct the figure to read 3,500 lire.
- 23. MR. FOGLIETTI pointed out that the figure of 45 lire per kg. for tinplate was the net price, to which should be added expenses for storage, haulage and distribution as agreed by the Price Committee of the Ministry of Foreign Trade.
- 24. MR. CLEVELAND said he had understood that the prices agreed with the Government would have been the price of sale to the first consumer, and therefore include inland costs plus any other costs of distribution.
- 25. MR. DELLA NAVEA replied that since the price of 45 lire per kg. in this case was far below the normal market price, the Price Committee of the Ministry of Foreign Trade had decided that the extra costs of distribution should be added. The Ministry of Foreign Trade always established a net

trade were to be consistent in establishing the prices. The prices fixed in the past by the Interministerial Committee on Prices are still valid.

11. REVIEW OF PRICES OF UNRESERVE IMPORTED COMMODITIES ALREADY AGREED BETWEEN THE ITALIAN GOVERNMENT AND U.S.A. (Document No. 2)

21. MR. CLEVELAND asked the meeting to scrutinize closely the figures shown on the list of commodities for which prices had already been agreed between the Italian Government and U.S.A. He also added that he felt it was important for a new Committee to begin its work by ratifying the action taken up to date in this field.

22. MR. FOGLIETTI asked whether the figure of Lire 3,600 for the price of coal for the industries should be changed in that of Lire 3,500. It was agreed to correct the figure to read 3,500 lire.

23. MR. FOGLIETTI pointed out that the figure of 45 lire per kg. for tinplate was the net price, to which should be added expenses for storage, haulage and distribution as agreed by the Price Committee of the Ministry of Foreign Trade.

24. MR. CLEVELAND said he had understood that the prices agreed with the Government would have been the price of sale to the first consumer, and therefore include landed costs plus any other costs of distribution.

25. DR. DELLA MARE replied that since the price of 45 lire per kg. in this case was far below the normal market price, the Price Committee of the Ministry of Foreign Trade had decided that the extra costs of distribution should be added. The Ministry of Foreign Trade always established a net price, which was the sum the Treasury should receive, and to which should be added the distribution costs.

25. MR. CLEVELAND proposed to the Committee that the price set should be the price of sale to the first consumer, to include two elements:

- 4 -

- (a) the amount to be paid into the Lire Fund.
 - (b) any other charges including distribution costs and fiscal charges, etc. broken down.
27. MR. MARCOLINI said that from now on prices would include the amount to be paid into the Lire Fund and the other accessory expenses. Referring to the review of prices already fixed, he said that they were all correct with the exception of the figure for tinplate, to which these accessory expenses had still to be added.
28. MR. CLEVELAND said that it has to be assumed therefore, that the price of tinplate has not yet been established. As regards coal, in addition to the establishment of the price of Lit. 3,500 per quintal, which represents the "landed cost" an entire scale of distribution prices will have to be approved.
29. MR. FOGLIETTI said that the policy followed by the Italian Government for items imported directly by it, so far has been to establish the basic price or landed cost. This is to be paid by the consumer to the Treasury, plus the estimated costs that will be determined by I.C.E. Since these costs cannot be determined exactly beforehand, they are fixed at a certain percentage, as for example at about 10 or 15%. The difference between the actual expenses and the estimated costs will be returned to the Treasury. It is my opinion that this procedure should also be followed by this Committee.
30. MR. CLEVELAND doubted whether this procedure would be satisfactory, since it did not provide for discussion and agreement between UNRRA and the Italian Government on the vital question of costs of distribution. He added that he was of the opinion that this Committee must examine all elements of prices, such as distribution costs, fiscal charges, etc., which will increase the price. For example, in the case of farm machinery, the increase is of about 50% for these accessory costs.
31. MR. FOGLIETTI agreed that the price to the first consumer should be established beforehand. He also said that landed costs could be easily established, and also the distribution charges could be calculated, but there were a group of expenses (storage, haulage, stevedoring, etc.) which were also a part of the price and which could not be foretold until the operation had been concluded. Therefore, as regards this group of expenditures, which will be known exactly only at the end of the operations, an arbitrary estimate must be taken. This applies also to all other expenditures that cannot be established exactly. When the actual expenditures will be determined, the difference will go to the Lire Fund.

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32. MR. MIGLIOLI said that the analysis of distribution costs should be made by the Lire Fund Control Committee. He suggested, therefore, that the Lire Fund Control Committee should determine these costs and then inform the Price Committee.

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33. MR. FOGLIETTI said he did not agree on this point.
34. MR. CHIOCELLI stated that it would be the responsibility of the Secretariat to see that the work was carried out smoothly.
35. MR. LAIOCELLI pointed out that the establishment of the prices rested with this Committee.
36. MR. COZZI stated that the determination of distribution costs is the responsibility of the Lire Fund Control Committee.
37. MR. CLEVENLUD drew the Committee's attention to a letter from the Chief of Mission to the Italian Government and said that this was the typical example of the work to be carried out by this Committee, proposing that the price of flax seed be fixed on the basis of:

- a) Price to consumer
- b) Distribution costs

The amount to be paid into the Lire Fund should be the difference between a) and b). This, MR. CLEVENLUD said, was the type of recommendation which the Committee should produce for the approval of the President of the Delegation and the Chief of UNRRA Mission. He also added that the Price Committee will estimate the costs of distribution and fix the prices accordingly: the Lire Fund Control Committee will determine the actual costs of distribution and deduct or increase the Lire Fund accordingly.

38. MR. FOGLIETTI said that he doubted that it would be possible to determine the costs of distribution of one of the thousands of supplies distributed by Federconsorzi. He added that in such cases in which the consignment is Federconsorzi or another important agency an arbitrary percentage must be accepted.
39. MR. HOPKINS said that UNRRA had two concerns: one was the Lire Fund; the other, equally important, was the effect of the UNRRA program on the Italian economy, particularly with regard to inflation. That being the case, the function of this Price Committee must be to fix the price to the first consumer, even if the necessary information had to be obtained elsewhere.
40. MR. KERRY joined the meeting, and commented that there were two types of commodities which might present different problems. The first, such as wheat, for which there was an immediate market, and the second, such as tractors, for which buyers had to be found. MR. KERRY emphasized the necessity of dealing with the special problems in connection with the second type of commodity in order

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40. MR. KELLY joined the meeting, and commented that there were two types of commodities which might present different problems. The first, such as wheat, for which there was an immediate market, and the second, such as tractors, for which buyers had to be found. MR. KELLY emphasized the necessity of dealing with the special problems in connection with the second type of commodity in order to ensure prompt distribution.

41. There was some discussion on the relative functions of the Price Committee and the Lire Fund Control Committee. MR. HOPKINS explained that the Lire Fund Control Committee dealt with the costs of distribution already incurred, and in general already paid, whereas the Price Committee would be concerned with fixing distribution costs of the future.

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42. MR. CONTINI stated that if these expenditures were determined by the Price Committee, the Lire Fund Control Committee could give its opinion in the matter, and say whether they consider them too high or too low.
43. MR. MARCOLINI pointed out that the establishment of prices should not only be approved by Mr. Keeney and Avv. Montini, but also by the Lire Fund Control Committee.
44. MR. CLEVELAND said the price set would remain the same, and as the material was sold the amount that this Committee had set for accrual to the Lire Fund would in fact start accruing to that Fund. If the cost of distribution were lower than estimated, the Government would recoup from the Federazione Consorzi Agrari and the money would go into the Lire Fund. If, on the contrary, the costs of distribution were higher than estimated, the Government would pay the difference to the Federazione Consorzi Agrari. MR. CLEVELAND also added that this Committee is concerned with estimating the distribution costs, whereas the Lire Fund Control Committee will analyze and revise the distribution costs actually incurred.
45. MR. MARCOLINI said that it will be difficult to establish the exact amounts accrued in the Lire Fund if, after the distribution costs are fixed, approval must be given by the Lire Fund Control Committee.
46. MR. FUGLIETTI said that the system is excellent in theory, but not in practice. He asked how it would be possible to determine the costs of a product which is one of many distributed by the Federazione? He said that it is almost impossible to obtain a final statement of all the costs of distribution.
47. MR. KEENEY said he thought some such broad principle should be accepted, and in fact, UNRA had already officially agreed with the Government to accept an estimate of the costs of distribution by commodities. This did not mean, however, that UNRA could not examine the figures offered to represent the costs of distribution and require a justification of it. MR. KEENEY also said that the work of this Committee would be to establish a price to the first consumer which represented part of a sound price policy. The Lire Fund Control Committee should be consulted where there is a difference of opinion, and a cross-study should be made on types of prices.
48. DR. FUGLIETTI said that the main purpose of the Price Committee was to coordinate the price of UNRA goods with the price of similar supplies produced or imported by the Italian Government outside of the

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48. MR. FOGLIETTI said that the main purpose of the Price Committee was to coordinate the price of UNRRA goods with the price of similar supplies produced or imported by the Italian Government outside of the UNRRA program.
49. MR. CLEVELAND pointed out that this did not mean that UNRRA goods should be sold at the same high price as other imported goods necessarily, but in fact, wherever possible the contrary should be the case.

50. MR. KEENE questioned whether UNRRA had any relationship to commercial import arrangements, but said they had a real relationship to local production. Imported supplies shouldn't be higher than locally produced goods, and if possible, lower.

III - COMMODITIES FOR WHICH THE PRICES SHOULD BE URGENTLY AGREED BETWEEN THE ITALIAN GOVERNMENT AND UNRRA (Doc.No. 3, 4, 5)

51. MR. KEENE said that 490 grain binders imported by UNRRA were awaiting distribution, but as the harvest period was already here, immediate distribution would be necessary if they were to be of use to the farmers this season. This should therefore be treated as an emergency item. MR. KEENE asked why import duties were included in the costs, saying that these were not allowable.

52. MR. PUGLIERI stated that it had been agreed to proceed from uniform prices. If emergency prices are to be established, which would affect the entire national market, he would not assume any responsibility, nor could the other members representing the Italian Government.

53. MR. KEENE said that the landed cost of the binders is 77,000 lire.

54. MR. PUGLIERI said that if the landed cost is 77,000 lire, how can the binders be sold at 70,000 lire? If the Government imported similar supplies, it would have to sell them at much higher prices.

55. MR. KEENE stated that since we have some emergency commodities he urged recommending the prices for these commodities at the present meeting, and examining later on the amounts to be paid into the lire fund. MR. KEENE said that UNRRA wanted to have these machines used in this harvest and that it was therefore necessary to establish the prices now.

56. MR. CLEVELAND suggested on the urgent items (grain binders and forage pea seeds) that the Committee should agree on a price now to apply for a limited period, for instance 30 to 60 days, and postpone determination of distribution costs, etc. in order to ensure that the binders and seeds were put in use this season.

57. MR. PUGLIERI suggested that at this meeting the price of 70,000 lire be agreed, and that at a later date the amounts to be

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57. MR. MARCOLINI suggested that at this meeting the price of 70,000 lire be agreed, and that at a later date the amounts to be charged for distribution costs and those to be paid into the lire fund be determined. However, the price fixed at this meeting should be considered valid only for a limited period of time. MR. MARCOLINI furthermore requested that in the future proposals relating to prices be circulated in time for review within the Government.

58. MR. PUGLIEZZI said that 70,000 lire was too low a price. Comparison with the estimated domestic price of 120,000 lire, and would have a bad effect on the market as a whole.
59. MR. KEENE replied that he was ready to sacrifice part of the proceeds to be paid into the lire fund, so that the consumer could receive this commodity. However, distribution costs should also be lower.
60. MR. DELLA NEGRA pointed out that the Italian producers of binders will not be able to stand this competition.
61. MR. LUZZATTO said that the price set for grain binders will remain in force only for a period of 30 to 40 days.
62. MR. FOLLINETTI said that the price should not be too low, and in fact should be higher than that proposed, inasmuch as once the low price is established, it will be very difficult to increase it. He therefore proposed that the price be higher than 70,000 lire. He also added that there may be repercussions on the market and said that the fact that some farmers could buy the grain binders at 70,000 lire, while others will have to buy at higher prices, will have a deleterious effect on the morale of the farmers. He therefore proposed that the price be fixed at 90,000 or 100,000 lire.
63. MR. CLEVELAND pointed out that agricultural experts both of the Mission and the Government had agreed that farmers would not buy the grain binders at a higher price than 70,000 lire, and said that any attempt to sell them at a higher price would nullify the effort to get them out for the harvest.
64. MR. PUGLIEZZI, in view of this, agreed to the price. He said the time limit should end on 15th July, and in reply to MR. KEENE'S question as to whether there would be time to distribute the grain binders by then he said that they could be distributed to the country around Rome in three days.
65. MR. CARDANI stated that the binders were presently lying in warehouses all over Italy, but most of them were already assembled.
66. MR. KEENE stressed that all related steps must be taken to get the binders out and in use, such as allocation of special transport to move them.
67. The Meeting agreed that the grain binders should be on sale

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Rec.N.1 67. The Meeting agreed that the grain binders should be on sale at 70,000 lire until but not after 15th July 1946, and the local Federazione Consorzi Agrari would be responsible for ensuring that they were sold only to genuine farmers and not to speculative buyers. Instructions should be issued to the effect that binders should be sold on the basis of actual harvesting needs for this year and should not be sold to farmers who have already completed harvesting.

ACTION TAKEN BY GOVERNMENT.

68. MR. MARCILLINI said that a distribution plan had already been prepared and it had been established that people on the list to purchase the binders were in fact, farmers with grain to cut.

69. MR. SULLAN said that it should be remembered that some harvesting in Italy was done on a commission basis.

70. MR. MARCILLINI agreed that responsibility for equitable distribution should rest with the agrarian Inspector in each Province.

71. MR. CLEVELAND suggested that similar emergency action should be taken in the case of combindes.

72. MR. CARDANI doubted whether they could be put to use this year, with the exception of a few in certain areas.

Rec. N.2 73. MR. CLEVELAND therefore suggested that for this year they should be lent to farmers free of charge, as an experiment, while remaining the property of the Government. Fuel and operators would of course be the farmer's responsibility. This was unanimously agreed. ACTION ITALIAN GOVERNMENT.

74. Forage pea seeds were the next emergency item discussed. MR. CLEVELAND suggested that a price for forage pea seeds be fixed for a limited period of time to be valid only in the North, since the immediate problem was only in the North, where the forage pea seeds must be sown immediately after the grain was harvested. The price set now for a limited time would not necessarily be valid for the fall planting in the south. He suggested that 25 thousand lire per ton be the price until 15th July.

Rec. N.3 75. It was then agreed to accept the price of 25,000 lire limited to 31st July, valid for all the country.

76. MR. CLEVELAND said that the Government should take the emergency measures on grain binders, combines and forage pea seeds agreed to at the meeting, as already approved. A letter stating the prices of these commodities would be sent to MR. MONTINI by MR. KEENE. Meanwhile the Government should take immediate steps to inform the Federazione Consorzi Agrari on a provincial level, either that night or next morning. ACTION MR. KEENE & IT. GOVERNMENT.

77. A last point established was that prices quoted were in all cases P.O.B. at the local Federazione Consorzi Agrari.

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78. A further meeting was arranged to take place on 22nd June at 10:00 a.m.

79. The meeting rose at 8:00 p.m.

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DISTRIBUTION:

To all those present

C O X (2)
Industrial Adviser
Legal Adviser
Div. Operational Analysis
Bur. R & D (5)
Bur. F & A (3)
Bur. R. S. (3)
Program Coordination - Sub Bureau of Supply Operations
Government Liaison (4)
Conference Secretariat (2)
Registry (2)

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Conference Secretariat (2)
Registry (2)

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(DOCUMENT No. 1)

PRICE COMMITTEE

Terms of Reference

1. The Price Committee is an advisory body to the Chief of UNRRA Italian Mission and the President of the Italian Government Delegation for Relations with UNRRA.

2. The membership of the Committee is as follows:

PERMANENT MEMBERS

Italian Government

UNRRA

Representatives of:

Representatives of:

Italian Government Delegation	Bureau of Requirements & Distribution
Ministry of the Treasury	Sub-Bureau of Industrial Rehabilitation
Ministry of Foreign Trade	Sub-Bureau of Relief Supply
Interministerial Committee on Prices	Sub-Bureau of Supply Operations
	Office of the Chief of Mission
	Bureau of Finance and Administration.

AGGREGATE MEMBERS

Italian Government

UNRRA

Representatives of any other Ministry or Government Agency concerned.

3. Mr. H. Cleveland, Deputy Chief of Mission for Requirements and Distribution is the Chairman of the Committee.

A representative of the UNRRA Italian Mission will be responsible for Secretariat. He will, in collaboration with a representative of the Delegation, call the meetings, issue the minutes, and follow up the recommendations made by the Committee.

UNRRA

Italian Government

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Italian Government Delegation
Ministry of the Treasury
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Interministerial Committee on
Prices

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Bureau of Requirements & Distribution
Sub-Bureau of Industrial Rehabilitation
Sub-Bureau of Relief Supply
Sub-Bureau of Supply Operations
Office of the Chief of Mission
Bureau of Finance and Administration.

AGGREGATE MEMBERS

Italian Government

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Ministry or Government Agency
concerned.

UNRRA

Any other official designated by
the Chairman.

3. Mr. H. Cleveland, Deputy Chief of Mission for Requirements and Distribution is the Chairman of the Committee.

A representative of the UNRRA Italian Mission will be responsible for Secretariat. He will, in collaboration with a representative of the Delegation, call the meetings, issue the minutes, and follow up the recommendations made by the Committee.

4. The Committee will meet weekly every Saturday at 10 a.m. at UNRRA Headquarters, and as convened by the Chairman.

5. The functions of the Committee will be:

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In accordance with art. III (d) (iii) of the Supplementary Agreement of 19th January 1946, between the Italian Government and UNRRA, to discuss and agree on the specific prices of supplies furnished by UNRRA and their relationship to prices for similar supplies produced domestically or imported outside of the UNRRA program.

6. All recommendations with regard to specific prices of the supplies, furnished by UNRRA, reached by the Committee, will be submitted to the Chief of Mission and the President of the Italian Government Delegation for final approval and ratification.

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submitted to the Chief of Mission and the President of the
Italian Government Delegation for final approval and ratification.

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Document No. 2

UNRRA ITALIAN MISSION
Bureau of R. & D

/lea

15 June 1946

PRICES ALREADY FIXED

<u>COMMODITY</u>	<u>PRICE</u>	<u>AUTHORITY</u>
Flax Seed	5500 lire per quintal	Letter of May 15, 1946 from Keeny to Intermin. Price Committee
Penicillin	144 lire per vial	Letter May 1946, from Keeny to Montini.
Coal	2600 lire per ton for public utilities 3500 lire for industry	Agreement between Ministry of Ind. & Commerce & Mr. Keeny, March 1946
Seed Potatoes	2050 per quintal, excluding handling cost 3250 per qtl. to farmers	Letter of May 15, 1946 from Minister of Agric. to UNRRA - Agricultural Div. confirming same
Insulin	12 to 58 lire per container—depending on size, etc.	Circ. No. 35 dated April 26, 46 from President of Council of Ministers through High Commiss. for Hyg. & Public Health.
<u>Cotton Goods</u>		
Sheeting for sheets & pillow cases	70 lire per square	Letter to Montini from Keeny, May 29, 1946
Towelling	75 " " "	
Material for diapers & napkins	60 " " "	

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<u>Cotton Goods</u>		
Sheeting for sheets & pillow cases	70 lire per sq. meter	Letter to Montini from Keeny, May 29, 1946
Towelling	75 " " "	
Material for diapers & napkins	60 " " "	
Tinplate	45 lire per kg.	Letter from Keeny to It. Delegation now ready for signature
Wheat	900 lire per quintal 2250-2500 lire per qtl.	Decree of Feb., 1945 Proposed by Interministerial Committee.

DOCUMENT NO. 3

PRICE SITUATION AGRICULTURE PROGRAM

ITEM : Grain Binders

QUANTITY PROGRAMMED : 2000

QUANTITY ARRIVED : 490

LANDED COST : Not known, but estimated as follows:

Deering, 1,52 m. cutter bar Lit. 77,100
Massey Harris, 2,10 m. cutter bar Lit. 74,500
at 225 lire to the dollar.

HANDLING CHARGES : Approximate cost of reception and distribution to farmers including import duty on landed cost:

Deering Lit. 45,900
Massey Harris Lit. 46,300

based on above landed cost estimates. The cost of distribution varies with the landed cost due to many charges such as insurance, handling levies, and import duties which are computed percentage wise. This also includes a markup of 20% for the distributor, in this case Federconsorzi.

OTHER PROGRAMS : No binders have been imported under other programs.

PRICES DOMESTIC PRODUCT

: Only very small numbers of binders are produced domestically as normally nearly all were imported. However, the price of small quantities available is reported to be about as follows:

with 1,52 m. cutter bar Lit. 95,000
with 2,10 m. cutter bar Lit. 125,000

REMARKS : Officials of the Ministry of Agriculture, farm machinery experts and farmers' representatives agree that in order to sell the number of binders imported promptly enough to permit their immediate use in the current cereal harvest, the price should not be higher than follows:

with 1,52 m. cutter bar Lit. 70,000
with 2,10 m. cutter bar Lit. 85,000

Deering Lit. 48,900
Massey Harris Lit. 45,300

based on above landed cost estimates. The cost of distribution varies with the landed cost due to many charges such as insurance, handling levies, and import duties which are computed percentage wise. This also includes a markup of 20% for the distributor, in this case Federconsorzi.

OTHER PROGRAMS : No binders have been imported under other programs.

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with 1,52 m. cutter bar Lit. 70,000
with 2,10 m. cutter bar Lit. 85,000

At a higher price the opinion is that the machines would not move rapidly. If the machines are not sold to farms within the next two weeks the harvest will be in full swing.

DEADLINE FOR PRICE FIXATION : Immediate.

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DOCUMENT NO. 4 /1p

PRICE SITUATION AGRICULTURAL PROGRAM

ITEM : Combines
 QUANTITY PROCUREMENT : 50 ea.
 QUANTITY ARRIVED : 37 ea. as follows:
 7 ea. 10 ft. cutter bar with aux. motor
 12 ea. 8 ft. " " "
 16 ea. 8 ft. " " " power take off
 2 ea. 8 ft. " " "

LANDED COST : Estimated as follows: for

Type	Procurement Cost in U.S.\$	Freight U.S.\$	Total U.S.\$	At 225 Lit. per 1 dollar rate
6 ft. P.T.O.	1078	498	1576	354,600
8 ft. P.T.O.	1160,50	502	1662,50	374,060
8 ft. aux.m.	1438,50	506	1944,50	437,510
10 ft. aux.m.	1453	510	1963	441,700

HANDLING CHARGES : Cost for receipts, warehousing and distribution, including import duty on landed cost and only a 15% to the dealer, for:

6 ft. PTO	188,400 Lit.	Total (*)	543,000 Lit.
8 ft. PTO	197,930 Lit.	"	572,800 "
8 ft. aux.m.	224,990 Lit.	"	652,500 "
10 ft. aux.m.	228,300 Lit.	"	670,000 "

(*) Includes landed cost plus handling charges but does not include 4% transaction tax and transportation cost from assembling centers to the farmers.

OTHER PROGRAMS : None

PRICE OF DOMESTIC PRODUCT : No combines produced.

REMARKS : It has been suggested by the Ministry of Agriculture and interested parties that the total prices quoted in the handling charges column will be acceptable to the farmers. However, the 15% profit to the dealers is not deemed sufficient and should be raised to 20%. This could be done by lowering the total selling

	Cost in U.S.\$	U.S.\$	U.S.\$	per 1 dollar rate
5 ft. P.T.O.	1070	498	1876	354,800
8 ft. P.T.O.	1160,50	502	1862,50	374,060
8 ft. aux.m.	1435,50	505	1944,50	437,510
10 ft. aux.m.	1453	510	1983	441,700

HANDLING CHARGES : Cost for reception, warehousing and distribution, including import duty on landed cost and only a 15% to the dealer, for:

6 ft. PTO	188,400 Lit.	Total (*)	543,000 Lit.
8 ft. PTO	197,930 Lit.	"	572,800 "
8 ft. aux.m.	224,990 Lit.	"	662,500 "
10 ft. aux.m.	226,300 Lit.	"	570,000 "

(*) Includes landed cost plus handling charges but does not include 4% transaction tax and transportation cost from assembling centers to the farmers.

OTHER PROGRAMS : None

PRICE OF DOMESTIC PRODUCT : No combines produced.

REMARKS : It has been suggested by the Ministry of Agriculture and interested parties that the total prices quoted in the handling charges column will be acceptable to the farmers. However, the 15% profit to the dealers is not deemed sufficient and should be raised to 20%. This could be done by lowering the landed cost proportionately and leaving the total selling price to the farmer unchanged as far as possible.

REASONING FOR PRICE FIXING : Because of lateness of arrival and the advanced state of the harvest, price fixing action is most immediate.

CM 5771

DOCUMENT NO. 5.

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RICE SITUATION AGHAB PROGRAM

ITEM : Forage Pea Seed

QUANTITY PROGRAMMED: 1000 tons

QUANTITY ARRIVED : 450 tons, Balance due shortly.

LANDED COST : Not known. However, the procurement cost in Belgium was 52 pounds sterling per ton. This would be 46,800 liras.

HANDLING CHARGES : Approximate cost of reception and distribution, to farmers including import duties and markup of the distributor would be Lit. 1,100.

OTHER PROGRAMS : No other forage pea seed has been imported under other programs.

PRICES DOMESTIC PRODUCT : Only very limited quantities of domestic production are available and sell at Lit. 27,000 to 32,000 per ton.

REMARKS : Exports of the Ministry of Agriculture and others recommended that the price to farmers should not exceed Lit. 25,000 in order to assure prompt distribution and sale to permit effective use of this seed as a summer forage crop after the wheat is harvested, in the North, and as a fall forage crop in the South.

DEADLINE FOR RICE ACTION: IMMEDIATE

QUANTITY PROGRAMMED: 1000 tons

QUANTITY ARRIVED : 450 tons, Balance due shortly.

LANDED COST : Not known. However, the procurement cost in Belgium was 52 pounds sterling per ton. This would be 46,800 livres.

HANDLING CHARGES : Approximate cost of reception and distribution, to farmers including import duties and markup of the distributor would be Lit. 1,100.

OTHER PROGRAMS : No other forage pea seed has been imported under other programs.

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HEADLINE FOR PRICE ACTION: IMMEDIATE

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UNRRA Italian Mission

PRICE COMMITTEE

Minutes of the Second Meeting
held at 10:00 a.m. 22nd June, 1946

PRESENT FOR UNRRA:

S.M. Egan	Chief of Mission
B. Luzzatto	Assistant Chief of Bureau R & D
E.S. Lynch	Supply Operations
J. Lewis	Asst's Chief Sub-Bureau Relief Supply
G. Hopkins	Financial Advisor (Lanc Fund) C.F.A.
A. Polson	Office of Specialist to Com for Gov't Liaison
F. Williams	Price Specialist, Bureau R & D
V. Salim	Chief Analyst, Sub-Bureau Relief Supply
D. Colucci	Division of Agriculture
G. Cullari	" " "
H.G. Jenkins	" " "
G. d'Alva Valva	Sub-Bureau Industrial Rehabilitation, R & D
O. Caracciolo	Bureau of R & D (Interpreter)

PRESENT FOR ITALIAN GOVERNMENT:

L. d'Alessandro	Director General, Italian Delegation
F. Della Negra	Italian Government Delegation
C. Chiodelli	" "
G. Mariani	" "
V. Amrolini	Ministry of the Treasury
A. Ferraro	" " "
P. Galano	" " "
A. Foglietti	Inter-ministerial Committee on Prices
R. Festa Campanile	Ministry of Agriculture
O. Gambioli	" " "
A. Roselli	Ministry of Foreign Trade

A G E N D A

1. Determination of prices of remainder of commodities submitted to the Price Committee at its first meeting, held on June 18th, 1946
2. Further discussion and confirmation of prices fixed before

- G. Cardini Division of Agriculture
- H.C. Jenkins " " "
- G. d'Avola Valva " " "
- O. Caracciolo Sub-Bureau Industrial Rehabilitation, R & D Bureau of R & D (Interpreter)

PRESENT FOR ITALIAN GOVERNMENT:

- L. d'Allesandero Director General, Italian Delegation
- E. Della Negra Italian Government Delegation
- C. Cossalelli " " "
- G. Mazzoni " " "
- V. Lorrainini Ministry of the Treasury
- A. Zeffano " " "
- F. Galano " " "
- A. Foglietti Inter-ministerial Committee on Prices
- R. Festa Campanile Ministry of Agriculture
- O. Gambioli " " "
- A. Roselli Ministry of Foreign Trade

A C C E N D A

1. Determination of prices of remainder of commodities submitted to the Price Committee at its first meeting, held on June 18th, 1946
2. Further discussion and confirmation of prices fixed before establishment of Price Committee.
3. Establishment of procedure for the formal submission of commodity price recommendations by UNRRA or the Italian Government to the Price Committee.

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UNRRA Italian Mission

MINUTES OF SECOND MEETING OF

PRICE COMMITTEE

1. Determination of prices of remainder of commodities submitted to the Price Committee at its First Meeting, held on June 18th 1945. (Documents No. 1 and 2).
1. MR. KEENEY opened the meeting, stating he did not wish to make any policy decisions of major importance during MR. CLEVELAND'S absence.
2. MR. D'ALESSANDRO said the Committee did not have the full power to establish prices for all items at this meeting, and suggested that only the price of commodities for which urgent action is required, should be discussed at the present meeting.
3. MR. KEENEY asked whether the Italian Delegation wished to propose any discussion for the agenda of the next meeting of the Price Committee.
4. MR. D'ALESSANDRO proposed to include discussion on the Terms of Reference of the Price Committee.
5. MR. KEENEY agreed on this point, but stated that matters to be reviewed should be presented in writing as soon as possible, for study and action at the next meeting.
6. At MR. KEENEY'S suggestion, decisions reached at the last meeting were briefly reviewed for the benefit of those who were not present. He added that a letter had been addressed to AVV. Montini on July 19th, communicating the decisions reached at the meeting, and requesting the Government's confirmation. MR. KEENEY stated that there still remained five other commodities needing urgent action.
7. The first of these items put before the Committee for discussion is Reaper Attachments (Document No. 1). On this commodity UNRRA recommended that the quantity of 300 already arrived (plus 1000 more programmed), be sold at Lit. 3000 each. The same arrangement will apply on this reaper attachments as were agreed to for the grain binders: that is, the reception and distribution costs are to be reviewed later. MR. KEENEY said that these reaper

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- 2 -

8. MR. FOGLIETTI said that he considered the price of Lit. 3000 too low. However, since the price of reaper attachments is closely related to the price of mowers, he agreed that it is necessary to determine an emergency price. Such emergency price should be valid only until July 15th, 1946. MR. FOGLIETTI said he would like to know how this price had been reached.

9. MR. CARDANI replied that the figure had been suggested by UNPERA in consultation with the Federazione Italiana Consorzi Agrari.

10. MR. KEENE then suggested that the price proposed by UNPERA be submitted to the Government for its approval, with the provision that it be considered valid until 15th July, 1946, when the price will be further reviewed. He furthermore stated that the commodity should be distributed only to farmers who still have grain to cut.

11. MR. PESTA CAMPANILE said that the Ministry of Agriculture had issued instructions to the Provincial Agricultural Offices to the effect that the binders should be assigned to the farmers who had not yet completed harvesting the crop.

12. MR. MARCOLINI made the point that from this price, all distribution costs which will be ascertained later on, are to be deducted. The remainder of the sum is to be paid into the Lire Fund.

13. MR. KEENE stated that if satisfactory to all, the price of Lit. 3000 be set, subject to review after 15th July.

Ecc.N.4
There being no objections, the price of Lit. 3000 each for reaper attachments was recommended.

14. MR. PESTA CAMPANILE said that the Ministry of Agriculture would issue instructions immediately on the distribution and price of these reaper attachments. (ACTION MINISTRY OF AGRICULTURE).

15. Regarding the distribution costs, MR. FOGLIETTI stated that this Committee must decide on the matter, and not the Lire Fund Control Committee.

16. MR. KEENE suggested that the matter be reviewed at the subsequent meeting of the Price Committee.

17. Concerning the next item to be priced, MR. CARDANI stated that 708 tons of...

availability should be distributed only to farmers who still have grain to cut.

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There being no objections, the price of Lit. 3000 each for reaper attachments was recommended.

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16. MR. KEENEY suggested that the matter be reviewed at the subsequent meeting of the Price Committee.

17. Concerning the next item to be priced, MR. CASDANI stated that 706 tons of vetch seed (document No. 2) are on hand, of the total of 3000 tons programmed. He pointed out that a price of Lit. 35,000 per ton had been suggested by UNRRA.

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16. MR. FOGLIETTI said that he thought the price of 35,000 lire per ton is too low. He added that he had seen the price list of Piacenza, in which vetch seed was quoted at 80,000 lire per ton.
19. MR. CAUDANI stated that the price of vetch seed is no longer 80,000 lire, but from 45/50,000. Information is already at hand, advising that the price for the coming crop will be from 40/45,000 lire for the white vetch seed, and a lower price for black seed, of the UBERA type. It is expected that at the time the vetch seed will be used, the price will be further reduced to about 35,000 lire.
20. MR. FESTA CALPANILE said that the price to be taken into consideration should be the market price prevailing after the harvest.
21. MR. FOGLIETTI therefore suggested that the price of vetch seed should not be established until July when the crop is gathered, in order that it might be determined in accordance with the normal market. He thought it unfair that any price fixed now should have any bearing on the market.
22. MR. KEENE asked by what date this price must be fixed in order to afford adequate time for sale, distribution and planting.
23. MR. DAKIE replied not later than 15th July.
24. MR. FESTA CALPANILE explained that this seed had not been distributed, because the Consorzio Agrario refused to accept it unless they knew the price at which it was to be sold.
25. MR. KEENE said that it was UBERA's desire that these items be used during the coming planting season and that UBERA is ready to make sacrifices if necessary to achieve this purpose. He asked the Committee if they felt all necessary data was at hand to make a price decision today; if not, it would be preferable to wait until 10th July.
26. MR. KEENE's proposal was considered by the Committee and it was agreed that additional data be procured and the decision deferred, but that a price be set by July 10th, in order that planting might not be delayed.
27. MR. KEENE asked for a summary of the number of owers (document No. 3) available and their allocation.

21. MR. POCILLETI therefore suggested that the price of vetch seed should not be established until July when the crop is gathered, in order that it might be determined in accordance with the normal market. He thought it unfair that any price fixed now should have any bearing on the market.
22. MR. KEENE asked by what date this price must be fixed in order to afford adequate time for sale, distribution and planting.
23. MR. BAILE replied not later than 15th July.
24. MR. FINEST. CALPAMILE explained that this seed had not been distributed, because the Consorzio Agrario refused to accept it unless they knew the price at which it was to be sold.
25. MR. KEENE said that it was URRA's desire that these items be used during the coming planting season and that URRA is ready to make sacrifices if necessary to achieve this purpose. He asked the Committee if they felt all necessary data was at hand to make a price decision today; if not, it would be preferable to wait until 10th July.
26. MR. KEENE's proposal was considered by the Committee and it was agreed that additional data be procured and the decision deferred, but that a price be set by July 10th, in order that planting might not be delayed.
27. MR. KEENE asked for a summary of the number of mowers (document No. 5) available and their allocation.
28. MR. CARDANI stated that 1000 mowers were programmed, and 1057 had arrived. Of these 603 are horse-drawn and 484 are machine

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drawn. The latter type of mower has never been used in Italy and it is therefore necessary to examine the possibility of its employment in Italian agriculture. As regards the 503 horse-drawn mowers, MR. CARDANI pointed out they are not so good as those manufactured in Italy. They have not been mounted with the oil bath system, and the size of the blade is not standard. Furthermore, the attachment is for horses instead of oxen. For these reasons the price of 35,000 lire has been recommended by UNRRA.

29. MR. FOGLIETTI said that the low price suggested is in order, since the machinery is not so good as that manufactured locally.

30. MR. KEENE asked if there was a technical expert present who might speak on this point.

31. MR. CARDANI stated that Government representatives had been invited to view the machinery.

32. MR. KEENE suggested that the price for mowers be set today; and, should the Italian technical experts have any objections, the matter be reviewed at the next meeting. This, he pointed out, was necessary in order to avoid delay in the distribution. He then proposed that the same arrangements be made for mowers as were agreed to for the binders and suggested that the price of Lit. 35,000 be applied, to extend through the second grass-cutting season, preferably to 15th August. At the end of this period, the price would be subject to review. He emphasized the importance of utilizing these machines for the present season.

33. It was agreed that the price for these mowers be provisionally fixed at Lit. 35,000, up to 15th August. At that time the price is to be reviewed. However, a technical group, including a representative of the Ministry of Industry, is to be appointed immediately to inspect the machinery in the neighborhood of Rome, and to report back to this Committee whether the suggested price is satisfactory. If it is not, the group is to recommend modification. This action is to be taken so that the price information may go out this week. (ACTION ITALIAN GOVERNMENT).

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34. MR. KEENE then proposed to examine the price of trailers (document No. 4).

35. MR. CARDANI explained that 875 trailers had arrived. These

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34. MR. KEENE then proposed to examine the price of trailers (document No. 4).
35. MR. CARDANI explained that 875 trailers had arrived. These had not been requested by the Mission, but had been allocated by Washington. The Ministry of Agriculture had been approached and asked whether these trailers should be used for agricultural purposes. It had been replied that with some modifications, they

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might be used. Therefore, 724 trailers had been assigned to the Federazioni Consorzi Agrari by the Italian Government. About 150 had been sent to Sicily and Sardinia for the anti-fascist and anti-Malaria campaigns. The price suggested is Lit. 30,000 each.

36. MR. KEENE pointed out that he thought the price was too low, inasmuch as these trailers were equipped with tires, which alone were worth more than 30,000 lire. He asked that the price set must be high enough to offset the possibility of the tires being removed from the trailers and sold, thus destroying the usefulness of the unit.

37. MR. GAZIONI stated that he had seen the trailers. Neither the trailers or the tires were new, but they were in good condition. He also said that the farmers would have to transform them, if they are to be used with horses or oxen.

38. MR. GALANO suggested that, if the use of the trailers for agricultural purposes was not found to be practical, they might be used for industrial purposes, in which case the price could be increased. However, should it be decided that the trailers were to be used for agricultural purposes the price should not exceed 30,000 lire.

39. MR. KEENE asked if it was agreeable to the group that the Government make a study to see whether these trailers could be better used elsewhere than in agriculture. Therefore, it was proposed that the condition of the machines be established by the Government, the possibility of other uses studied, and recommendations made as to utilization and prices. The proposals of the Government should be presented to this Committee within a week. (ACTION ITALIAN GOVERNMENT).

40. MR. KEENE then proposed examining the price of plows, (Document No. 5) and asked for the major facts and recommendations on this commodity.

41. MR. GAZIONI explained that there were 1400 plows programmed. This figure included deep-tilage plows and ditching plows. To date 230 2-bottom plows had arrived. The estimated landed cost of the two-bottom type was lire 55,400. The price of the 3- and 4-bottom type was not yet known.

The two-bottom plows weigh about 390 KG. A basic price of about 100 lire per KG. was suggested.

38. MR. GALINO suggested that, if the use of the trailers for agricultural purposes was not found to be practical, they might be used for industrial purposes, in which case the price could be increased. However, should it be decided that the trailers were to be used for agricultural purposes the price should not exceed 30,000 lire.

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41. MR. CARDANI explained that there were 1400 plows programmed. This figure included deep-tillage plows and ditching plows. To date 250 2-bottomed plows had arrived. The estimated landed cost of the two-bottom type was lire 35,400. The price of the 3- and 4-bottom type was not yet known..

The two-bottom plows weigh about 390 KG. A basic price of about 100 lire per KG. was suggested.

42. MR. KEENE proposed that the price of the two-bottom plow be considered now, and the others when information is available.

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- MR. KEENE inquired what the group's reaction was to UNRRA's proposed price of Lit. 40,000 for these plows.
43. MR. FOGLIETTI pointed out that two-bottom plows of domestic manufacture are selling for about Lit. 70,000 and that they are priced according to weight. MR. FOGLIETTI was of the opinion that even though the UNRRA imported plows were lighter in weight, the difference in price was too great.
44. MR. PESTA CASTRAME then stated that the reason for the proposed low price was that these plows were not well adapted for Italian soil, and unless sold at a low price, they would not be sold at all.
45. MR. GALAMO suggested to postpone the determination of price on these plows until the Ministry of Foreign Trade had set the price for similar plows imported outside the UNRRA program.
46. MR. CARLANI asked why the price for plows imported in February had not yet been set.
47. MR. KEENE pointed out the urgency of this matter, since the plows outside the UNRRA program had arrived last February, and emphasized the necessity of immediate action, so that they could be utilized during the coming season.
48. MR. MARCOLINI promised that the Ministry of the Treasury would request the Ministry of Foreign Trade to establish this price at their meeting of 25th June. (ACTION ITALIAN GOVERNMENT)
49. MR. KEENE said that the proposal was acceptable to UNRRA, and he suggested that the determination of the price for plows be postponed to next week, at which time the Government's price will be communicated.
50. The meeting rose at 12:30

DISTRIBUTION:

All those present
COE (1)
Industrial Adviser
Legal Adviser
Div. Operational Analysis
Bur. R & D (2)

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DISTRIBUTION:

All those present
C O H (1)
Industrial adviser
Legal adviser
Div. Operational Analysis
Bur. R & D (2)
Bur. F & A (1)
Bur. R.S. (1)
Program Coord. - Sub Bur. of Supply Operations
Price Office - Bur. R & D
Gov't Liaison (2)
Conference Secretariat (2)
Registry (2)

DOCUMENT NO. 5

/10a

PRICE SITUATION AGRICULTURAL PROGRAM

ITEM : Reaper Attachments (for mowers)

QUANTITY PROGRAMMED : 1334

QUANTITY ARRIVED : 300 Doering

LANDED COST : Unknown, but estimated to be Lt. 3,250 for the Doering machine.

HANDLING CHARGES : Approximate cost of reception and distribution to farmers including import duty and 20% mark-up to the distributor is Lt. 1,250.

OTHER PROGRAMS : No reaper attachments have been previously imported on the other programs.

PRICES DOMESTIC PRODUCT : Domestically produced attachments are selling at Lt. 3,000.

REMARKS : Officials of the Ministry of Agriculture and farm machinery experts are of the opinion that the imported machines cannot be sold for a price higher than the domestic price of Lt. 3,000. There is no material difference in the quality of machines or values.

DEADLINE FOR PRICE ACTION : Immediate.

to farmers including import duty and 20% mark-up to the distributor is Lit. 1,950.

OTHER PROGRAMS : No resper attachments have been previously imported on the other programs.

PRICES DOMESTIC PRODUCT : Domestically produced attachments are selling at Lit. 3,000.

REMARKS : Officials of the Ministry of Agriculture and farm machinery experts are of the opinion that the imported machines cannot be sold for a price higher than the domestic price of Lit. 3,000. There is no material difference in the quality of machines or values.

DEADLINE FOR PRICE ACTION : Immediate.

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DOCUMENT NO. 7

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PRICE SITUATION VETCHES PROGRAM

ITEM : Vetch Seed

QUANTITY PROGRAMED : 3000 tons

QUANTITY ARRIVED : 148 tons
569 tons expected shortly

LANDED COST : Approximately Lit. 54,500 per ton. (Based on procurement estimate of £ 10.00 per 100 pounds in U.S. plus \$ 1.00 per 100 pounds ocean freight and charges).

HANDLING CHARGES : Based on the above landed cost the handling charges including reception and distribution to farmers, would amount to Lit. 25,000 per ton. On the other hand, if the landed cost were only 25,000, the distribution cost would amount to only 14,000 due to the variable charges based on a percentage of value.

PRICE DOMESTIC PRODUCT : Very limited availabilities priced at from Lit. 45,000 to Lit. 50,000 per ton, but not moving.

REMARKS : 1. This is apparently common vetch seed, but it hasn't been assured as yet. The UREPA Procurement officer from Washington advises that several varieties are being procured, some costing up to twice as much as common vetch. It may be possible to price common vetch and then price special varieties in relation to that, when varieties and quantities procured become known.

2. Seed experts and Ministry officials feel that a price not in excess of Lit. 35,000 per ton should be established in order to sell the seed at a value reasonable in light of the Italian market.

DEADLINE FOR PRICE ACTION : IMMEDIATE

Costs including reception and distribution to farmers, would amount to Lit. 25,000 per ton. On the other hand, if the landed cost were only 25,000, the distribution cost would amount to only 14,000 due to the variable charges based on a percentage of value.

PRICE DOMESTIC
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REMARKS : 1. This is apparently common vetch seed, but it hasn't been assured as yet. The UNRRA Procurement officer from Washington advises that several varieties are being procured, some costing up to twice as much as common vetch. It may be possible to price common vetch and then price special varieties in relation to that, when varieties and quantities procured become known.

2. Seed experts and Ministry officials feel that a price not in excess of Lit. 35,000 per ton should be established in order to sell the seed at a value reasonable in light of the Italian market.

DEADLINE FOR PRICE ACTION : IMMEDIATE

RD EST 8

DOCUMENT NO. 8

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PRICE SITUATION AGRICULTURE PROGRAM

ITEM : Mowers

QUANTITY PROGRAMMED : 1000

QUANTITY ARRIVED : 603 and balance on high seas

LANDED COST : Not known, but estimated as follows:

Cockshutt brand	23,670 liras at 225 liras per dollar
Booring brand	28,875

HANDLING CHARGES : Approximate cost of reception and distribution
to farmers including import duty:

Cockshutt	16,670
Booring	17,000

based on above landed cost estimates. The cost of distribution varies with the landed cost due to many charges such as insurance, handling levies, and import duties which are based on a percentage of netted value. This also includes a markup of 20% for the distributor, in this case Fedepconsorli.

OTHER PROGRAMS : No mowers have been imported under other program.

PRICES DOMESTIC MANUFACTURE : Price of good domestic models is presently from Lit. 57,000 to Lit. 55,000 to farmers.

REMARKS : Officials of the Ministry of Agriculture, farm machinery experts and farmer representatives agree that in order to sell the number of mowers imported promptly enough to permit their use in the current cereal harvest, the price should not be higher than Lit. 55,000. At a higher price the machines would not move quickly. Farmers are not buying many domestic machines at the prices quoted. If the machines are not moved into farmers' hands within the next two weeks the harvest season will already be in full swing. The models supplied, of war design to save materials, are somewhat old-fashioned. The arrival of

HANDLING CHARGES

Approximate cost of reception and distribution to farmers including import duty:

Cookshutt 15,970
Dwering 17,000

based on above landed cost estimates. The cost of distribution varies with the landed cost due to many charges such as insurance, handling levies, and import duties which are based on a percentage of rated value. This also includes a markup of 20% for the distributor, in this case Fedegocconsari.

OTHER PROGRAMS : No mowers have been imported under other program.

PRICES DOMESTIC MANUFACTURE

: Price of good domestic models is presently from Lit. 57,000 to Lit. 55,000 to farmers.

REMARKS : Officials of the Ministry of Agriculture, farm machinery experts and farmer representatives agree that in order to sell the number of mowers imported promptly enough to permit their use in the current cereal harvest, the price should not be higher than Lit. 35,000. At a higher price the machines would not move quickly. Farmers are not buying many domestic machines at the prices quoted. If the machines are not moved into farmers' hands within the next two weeks the harvest season will already be in full swing. The models supplied, of war design to save materials, are somewhat old-fashioned and, in general, inferior to Italian models. The arrival of URSAL machinery will have a deflationary effect on domestic prices, causing them to approach the figure suggested.

DEADLINE FOR PRICE ACTION : Immediate.

RD 5871 8

DOCUMENT NO. 9

PRICE SITUATION ATERIAS PROGRAM

As

- ITEM : Trailers - one ton cargo, two wheels with tires, ex U.S. Army Surplus.
- QUANTITY PROGRAMMED : By Italian Mission: none.
- QUANTITY DEMAND : 575 ea. by Washington (PDS) 2-21)
- QUANTITY AVAILABLE : 724 ea. have been turned over to the Italian Govt. for Agriculture, 150 ea. were shipped to Sardegna for Malaria Control, and one in broken condition Bread Shops - Rome.
- COST AT ARMY DEPOT : According to Division of Local Resources and AFHQ Supply Branch, the cost of the trailers at Army Depot is \$298.50 each or 67,230 Lit. cc. at the 226 Lira per one dollar rate.
- HANDLING CHARGES : Has been estimated at approximately 5,000 Liras ea. This includes handling charges and 11% mark up for profit for the distributors. Any duty or tax that may be imposed by the Italian Government for "nationalization" of the goods must be added to the handling charges.
- OTHER PROGRAMS : No trailers of any types procured or imported under other programs.
- REMARKS: 1. Since these are strictly motor driven trailers, they will have to undergo some changes in order to fit them for animal drawing. Only those farmers that have tractors will be able to use them almost as they are or with only minor changes. However, the farmers will be able to make any necessary change themselves.
2. Officials of the Ministry of Agriculture and interested parties contacted are of the opinion that in order to be able to sell the trailers to the farmers, the price should be around 25,000 to 30,000 Liras each. However, not to exceed 30,000 Liras.
3. Transportation from Army Depot at Leghorn to a Federconsorzi warehouse for 405 trailers was furnished by the Army. Transportation from UNRRA Shops at Broda, Rome, is to be furnished by the Federconsorzi to their warehouse.

of Army Depot is \$298.80 each or 67,230 Lit.
cc. at the 226 Lira per one dollar rate.

HANDLING CHARGES :

Has been estimated at approximately 6,000 Liras ea. This includes handling charges and 11% mark up for profit for the distributors. Any duty or tax that may be imposed by the Italian Government for "nationalization" of the goods must be added to the handling charges.

OTHER PROGRAMS :

No trailers of any types procured or imported under other programs.

REMARKS:

1. Since these are strictly motor drawn trailers, they will have to undergo some changes in order to fit them for animal drawing. Only those farmers that have tractors will be able to use them almost as they are or with only minor changes. However, the farmers will be able to make any necessary change themselves.
2. Officials of the Ministry of Agriculture and interested parties contacted are of the opinion that in order to be able to sell the trailers to the farmers, the price should be around 25,000 to 30,000 Liras each. However, not to exceed 30,000 Liras.
3. Transportation from Army Depot at Loghorn to a Fedorconsorzi warehouse for 508 trailers was furnished by the Army. Transportation from UNIFA Shops at Breia, Roma, is to be furnished by the Fedorconsorzi to their warehouse.

DEADLINE FOR PRICE ACTION : Immediate.

DOCUMENT NO. 10

/bb

PRICE SITUATION .. TRINIA PROGRAM

ITEM : Plows

QUANTITY PROCUREMENT : 1,400 1-4 bn
53 deep tillage
100 ditching

QUANTITY ARRIVED : 230,2-bm

LANDED COST : Not known, but estimated for the 2 bottom plows, Massey-Harris brand, at Lit. 35,400. No idea of the cost of 3 and 4 bottom plows, not yet procured, is available.

HANDLING CHARGES : Approximate cost of reception and distribution to farmers including import duty on landed cost and a 20% allowance to the distributor would be Lit. 22,100 based on above landed cost estimate. The cost of distribution varies with the landed cost since many handling levies, insurance and import are computed on a percentage basis.

OTHER PROGRAMS : Plows were imported under previous programs. 1016 plows of Brabant type (butterfly). The Ministry of Treasury fixed a price of Lit. 9,000 last year to the Federation which meant about Lit. 14,000 to farmers. After a year these plows have not been sold, and experts say that the price should not exceed 4,500 to the Federation making about 9,500 to farmers, if they are to be sold. 250 plows arrived on the PA program in February 1946, but the price has not yet been set by the competent authorities.

PRICE DOMESTIC PRODUCT : Two-bottom plows of domestic make are now selling for about Lit. 70,000. Italian plows are priced in relation to their weight. The imported models are light weight and plow less deeply (25 cm. compared with 40 cm.)

procedure, is available.

HANDLING CHARGES

Approximate cost of reception and distribution to farmers including import duty on landed cost and a 20% allowance to the distributor would be Lit. 22,100 based on above landed cost estimate. The cost of distribution varies with the landed cost since many handling levies, insurance and import are computed on a percentage basis.

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PRICE DOMESTIC PRODUCT

Two-bottom plows of domestic make are now selling for about Lit. 70,000. Italian plows are priced in relation to their weight. The imported models are light weight and plow less deeply (25 cm. compared with 40 cm.)

REMARKS

Officials of the Ministry of Agriculture and farm machinery experts state that these 2-bottom plows could not be sold at a price exceeding Lit. 40,000. At a higher price the plows will likely remain in the warehouse like other plows imported and hold up by a high price at which farmers will not buy. These plows should be distributed early enough for use in the summer and fall plowing.

DEADLINE PRICE FOR ACTION: IMMEDIATE

RD 5571 S

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Attachment H - 1 - a.

UNRRA ITALIAN MISSION

MINUTES OF THE FIRST MEETING OF THE LIFE FUND CONTROL COMMITTEE HELD AT 10:00 A.M. ON 5TH JUNE 1946.

PRESENT FOR UNRRA

Mr. S.H. Kreiby
 Maj. C.E. Hoggettis
 Mr. H. Cleveland
 Miss I.M. Parker
 Mr. H. Franklin
 Mr. P. Contini
 Mr. E.S. Lynch
 Maj. G. Hopkins
 Mr. W. Peterson
 Mr. H.H. Landsberg
 Mr. G. Miegge

(Chief of Mission)
 (Deputy Chief of Mission for F & A)
 (Deputy Chief of Mission for R & D)
 (Financial Reports Officer, ERO)
 (Legal Adviser UNRRA ERO)
 (Special Assistant to C o M for Government Liaison)
 (Chief of Sub-Bureau of Supply Operations)
 (Director Division of Finance)
 (Assistant Chief of Sub-Bureau of Supply Operations)
 (Division of Program Co-Ordination & Statistics)
 (Interpreter)

PRESENT FOR ITALIAN GOVERNMENT

Prof. L. d' Alessandro	(Italian Government Delegation)
Dr. E. Della Negra	"
Eng. A. Darby	"
Dr. C. Chioldelli	"
Comm. V. Marcolini	(Ministry of the Treasury)
Dr. G. Degli Alberti	(I.C.S.)
Dr. G. Male	"
Dr. M. Van Axel	(Federazione Italiana dei Consorzi Agrari)
Dr. A. Bettei	"
Dr. I. Calvani	"

A G E N D A

1. Terms of reference of the Life Fund Control Committee.
2. Procedures to be adopted by the Committee.
3. Consideration of Government's report on the proceeds of sale of UNRRA goods during the period 19th January to 30th April 1946.
4. Any other business.

Mr. H.E. Landsberg (Division of Program Co-Ordination & Statistics)
Mr. G. Miesse (Interpreter)

PRESENT FOR ITALIAN GOVERNMENT

Prof. L. d' Alessandro	(Italian Government Delegation)
Dr. E. Della Negra	"
Zng. A. Derby	"
Dr. C. Chioldelli	"
Comm. V. Marcolini	(Ministry of the Treasury)
Dr. G. Degli Alberti	(I.C.E.)
Dr. C. Melo	"
Dr. M. Van Axel	"
Dr. A. Bettei	(Federazione Italiana dei Consorzi Agrari)
Dr. I. Calvani	"

AGENDA

1. Terms of reference of the Lire Fund Control Committee.
2. Procedures to be adopted by the Committee.
3. Consideration of Government's report on the proceeds of sale of UPERA goods during the period 19th January to 30th April 1946.
4. Any other business.

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MINUTES OF THE FIRST MEETING OF THE LIRE FUND CONTROL COMMITTEE
HELD AT 10:00 A.M. ON 5TH JUNE 1946.

1. Mr. KEENEY opened the meeting saying that this had been called following the meeting between the Italian Government and UNRRA on 29th May. The Minutes of the previous meeting were circulated.
2. Mr. KEENEY continued, saying that proposed terms of reference for the Lire Fund Control Committee had been submitted by the Italian Delegation; these had been translated and revised by Maj. HODGETTS. He proposed that the Committee should first of all determine the terms of reference, working from Maj. HODGETTS's revised version, with the necessary reference to the Italian proposals. Mr. KEENEY added that the first five paragraphs in both proposals were identical, and therefore unless anyone present wished to comment on them, the discussion could be limited to paragraphs No. 6 and 7.
3. The first five paragraphs of the Draft Terms of Reference proposed by the Italian Mission (Appendix 1) were read by Mr. MIEGGE and approved by the Committee, the final phrase in No. 5 being changed from "or as convened by the Chairman" to "and as convened by the Chairman".
4. Para. 6 (a) was read by Mr. MIEGGE and approved by the Committee.
5. Para. 6 (b) was read. Prof. D'Alessandro objected to the expression "... and determination of distribution costs..." saying that the costs could not be determined by the Committee; this, he said, was a matter which must be determined elsewhere and then come before the Committee for examination. He proposed that the word "determination" be substituted with "ascertained".
6. Mr. KEENEY said that UNRRA would be willing to use the expression "to ascertain distribution costs by committees", instead of "examination and determination of distribution costs by committees", and asked whether the Italian Government would be agreeable to this change. There was unanimous agreement and the amendment was approved.
7. Para. 6 (c) was approved by the Committee.
8. On para. 6 (d), Mr. KEENEY suggested that the word "preliminary" should be inserted, the sentence thus reading "to make a preliminary examination of requests for the re-employment of the Lire Fund". The final responsibility as to the use of the Lire Fund, said Mr. KEENEY, is a function of the Joint Committee, but a preliminary examination of all requests that go forward should be made by the Lire Fund Control Committee. The amendment was approved.
9. Mr. CLEVELAND raised the question as to whether all projects should

3. The first five paragraphs of the Draft Terms of Reference proposed by the Italian Mission (Appendix 1) were read by Mr. MIERGE and approved by the Committee, the final phrase in No. 5 being changed from "or as convened by the Chairman" to "and as convened by the Chairman".
4. Para. 6 (a) was read by Mr. MIERGE and approved by the Committee.
5. Para. 6 (b) was read. Prof. D'Alessandro objected to the expression "... and determination of distribution costs...", saying that the costs could not be determined by the Committee; this, he said, was a matter which must be determined elsewhere and then come before the Committee for examination. He proposed that the word "determination" be substituted with "ascertained".
6. Mr. KEENE said that UNCTAD would be willing to use the expression "to ascertain distribution costs by commodities", instead of "examination and determination of distribution costs by commodities", and asked whether the Italian Government would be agreeable to this change. There was unanimous agreement and the amendment was approved.
7. Para. 6 (c) was approved by the Committee.
8. On para. 6 (d), Mr. KEENE suggested that the word "preliminary" should be inserted, the sentence thus reading "to make a preliminary examination of requests for the re-employment of the Liro Fund". The final responsibility as to the use of the Liro Fund, said Mr. KEENE, is a function of the Joint Committee, but a preliminary examination of all requests that go forward should be made by the Liro Fund Control Committee. The amendment was approved.
9. Mr. CHEVELLUD raised the question as to whether all projects should go through this Committee. Mr. KEENE considered that they should, in order to ensure that all projects in connection with the Liro Fund are registered at one point, so that the Committee could thus know what the claims against the Fund would be at any time. Prof. D'Alessandro added that the work done by the Liro Fund Control Committee would facilitate the work of the Joint Committee at a later date.
10. Com. MARCELLI proposed that the words "for programs of relief and rehabilitation" be inserted after "the Liro Fund" in para. 6 (d). The amendment was approved. Para. 6 (d) was approved by the Committee as amended. 613
11. Para. 6 (e) was read to the Committee and approved.
12. Para. 6 (f) was read to the Committee.
13. Mr. KEENE said he understood that the Committee would make recommendations only on policy questions arising within the framework of the Committee's terms of reference, and therefore proposed that the words "within the foregoing terms of reference" be added at the end of para. 6 (f). This was agreed, and para. 6 (f) was approved as amended.

14. Para. 7 was read to the Committee.
15. Maj. HODGETTS proposed that the words "decisions reached by ..." should be amended to read "recommendations made by ...". This was agreed, and para. 7 was approved as amended.
16. Maj. HODGETTS stated that Mr. CONTINI would be responsible for the secretariat on the part of the Mission.
17. Prof. D'ALESSANDRO said that Mrs. CHIACCHIAI would collaborate with Mr. Contini on the part of the Delegation.
18. Mr. KEENE said that these terms of reference limited the functions of the Committee and that it would not be within the province of this Committee to determine the price of any particular commodity. Mr. KEENE requested Mr. CLEVELAND to establish, in collaboration with Mr. CONTINI, a Committee on Prices, and added that should any inter-related points arise, they would be discussed at a conference between the two Committees.
19. Prof. D'ALESSANDRO referred to a letter from the High Commissariat for Food, in which it was proposed that a representative from the High Commissariat should be a permanent member of the Lira Fund Control Committee. Mr. KEENE stated that this was a matter for the Government to decide.
20. There were no questions on Item 2 of the Agenda. In opening discussion on Item 3, Mr. KEENE said it was his understanding that the Subcommittee would examine the Government's report, and would assist the Government with any available information.
21. Com. MARCOLINI submitted the Government's report (Appendix No. 2), and proceeded to the illustration of some points of the report: Solid fuel sales, continued Com. MARCOLINI, had reached a figure of Lit. 3,716,653,800. He added that this money had not yet been paid into the Lira Fund, but this would be done within a few days. Regarding liquid fuel, Com. MARCOLINI stated that there was no figure available at present. CIP had sent a letter stating that petrol was received from the Allied Military, both for FFA and UFRRA; but at the time of receipt, it was not known for which of these two accounts the petrol was supplied.
22. Mr. CLEVELAND said that the liquid fuel was paid by UFRRA but received through the Military, acting as UFRRA's agent in this matter. The problem, continued Mr. CLEVELAND, was one of accounting, and UFRRA would be glad to give any assistance in clearing this.
23. Prof. D'ALESSANDRO explained that the information as to the account for which liquid fuel was received - FFA, UFRRA or Sacerdoti (VI program) - should be furnished to CIP by the Combined Petroleum Board, and added that it would be useful if the Mission could assist in obtaining this information.
24. It was agreed that the Secretariat of the Lira Fund Control Committee,

Prof. D'ALESSANDRO referred to a letter from the High Commissariat for Food, in which it was proposed that a representative from the High Commissariat should be a permanent member of the Live Fund Control Committee. Mr. KEENE stated that this was a matter for the Government to decide.

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22. Mr. CLEVELAND said that the liquid fuel was paid by UNRA but received through the Military, acting as UNRA's agent in this matter. The problem, continued Mr. CLEVELAND, was one of accounting, and UNRA would be glad to give any assistance in clearing this.

23. Prof. D'ALESSANDRO explained that the information as to the account for which liquid fuel was received - FEA, UNRA or Sacerloti (VI program) should be furnished to CIP by the Combined Petroleum Board, and added that it would be useful if the Mission could assist in obtaining this information.

24. It was agreed that a Sub-Committee of Live Fund Control Committee, composed of Messrs. Lynch and Hopkins for UNRA, and Mr. Della Negra for the Delegation would contact CIP in order to solve the problem of reception and sale of liquid fuel imported by UNRA, and would report its findings to the next meeting of the Committee, on 12th June.

25. It was further agreed that Prof. D'ALESSANDRO would send the letter received from CIP to Mr. Contini, who would be responsible for distributing it to the appropriate persons in UNRA.

26. Reverting to the Government's report, Comm. MARCOLINI stated that up to 30th April Lit. 1,325,000,000 of foodstuff had been sold, of which Lit. 950,000,000 had been paid into the Live Fund. The difference represented the expenses of the Federazione Consorzi Agrari.

27. On this point Mr. KEENE said he assumed that the Committee would examine the quantity of commodities delivered to the Government and the prices at which these goods were sold. Mr. KEENE said that the prices at which UNRA goods were sold should be agreed with the Mission. Furthermore, the Committee should examine the estimated distribution costs for each commodity, and these

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costs should be agreed by UNRRA in writing.

28. Com. MARCOLINI said that by next Wednesday it would be possible to submit a report on the amounts received, the amounts distributed, the sale prices (together with an explanation as to how these prices were determined) and the costs of distribution.
29. Com. MARCOLINI added that this report should be prepared by a working party composed of a delegate from the Delegation (Mr. Della Negra), ICE and the Federazione Consumatori.
30. Mr. KEENE stated that Mr. Hopkins would participate in the work of this group as necessary.
31. Mr. KEENE then enquired at what point the sale of imported UNRRA wheat took place. The reason for asking this question, said Mr. KEENE, was that the total figure for imported wheat quoted in the Report was 432,000 tons, of which only 103,000 tons had been reported sold. This meant that on 30th April there was supposed to be a reserve stock of 324,000 tons of wheat, which is obviously not correct. How is this explained?
32. Com. MARCOLINI replied that the answer to this question would be given next Wednesday.
33. Mr. KEENE said that it was stated in the Report that no seed potatoes had been distributed by 30th April, when, in fact they had all been distributed before that date.
34. Com. MARCOLINI stated that the total allocation of seed potatoes had been distributed in January and February and that Mr. Keeny's query would be answered next Wednesday.
35. Mr. KEENE added that he had cited these points as two instances of inaccuracy, and the Committee would require a detailed report, item by item.
36. Mr. Della Negra stated that for the purposes of the report to be submitted on Wednesday, the cost of distribution of coal would be accepted as stated by the distributing agency: these costs would then be submitted to the Committee for review.
37. Com. MARCOLINI stated that no distribution plan had yet been made for industrial and textile products, and this was a matter of great urgency, because delays mean losses of goods.
38. Mr. KEENE stated that those products should not be distributed until the price had been decided and the procedure formulated, and until this was done the goods should be frozen.

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38. Mr. KEENE stated that those products should not be distributed until the price had been decided and the procedure formulated, and until this was done the goods should be frozen.

39. Comm. MARCOLINI stated that at present the responsibility for the distribution of industrial supplies lay with the Central Commission of Industry. He suggested that a distribution plan be made quickly by representatives of the Central Commission, the Ministry of Industry and Commerce, ICE, UERRA and the Delegation.

40. Mr. KEENE stated that the Bureau of Requirements and Distribution should take the initiative as regards both the distribution and the prices at which these commodities should be sold.

41. Mr. DEVELAND stated that the principal arrivals of industrial supplies were cotton and wool; these, he said, had been the subject of protracted discussions, and distribution depended upon evolving a suitable plan. The responsibility for the distribution, continued Mr. DEVELAND, lay with the Central Commission of Industry, which will hold its first meeting on 15 or 16th of June.

42. Comm. MARCOLINI urged that action be taken before the date of the meeting of the Central Commission, adding that unless the goods were distributed

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promptly, there would be considerable losses.

43. Mr. KEENEY then referred to the matter of Customs Duties and asked Mr. FRANKLIN to indicate the views of ERO on this subject.
44. Mr. FRANKLIN stated that under the terms of the two agreements between UPERA and the Italian Government, the Government is not justified in imposing custom duties on UPERA imported goods.
45. Mr. KEENEY said that the principle should be established that UPERA goods are not subject to Customs Duties, and the Custom Officers should be informed accordingly. However, should special cases arise in which custom duties should be levied in order to facilitate the distribution, these exceptions should be agreed by the Mission, and the proceeds of such charges should be paid into the Lire Fund.
46. Comm. MARCOLINI stated that the bulk of imports into Italy were on UPERA account; he felt that confusion might arise if Customs Officers were instructed to let them into the country Duty Free, as other imports might evade custom charges. Comm. MARCOLINI added that in his opinion the usual Custom duties should be charged on all goods entering the country, and that if UPERA's interpretation of the agreement was accepted, the proceeds would be paid into the Lire Fund.
47. Mr. KEENEY said that UPERA would submit in writing to the Government its position regarding custom duties, and would wait for the Government's reply and proposals.
48. The meeting adjourned at 1 p.m.

Distribution: All Present
Sec. of ES
Government Liaison
Conference Secretariat
Registry

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48. The meeting adjourned at 1 p.m.

Distribution: All present
Bur. of RS
Government Liaison
Conference Secretariat
Registry

A E D I X 1

LIRE FUND CONTROL COMMITTEE

Terms of Reference

1. The Lira Fund Control Committee is established for the purpose of carrying out the decisions reached at the meeting held on 29th May 1946, presided over by Mr. FRANK and attended by representatives of the Italian Government.

2. The permanent members of this Committee are:

Italian Government

- | | | | | | |
|------------------------|---|-------------------------------|--------------------------------|---|--------|
| Prof. L. D'Alessandro | - | Italian Government Delegation | Maj. C. E. Hodgetts | - | Deputy |
| Dr. E. De Luca Negri | - | " | and Chief, Bur. of F & A | | |
| Dr. C. Chiodelli | - | " | Mr. P. Contini - Spec. Asst | | |
| Comm. V. Marcolini | - | Ministry of the Treasury | to C o M for Govt Liaison | | |
| Comm. A. Foffano | - | " | Mr. G. Hopkins - Financial Ad- | | |
| Comm. G. Degli Alberti | - | I.C.E. | viser (Wire Fund) to C.F.A. | | |
| | | | Mr. Harlan Cleveland - | | |
| | | | Deputy C o M and Chief, of | | |
| | | | Bureau of R. & D. | | |

Mr. E. Lynch - Chief of Bd
Bureau of Supply Operations

3. Whenever the subject matter requires it, and upon invitation of the President, or upon request of one of the permanent members, representatives of other Government Administrations or other offices of the Mission may attend the meetings of the Committee.

4. Maj. C.E. Hodgetts, Deputy Chief of Mission and Chief, Bureau of Finance and Administration, is the Chairman of the Committee.

5. The Committee will meet weekly, every Wednesday, at 10,00 hrs. at USRGA Headquarters, and as convened by the Chairman.

6. The functions of the Committee will be to advise the Chief of Mission and the President of the Italian Government Delegation, to whom all decisions reached at the meetings will be submitted for final approval. The purpose and the functions of the Committee will be limited:

- (a) To receive monthly reports from the Government as to the quantities of supplies transferred to them, the quantities sold, the proceeds of such sales, and an accounting for any differences between these two tonnares.

Comm. A. Poffano

Comm. G. Degli Alberti I.C.E.

Mr. G. Spicchi-Spinelli - Financial Advisor (Lire Fund) to C.F.A.I.

Mr. Harlan Cleveland - Deputy C o M and Chief, of Bureau of R. & D.

Mr. E. Lynch - Chief of Staff Dir. of Supply Operations

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(a) To receive monthly reports from the Government as to the quantities of supplies transferred to them, the quantities sold, the proceeds of such sales, and an accounting for any differences between these two fornares.

(b) To ascertain the distribution costs by commodities.

(c) To account for deposits to the Lire Fund.

(d) To make a preliminary examination of requests for the re-employment of the Lire Fund for programs of relief and rehabilitation, and to make recommendations to the Chief of Mission and the President of the Italian Government Delegations.

(e) To account for disbursements from the Lire Fund.

(f) To make recommendations to the Chief of Mission and the President of the Italian Government Delegation on any policy questions that may arise within the foregoing terms of reference.

7. A representative of the UNRRA Italian Mission will be responsible for Secretariat. He will, in collaboration with a representative of the Delegation, call the meetings, issue the minutes, and follow up the recommendations made by the Committee.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

U.N.R.R.A. goods (2nd program) imported into Italy and distributed during the period 1 FROM information. (The data concerning imported goods have been taken from the out turn reports actual correspond to the data ascertained on consignment).

DESCRIPTION OF GOODS	Quantities imported	Quantities distributed	Gross Income
	Tons	Tons	Lira
<u>FOOD PRODUCTS</u>			
- Wheat	432,944.-	108,006.-	1,247,461,937.-
- Oats	21,930.3	-	-
- Wheat flour	3,799.4	1,076.5	14,149,554.-
- Rye "	457.2	-	-
- Macaroni	185.9	-	-
- Cod fish	2,219.9	1,169.1	61,013,774.-
- Preserved fish	534.4	-	-
- Margarine	473.4	-	-
- Evaporated milk	8,825.9	-	-
- Powdered milk	1,657.-	-	-
- Powdered soup	2,825.4	-	-
- Corn meal	302.4	-	-
- Paprika	1.7	-	-

Declassified E.O. 12356 Section 3.3/NND No. 785016

ANNEX "2"

Rome, 16 May, 1946

(sum) imported into Italy and distributed during the period 1 FEBRUARY - 30 APRIL 1946 - I.C.E. + (including imported goods have been taken from the out turn reports actually received and not always based on consignment).

Quantities imported	Quantities distributed	Gross Income	NOTES
Tons	Tons	Lire	
944.0	108,006.0	1,247,461,937.0	
930.3	-	-	
799.4	1,076.5	14,149,551.0	
457.2	-	-	
185.9	-	-	
212.9	1,169.1	64,043,774.0	
531.4	-	-	
473.4	-	-	
225.9	-	-	
67.0	-	-	
25.4	-	-	
22.4	-	-	
1.7	-	-	

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- Seed potatoes	5,353.3	-	-	
- Soap	203.2	-	-	
<u>TEXTILES</u>				
- Cotton	6,777.-	-	-	
- Wool	2,080.-	-	-	
<u>MEDICAL AND SANITARY SUPPLIES</u>				
- Medicines, chemical products, insecticides & sanitary material	294.3	-	-	(1) 74. to
<u>INDUSTRIAL PRODUCTS</u>				
- Raw rubbers	7.1	-	-	
- Dried Hides	660.4	7	-	
<u>SOLID FUELS</u>				
- Coal (2)	1,200,556.-	1,192,378.-	3,716,353,800.-	(2) ICE rep any thi sol
<u>LIQUID FUELS</u>				
- Paraffin oil and subproducts (3)				(3) It con fac nir

355.3	-	-
203,2	-	-
777.-	-	-
080.-	-	-
29.3	-	-
7.1	-	-
60.4	7	-
56.-	1,192,378.-	3,716,353,800.-

(1) 74.6 tons of "DDT" liquid were shipped to UNRRA Cagliari.

(2) ICE has not yet received the out turn reports for T/n 139.184; this quantity anyhow is included in the data given in this list since the Central Coal Office sold almost all this quantity.

(3) It was not possible to give the data concerning these products owing to the fact that the CIP personnel are on strike since many days.

UNRRA Italian Mission

LIRE FUND CONTROL COMMITTEE

Minutes of the Second Meeting
held at 3:00 p.m. 13th June, 1946.

PRESENT FOR UNRRA:

- Mr. C. E. Hodgetts
- Mr. A. A. Sorleri
- Mr. M. Franklin
- Mr. P. Contini
- Mr. E. S. Lynch
- Miss Phoebe Barnister
- Mr. G. Hopkins
- Mr. J. Fagan
- Mr. H. H. Landsberg
- Mr. G. Miesse

- Deputy Chief of Mission and Chief, Bur. of F & A
- Deputy Chief of Mission and Chief, Bur. of R. S.
- Legal Adviser Southeastern Europe
- Special Ass't to Chief of Mission for Gov't Liaison
- Chief of Sub-Bureau of Supply Operations
- Director, Division of Welfare
- Financial Adviser (Lire Fund) to C.F.A.
- Bureau of Requirements & Distribution
- Division of Program Coordination & Statistics
- Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

- Mr. L. d'Alessandro
- Mr. E. Della Negra
- Mr. C. Chiodelli
- Mr. G. Giordana
- Mr. V. Marcolini
- Mr. A. Poffano
- Mr. G. Degli Alberti
- F. Manlio Pracca

- Italian Government Delegation
- Italian Government Delegation
- Italian Government Delegation
- Italian Government Delegation
- Ministry of the Treasury
- Ministry of the Treasury
- I.C.E.
- I.C.E.

A G E N D A.

- 1. Approval of minutes of previous meeting.
- 2. Consideration of Government's proposal concerning use of Lire Fund for 1946 purchase of foodstuffs for Welfare Program. (Delegation)
- 3. Request from Bureau of Relief Services for Lit. 13,590,000 for purchase of vehicles for CASAS project. (UNRRA)
- 4. Request from High Commissioner for Sardinia for Lit. 500,000,000 for Anti-Snashopper Campaign. (Delegation)
- 5. Report on quantities of food supplies received, amounts distributed, sale prices, and costs of distribution for the period 16th January/30th April.

Bureau of Requirements & Distribution
Division of Program Coordination & Statistics
Interpreter

Mr. H.H. Landsberg
Mr. G. Kiosse

MEMBER FOR ITALIAN GOVERNMENT:

Mr. L. d'Alessandro
Mr. E. Della Negra
Mr. C. Chiodelli
Mr. G. Giordana
Mr. V. Marcellini
Mr. A. Poffano
Mr. C. Degli Alberti
Mr. Mario Pracca

Italian Government Delegation
Italian Government Delegation
Italian Government Delegation
Italian Government Delegation
Ministry of the Treasury
Ministry of the Treasury
I.C.E.
I.C.E.

AGENDA

- 1. Approval of minutes of previous meetings.
- 2. Consideration of Government's proposal concerning use of Lire Fund for local purchase of foodstuffs for Welfare Program. (Delegation)
- 3. Request from Bureau of Relief Services for Lit. 10,590,000 for purchase of vehicles for CASAS project. (UGRA)
- 4. Request from High Commissioner for Sardinia for Lit. 500,000,000 for Anti-Transhopper Campaign. (Delegation)
- 5. Report on quantities of food supplies received, amounts distributed, sale prices, and costs of distribution, covering the period 19th January/30th April 1946. (Delegation)
- 6. Report on PCL situation. (Delegation)
- 7. Report on proceeds of sale of coal. (Delegation)
- 8. Financing of operations of I.C.E. and Central Industrial Commission (674)

MINUTES OF MEETING OF LIRE FUND CONTROL COMMITTEE
Held on 15th June, 1946 at 3.00 P.M.

I. APPROVAL OF MINUTES OF PREVIOUS MEETING.

1. MR. HODGETTS opened the meeting by asking if there were any comments to be made regarding the Minutes of the previous meeting on June 5th. There were none and the Minutes were approved.
2. MR. HODGETTS continued by remarking that as a working committee he thought it advisable to keep the number in attendance down to the members of the Committee and only such outside persons who were invited for specific reasons by the Committee in order that the group would not become too unwieldy. This view was agreed to by the Committee.

II. CONSIDERATION OF GOVERNMENT'S PROPOSAL CONCERNING USE OF LIRE FUND FOR LOCAL PURCHASE OF FOODSTUFFS FOR WELFARE PROGRAM. (Attachment 1)

3. MR. HODGETTS stated that the formulation of this item on the agenda did not correspond exactly to the Delegation's memorandum on the subject, which dealt with foodstuffs for the camps operations.
4. MR. DELLA NEGRA replied that in the mind of the Government this matter concerned both the Camps Program and the Welfare Program. He continued, saying to INERA imported wheat is delivered to the High Commissariat for Food and sold to the mills by the Federazione Consorzi Agrari, the proceeds being paid into the lire fund.

Therefore the wheat becomes the property of the mills and payment should be made when the mills are asked for flour for the Welfare or Camps Programs. This necessary, MR. DELLA NEGRA added, to enable the Federazione to purchase the amount of flour and semolino which are required for execution of the Welfare and Camps programs. The Federazione stated that it should draw from the proceeds of sale an amount of Lit. 10,000,000 for the purchase of wheat and flour necessary for these operations. MR. DELLA NEGRA said it would not be possible to allow the Federazione to have money for such purchases without special authorization by the Committee administering the Lire Fund.

5. MR. HODGETTS said he would like to bring up two points: (1) he did not agree with the procedure proposed as it seemed clear that the entire proceeds of sale, without any deduction for any purpose, must by the agreement be paid into the lire fund. Subsequently, at the request of the Bureau of Relief Supplies, INERA may require the purchase of some flour for Displaced Persons Camps, at which point - on presentation of account - the Committee would authorize payment of the account by withdrawal of funds from the Lire Fund.
6. MR. HODGETTS continued, on the second point, asking what had been the procedure up to the present as INERA had been using flour and other foodstuffs and no bill had been presented.

4. MR. HODGETTS stated that the formulation of this item on the Agenda did not correspond exactly to the Delegation's memorandum on the subject, which dealt with foodstuffs for the camps operations.

4. MR. DELLA NEGRA replied that in the mind of the Government this matter concerned both the Camps Program and the Welfare Program. He continued, saying to UNRRA imported wheat is delivered to the High Commissariat for Food and sold to the mills by the Federazioni Consorzi Agrari, the proceeds being paid into the Lire Fund.

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6. MR. HODGETTS continued, on the second point, asking what had been the procedure up to the present as UNRRA had been using flour and other foodstuffs and no bill had been presented.

7. MR. DELLA NEGRA replied that up to now UNRRA had taken these amounts for the assistance program out of the supplies sent for the 1945 plan. Thirty five thousand tons of wheat had been imported and delivered to the High Commissioner for Food on condition that the Commissioner give back flour in the proportion of 91 per cent of yield.

8. The present proposal, MR. DELLA NEGRA continued, is that the Federazioni enter on one side of the ledger the amount of money they are getting from the sale of wheat and on the other side place the money which is to be charged to UNRRA for amounts going to the Welfare program. He continued, citing the instance in which due to the scarcity of fats the Food Commissioner agreed to provide some fats to UNRRA for the 1945 program. However, those fats had to be paid for and the Delegation asked the Federazioni to charge them to their account. On this account the Delegation at present owes 400,000,000 Lire. MR. DELLA NEGRA added that he for this matter should be straightened out for the 1946 program.

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9. MR. HODGETTS said that the 1945 program was not subject to this proceeds of sale arrangement. UNRRA simply decided that a certain amount of its supplies should be used for the camps or welfare programs, but he did not see how UNRRA could be billed for 400,000,000 Lire.
10. MR. DELLA NEGRA replied that the Lit. 400,000,000 was for the foodstuffs taken from the Food Commission and advanced to UNRRA.
11. MR. HODGETTS asked if the sum of Lit. 400,000,000 was for fats.
12. MR. DELLA NEGRA stated that the Federazione had already sent an account up to the 31st December 1945, and was owing another one up to the 31st of May. He added that the 400,000,000 Lire did not concern only the cost of fats, but also transportation and distribution charges.
13. MR. HODGETTS said that these charges were covered in the budgets of the Delegation, and the Delegation should pay them.
14. MR. DELLA NEGRA said the Delegation had advanced to the Federazione the sum 75,000,000 Lit., but that the balance was due.
15. MR. HODGETTS replied that the debt was chargeable to the Italian Delegation funds already made available to it by the Joint Committee.
16. MR. MARCOLINI stated that no withdrawal from the Lire fund could be made without the authorization of the Joint Committee and that therefore the balance of the money due to the Federazione should be paid after agreement between UNRRA and the Delegation had been reached.
17. MR. HODGETTS said that he had assumed that this expenditure had been already included in the Delegation's budget.
18. MR. MARCOLINI explained that the Delegation's budget had not yet been approved.
19. MR. HODGETTS asked from which date UNRRA was indebted to the Federazione for the purchase of foodstuffs from the allies.
20. MR. DELLA NEGRA answered that it was as from the 19th of January.
21. MR. DELLA NEGRA said it was his understanding that the Lire fund of 500,000,000 Lire for the 1945 program, should be used for purposes other than the purchase of local products. Indeed, when fats were needed by UNRRA, they were obtained by the Food Commission on a loan basis instead of purchasing them. Therefore, it was necessary to pay back from the 1946 program the supplies borrowed for the program.
22. MR. HODGETTS said that his understanding was that UNRRA borrowed from the Allied Commission, and paid back the amounts due. Therefore, he did not see how UNRRA could owe 400,000,000 Lire to the Federazione.

15. MR. HODGETTS replied that the debt was chargeable to the Italian Delegation funds already made available to it by the Joint Committee.
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23. MR. DELLA NEGRA proposed that a Sub-Committee be appointed to settle this question.
24. MR. HODGETTS replied that the accounting had already been settled with the Allied Commission and that therefore it was not necessary to set up another Sub-Committee.
25. MR. DELLA NEGRA said that the question involved UNRRA and the Food Commissioner, because the fats had been purchased from the Italian producers.
26. MISS BANTISTER said that she understood that when UNRRA had required fats from the Food Commissioner, an arrangement had been made similar to that with the Allied Commission, namely, that UNRRA would repay these fats with some other food.

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item, such as sugar. She asked when monetary repayment had been considered.

27. MR. D'ALESSANDRO stated that from an economic point of view there was no difference of opinion, it was merely a question of words.

28. MR. SORIERI stated that UNRA had never borrowed any food from the Italian Government for the Displaced Persons camps. The Mission had been operating these camps as agents of the military; the food had been drawn from military sources, and even if, in some cases, some food had been drawn from Italian sources, the Allied Commission had responsibility for this, and therefore the question should be settled between the Allied Commission and the Italian Government.

29. MR. HOPKINS proposed that as regards the Federations accounts a representative of the Delegation and the Administration should meet and settle the matter once for all.

30. It was agreed that MR. DELLA NEGRA and MR. HOPKINS would be responsible for clearing this matter. ACTION BUR. F. & A. AND ITALIAN DELEGATION.

III. REQUEST FROM BUREAU OF RELIEF SERVICES FOR LIT. 13,590,000 FOR PURCHASE OF VEHICLES FOR CASAS PROJECT.

31. It was agreed that this matter will be considered at the next meeting of the Committee, as part of a larger request for funds from the Bureau of Relief Services for the CASAS project. ACTION BUR. RS.

IV. REQUEST FROM HIGH COMMISSIONER FOR SARDINIA FOR LIT. 500,000,000 FOR ANTI-CASSHOPPER CAMPAIGN. (Attachment No. 2).

32. MR. MARCOLINI stated that it was necessary to make a plan of re-employment of the Lire Fund, which should take into consideration all the commitments such as subsidy for coal, the possible subsidy for bread, the expenses of requisitions etc. Subject to the formulation of that plan, he said that the Government would agree to the allocation of 500,000,000 lire for Sardinia.

33. MR. HODGETTS asked whether Mr Marcolini had a proposal to put forward.

34. MR. MARCOLINI replied that a plan for the re-employment of the lire fund would be made by the Government within two weeks.

35. MR. HODGETTS proposed that in view of the urgency of the anti-grasshopper campaign and pending the approval of the plan of re-employment, the Committee recommend that 500,000,000 lire be allocated to the High Commissioner for Sardinia.

36. It was agreed that the Committee recommend to the Chief of Mission and the President of the Delegation that an advance in the sum of Lit.

30. It was agreed that MR. DELLA NEGLIA and MR. HOPKINS would be responsible for clearing this matter. ACTION BUR. F. & A. AND ITALIAN DELEGATION.
- III. REQUEST FROM BUREAU OF RELIEF SERVICES FOR LIT. 13,590,000 FOR PURCHASE OF VEHICLES FOR CASAS PROJECT.
31. It was agreed that this matter will be considered at the next meeting of the Committee, as part of a larger request for funds from the Bureau of Relief Services for the CASAS project. ACTION BUR. RS.
- IV. REQUEST FROM HIGH COMMISSIONER FOR SARDINIA FOR LIT. 500,000,000 FOR ANTI-GRASSHOPPER CAMPAIGN. (Attachment No. 2).
32. MR. MARCOLINI stated that it was necessary to make a plan of re-employment of the Lire Fund, which should take into consideration all the commitments such as subsidy for coal, the possible subsidy for bread, the expenses of requisitions etc. Subject to the formulation of that plan, he said that the Government would agree to the allocation of 500,000,000 lire for Sardinia.
33. MR. HODGETTS asked whether Mr Marcolini had a proposal to put forward.
34. MR. MARCOLINI replied that a plan for the re-employment of the lire fund would be made by the Government within two weeks.
35. MR. HODGETTS proposed that in view of the urgency of the anti-grasshopper campaign and pending the approval of the plan of re-employment, the Committee recommend that 500,000,000 lire be allocated to the High Commissioner for Sardinia.
36. It was agreed that the Committee recommend to the Chief of Mission and the President of the Delegation that an advance in the sum of Lit. 500,000,000 be made available for the Sardinian Locust Campaign immediately. Meantime, the Delegation would prepare a Budget and plan of re-employment of this sum, which is to be tabled within fourteen days. (ACTION DELEGATION).
- V. REPORT ON QUANTITIES OF FOOD SUPPLIES RECEIVED, AMOUNTS DISTRIBUTED, SALES PRICES, AND COSTS OF DISTRIBUTION, COVERING THE PERIOD 19TH JANUARY 30TH APRIL 1946 (Attachment 3 and 3 a).
37. MR. D'ALESSANDRO asked for the Delegation's comments on the reports submitted by the Delegation. 671
38. MR. HODGETTS said that the reports had just been received and he had only made a cursory examination. However, he felt that the reports did not supply all the information which was required. For instance, no information

was given about the distribution costs of the Federations. It was only mentioned that the Federations was withholding the difference between 1,325,000,000 Lire and 950,000,000 Lire to cover distribution expenses, but no justification was given.

39. MR. L'ALESSANDRI stated that these reports were only a preliminary step in the ascertainment of the actual distribution costs. A critical examination would be made of the data supplied by the various agencies.

40. It was agreed that at the next meeting of the Committee, the Delegation would submit a progress report on the distribution costs of the Federations as well as on the quantities of food received, average distributed and sale prices. ACTION DELEGATION.

41. MR. HODGETTS pointed out that in the months of February and March 246,000 tons of wheat had been imported by UNRRA. However, only 108,000 tons were reported as sold up to April 30th. How can it be explained that there are 138,000 tons unaccounted for?

42. MR. DELLA NEGRA said that the figures quoted in the reports were those given by the Federations and that they were now being checked.

43. MR. DEGLI ALBERTI said that ICE furnished the figures concerning the reception of goods on the basis of the out-turn reports. As regards the figures for distribution, ICE had to accept the data given by the Federations.

44. MR. HODGETTS emphasized the importance of speeding up the reports.

45. MR. LANDSBERG asked what was considered a reasonable lapse of time between the unloading of the supplies and the date in which the reports are made.

46. MR. DELLA NEGRA answered that between two to three months were necessary.

47. MR. HODGETTS said that UNRRA felt that this period was too long and that it should be reduced to half.

VI. REPORT ON POL SUPPLIES (Attachments No. 4 and 4 c)

48. MR. MARCOLINI stated that the document submitted by the Mission (Attachment 4 a) was not adequate because it did not show a breakdown between the amounts of POL received on UNRRA, FEA and Italian Government Account.

49. MR. ZIGAN said that the Mission had not yet received from Headquarters a breakdown of UNRRA'S portion of all POL sent to Italy. However, CIP could give a breakdown on the quantities sold for the civilian requirements, for the Italian Armed Forces, the Vatican and the Diplomatic Corps.

50. CIP can also provide information regarding the sale prices and cost of distribution in order to be able to pay the amounts due into the Lira Fund.

42. MR. DELLA UGHERA said that the figures quoted in the reports were those given by the Federations and that they were now being checked.
43. MR. DEGLI ALBERTI said that IOE furnished the figures concerning the reception of goods on the basis of the out-turn reports. As regards the figures for distribution, IOE had to accept the data given by the Federations.
44. MR. HODGETTS emphasized the importance of speeding up the reports.
45. MR. LAUBERGER asked what was considered a reasonable lapse of time between the unloading of the supplies and the date in which the reports are made.
46. MR. DELLA UGHERA answered that between two to three months were necessary.
47. MR. HODGETTS said that UNGER felt that this period was too long and that it should be reduced to half.

VI. REPORT ON POL SITUATION (Attachments No. 4 and 4 a)

48. MR. MARCOLINI stated that the document submitted by the Mission (Attachment 4 a) was not adequate because it did not show a breakdown between the amounts of POL received on UNGER, FEA and Italian Government Account.
49. MR. FAGAN said that the Mission had not yet received from Headquarters a breakdown of UNGER'S portion of all POL sent to Italy. However, CIP could give a breakdown as to the quantities sold for the civilian requirements, for the Italian Armed Forces, the Vatican and the Diplomatic Corps.
50. CIP can also provide information regarding the sale prices and cost of distribution in order to be able to pay the amounts due into the lire fund.
51. MR. LIME said that the stock of POL has greatly increased since February last, this is, since UNGER began to import these products. He reiterated that UNGER'S suggestion was that all sales of POL to the civilian population made since February last (excepting the POL for the Vatican, the Armed Forces and the Diplomatic Corps) should be accounted as UNGER imports up to the total of the amounts of POL allocated to Italy by UNGER. Therefore, at the end of UNGER operations, the amounts in excess of the UNGER import program will be credited to the CIP stockpile. If this suggestion were followed, for the purposes of the lire fund, the POL sold by CIP could be easily distinguishable from POL imported from other sources.

52. MR. CHIODELLI suggested that the REA account should be closed as of January 31st 1948 and that after that date Mr. Lynch's suggestion should be followed.
53. MR. FAGAN said that CIP reported the sales figures each month and produced a chart containing this information.
54. MR. MARCOLINI suggested that the figures supplied by Mr. Fagan should be examined by one representative each of UNRRA, the Italian Delegation and CIP and a report should be made at the next meeting.
ACTION BUREAU F & D AND DELEGATION.
55. MR. HODGETTS proposed that CIP be requested to pay into the Lire fund an amount of 600,000,000 Lire, corresponding to 150,000,000 Lire for each month for February, March, April and May. He pointed out that the revenue received by CIP amounted to 300,000,000 Lire a month for petrol kero. and Diesel oil only. He felt, therefore, that CIP should be required to pay an account at least 50% of the amount sold.
56. After some discussion it was agreed that CIP should be requested to pay 600,000,000 Lire into the Lire fund. ACTION DELEGATION.
57. MR. MARCOLINI proposed that a sub-Committee composed of a representative each of CIP, the Mission and the Delegation report on the CIP charges and on a letter from CIP to the Delegation (Attachment No. i) at the next meeting of the Committee. This sub-Committee should examine in particular the distribution charges mentioned in the letter from CIP.
58. MR. MARCOLINI's proposal was accepted and MR. HODGETTS appointed MR. HOPKINS as UNRRA representative in this sub-Committee.
ACTION BUREAU F & A AND DELEGATION.
- VII. REPORT ON PROCEEDS OF SALE OF COAL. (Attachment No. 5)
59. It was agreed that at the next meeting of the Committee the Delegation would submit a more detailed report on the proceeds of sale of coal and the distribution costs. ACTION DELEGATION.
- VIII. FINANCING OF OPERATIONS OF ICE AND CENTRAL INDUSTRIAL COMMISSION.
(Attachment No. 6).
60. MR. HODGETTS said that UNRRA had loaned 45,000,000 Lire from its Administrative fund to the Ministry of Industry and Commerce, for the operations of the Central Industrial Commission. This sum was to be repaid by the Central Industrial Commission either when the Government will supply it with funds, or when it will receive its revenue from the sur-charge on industrial rehabilitati-

oil only. He felt, therefore, that CIP should be required to pay an account of least 50% of the amount sold.

56. After some discussion it was agreed that CIP should be requested to pay 500,000,000 Lire into the Lire Fund, ACTION DELEGATION.

57. MR. MARCOLINI proposed that a sub-Committee composed of a representative each of CIP, the Mission and the Delegation report on the CIP charges and on a letter from CIP to the Delegation (Attachment No. i) at the next meeting of the Committee. This sub-Committee should examine in particular the distribution charges mentioned in the letter from CIP.

58. MR. MARCOLINI's proposal was accepted and MR. HODGETTS appointed MR. HOPKINS as UNIRA representative in this sub-Committee.
ACTION BUREAU F & A AND DELEGATION.

VII. REPORT ON PROCEEDS OF SALE OF COAL. (Attachment No. 5)

59. It was agreed that at the next meeting of the Committee the Delegation would submit a more detailed report on the proceeds of sale of coal and the distribution costs. ACTION DELEGATION.

VIII. FINANCING OF OPERATIONS OF ICE AND CENTRAL INDUSTRIAL COMMISSION.
(Attachment No. C).

60. MR. HODGETTS said that UNIRA had loaned 45,000,000 Lire from its administrative fund to the Ministry of Industry and Commerce, for the operations of the Central Industrial Commission. This sum was to be repaid by the Central Industrial Commission either when the Government will supply it with funds, or when it will receive its revenue from the sur-charge on industrial rehabilitation supplies. The sur-charge on the industrial rehabilitation supplies will be considered as part of the distribution costs and therefore will not enter into the Lire fund.

61. MR. MARCOLINI said that the Government did not have any objection to the Mission's action, but that in view of the fact that the loan had been made, it was necessary that the Central Industrial Commission present a full budget and a full justification of its expenses, which should be approved by the Joint Committee.

62. MR. HODGETTS agreed on this point.

63. MR. MARCOLINI proposed that the Committee recommend that an advance of 50,000,000 Lire be made to ICE for the financing of the operations connected with UNIRA supplies.

64. MR. DEGLI ALBERTI stated that ICE had previously requested 50,000,000 Lire on account, and added that although the costs had been higher than expected ICE would be satisfied with that amount.

65. MR. HODGKINS agreed to recommend to the Chief of Mission and the President of the Delegation that an advance of 50,000,000 Lira be paid to provide that a complete budget be submitted by ICE within 30 days. ACTION BUREAU P & A.
66. MR. D'ALESSANDRO pointed out that ICE had originally requested 0. on the UNRWA reports, corresponding to about 70,000,000 Lira for its expenses. However, ICE had recently sent a letter to the Treasury asking the reimbursement of some of its expenses over and above the 0.2. MR. D'ALESSANDRO said that the Delegation felt that this request could not be accepted.
67. MR. HODGKINS said that this was a matter to be discussed within the Government and that a recommendation should be submitted to the Mission by the Government.
68. The meeting adjourned at 6 p.m.

Enclosures: various.

DISTRIBUTION:

cc: to all those present

C O M
Prof. Franklin
Bur. A & D
Bur. P & A
Bur. A.S.
Gov't Liaison
Conference Secretariat
Registry

68. The meeting adjourned at 6 p.m.

Enclosures: various.

DISTRIBUTION:

cc: to all those present _____

- C O M
- Prof. Franklin
- Bur. A & D
- Bur. F & A
- Bur. R. S.
- Gov't Liaison
- Conference Secretariat
- Registry

600

CM 5652

Attachment No. 1

(Reference to Item 2 of the Agenda)

TRANSLATION

PRESIDENCY OF THE COUNCIL OF MINISTERS
Italian Government Delegation for Relations with UNRRA
Gen. Dir. for Economic & Financial Affairs

NOTES FOR LIRE FUND CONTROL COMMITTEE

SUBJECT: Withdrawals from the Lire Fund.

- 1) The Federazione Italiana dei Consorzi Agrari informed us in their letter of the 4th inst. that they had received instructions from the High Commissioner for Food to arrange for the consignment to UNRRA Camps Operations Division, of certain fixed quantities of wheat flour and semolina.
- 2) As all grain (either imported or of national production) is handed to the mills against payment, at the prices fixed by the Italian Government, it follows that the quantity of flour that the mills hand over, for whatever requirements, under order from the High Commissioner for Food, must be financed by the consignee.
- 3) The Italian Federconsorzi, having no funds earmarked for such purchases, has pointed out that to be able to carry out the instructions received from the High Commissioner for Food, they will have to withdraw from the receipts of the sale of foodstuffs of UNRRA importation, a first sum of 10 million lire which they will debit to a special account entitled: "Account for purchasing goods for UNRRA Italian Mission requirements".
- 4) As to the expenses incurred for transferring the flour and semolina the Federazione informs us that - according to instructions received from the Mission - they will arrange to debit such expenses to the UNRRA 1946 program.
- 5) Considering that no utilization of funds deriving from the sale of UNRRA commodities is to be made without a previous examination of the case by the Lire Fund Control Committee and the ratification by the Joint Committee, the question is submitted to the examination of the said Committee.
- 6) A similar situation arises for the flour and semolina allotted for carrying out UNRRA assistance programs.
- 7) Therefore the Lire Fund Control Committee should express their opinion as to the procedure to be adopted for financing the products allotted either to UNRRA Camps Operations or for the carrying out of Welfare Feeding Program.

against payment, at the prices fixed by the Italian Government, it follows that the quantity of flour that the mills hand over, for whatever requirements, under order from the High Commissioner for Food, must be financed by the consignee.

- 3) The Italian Federconsorzi, having no funds earmarked for such purchases, has pointed out that to be able to carry out the instructions received from the High Commissioner for Food, they will have to withdraw from the receipts of the sale of foodstuffs of UNRRA importation, a first sum of 10 million lire which they will debit to a special account entitled: "Account for purchasing goods for UNRRA Italian Mission requirements".
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- 5) Considering that no utilization of funds deriving from the sale of UNRRA commodities is to be made without a previous examination of the case by the Lire Fund Control Committee and the ratification by the Joint Committee, the question is submitted to the examination of the said Committee.
- 6) A similar situation arises for the flour and semolina allotted for carrying out UNRRA assistance programs.
- 7) Therefore the Lire Fund Control Committee should express their opinion as to the procedure to be adopted for financing the products allotted either to UNRRA Camps Operations or for the carrying out of Welfare Feeding Program.

Rome, 11 June, 1946.
E/af.

667

CI: 5637

Attachment No. 2

URUBMI

(Reference to Item No. 4 of the Agenda)

TRANSLATION

HIGH COMMISSARIAT
FOR SARDINIA

Cagliari, 26 May 1946

Ref. No. 65/Lo.Off.

To : Italian Delegation for Relations with UNRRA
10, Via Sallustiana - ROME

Copy to: Mr. Keeny Chief of UNRRA - ITALY
78 Via San Nicolo' da Tolentino - ROME

SUBJECT : Financing of the anti-locusts campaign
in Sardinia.

You are well aware of the seriousness of the locusts infestation in Sardinia and of the difficulties to be met in the carrying out of the anti-locusts campaign.

The population of the island and particularly the working classes, in compliance with the civilian mobilization decrees issued by the Prefects on my request, have up to date largely and willingly contributed to the campaign at the cost of serious disadvantages due to the lack of retribution and to the insufficiency of food supplies.

I estimate however that the campaign cannot be furthered and that the workers will not complete substantially their duties, to be enforced eventually with the new decree, if wages will not be paid and food supplies supplemented.

Therefore UNRRA and the High Commissariat for Food have been approached and I have reasons to believe that the question will be solved satisfactorily in a short time.

Concerning the necessity of paying the workers. The wages to be paid have been approved by President De Gasperi during his recent visit in Sardinia and submitted to the last Council of the Ministers who have ordered the allotment of 500 millions for the further development of the campaign.

This sum however according to the opinion of the technicians and of the local UNRRA Delegation, is not sufficient to carry out the campaign.

In fact, in order to finance the campaign 500 millions had been allotted: a part of them has been totally absorbed to purchase the necessary material (bran, arsenite, monochloride, kerosene, smoke-gas, petrol, paraffin, and vehicles and fuel for the latter, etc.).

According to the estimates of the technicians, approved by the local Italian Delegation, the campaign should last 60 days, at an average 50 thousand

The population of the island and particularly the working classes, in compliance with the civilian mobilisation decrees issued by the Prefects on my request, have up to date largely and willingly contributed to the campaign at the cost of serious disadvantages due to the lack of retribution and to the insufficiency of food supplies.

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This sum however according to the opinion of the technicians and of the local UNRRA Delegation, is not sufficient to carry out the campaign.

In fact, in order to finance the campaign 500 millions had been allotted: a part of them has been totally absorbed to purchase the necessary material (brat, aramide, manganonitride, samsolare smoke-gas, petrol, paraffin, and vehicles and fuel for the latter, etc.).

According to the estimates of the technicians, approved by the local UNRRA Delegation, the campaign should last 60 more days; an average 50 thousand daily workers should be employed with a total of three million working days which, bearing in mind that the harvesting is beginning just now, should be paid on the basis of 300 lire each in order to prevent the voluntary absence of labour.

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To pay out wages, therefore, 700 millions are required while another 100 millions will be needed for the further purchase of materials. Therefore another milliard should be allotted in order to complete the campaign against the plague which has stricken the island.

The Council of Ministers, as I have already said, has already allotted 500 millions, therefore the remaining 500 millions have still to be assigned.

I have informed Mr. Keery, Chief of UNRRA MISSION ITALY, of the seriousness of the consequences entailed by the fact that the financing budget is not complete, and he has stated that he views favourably your intervention to solve this problem which otherwise would remain unresolved.

CM 5637

- 2 - (Attachment: No.2 - Cont'd)

Therefore, I beg you, bearing in mind the enormous damages which would follow if the campaign will be stopped now, to allot the sum of 500 millions to meet a/m requirements. Said sum will be withdrawn from UNRRA Lire Fund.

Please confirm.

THE HIGH COMMISSIONER
FOR SARDINIA
(Gen A.A.P. Pirna)

T.T.M. Section
UC/af.

Declassified E.O. 12356 Section 3.3/NND No. 785016

T.T.M. Section
UC/AF.

01 5637

Attachment No. 3

(Reference to Item No.5 of the Agenda)

TRANSLATION

PRESIDENCY OF THE COUNCIL OF MINISTERS
Italian Government Delegation for Relations with UNRRA
Gen. Dir. for Economic & Financial Affairs

Report No. 1

FOOD, GRAIN ACCOUNT

I. From the date in the possession of the Italian Federconsorzi, controlled by the I.C.E., the Italian Government has received, during the period from 19 Jan. 1946 to 30 April 1946 413,272,06 tons of wheat.

II. During the same period the Italian Federconsorzi have cashed in the value of 108,006,1 tons at the following sale prices :

- a) 36,792,1 tons sold to Northern Italy at the price
of 10,771,50 Lire per ton. Lire 396,306,223,65
- b) 71,213,9 tons, sold to Central and Southern Italy
at the price of 11,952,10 Lire per ton Lire 851,155,713,95

Total. Lire 1,247,461,937,60
=====

As to the discrepancy between the quantity of grain received until the 30 April (413,272,06 tons) and the quantity sold up to the same date (108,006,1) the Italian Federconsorzi has pointed out that, in order to reach a considered opinion on the above data - one must bear in mind:

1. The quantity of grain which arrived with the different ships during April were included in the calculation of 413,272,06 tons, although the unloading was only terminated at the beginning of May.
2. The data of the 30 April show 14,516,30 tons of grain stored at the unloading warehouses of the Agrarian Consorzi.
3. Considerable quantities of wheat were still travelling on the 30 April 1946
4. The grain is deposited at the mills on a credit deposit account for 4 days, on the expiration of which, the Agrarian Consorzi proceed to send in their bill - in this way the payment of the relative amounts is always somewhat later than the consignment.

10,000 tons at the following sale prices:

- a) 36,792,1 tons sold to Northern Italy at the price of 10,771,50 Lire per ton. Lire 396.306.223,65
- b) 71,213,9 tons, sold to Central and Southern Italy at the price of 11,952,10 Lire per ton Lire 851.155.713,95

Total Lire 1.247.461.937,60

As to the discrepancy between the quantity of grain received until the 30 April (413,272,06 tons) and the quantity sold up to the same date (108,066,1) the Italian Federconsorzi has pointed out that, in order to reach a considered opinion on the above data - one must bear in mind:

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3. Considerable quantities of wheat were still travelling on the 30 April 1946
4. The grain is deposited at the mills on a credit deposit account for 4 days, on the expiration of which, the Agrarian Consorzi proceed to send in their bill - in this way the payment of the relative amounts is always somewhat later than the consignments.
5. The Agrarian Consorzi have to make a summary of the various documents received from their dependent agencies and necessarily the reports they forward to the Federation are delayed in comparison with the dates of sale.

The considerations exposed in 1, 2, 3, 4, and 5 refer also to the situation of the following accounts - flour and stockfish.

FLOUR ACCOUNT : 665

III. From the data in the possession of the Italian Federconsorzi, controlled by I.C.E., the Italian Government has received during the period from 19th January 1946 to 30th April 1946 18,989,16 tons of flour.

IV. In the same period the Italian Federconsorzi has received the counter-value of 1.076,5 tons at the following sale prices:

- c) 357,6 tons given in Northern Italy at the price of Lire 12,556,10 per ton Lire 4.630.439,70

GM 5637

- 2 - (Attachment No. 3 - Cont'd)
 carried forward Lire 4,630,439,70
 2) 708,9 tons given to Central and Southern Italy
 at the price of Lire 13,427,80 per ton " 9,519,115,10

Total Lire 14,149,554,80

STOCKFISH ACCOUNT

V. From the data of the Italian Federconsorzi, controlled by I.G.S., the Italian Government has received, during the period 19 January 1946 to 30 April 1946, 4,662,86 tons of stockfish.
 VI. During the same period the Italian Federconsorzi has received the counter-value of 1,169,1 tons at the sale price of Lire 55,000 a ton, equivalent to Lire 64,043,774,90.

SUMMARY

The total gross proceed of foodstuffs imported by URRRA, for the period 19 Jan/30 April 1946, is the following:

WHEAT	Lire 1,217,461,937,60
FLOUR	" 14,149,554,80
STOCKFISH	" 64,043,774,90
Total	<u>Lire 1,325,655,267,30</u>

Against this amount the Italian Federconsorzi has already paid in 950,000,000 Lire holding the difference to cover the expenses incurred for distribution.

Rome, 11 June 1946

SUMMARY

The total gross proceed of foodstuffs imported by UNRRA, for the period 19 Jan/30 April 1946, is the following:

WHEAT	Lire 1.217.461.937,60
FLOUR	" 14.145.554,80
STOCKFISH	" 64.043.774,90
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Rome, 11 June 1946

OL 5637

(Enclosure to Report No. 1)

RESIDENCY OF THE COUNCIL OF MINISTERS
Italian Government Delegation for Relations with UNRRA
Gen. Dir. for Economic & Financial Affairs

FOOD PRODUCTS

DISTRIBUTION COSTS

1. The Federazione Italiana Consorzi Agrari having been requested to furnish information regarding the distribution costs of food products imported by UNRRA, stated to be unable to give exact data as, up to the present time, all distributions have been handled by trusteeship administration, and therefore, has not ascertained the relative costs of distribution relating to each product.
2. During a meeting held in Maj. Hopkins' office on the 7th inst. and attended by the Directors of Federazione Italiana Consorzi Agrari, it was agreed that the figures requested should be made available by the Federazione on Friday the 14th next, regarding the average costs of wheat, flour and stock-fish, and that the average costs of all other products should be made available by the 21st next.
3. The Directors of the Federazione (Dott. Van Axel and Dott. Bettel) who attended the meeting agreed to perform the obligations as per above paragraph No. 2.

Rome, June 12th, 1946.

by the directors of the Federazione Italiana Consorzi Agrari, it was agreed that the figures requested should be made available by the Federazione on Friday the 14th next, regarding the average costs of wheat, flour and stock-fish, and that the average costs of all other products should be made available by the 21st next.

3. The Directors of the Federazione (Dott. Van Axel and Dott. Bettel) who attended the meeting agreed to perform the obligations as per above paragraph No. 2.

Rome, June 12th, 1946.

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T R A N S L A T I O N Attachment No. 3a

(Reference to item No. 5 of the Agenda)

PRESIDENCY OF THE COUNCIL OF MINISTERS
Italian Government Delegation for Relations with UNRRA
Gen. Dir. for Economic & Financial Affairs

REPORT No. 2

AGRICULTURAL PRODUCTS

SEED POTATO ACCOUNT

1. From the data supplied by the Italian Federconsorzi - controlled by ICE - the Italian Government received, from 19th January 1946 to 30th April 1946, 9.882,55 tons of seed potatoes of UNRRA importation.
2. On the basis of agreements reached between UNRRA Italian Mission and the representatives of the Italian Government (negotiations which terminated by the exchange of letters Mr. Keeny 19/2; Avv. Montini 28/2; Mr. Cleveland 14/3) the UNRRA seed potatoes will be distributed, together with those imported by the Italian Government, at the unified sale price of 32.50 lire per kilo. As the distribution expenses were included in this figure, calculated at 12 lire per kilo, the net proceeds came to 20.50 lire per kilo.
3. Considering that the potatoes imported by the Italian Government from England and from Holland cost on the average of 26.46 lire per kilo landed cost (i.e. too dear in comparison with the prices on the home market) it was arranged in the above mentioned agreements, that the difference (of 11.30 lire) between the landed cost of UNRRA potatoes (Lire 9.25) and the sale price, should be used to average up the price of the more expensive potatoes. It was thus that the figure of 20.50 lire per kilo was fixed for the potatoes - still leaving to the debit of the Italian Treasury - a difference of 15.041.000 Lire.

4. Having made clear the above facts, the seed potato situation for UNRRA imports stands as follows:

Gross proceeds of 9.882,55 tons at 32.50 lire per kilo Lire 321.182.875

Distribution expenses fixed at 12 lire per kilo Lire 118.590.600

Quote for equalizing the unified price of imported potatoes of whatever source - 11.30 lire per kilo

Lire 111.672.615 230.263.415

Net proceeds Lire 90.919.460

5. I.C.E. has paid into the Lire Fund the sum of 90.919.460 lire - net

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Distribution expenses fixed at 12 lire per kilo Lire 118,590,600

Quota for equalizing the unified price of imported potatoes of whatever source - 11.30 lire per kilo

<u>Lire 111,672,615</u>	<u>230,263,415</u>
Net proceeds	Lire 90,919,460

5. I.C.E. has paid into the Lire Fund the sum of 90,919,460 lire - net proceeds of 9,882,55 tons of seed potatoes imported by UNRRA.

6. In accordance with the above mentioned agreements the sum of 90,919,460 lire may be utilized for purchasing from the producers, a quantity of potatoes to be allotted to the Free Relief programmes.

Rome, 11th June 1946.

CE 5637

TRANSLATION Attachment No. 4

ITALIAN PETROLEUM COMMITTEE (reference to Item 5 of the agenda)

C.I.P.

DIRECTION

Rome, 4 June 46.

SERVICE PUBLIC INSTITUTIONS

PRESIDENCY OF THE COUNCIL
OF MINISTERS
Italian Delegation to UNRRA,
R O M E

Ref. No. 6263

For info: MINISTRY OF THE TREASURY
General State Accountancy
R O M E

INSTITUTE OF FOREIGN TRADE
R O M E

UNRRA REPORTS

In reference to the request made in your letter No. 24970 of 27 May last (Dir.Gen. Economic and Financial Affairs) we inform you that this Committee - as you know - until the 31st January last, received petroleum products to be debited to F.E.A. account, this account - as you also know - not yet being exhausted,

Since Feb. 1st we have received, and still do receive, petroleum products from the Allied Military Stock. These products are debited to:

- the F.E.A. account until it was balanced on 31/1/46.
- the UNRRA account for amounts in excess for military consumption.
- the Italian Government account (Sacertoti Mission) for that part destined for the Italian Armed Forces, the Diplomatic Corps and the Vatican City State.

The Combined Petroleum Committee (C.P.C.) is not yet able to give us precise information as to the balance of the F.E.A. account on 31/1/46 and therefore cannot fix the quantity of merchandise which is to be reckoned to the Allied Military account - out of the imports since 1st Feb last; it follows that it is impossible to calculate the quantities remaining to be attributed to UNRRA account.

On 31 January last, a stock of products belonging to C.I.P. existed, which was imported before that date and already paid for to the Italian Treasury; the sales since 1st February must therefore be understood as deducted from the stock itself, until it shall be exhausted, and not from the goods imported on UNRRA's account - evidently intended to reconstitute the stocks required to meet the distribution.

The payments made and being made in favour of the Italian Treasury are expected to cover the imports until 31/1/46.

In reference to the request made in your letter No. 24970 of 27 May last (Dir. Gen. Economic and Financial Affairs) we inform you that this Committee - as you know - until the 31st January last, received petroleum products to be debited to F.E.A. account, this account - as you also know - not yet being exhausted.

Since Feb. 1st we have received, and still do receive, petroleum products from the Allied Military Stock. These products are debited to:

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- the Italian Government account (Sacerdoti Mission) for that part destined for the Italian Armed Forces, the Diplomatic Corps and the Vatican City State.

The Combined Petroleum Committee (C.P.C.) is not yet able to give us precise information as to the balance of the F.E.A. account on 31/1/46 and therefore cannot fix the quantity of merchandise which is to be reckoned to the Allied Military account - out of the imports since 1st Feb last; it follows that it is impossible to calculate the quantities remaining to be attributed to UNRRA account.

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The payments made and being made in favour of the Italian Treasury are expected to cover the imports until 31/1/46.

The payments made in favour of the Customs Administration for fiscal duties due, cover at least the imports for the whole of April.

The sale prices of our products, approved by the Interministerial Price Committee and published in the Official Gazette, include, besides the price C.I.F.:

- customs duties;
- the general import duty, foreseen for covering transactions following importation;
- general expenses and those actually covering distribution (unloading, transport, loss of weight, personnel, etc.);
- Payments to owners of warehouses, establishments plants, equipment for processing petroleum products;
- work done for the Allied Armed Forces, as well as the different expenses which cannot be estimated accurately beforehand (expenses for freight for petroleum products, eventual bunkering expenses for ships of UNRRA or the Allied Navy, etc.).

- 2 - (Attachment No. 4 - Cont'd)

Thus being set out, it may be inferred:

- a) That we shall not be able to calculate the quantities for UNRAA' account until the C.P.C. can wind up the F.E.A. account to the 31/1/46;
- b) That we cannot give the data as to the net profits and the eventual residus from management expenses other than on a balance sheet, which naturally cannot be made up each month;
- c) That any information on data must necessarily suffer a certain delay, owing to the rational character of the organization and the existence of a Directorate (Genoa Branch) for collecting all data concerning Northern Italy, that has then to be coordinate with those from Central and Southern Italy, collected by the Directorate General here.

Concerning the payments to the reemployment fund of the prios C.I.F. of the UNRAA's products intended for the civilian market, we are ready to make a payment on account of 200 million Lire at once, to be followed by further sums on account as soon as our financial position permits, apropos of which it must be borne in mind that this Institution has no capitals of its own and therefore has to make use of the profits derived from sales to meet the heavy running expenses; we calculate roughly that 4/5 months credit calculated on the C.I.F. prices for the products sold are required, credit which up to now we have always obtained.

Our organization is, in any case, at your disposal to supply or have compiled from the data in our possession, any further information you may require.

ITALIAN PETROLEUM COMMITTEE
The Chief of Public Institutions Service
Signed d'Amelio

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ITALIAN PETROLEUM COMMITTEE
The Chief of Public Institutions Service
Signed d'Amelio

Attachment No. 14
(Reference to Item 6 of the Agenda)

TRANSLATION

Ref. : MEMO/P-7.070

To : C.E. Hoigotts
Deputy Chief of Mission
Finance and Administration

12 June 1946

FROM : Deputy Chief of Mission
Bureau of Requirements and Distribution

SUBJECT : Lire Fund Control Committee (Note on P.O.L.)

In calculating the amount of lire which should be transferred to the UNRRA Lire Fund on account of P.O.L. sales, the following considerations should be reviewed:

1. UNRRA took over responsibility for furnishing P.O.L. to Italy on 1st February 1946. The total amount of the previous P.E.A. program had not yet arrived on that date and backlogs have been shipped in during the ensuing period. Both the P.E.A. P.O.L. and the UNRRA P.O.L. were transferred to the Italian Government via the P.E.S. through C.I.P. No identification of the original source of the P.O.L. was made by P.E.S. in transferring to the Italian Government.
2. For purpose of depositing funds in the Lire Fund, it is recommended that all sales made by C.I.P. for Italian civilian purposes since 1 February 1946 be considered sales of UNRRA imported POL. For each category of product, therefore, the Lire Fund would be credited for all sales after 1 February 1946 up to the total quantity that UNRRA has programmed for Italy.
3. For purpose of simplicity, it is recommended that the net sales price from all issues for civilian purposes by C.I.P. from 1 February to 31 May 1946 be credited to the Lire Fund immediately, and that monthly credits amounting to the net sales price at existing prices be made to the Lire Fund in the same manner from now until the total amount of each P.O.L. product programmed by UNRRA has been issued by C.I.P.
4. As an alternative to the above proposal, the following action might be taken: the lire representing the estimated net proceeds from sales for the first six months of "Dues-in" 1 February through 31 July 1946 might be deposited immediately in the Lire Fund. At a later date an adjustment can be made to deduct from the proceeds the amount of lire represented by the sale of E.E.A. backing issued to C.I.P. after 1 February 1946.

HARLAN CLEVELAND
Deputy Chief of Mission

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2. For purpose of depositing funds in the Lire Fund, it is recommended that all sales made by C.I.P. for Italian civilian purposes since 1 February 1946 be considered sales of UNRRA imported P.O.L. For each category of product, therefore, the Lire Fund would be credited for all sales after 1 February 1946 up to the total quantity that UNRRA has programmed for Italy.
3. For purpose of simplicity, it is recommended that the net sales price from all issuers for civilian purposes by C.I.P. from 1 February to 31 May 1946 be credited to the Lire Fund immediately, and that monthly credits amounting to the net sales price at existing prices be made to the Lire Fund in the same manner from now until the total amount of each P.O.L. product programmed by UNRRA has been issued by C.I.P.
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HARLAN CLEVELAND

Deputy Chief of Mission

Bureau of Requirements and Distribution

CM 5637 - rrp

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Attachment no. 5

(Reference to Item 7 of the Agenda)

TRANSLATION

PRESIDENCY OF THE COUNCIL OF MINISTERS
 Italian Government Delegation for Relations with UNRRA
 Gen.Dir. for Economic & Financial Affairs

COALREPORT No. 3COAL ACCOUNT

1. The Ministry for transport has supplied the data in their possession concerning the quantity of coal received by the Italian Government, during the period from 19th January to 30th April 1946, as well as the report on the relative distributions.
2. From the documents (out-turn reports) controlled by I.C.E. it results that the Italian Government received 1.174.093 tons of coal, which have been distributed as follows:

To public services

568.216 tons at the price of 2.600 lire per ton Lire 1.477.361.600

To normal consumers

592,548 tons at the price of 3.500 lire per ton 2.074.968.000

To Allied Armed Forces

13.029 tons

Total : 1.174.093 tons

Proceeds

Lire 3.552.329.600

3. The Ministry for Transport notified us that they included in the total of coal received up to 30th April 1946, also 5 ship-loads (totalling 41.271 tons) that the Coal Branch of the Italian Mission attributes in their own returns, as imported on account of the British and American Armed Forces. This because from the documentation (out-turn reports) in I.C.E.'s possession it appears that the coal from the above mentioned five ships was imported by UNRRA.

4. On the other hand, 5 other ship-loads totally 44.097 tons, that the UNRRA Coal Branch states to have been imported by UNRRA and for which ICE is still

2. From the documents (out-turn reports) controlled by I.C.E. it results that the Italian Government received 1.174.093 tons of coal, which have been distributed as follows:

<u>To public services</u>	568.216 tons at the price of 2.600 Lire per ton	Lire 1.477.361.600
<u>To normal consumers</u>	592.846 tons at the price of 3.500 Lire per ton	2.074.968.000
<u>To Allied Armed Forces</u>	13.029 tons	
Total :	1.174.093 tons	Proceeds
		Lire 3.552.329.600

3. The Ministry for Transport notified us that they included in the total of coal received up to 30th April 1946, also 5 ship-loads (totalling 41.271 tons) that the Coal Branch of the Italian Mission attributes in their own returns, as imported on account of the British and American Armed Forces. This because from the documentation (out-turn reports) in I.C.E.'s possession it appears that the coal from the above mentioned five ships was imported by UNRRA.

4. On the other hand, 5 other ship-loads totally 44.097 tons, that the UNRRA Coal Branch states to have been imported by UNRRA and for which ICE is still without the relative out-turn reports, have not been included.

5. We consider it advisable that the report on the situation up to 30th April presented by the Minister for Transport should be approved, without waiting for the definite confirmations which, concerning the contingents of coal imported by UNRRA during the period from 19th January to 30th April 1946, will be attended to by UNRRA Mission and the Italian Government Delegation in collaboration with ICE and the Ministry for Transport.

6. The quantities taken in charge by the Ministry for Transport on behalf of the Italian Government are - for each single ship-load - the same as those indicated on the bill of lading and therefore there is no question of loss or missing weight.

The sale prices fixed in agreement with UNRRA Mission (respectively at 2.600 lire per ton for coal intended for "public services" and 3.500 lire per ton for coal intended for "normal consumers") are net of any charges for reception, transport or distribution - such expenses are charged to the consumer - and therefore the proceeds are paid entirely and without any deductions in the Lire Fund.

- 2 -

(Attachment No. 5 - Cont'd)

7. It being understood that:

The Ministry for Transport has already paid into the Lire Fund the sum of 5,000,000,000 Lire we suggest dividing the sum up as follows:

I. net proceeds from quantity of UNRRA coal imported during the period from 19th January to 30th April 1946 Lire 3,552,329,600

II. payment of net proceeds from UNRRA coal imported during May 1,447,670,400

Total Lire 5,000,000,000

8. We should be glad to have UNRRA Italian Mission make quite clear their ideas as to the 13,029 tons of coal, allotted to the Armed Forces, without cashing in any payment for their value.

Rome, 11th June 1946.

Declassified E.O. 12356 Section 3.3/NND No. 785016

and forces, without cashing in any payment for their value.

Rome, 11th June 1946.

CI 5637

Cotton	2,777.-	-	-	-
Wool	3,807.-	-	-	-
<u>Medicinal & similar products</u>				
Medicines, chemicals, insecticides and medical equipment	267.70(1)	-	-	-
<u>Industrial products</u>				
Linseed	2,042.16	-	-	-
Raw rubber	7.1	-	-	682,500.-(2)
Tin bands	300.-	-	-	-
Dried hides	54.03	-	-	-
Copper	1,016.20	-	-	-
Zin	396.70	-	-	-
<u>Solid fuel</u>				
Coal	1,174,093.-(3)	1,174,093.-(4)	-	3,552,32
<u>Liquid fuel</u>				
Petroleum and by-products				

- (1) 74.6 tons of liquid D.T. have been shipped to UERPA - Cagliari.
- (2) Security payment to the account made by the consignee of the goods.
- (3) In this quantity are included 41,271 tons, being the cargoes of 5 ships which from the documents pertain to UERPA, whereas, according to the statement drawn up by UERPA Coal Branch they agree tons are not included which represents the cargoes of 5 ships which from statement drawn up by UERPA but for which I.C.E. is not in possession of the Out-turn report signed by the UERPA representative.
- (4) In this quantity are included the 13,029 tons ceded to Allied Armed Forces. No payment has been made.
- (5) The credit balance between the sum paid in and the proceeds of the coal sold up to the 30th day of account of the sales referring to the following months.

5,711.-	-	-	-	659
3,807.-	-	-	-	
287.70(1)	-	-	-	
2,042.16	-	-	-	
7.1	-	682,500.-(2)	-	
300.-	-	-	-	
54.03	-	-	-	
1,016.20	-	-	-	
396.70	-	-	-	
174,093.-(3)	1,174,093.-(4)	-	3,552,329,600.+(4)	5,000,000,000.-
-	-	-	-	

been shipped to UNRRA - Cagliari.
 paid by the consignee of the goods.
 41,271 tons, being the cargoes of 5 ships which from the documents in I.C.E.'s possession appear to
 belong to the statement drawn up by UNRRA Coal Branch they appear to belong to other programmes; b) 44,097
 tons the cargoes of 5 ships which from statement drawn up by UNRRA Coal Branch appear to pertain to UNRRA
 portion of the Out-turn report signed by the UNRRA representatives.
 13,629 tons ceded to Allied Armed Forces. No payment has been made for the said quantity.
 has been paid in and the proceeds of the coal sold up to the 30th April, is understood as to be credited on
 the following months.

(Refer

TRANSLATIONNATIONAL INSTITUTE FOR FOREIGN TRADEI. C. E.

GOODS FOR UNRRA'S PROGRAMME II IMPORTED AND DISTRIBUTED DURING THE

	QUANTITIES IMPORTED	QUANTITIES DISTRIBUTED	GROSS PROCEEDS
	Metric Tons	Metric tons	I t a l
<u>Food Stuffs</u>			
Wheat	413,272.06	108,006.1	1,247,461,937.60
Wheaten Flour	18,988.16	1,076.5	14,149,554.80
Stockfish	4,662.86	1,169.1	64,043,774.90
Oats	24,058.06	-	-
Rye Flour	944.75	-	-
Macaroni	164.81	-	-
Preserved fish	399.69	-	-
Margarine	431.41	-	-
Tinned milk	8,488.91	-	-
Dried milk	1,392.09	-	-
Dehydrated soup	2,549.01	-	-
Indian corn	1,357.43	-	-
Sugar	3,390.73	-	-
Paprika	1.70	-	-
Food-stuffs blocked at UNRRA's disposal	18,408.43	-	-
Seed potatoes	9,882.55	9,882.55	321,182,875.-
Soap	188.83	-	-

Attach N. 6

(Reference Items, 5, 6 and 7 of the Agenda)

TRANSLATION

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FOR UNRRA'S PROGRAMME II IMPORTED AND DISTRIBUTED DURING THE PERIOD 1ST FEB. TO 30TH APRIL 1946

	QUANTITIES IMPORTED	QUANTITIES DISTRIBUTED	GROSS PROCEEDS	NET PROCEEDS	PAYMENTS TO THE LIRA FUND
	Metric Tons	Metric tons	I t a l i a n		W i r e
	413,272.06	108,006.1	1,277,461,937.60		950,000,000
	18,988.16	1,076.5	14,119,551.80		
	4,662.86	1,169.1	64,043,774.90		
	24,058.06	-	-		
	944.75	-	-		
	164.81	-	-		
	399.69	-	-		
	431.41	-	-		
	8,488.91	-	-		
	1,392.09	-	-		
	2,549.01	-	-		
	1,357.43	-	-		
	3,390.73	-	-		
	1.70	-	-		
total	18,408.43	-	-		
	9,882.55	9,882.55	321,182,875.-	90,919,460.-	90,919,460.-
	188.83	-	-		

OK 5637

Attachment H-1-0

UNRRA Italian Mission

LIRS FUND CONTROL COMMITTEE

Minutes of the Third Meeting
held at 10.00 a.m. 21st June 1946.

PRESENT FOR UNRRA:

Mr. C.E. Hodgetts
Mr. G. Hopkins
Mr. E.S. Lynch
Mr. E. Holstein
Mr. G. Mingo
Mr. L. Travers
Mr. A. Pedinelli

Deputy Chief of Mission and Chief, Bur. of P. & A.
Financial Advisor (Lirs Fund) to C.F.A.
Chief of Sub-Bureau of Supply Operations
Asst. Chief of Bureau, R & D
Interpreter
Division of Finance, P. & A.
Office of Government Liaison

PRESENT FOR ITALIAN GOVERNMENT

Mr. E. Della Negra
Mr. C. Chioldelli
Mr. G. Degli Albori

Italian Government Delegation
Italian Government Delegation

A G E N D A

1. Approval of minutes of previous meeting
2. Statement on the action taken on items 4 and 8 of the Agenda of Meeting held on June 13th 1945 (UNRRA)
3. Report of the indebtedness of UNRRA and Delegation to the Federnazionale Consorzio Affari for distribution costs under the

PRESENT FOR UNRRA:

Mr. C. E. Hodgotts
Mr. C. Hopkins
Mr. E. S. Lynch
Mr. E. Halstein
Mr. C. Mazzo
Mr. L. Travers
Mr. A. Pedirelli

Deputy Chief of Mission and Chief, Bur. of F. & A.
Financial Advisor (Lira Fund) to C.F.A.
Chief of Sub-Bureau of Supply Operations
Asst. Chief of Bureau, R & D
Interpreter
Division of Finance, F. & A.
Office of Government Liaison

PRESENT FOR ITALIAN GOVERNMENT

Mr. E. Della Negra
Mr. C. Chioldelli
Mr. G. Degli Alberti

Italian Government Delegation
Italian Government Delegation

A G E N D A

1. Approval of minutes of previous meeting
2. Statement on the action taken on items 4 and 8 of the agenda of Meeting held on June 13th 1945 (UNRRA)
3. Report of the indobtrades of UNRRA and Delegation to the Federazione Consorzi Agrari for distribution costs under the 1945 program (Delegation)
4. Statement on the bases of distribution costs of grain, flour, codfish, as calculated by the Federazione Consorzi Agrari (UNRRA)
5. Request from Bureau of Relief Services for additional contribution from the Lira Fund to CASIS for transport (UNRRA)

DPFRA - Italian Mission

MINUTES OF THE THIRD MEETING OF THE LIRE FUND
CONTROL COMMITTEE

1. MR. HODGETTS opened the meeting by asking if there were any comments to be made on the minutes of the Second Meeting held 13th June, 1946.
2. MR. CHIOCELLI raised an objection to Paragraph 45 which read "MR. LANDSBERG asked what was considered a reasonable lapse of time between the unloading of the supplies and the date in which the reports are made." He stated he remembered that MR. LANDSBERG asked what was considered a reasonable length of time between unloading of supplies and the date on which the proceeds of sale would be paid into the Lire Fund.
3. MR. HODGETTS agreed that this amendment of Paragraph 45 be put on record. ACTION SECRETARIAT.
4. MR. LYNCH pointed out that in Paragraph 5 the term "Bureau of Relief Supplies" was used, whereas it should have been "Bureau of Relief Services". This amendment was also agreed. ACTION SECRETARIAT.
5. MR. DEGLI ALBERTI suggested that the second sentence in Paragraph 66 be changed to read: "However, ICE had recently sent a letter to the Delegation asking the reimbursement of some of its expenses over and above the 0.2.", instead of "a letter to the Treasury". This amendment was agreed. ACTION SECRETARIAT.
6. There being no other amendments, the minutes were accepted.
7. MR. HODGETTS commented on the procedures of the Committee, saying that it was becoming increasingly evident that to have weekly meetings does not give the Secretariat time to organize the meetings properly. He mentioned that at the previous meeting he had objected to receiving the minutes and relevant documents just a few minutes before opening the meeting and said that the same thing had happened at the previous meeting. MR. HODGETTS said he could not act as Chairman of a Committee when he does not have the opportunity to go over the material properly. He added that the working group which is detailed to make arrangements do not have sufficient time to do their work properly. MR. HODGETTS proposed, therefore, that future meetings be held only at fortnightly intervals. He instructed the Secretariat that he wanted all the necessary documents

considered a reasonable length of time between unloading of supplies and the date on which the proceeds of sale would be paid into the Lire Fund.

3. MR. HODGETTS agreed that this amendment of Paragraph 45 be put on record. ACTION SECRETARIAT.
4. MR. LYNCH pointed out that in Paragraph 5 the term "Bureau of Relief Supplies" was used, whereas it should have been "Bureau of Relief Services". This amendment was also agreed. ACTION SECRETARIAT.
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8. MR. HODGETTS pointed out that there was no representative from the Treasury present at the meeting and that the senior officer of the Italian Delegation was absent. He felt it would be a waste of time to go on with the Agenda and asked the attendant members whether they agreed to adjourn the meeting to the following Wednesday morning June 26, at 10:00 a.m., and thereafter to hold meetings every fortnight. MR. HODGETTS added that there were many important items on the Agenda for the present meeting and he felt that the President of the Delegation and the Chief of Mission would not be pleased to learn that the meeting had to adjourn because of poor attendance.
9. MR. DELLA NEGRA proposed to place on the agenda for the next meeting the following two items for which he had prepared the necessary documentation:
 1. Financing of purchases of indigenous supplies for the Welfare Program.

- 2 - (3rd Meeting Live Panel Committee)
(Con't)

2. Cost of distribution of coal.

10. MR. HODGETTS agreed that these items would be placed on the Agenda. He proposed also that the POL situation be added to the Agenda. ACTION SECRETARIAT.

11. It was then agreed to adjourn the meeting carrying over to the following Wednesday the Agenda proposed for the present meeting, with the abovementioned additions.

12. The meeting rose at 11:00 a.m.

Distribution: To all present
COM (2)
Industrial Adviser
Legal Adviser
Bureau F & A (3)
Bureau R & D (3)
Bureau R. S. (3)
Conference Secretariat (2)
Government Liaison (2)
Registry (2)
Div. Operational Analysis

Declassified E.O. 12356 Section 3.3/NND No. 785016

Industrial Adviser
Legal Adviser
Bureau F & A (3)
Bureau R & D (3)
Bureau R. S. (3)
Conference Secretariat (2)
Government Liaison (2)
Registry (2)
Div. Operational Analysis

OL 5716

Attachment H-1-f

cc/ai

TRANSLATION

UNDER-SECRETARY OF STATE FOR INDUSTRY & COMMERCE

According to the R. Decree-law No. 1728 of December 27th 1940, concerning distribution and consumption of industrial products, converted into a law on March 20th 1941, No. 364:

According to paragraph 5 of the Lieutenant of the Realm's legislative decree No. 211 of March 12th 1946 concerning the new regulation of industrial plants and the setting up of a central commission for industry:

According to the Lieutenant of the Realm's legislative decree No. 307 of April 16th 1946 that protracts the validity of the R. Decree No. 1728 of December 27th:

Considering the necessity to organize the functioning of the central commission for industry, as well as the dependent Sub-Commissions, set up in compliance with the above-mentioned paragraph 5, Lieutenant of the Realm's legislative decree No. 211 of March 12th 1946:

Considering advisable to guarantee the fulfillment of agreements, reached between the Italian-Government and UNRRA, regarding distribution and utilizing of raw materials, semi-finished products and industrial items imported by the letter:

DECIDED :
Paragraph 1

A General Office, to which an officer of the Ministry of Industry and Commerce is assigned, is established at the Central Commission for industry, organized in compliance with paragraph 5 of the Lieutenant's legislative decree No. 211 of March 12th 1946.

Paragraph 2

The Commission can constitute permanent committees for studying every sort of problems, each for one or several branches of industry. Can, likewise, set up special Committee for Handling separate matters.

Paragraph 3

Four Sub-Commissions of the Central Commission for Industry are set up:

The Sub-Commissions' activities regard the following regions:

- 1) - Sub-Commission for Northern Italy, main seat in Milan - Lombardy, Pied-

Commission for Industry, as well as the dependent Sub-Commissions, set up in compliance with the above-mentioned paragraph 5, Lieutenant of the Realm's legislative decree No. 211 of March 12th 1946:

Considering advisable to guarantee the fulfillment of agreements, reached between the Italian Government and UNRRA, regarding distribution and utilizing of raw materials, semi-finished products and industrial items imported by the latter:

DECIDED :
Paragraph 1

A General Office, to which an officer of the Ministry of Industry and Commerce is assigned, is established at the Central Commission for Industry, organized in compliance with paragraph 5 of the Lieutenant's legislative decree No. 211 of March 12th 1946.

Paragraph 2

The Commission can constitute permanent committees for studying every sort of problems, each for one or several branches of industry. Can, likewise, set up special Committee for handling separate matters.

Paragraph 3

Four Sub-Commissions of the Central Commission for Industry are set up:

The Sub-Commissions' activities regard the following regions:

- 1) - Sub-Commission for Northern Italy, main seat in Milan - Lombardy, Piedmont, Liguria, Venezia Tridentina, Veneto and Emilia;
- 2) - Sub-Commission for Central Italy, main seat in Rome - Tuscany, Umbria, Marche, Lazio, Abruzzo and Sardinia;
- 3) - Sub-Commission for Southern Italy, main seat in Naples - Campania, Molise, Basilicata, Apulia and Calabria;
- 4) - Sub-Commission for Sicily, main seat in Palermo - Sicily

Paragraph 4

Each Sub-Commission consists of:

- 1) - Two representatives of the Ministry of Industry and Commerce;
- 2) - One representative of the Ministry of Labour;

-2-

- 3) - one representative of the Chamber of Commerce, industry and agriculture for each region of the territory under supervision of the Sub-Commission designated by the region's Chambers of Commerce by drawing lots.
- 4) - one representative of industrialists;
- 5) - one representative of traders.
- 6) - two representatives of laborers;
- 7) - one representative of engineers;
- 8) - one representative of the Italian Delegation for Sicily and with UNRA;

Representatives of the High Commissioners for Sardinia and Sicily take part respectively in the Sub-Commissions for Central Italy and for Sicily.

Besides, each Sub-Commission will include, as active members, technicians and experts of the various branches of production.

The above-mentioned members should be appointed by the Ministry of Industry and Commerce on recommendation of appropriate organizations mentioned in 4), 5), 6) and 7).

Paragraph 5

The Sub-Commission is managed by a chairman appointed by the Ministry and the executive Board composed of three members chosen by the Ministry from out the members of the Sub-Commission itself.

Paragraph 6

The Sub-Commissions fulfill the tasks assigned them by the Central Commission in accordance with paragraph 5, point 5 of the Lieutenant's legislative decree No. 211 of March 12th 1946.

Moreover, considering that the Sub-Commissions represent the Ministry of Industry and Commerce - as mentioned in D. Decree No. 1728 of December 27th 1940, converted into a law No. 384 on March 20th 1941 - the are entitled to enact consultative and executive acts in regard to the organization of industry and commerce, every time the Minister of Industry and Commerce deems it necessary and in accordance with instructions that should be imparted either directly or in agreement with the Ministry of Foreign Trade in matters with which the latter is concerned.

Besides, each Sub-Commission will include, as active members, technicians and experts of the various branches of production.

The above-mentioned members should be appointed by the Ministry of Industry and Commerce on recommendation of appropriate organizations mentioned in 4), 5), 6) and 7).

Paragraph 5

The Sub-Commission is managed by a chairman appointed by the Ministry and the executive Board composed of three members chosen by the Ministry from out the members of the Sub-Commission itself.

Paragraph 6

The Sub-Commissions fulfill the tasks assigned them by the Central Commission in accordance with paragraph 5, point 5 of the Lieutenant's legislative decree No. 211 of March 12th 1946.

Moreover, considering that the Sub-Commissions represent the Ministry of Industry and Commerce - as mentioned in R. Decree No. 1722 of December the 27th 1946, converted into a law No. 384 on March 20th 1941 - the are entitled to enact consultative and executive acts in regard to the organization of industry and commerce, every time the Minister of Industry and Commerce deems it necessary and in accordance with instructions that should be imparted either directly or in agreement with the Ministry of Foreign Trade in matters with which the latter is concerned.

Paragraph 7

Each Sub-Commission may set up sections for each branch of production whenever this appears necessary and advisable according to the importance of consultative functions attributed to the Sub-Commissions and according to the regulations proposed by the Sub-Commissions concerned.

The internal organization and rules mentioned in paragraph 5 and 7, shall be established by the Sub-Commissions and made executive by the Ministry of Industry and Commerce.

Paragraph 8

The Chairman of the Sub-Commissions take part in meetings of the Central Commission with deliberative vote.

Rome, 6 June 1946

The Minister
GEORGE

H-2, MONTHLY REPORT OF THE SPECIAL ASSISTANT

FOR MILITARY LIAISON FOR JUNE 1946.

It has been decided that no Special Assistant for Military Liaison will be appointed. This section in consequence will not appear in future Monthly Reports.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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OL 5948

H-3. BRIEF SUMMARY OF THE MAIN ECONOMIC DEVELOPMENTS IN ITALY DURING JUNE, 1946.

By the Division of Operations Analysis.

INTRODUCTION.

1. During June two factors which were retarding economic recovery were removed from the Italian stage. By the peaceful settlement of the constitutional issue and the holding of orderly elections to the Constituent Assembly, the Italian people ended the abnormal political situation which has existed for almost two years. Fears of immediate internal political turmoil have thereby been dispelled. At the same time the gathering of the new harvest and the publication of the USGRA program for the next six months have removed serious misgivings regarding vital supplies of bread and coal.

2. While the new Republic has been born with a brighter outlook, the indecision of the Great Powers regarding Italy remains as a heavy cloud on the horizon. The few points upon which the Powers have agreed have caused consternation in Italy and a feeling of foreboding regarding reparations and other economic issues which remain to be settled. Therefore, the present period must be considered one of uncertainty and apprehension in which any plans for economic and financial recovery are likely to be rather rebusious.

3. Though the cloud caused by the discussions of the Great Powers tends to overshadow all else in the political field, economic and financial quarters are concerning themselves with programs which may develop from negotiations between the Christian Democrats (the strongest single political party) and the Socialists and Communists, whose aggregate strength is considerable. While these questions are in the balance the financial market has been "bullish" with increases registered in the open foreign exchange and gold markets and in industrial shares. The general domestic price level, on the other hand, has been moving downward or remaining unchanged while the prospects of industrial recovery have been enhanced by the larger allocation of coal, particularly under the USGRA import program for the last half of 1946. (in this program greater emphasis has been given to Italy's industrial rehabilitation.)

UNFAVORABLE FACTORS.

4. To deal shortly with the unfavorable elements in the situation through June :-

2. While the new Republic has been born with a brighter outlook, the indecision of the Great Powers regarding Italy remains as a heavy cloud on the horizon. The few points upon which the Powers have agreed have caused consternation in Italy and a feeling of foreboding regarding reparations and other economic issues which remain to be settled. Therefore, the present period must be considered one of uncertainty and apprehension in which any plans for economic and financial recovery are likely to be rather nebulous.

3. Though the cloud caused by the discussions of the Great Powers tends to overshadow all else in the political field, economic and financial matters are concerning themselves with programs which may develop from negotiations between the Christian Democrats (the strongest single political party) and the Socialists and Communists, whose aggregate strength is considerable. While these questions are in the balance the financial market has been "bullish" with increases registered in the open foreign exchange and gold markets and in industrial shares. The general domestic price level, on the other hand, has been moving downward or remaining unchanged while the prospects of industrial recovery have been enhanced by the larger allocation of coal, particularly under the UNRRA import program for the last half of 1946. (In this program greater emphasis has been given to Italy's industrial rehabilitation.)

UNFAVORABLE FACTORS.

4. To deal shortly with the unfavorable elements in the situation through June :-

(a) There has been the feeling of foreboding regarding the decisions or indecisions of the Great Powers regarding the transfer of Italian territory; settlements of international indebtedness as between Italy and other countries; reparations, and Italy's eventual relationship with the Allied nations.

(b) The deficit of the State Budget for 1945/46 (which has turned out to be 350 billion lire, or 50 billion lire more than previously estimated) and the estimate of a 200 billion lire deficit for the year 1946/47, have had a depressing effect. In some quarters this estimate for 1946/47 is considered too conservative.

(c) The postponement of the issue of the new 5% loan till next fall. This loan was expected to raise about 250 billion lire and would have relieved the Treasury from the necessity of living a hand-to-mouth existence dependent upon continued renewals and subscriptions for short-term Treasury Bonds.

-2-

- (d) The lack of published information on the Treasury's cash position and on the size of the floating debt tends to arouse anxiety.
- (e) The rapid increase in the prices of gold and foreign currencies must be considered at least as a temporary drop in confidence in the lire. This is probably due mainly to psychological causes and to renewed fear of currency conversion.
- (f) The effects of the U.S. coal strike are still being felt in the form of a slowing-down of industrial recovery.
- (g) The ban on dismissal of workers, which remains effective until the end of July, and the continual demands for higher wages which will not cease until the purchasing power of workers is increased. At present real wages are still only about 50% of what they were in 1938. These factors in turn are reflected in increased production costs, lower productivity of labor, and postponement of plans for industrial reconstruction.
- (h) The above factors tend to retard the automatic re-adjustment of price levels at a new equilibrium. The following indices, arranged in round figures in decreasing order, indicate the degree of adjustment which was still required as at 31 May as compared with the relative equilibrium of 1938.

<u>Description</u>	(1938 = 100)	<u>Indices</u>
Monetary Circulation		1900
Retail food prices		5600
Weighted Cost of Living - food		3200
Wholesale prices		2700
Gold - open market		2600
Dollar - "		1800
Floating Debt		1700
Wages		1500
Government expenditure		1300
Salaries		900
Railway and Postal tariffs		820
Household Gas		800
Government revenue		700

until the end of July, and the continual demands for higher wages which will not cease until the purchasing power of workers is increased. At present real wages are still only about 50% of what they were in 1938. These factors in turn are reflected in increased production costs, lower productivity of labor, and postponement of plans for industrial reconstruction.

(h) The above factors tend to retard the automatic re-adjustment of price levels at a new equilibrium. The following indices, arranged in round figures in decreasing order, indicate the degree of adjustment which was still required as at 31 May as compared with the relative equilibrium of 1938.

<u>Description</u>	(1938 - 100)	<u>Indices</u>
Monetary Circulation		1900
Retail food prices		5600
Weighted Cost of Living - food		3200
Wholesale prices		2700
Gold - open market		2600
Dollar - "		1800
Floating Debt		1700
Wages		1500
Government expenditure		1300
Salaries		900
Railway and Postal tariffs		820
Household Gas		800
Government revenue		700
Industrial shares		500
Deposits with banks		560
Electric power		450
Rents		200

FAVORABLE FACTORS.

5. Elements which have had a favorable effect upon the economic situation may be summarized as follows :-

(a) Monetary circulation has remained almost unchanged. Though 12.2 billion lire had to be disbursed to the Allied Military authorities between 15 March and 31 May, circulation was only increased by 4.2 billion lire (from 289.4 billion lire to 293.6 or a 1.4% increase). Allied military requirements for June amounted to 2.4 billion lire.

(b) In spite of the increases in open market foreign currency prices and industrial shares, which may have been interpreted as a rush for investments, the flow of deposits to the banks has increased (from 121.7 billion lire at the end of April to 125.4 billion at the end of May).

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(c) A wheat crop estimated at 6 million tons against 4.2 million tons last year, and early sowing, particularly in Northern Italy, is a good omen. By 30 June 400,000 tons had been sown compared with only thousands at the same time last year and about 100,000 on average in previous years. Other crop estimates are favorable, and increased rations are expected. Fruit and vegetable exports are lower than before the war, which has an adverse effect on the balance of payments but also increases the domestic availability of these products. Thus with increased availability lower prices can be expected, which will improve the real wages of workers.

(d) The hope of increased coal supplies, amounting to about 60% of pre-war consumption, and increased electric power production, have improved the outlook for industry.

(e) The timely approval of the CEEA program for the last half of the year and the increased emphasis on industrial rehabilitation is a most favorable augury for the future. During June industrial production had fallen to about 40% of the pre-war level, but it is likely to increase rapidly, particularly in the last quarter of the year. In addition, the increased coal supplies will improve railway services, where reconstruction has been going on steadily.

(f) The road transport situation has also improved, till there is now an adequate supply of 1 ad-carrying vehicles, which can result in a reduction in leakage charges.

CONCLUSION.

6. In spite of the uncertainties in the international situation as it affects Italy, which continued throughout June, there appears to be an improvement in the prospect of domestic economic recovery. However, the internal situation is still extremely delicate and is liable to react badly to any additional strain imposed from without.

have improved the outlook for industry.

(e) The timely approval of the USSR program for the last half of the year and the increased emphasis on industrial rehabilitation is a most favorable augury for the future. During June industrial production had fallen to about 10% of the pre-war level, but it is likely to increase rapidly, particularly in the last quarter of the year. In addition, the increased coal supplies will improve railway services, where reconstruction has been going on steadily.

(f) The road transport situation has also improved, till there is now an adequate supply of 12-carrying vehicles, which has resulted in a reduction in haulage charges.

CONCLUSION.

6. In spite of the uncertainties in the international situation as it affects Italy, which continued throughout June, there appears to be an improvement in the prospect of domestic economic recovery. However, the internal situation is still extremely delicate and is liable to react badly to any additional strain imposed from without.

Leslie Gwynn,
Director, Division of
Operations Analysis.

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H-4 MONTHLY REPORT OF THE DIVISION OF PUBLIC INFORMATION
FOR JUNE 1946.

INTRODUCTION

1. The Italian referendum and elections completely overshadowed all else during June, but the atmosphere throughout the country during this crucial period was generally calm and sober. The Division was thus able to continue its policy of familiarizing both foreign and local correspondents with UNRRA's activities. The Administration made other the neutrality of UNRRA and this attitude drew favourable comment from all concerned.
2. The general trend has been very favourable in the U.S., British and Italian press. It is clear that a greater understanding of UNRRA, its program and difficulties exists among the Italian people. This is largely due to the increasing awareness of Regional Offices and the continued emphasis from both H.Q. and M.H.O. that UNRRA made every effort to prevent starvation and disease during this very critical period.
3. Great prominence was given to the emergency massing campaign in the continual strussing of this in "Economic Notes" served as a food for the Italian Press.
4. A considerable number of visitors have passed through Rome during June, the most important of these being the "Grossley Radio", W.L.W. group, to which detailed reference is made in Paragraph 21 below.
5. Regional Information offices are now providing a steady flow of good material and the Italian people in areas other than Rome are increasingly well-informed on UNRRA activities and purpose.
6. A dummy of the proposed text on UNRRA's role in Italy has been prepared for inclusion in the next printing of Italian ration sheets. It is hoped that arrangements will be completed in July.
7. Members of the Division attended sessions of the Industrial, Commercial and Coal Committees, the special industrial program meetings, the Regional Directors' conference and the Camps conferences.
8. The English version of the pamphlet "UNRRA Aids Italy" has been published and an Italian version is now being printed.
9. Arrangements are in hand to distribute through the Italian Confederation of Labor a leaflet on UNRRA Price Policy. This will be a reprint of the salient points of the article "Joint Price Committee", which appeared in "Economic Notes", Issue No. 23 of 21 June. This article is in answer to widespread misunderstanding of the position regarding the sale of UNRRA goods.

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10. "Economic Notes", Issue No. 24 of 28 June, carried a "policy" article on the operation of the Combined Boards and it is planned to publish further "policy" articles, as it is considered that "Economic Notes" offers a useful medium for statements of this sort.
11. The Information Division has assisted in the printing arrangements for the Mission's Economic Survey of Italy and has contributed the introductory chapter.
12. During June there was slightly less activity in coverage of UNRRA Italian Mission operations, owing to the prominence given to the political crisis. However, very considerable interest was shown in the bread ration and food conservation plans and in the industrial and agricultural rehabilitation programs, all of which were stressed in "Economic Notes", as well as other releases.
13. The Sardinian Grasshopper plague has also provided considerable material for press and photographic coverage, and arrangements were made for Mr. M. Pietroneri, "Life" photographer, to visit the Regional office, where he was given every assistance and information on all phases of the campaign.

14. Mr. Rulo (representing Swiss papers) was escorted to the Santa Marinella Bay's Town, about which he wrote articles, copies of which he has promised to give us.

15. Among the foreign correspondents contacted during the month were:-

Joseph Zoraglio of INS;
 Edmund Klorf of UWS;
 J. Welland of "Toronto Star";
 J. Ruzayko of AP;
 Charles Low of "Life";
 M. Pietzoko of "Life" (photographer).

LOCAL PRESS

16. Though the major domestic press emphasis during the month was naturally on the political situation in Italy, UGRA contacts with the press were well maintained.

17. In order to counteract the use of UGRA as political ammunition, emphasis has been laid on UGRA's complete neutrality and on the efforts made to prevent hunger during this critical period. This has served to familiarize the public with UGRA's policy and activities, and it is clear from general comment that there is now a very favorable appreciation of UGRA's role.

18. The Italian Government decree affecting black market activities and luxury restaurants, the Sardinia anti-grasshopper campaign and the cereal conservation and emassing schemes all brought UGRA into prominence in the press. Roloques by the Division were widely publicized.

19. The following are among the local press representatives contacted:

Comm. Galinberti of "L'Indipendente";
 Avv. Ilardi of "Il Globo";
 Sig. G. Terranova of Rome Regional Office;
 Dott. Gelmi of "Il Messaggero";
 Comm. D. Micheli of "Il Quotidiano Italiano";
 Sig. A. Martelli of "Il Messaggero";
 Dott. R. Gennaro of "Nuovi Stampa" (Turin);
 Sig. A. Scudato of "Reitor";
 Sig. E. Fucillo of "Il Globo";
 Sig. R. Belloni of "L'Espresso";
 M. Francesco Pola of "Paese Matin";
 M.F. De Simone of "La Gazzetta";
 Dott. Sisti of "Il Mattino";
 Sig. Renato Maselli of "Il Mattino";
 Sig. Giorgio Fonzilato of "Indipendente".

RADIO

20. The Chief of UGRA's Radio Division has been placed immediately after

hunger during this critical period. This has served to familiarize the public with UNRRA's policy and activities, and it is clear from general comment that there is now a very favorable appreciation of UNRRA's role.

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 Comm. De Micheli of "Il Quotidiano Italiano";
 Sig. A. Mariotti of "Il Messaggero";
 Dott. R. Carlini of "Nuova Stampa" (Turin);
 Sig. A. Romano of "Il Globo";
 Sig. M. Fagnolo of "Il Globo";
 Sig. R. Belloni of "L'Espresso";
 M. Franceschi Palli of "Popolo Matin";
 M.P. De Santoro of "La Gazzetta";
 Dott. Bruti of "Il Lavoro";
 Sig. Renato Moralli of "Il Lavoro";
 Sig. Giorgio Fonzaltes of "L'Indipendente".

RADIO

20. The Chief of Mission's broadcast on 4 June, taking place immediately after the announcement of some of the election results, had an extensive audience. Given prominence in the press, it served to emphasize UNRRA's policy of complete neutrality and to clarify the wheat and coal situation. (An English translation is appended as Attachment K-4-a).

21. A party of four correspondents (R.E. Battles, C. Blubaugh, R. McCarthy and A. Harkness), representing the WLF radio, visited Rome during the course of the month. Arrangements were made for them to interview the Chief of Mission and they were given every assistance by the Division in viewing many aspects of UNRRA welfare and rehabilitation programs. They saw such UNRRA activities as displaced persons camps, school feeding, agricultural rehabilitation and industrial rehabilitation. They made a realistic and sympathetic broadcast and collected a large quantity of material for use on their return to the United States.

LOCAL FILMS

22. The Mobile Cinema Unit has been transferred from the Division of Information to the Camps Groups where more extensive use can be made of its services.

CM 5976

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RELEASES

23. "Economic Notes" continues to be the channel for the principal releases issued by the Division and excerpts are widely quoted by the press.

24. In order to reach London and Washington more rapidly a digest of major press items is cabled for release to the Press through HQ and WFO. This method was also followed with "Economic Notes", but on instructions from WFO issues are now being sent by airmail. These issues are despatched on Thursdays (i.e., the day before the date of publication) and so far as London is concerned complete copies should be received sooner than it is possible to deliver them to certain parts of Italy.

25. The following press releases were made:-

"Economic Notes" and "Note Economiche" (See Attachments H-11-a, H-11-b, H-11-c and H-11-d):

No. 21 - Improved Coal Situation
Food and Amassing

UNRRA Import Program
Italian Export Trade

No. 22 - UNRRA Shipments to Italy
Food Conservation Plans
Farm Machinery

No. 23 - Joint Price Committee
UNRRA Helps Food Drive
Medical Rehabilitation

No. 24 - Rationing World Supplies
Transport Surveys
Tanning Tenders Invited.

26. Weekly Bulletins:

Nos. 19, 20, 21 and 22 were distributed to the INERA staff. (See Attachments H-4-b, H-4-c, H-4-d and H-4-e).

27. U.S. & U.K. only:

Guardigrolo Hospital
Taxpayers
Cento del Mare
Lanciano "Boys' Town"
Italy's Industries Exhibit in Wartime Shelter
Italy's Fishermen Go to Sea Again

No. 21 - Improved Coal Situation
Food and Amassing
UNRRA Import Program
Italian Export Trade

No. 22 - UNRRA Shipments to Italy
Food Conservation Plans
Farm Machinery

No. 23 - Joint Price Committee
UNRRA Helps Food Drive
Medical Rehabilitation

No. 24 - Rationing World Supplies
Transport Surveys
Training Tenders Invited.

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27. U.S. & U.K. only:

Guardiagrosso Hospital
Expignetern
Canto del Mare
Lanciano "Boys' Town"
Italy's Industries Exhibit in Wartime Shelter
Italy's Fishermen go to Sea Again
Hungry People
Repatriation Drive
UNRRA Rehouses Naples Cave Dwellers
"Arrangieri" efforts of Italian Shoe Factories
Industrial Sub-Commissions Begin Functioning
(Cable digests of principal releases)

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28. U.S., U.K. and Italy:

Crashhopper Cannibals Aid in Self-Extermination
Mr. Keavy's Radio Talk
UNRRA asks Bids for Albanian Cotton Contracts
UNRRA Rehabilitation Program Arrivals during May
Bids to Tauraris
Pig-Iron Arrivals for Heavy Industry.

29. Italy only

10,000 Displaced Children in Germany returned by UERGA (to Italian Press by request of UERGA Germany Mission) Warning Against Imposters Passing as UERGA Personnel; July coal prospect for Italy.

PHOTOGRAPHS

30. Increasing numbers of captioned picture-strips and pictures illustrating press releases are being made available both to the local and to the foreign press. This increase is due to extended photography in the provinces. The photographic section is, however, seriously handicapped by the lack of a second photographer to fill the still-feeblest Class I budget line.

31. "Life"'s photographer, Mr. Pietzche, was given all possible assistance in following up the picture story of the cow contributed by the Brothron's Service Committee, from her arrival on the S.S. "Cyrus Field" in Naples on 29 June. He was given all the information he required on the UERGA livestock-rehabilitation and shipping programs.

32. During the course of June, the photographic supplies situation eased considerably and it was possible to bring into effect a wider distribution of photographs to the regions.

33. The following sets of Italian Mission photographs were sent to Washington and Z.R.O. during the month:

- "Crashopper Story"
- "Nutrition Conference - Padua"
- "Naples Caves"
- "Naples Unloading".

34. Series of photographs were issued to the party of WLV radio broadcasting commentators; to Professor Melis, head of the Plant Pathology Research Office of Florence, who is using these UERGA photographs to illustrate articles about grasshoppers to Professor Mario Tirolli of Pisa University; and to correspondents of the following newspapers:

- "Secchi Soli" - Paris;
- "Paris Matin" - " ";
- "Tat" - Zurich;
- "Nation" - Berno;
- "Star Weekly" - Toronto;
- "Italic Agricola" - Rome;
- "The Listener" - London.

35. In view of the modified instructions received from Washington,

... (C...), ... her arrival on the 6th. "Cyrus Field" in Naples on 29 June. He was given all the information he required on the ENRCA livestock-rehabilitation and shipping programs.

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- "Nutrition Conference - Padua"
- "Naples Caves"
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- "Samedi Soir" - Paris;
- "Paris Matin" - " ";
- "Tat" - Zurich;
- "Nation" - Berno;
- "Star Weekly" - Toronto;
- "Italic Kyzicla" - Rome;
- "The Listener" - London.

35. In view of the modified instructions received from Washington, negatives are not being sent, as the loss of these would prevent local distribution. Routine distribution will now be as follows:-

- London Three 8" x 10" copies;
- Washington Two " " "

36. The new drying and finishing equipment now in order will greatly speed up the dispatch of the prints, when it arrives.

FIELD TRIPS AND TOURS

37. A large number of field trips were carried out during the month, amongst them the following:-

- a. Mr. Hlekok attended the conference of Information Heads, 30 May to 2 June in Paris, called by Mr. Lilly, Director of Information, Washington. He reported back to the staff the results of the proceedings and the various requests for material and direction as to the treatment decided upon at the meeting.

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- b. Mr. Ashford Russell made a tour of the northern regions, contacting the regional offices and obtaining information on the carrying out of the massing and food conservation schemes.
- c. Mr. Hitchcock and Mr. Berry visited Naples for the purpose of covering the arrival of the shipment of cattle per S.S. "Cyrus Webb" and specifically the arrival of the cow to be covered by "Life's" photographer.
- d. Mr. Remagnoli attended a nutrition conference in Padua and obtained photographs.
- e. Mr. Derry obtained photographic material on the rehousing of the Naples cave-dwellers.
- f. Miss Gaylinno accompanied Mr. Rule to the Sant' Marinella "Boys' Town".
- g. Dr. and Mrs. Cox of the Congregational Church Committee for War Victims and Reconstruction were escorted to Caserta refugee camp; they saw a school lunch at the School of the Sacramental Sisters in Pietrarsata and viewed the bombed-out school of the Poorville Sisters and the reconstruction in Lannio.
- h. An extensive tour was arranged for the "Crossley Radio", WLM Group.

38. DISTINGUISHED VISITORS:

WLM Radio Group:

- R.E. Battles
- Connos Blubaugh
- Rhac McInerthy
- Alvin Hokanson

Dr. and Mrs. A. Buchner Cox.

STAFF

- 39. On 1 June the staff of the Balkan Clearing Office, (B. Ashford Russell, E. Bria, Mrs. J. Oberley, N. Zurro) transferred to the Public Information Division, Italian Mission.
- 40. On 23 June, Mr. Gay Hickok, Director of Public Information, left for

5. Dr. and Mrs. Cox of the Congregational Church Committee for War Victims and Reconstruction were escorted to Cincinnati refugees camp; they saw a school lunch at the School of the Sacred Heart Sisters in Marietta and visited the bomb-damaged school of the Fourville Sisters and the reconstruction in Leavenworth.

b. An extensive tour was arranged for the "Crossley Radio", WLN Group.

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40. On 23 June, Mr. Gay Hickok, Director of Public Information, left for Warsaw to take up his new appointment as Head of the Information Division in Poland. Mr. B. Ashford Russell, who has been Acting Deputy Director of the Information Division for the last six months, has been appointed to succeed Mr. Hickok as Director, while Mr. E. Hitchcock, recently arrived from Washington, is to be Deputy Director.

41. As of 30 June the staff consisted of:

Class I:

- B. Ashford Russell - Director of Information;
- E. Hitchcock - Deputy Director;
- E. S. Chumley - Writer;
- John Western - Writer;
- Rachel Berry - Observer/Photographer;
- R. Guglielmo - Public Relations Officer;
- Julia Girard - Personal Assistant to Director of Division;
- B. Borin - Photographer;
- Mary Burnett - Secretary;
- Nita Hook - " "
- Joyce Chumley - " "

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CLASS II:

- E. Canali - Writer
- C. Casagna - Writer/translator
- O. Ruggeri-Lederchi - Writer/translator
- L. Romagnoli - Photographer
- L. Di Giorgio - Photo Lab. assistant
- N. Zorro -
- Jacqueline Stewart - Public Relations Assistant
- Irma Hutton - Secretary
- Marion Kappel - Typist
- Felicita Adams - Typist

42. LIST OF ATTACHMENTS

- H-4-a. Translation of Chief of Mission's Broadcast on 4 June.
- H-4-b. "Weekly Bulletin", Vol. 2, No. 19, dated 14 June, 1946.
- H-4-c. "Weekly Bulletin", Vol. 2, No. 20, dated 11 June, 1946.
- H-4-d. "Weekly Bulletin", Vol. 2, No. 21, dated 18 June 1946.
- H-4-e. "Weekly Bulletin", Vol. 2, No. 22, dated 25 June 1946.

B. Ashford Russell,
Director, Information Division.

- H-4-d. "Weekly Bulletin", Vol. 2, No. 20, dated 11 June, 1946.
- H-4-d. "Weekly Bulletin", Vol. 2, No. 21, dated 18 June 1946.
- H-4-d. "Weekly Bulletin", Vol. 2, No. 22, dated 25 June 1946.

B. Ashford Russell,
Director, Information Division.

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

ITALIAN MISSION

Issued by: PUBLIC INFORMATION DIVISION

FOR IMMEDIATE RELEASE

5 June 1946

RADIO TALK BY UNRRA CHIEF OF MISSION

Below is the English translation of a radio talk given from Radio Roma yesterday evening (4 June) by Mr. S.M. Keeny, Chief of the UNRRA Italian Mission:

It is a privilege to speak to you at this great moment in Italy's history. All eyes are on the future, and I believe that we in UNRRA can help to make that future a happier one.

Italy has cast her vote. Now that vote has gone I do not know. But I should like to make crystal clear UNRRA's complete neutrality. Our program of relief and rehabilitation in Italy continues absolutely as before.

We, on our part, however, will expect that the elected government will carry out the responsibilities which Italy has undertaken in relation to UNRRA; and, naturally, we shall look for still greater efforts from a freely elected government than could be expected from any interim government.

This evening there are three matters of importance about which I should like to speak. First food, secondly coal and thirdly our negotiations in Washington in regard to future supplies.

When I spoke on May 10, the supplementary amassing campaign had just begun. To-night I have before me the report for the whole of May. Of the 685,000 quintals which our Government set as its target the actual quantity amassed reached only 255,000 quintals.

This is a valuable contribution at a time of great difficulty. But, this emergency amassing campaign has so far produced less than 50 per cent of what was asked by the Government. And the Government asked for only

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When I spoke on May 10, the supplementary financing campaign had just begun. To-night I have before me the report for the whole of May. Of the 685,000 quintals which was our target set as its target the actual quantity amassed reached only 575,000 quintals.

This is a valuable contribution at a time of great difficulty. But, this emergency financing campaign has so far produced less than 50 per cent of what was asked by the Government. And the Government asked for only half the amount UNRRA urged as necessary to fill the gap. The situation, therefore, remains exceedingly difficult.

When I last spoke to you we expected to receive 190,000 tons of grain during May. The actual figure was 154,000 tons.

Now we have arrived at the most difficult month of all. It is not easy to give a precise figure but we shall be fortunate indeed, if the June deliveries equal those of May.

CM 54:07 PI

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We are doing our utmost to aid you; but some two-thirds of our grain shipments to Italy in June will arrive in the second half of the month. The greatest possible need still exists, therefore, to continue local marketing campaigns to help tide over the first half of this month.

And now secondly a word on coal. The position today is very much better than when I last spoke to you. You all know that the coal stoppage has ended in the United States, although it may be six or eight weeks yet before shipments start to arrive here.

For the present position credit is due to the strict conservation measures enforced by the Emergency Coal Committee, representing the Italian Government, Industry and Labour and the UNRRA Italy-Mission.

Italy's relatively favourable position today is also very largely due to UNRRA's heavy shipments of coal during the weeks before the strike. Nor should I forget the 90,000 tons a month produced by the miners of Carbenia.

For the future, my news about coal is good. Thanks to the helpful attitude adopted towards Italy's claims by the European Coal Organisation, this country has been allocated 123,000 tons of coal from the Ruhr during June.

I have high hopes, furthermore, that we shall soon succeed in reopening the supply route for some 40,000 tons of coal a month from Silesia.

Within the next eight weeks I confidently anticipate that Italy's coal consumption will reach a level of roughly 500,000 tons a month.

Thirdly, our plans for the future. Within the last few days UNRRA's Deputy Chief of the Italian Mission, Mr. Harlan Cleveland, has returned from Washington after very satisfactory negotiations on the program of UNRRA imports for the second half of the year.

I do not wish at all to suggest that UNRRA will have more to spend on Italy than was originally allocated. The total will be roughly the same.

But the timetable has been changed. Shipments under the 1946 program did not begin to arrive until March. Now we are reasonably

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But the time-table has been changed. Shipments under the 1946 program did not begin to arrive until March. Now we are reasonably assured that the same flow of supplies as that which we have established during those past three months will be maintained for the rest of the year.

Many supplies which were not available in the first half of the year will now arrive during the next six months.

In all, by the end of this year UNERA will have spent during our two years of activity a total of approximately 500,000,000 dollars (or 112 milliards of lire) on the purchase of supplies and their shipment to this country.

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Imports into Italy for this year should total some 9, 5,000,000 tons of supplies, of which 3,000,000 tons have arrived, while the remaining 6,000,000 tons will arrive before the end of January.

We plan to continue importing food until the end of the year. Bread grains will continue to be in short supply. But there are signs that other foods, notably fats, are in such better supply, and we hope to be able to increase our imports during the second half of the year.

As I have already told you, we hope to increase coal imports to 500,000 tons a month; and in so far as gasoline and other petroleum fuels are concerned, we plan to keep the flow of our imports up to their present level for the rest of the year. That, we anticipate, will be sufficient for Italy's vital needs.

In recent months we have had to struggle forward on a hard to mouth basis. Today that is changing. We are now working closely with the Government to plan Italy's supplies - and above all Italy's food supplies - on a yearly basis.

Good Evening.

RIC:MR

As I have already told you, we hope to increase coal imports to 500,000 tons a month; and in so far as gasoline and other petroleum fuels are concerned, we plan to keep the flow of our imports up to their present level for the rest of the year. That, we anticipate, will be sufficient for Italy's vital needs.

In recent months we have had to struggle forward on a hand to mouth basis. Today that is changing. We are now working closely with the Government to plan Italy's supplies - and above all Italy's food supplies - on a yearly basis.

Good Evening.

REC:MR

6:47

CM: 5477 PI

W-5. MONTHLY REPORT OF THE BUREAU OF REQUIREMENTS
AND DISTRIBUTION FOR JUNE 1946

1. The Italian food crisis has safely been passed. There was no nation-wide reduction in the 200-gram bread ration, except in Sardinia, where it was reduced to 150 grams from 3 to 16 June. In other provinces, particularly in Sicily, local cuts were made in grain-producing areas. The major factors in averting a breakdown in the ration were:

- (a) The receipt of approximately 100,000 tons of imported cereals up to 25 June;
- (b) The speeding-up of amassing from the new harvest, from which 151,991 tons were secured by 26 June;
- (c) Intelligent movement of available stocks to cover the day-to-day needs of the population.

2. Great progress has been made in intensifying the Mission's work on distribution. A unit has been established in the immediate office of the Deputy Chief of Mission for Requirements and Distribution, with responsibility for co-ordinating the field and headquarters work. An unusually successful conference was held in Rome between 17 and 20 June with all Regional Directors and their key Supply Specialists, at which a program was developed for strong participation by the field organization in checking distribution and utilization of USFA commodities, in accordance with national allocation plans agreed with the Government agencies concerned. Detailed instructions have been and are being issued to the regional organization for carrying out this new program. The large volume of supplies for the Italian program is just beginning to arrive in commodities other than cereals and coal. Allocation procedures for coal and wheat have been operating on a generally satisfactory level. The new distribution inspections, however, will not only involve more detailed and local review on these commodities, but major emphasis will also be placed on other commodities in the supply program which are now beginning to arrive in sizable lots.

3. The Italian wheat crop is in excellent condition, as are most of the other crops. The amassing program for the new harvest is proceeding with a vigor heretofore not encountered since before the days of liberation. The Mission staff is working closely with Italian officials in securing the maximum return to the Amassi. The so-called "Emergency Wheat Amassing Program" which was put into operation to capture the remnants of the 1945-6 crop did not exceed 6% of its goal. However, we all realize that the new harvest represents the great opportunity to achieve a successful amassing. From now through September the Mission's resources will continue to be thrown into the Italian Government's campaign. Any instances of failure on the part of local officials to carry out the Government's program will be brought to the

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4. On the industrial side, the major development has been the strengthening of the authority and the improvement in the work of the Central Industrial Commission, which was set up under the Ministry of Industry and Commerce for allocation and control of imported industrial raw materials. Sub-commissions have been established in Naples, Palermo and Rome, in addition to the Northern Sub-commission, which has been in continuous operation since March 1946. The Bureau's industrial staff has been working closely with the Government group, and feels that the administrative machinery is now approaching a satisfactory condition. Moreover, as an out-growth of the Conference held with the Regional Directors in June, provision has been made for regular and spot checks at various key points in production processes and in distribution processes, to ensure that decisions at the national level are fully carried out.

-2-

5. The resumption of coal shipments from the United States has permitted the industrial staff to liberalize slightly the allocations to essential industries, and to dip into the emergency stockpile which had been set up against the coal crisis. This has permitted us to go ahead with production in the iron and steel industry. Two completely rebuilt open-hearth furnaces have been put into production. The arrival of over 5,000 tons of pig iron has made it possible to fill in the gaps in steel production caused by earlier cuts in pig iron production locally, which were in turn due to the coal shortage. The out-put of Sardinian coal dropped during the month to approximately 79,000, due largely to diversion of manpower to fight the Sardinian locusts and to gather the early harvest, as well as to the general but temporary disruption caused by the elections.
6. The campaign against the Sardinian locusts is now its closing stages and results of the assistance given by UNRRA prove that the final loss to crops does not exceed approximately 6% of wheat, 4% of oats and barley, and 5% of dry legumes. But for this assistance, it is felt that almost the entire cereal crop of the island would have been lost.
7. The total acceptance from the Brindisi clothing stockpile has been released and distributed to camps for displaced persons of United Nations nationality. Owing to considerable reductions in the number of persons in these camps, a surplus of certain items will remain after camps' requirements have been met. When details are known, these surpluses will be made available to Italian displaced persons. Responsibility for the procurement of clothing, textiles, and footwear for displaced United Nations nationals has now passed to the Bureau of Finance and Administration, but existing commitments to, and withdrawal of, surpluses from camps will be completed by the Bureau of Requirements and Distribution.
8. The Consumer Goods Division has been charged, in conjunction with a special Italian Government Committee, with preparing an overall plan for the use of all raw materials for textiles. The plan is to provide for three classes of goods:
- (a) Personal clothing and essential textiles for free distribution to individuals in, and households of, all destitute families;
 - (b) The same essential goods for distribution at reduced prices to people in the low-wage earning groups;
 - (c) (For any residual quantities of materials). Durable utility materials to be produced for controlled sale to appropriate classes at minimum economic prices.

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Preparation of 300,000 layettes, originally programmed in 1945 will entail the immediate manufacture of 3 million meters of flannellette and the procurement, partly from Government stocks and partly by manufacture of raw wool, of 300,000 baby blankets.

9. Average daily rail car loadings for June were 4,735 as compared with 5,090 during May. The reduction resulted from restricted loadings of low-priority goods during the period of coal shortage. Open cars are in ample supply, but there is a continued and acute shortage of box cars. Continued wet weather led to removal of large numbers of box cars from service for roof repairs, and the Italian State Railways are taking special steps to improvise light repair operations and return this type of car to service.

10. The survey of motor transportation in Italy has continued and expanded. The load-hauling vehicle census has been completed and the investigation of utilization is under way. A comprehensive list of comparative road and rail freight charges covering all items imported by UNRRA has been prepared.

11. Cargo received for the first 25 days of the month, under both UNRRA and Italian Government programs, totalled approximately 475,000 tons, representing acceptance and discharge of 85 ships. Total imports for June are expected

- 3 -

to be between 525,000 and 550,000 tons. This is a reduction as compared with April and May receipts, but advance information on port clearances and anticipated loadings indicates an upswing in July. During the lull in the Italian import program, resulting from labor and transport tie-ups in the United States, action was taken to recondition port equipment and rehabilitate port installations so that handling capacity would be sufficient to accommodate the increased flow of supplies expected for the second half of the year. The Genoa and Naples warehouses are gradually clearing, although still not in a satisfactory condition. Additional storage space outside of the port area was procured for cotton off-loaded at Genoa, and the backlog on barges and docks in the port area is being moved inland.

ELWOOD HOLSTEIN
ACTING DEPUTY CHIEF OF MISSION
FOR REQUIREMENTS AND DISTRIBUTION.

OL 6107

Declassified E.O. 12356 Section 3.3/NND No. 785016

ELWOOD HOLSTEIN
ACTING DEPUTY CHIEF OF MISSION
FOR REQUIREMENTS AND DISTRIBUTION.

OL 5107

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3-5-a MONTHLY REPORT OF THE SUB-BUREAU OF SUPPLY OPERATIONS
FOR JUNE, 1946.

DIVISION OF PROGRAM COORDINATION AND STATISTICS

1. The normal work of coordinating the program has been continued. All changes, both in the first and in the second half year budgets, have been noted and systematically recorded, and the usual follow-up work performed with reference to the operating divisions. The Medical Supply Program has been replanned on the basis of definitive requirements submitted by the High Commissioner for Hygiene and Public Health.
2. The basic statistics on shipments and arrivals in Italy have been maintained and various tables were compiled compiling this data with the program. The Operating Divisions, the Chief of Mission and the Deputy Chief of Mission for Requirements and Distribution were supplied with pertinent graphs and tabular summaries. Two series of reports were initiated, one containing advance information on commodities called to seaboard but not shipped, and the other, which is to be published on 5 July, containing basic performance statistics on UNRRA operations in Italy.
3. The following special studies have been made:-
 - (a) Italian Welfare Program - A report has been prepared showing expenditures on the welfare program since the beginning of operations up to April 1946 against the original fifty million dollar program.
 - (b) United Nations National Program - On the basis of discussions held with the Deputy Chief of Mission for Finance and Administration, a report has been prepared to be taken to Washington with the object of transferring expenditure on those items from the Supply to the Administrative Budget.
 - (c) Surplus Procurement - The Division is compiling a breakdown of expenditures made against various funds established for purchase of surplus military supplies through UNRRA/A.F.H.Q. The intent is to determine the division of procurement responsibility with respect to the Administrative and Supply Budgets and to adjust the budgets accordingly.
4. Members of the Division participated in the work of the Economic Survey and Live-Paid Control Committee and attended the weekly meetings of the Joint Advisory Committee on Italian Foreign Trade. Current commodity accounting operations have continued and the documentation of the Mission's supply operations during 1945 is practically completed.
5. To facilitate the overall operations of the Mission, a directory of the persons or agencies responsible for the control of the distribution of specific

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4. Members of the Division participated in the work of the Economic Survey and Lira Fund Control Committee and attended the weekly meetings of the Joint Advisory Committee on Italian Foreign Trade. Current commodity accounting operations have continued and the documentation of the Mission's supply operations during 1945 is practically completed.
5. To facilitate the overall operations of the Mission, a directory of the persons or agencies responsible for the control of the distribution of specific imported commodities is in preparation.

DIVISION OF RAIL AND TRANSPORT

6. Heavy storms in the north during the month caused considerable operating difficulties. The railway bridge at Arnoldstein, near the Italo-Austrian border, was damaged and rail traffic blocked on the Udine - Villach line. Traffic from Venice and Trieste to Austria was diverted to the Brenner and S. Gaudens routes, which delayed considerably the turn-round of cars on this international haul. Re-routed movement has been steady and without radical congestion. It is estimated that repairs to the Udine - Villach line will be completed about 10 July. Two rail bridges on the main line Milan-Vercina were also damaged by storm water but traffic diversions were handled without undue delay.
7. Average daily rail car loadings for June were 4,735 as compared with 5,090 during May. The reduction resulted from restricted loadings of low-priority goods during the period of coal shortage. Open cars are in ample supply but there is a continued and acute shortage of box cars. Continued wet weather led to removal of large numbers of box cars from service for roof repairs, and the I.S.R. (Italian State Railways) are taking special steps to improve light repair operations and return this type of car to service.

8. The survey of motor transportation in Italy has been completed. The handling which has been completed and the investigation of utilization is being completed. A comprehensive list of comparative road and rail freight charges covering all items imported by UNRA has been prepared. Two national associations of truckers were contacted, and their help was enlisted for the continuation and expansion of this study.

DIVISION OF PORTS AND SHIPPING

9. Cargo received for the first 25 days of the month, under both UNRA and Italian Government program, totalled approximately 475,000 tons, representing acceptance and discharge of 65 ships. Total imports for June are expected to be between 525,000 and 550,000 tons. This is a reduction as compared with April and May receipts, but advance information on port clearances and anticipated loadings indicates an upswing in July.

10. During the lull in the Italian import program, resulting from labor and transport tie-ups in the United States, action was taken to recondition port equipment and rehabilitate port installations so that handling capacity would be sufficient to accommodate the increased flow of supplies expected for the second half of the year. This work has been hampered by deficiency of materials and funds, but appreciable progress has been made in Genoa, Naples, Civitavecchia and many of the minor ports. Detailed port surveys are being continued to ascertain specific equipment required, and arrangements are pending with Maritime Branch, O.P.L.C. (Office of the Foreign Liquidation Commissioner), which will give special consideration to Italian port needs.

11. The Genoa and Naples warehouses are gradually clearing, although still not in a satisfactory condition. Additional storage space outside of the port area was procured for cotton off-loaded at Genoa, and the backlog on barges and docks in the port area is being moved inland. Daily rail car loadings from the overcrowded Naples warehouses were maintained at close to maximum during the month and warehouse inventories materially reduced. Receipt of more complete information by telephone from Washington regarding specific goods arriving in general cargo ships, will enable direct despatch from ship's side which in turn will eliminate such expensive port warehousing and facilitate port clearance.

DIVISION OF LOCAL RESOURCES

12. The Division dispatched 100 doses of anti-snake serum to Greece by air, and forwarded 200 tons of hemp seed to port for shipment to Poland, Greece and the Ukraine.

13. The following negotiations are in process:

- (a) Fishing lamps for Greece - Sterling payment has been authorized for purchase of lamps, and procurement has been initiated.

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13. The following negotiations are in process:
- (a) Fishing lamps for Greece - Sterling payment has been authorized for purchase of samples, and procurement has been initiated.
 - (b) Serriculture paper - The size requested by Greece is not obtainable. Athens has been called for further information as to a possible substitution.
 - (c) Cork for China, Jugoslavia and Poland - The required quantities are available, but the payment of transport charges is still under discussion.
14. The possibilities of procurement in Italy of bicycles for Greece and Jugoslavia, electrical equipment for the Dodecanese, carbon bisulphide for Austria, Greece and Jugoslavia, and 100,000 tons of seed wheat for general World distribution are being investigated.

Edward S. Lynch
Chief, Sub-Bureau of Supply
Operations.

Attachment H-5-b

MONTHLY REPORT OF THE SUB-BUREAU OF RELIEF SUPPLY
FOR JUNE, 1944.

FOOD DIVISION.Supply.

1. The peak of the cereal crisis was reached in mid-June. In spite of the fact that on 10 June only some six days' supply of bread grains remained in stock, intelligent movement and manipulation enabled the 200 gram bread ration to be generally maintained throughout the country except in Sardinia, where it was reduced to 150 grams from 3 to 16 June. In some other provinces, particularly in Sicily, local cuts were made in producing communes.
2. Arrivals of imported cereals (in terms of wheat equivalent) as at 25 June totalled 99,575 tons; and an additional 43,878 tons is expected by 30 June. The total, amassed under the special amassing program, amounted to 35,876 tons. In addition, up to 26 June, 151,991 tons of the new harvest were amassed. Labour trouble among farm workers has necessitated movement of grain into Puglia, normally a grain exporting area.
3. Imports of miscellaneous feedstuffs amounted to 35,359 tons, including 2,800 tons evaporated milk, 6,530 tons canned fish and codfish, and 4,900 tons fats.
4. The distribution of the small quantities of varied items that are now arriving is causing anxiety. From information received from the United States, it appears that this problem will increase in the future. For example, single cases and even broken cases of commodities are being forwarded to shipside by the Quartermaster Corps for shipment to Italy. The shipment of wet salted codfish, to arrive in the middle of an Italian summer, is another matter which causes much concern to the Division and the High Commissariat for Food, especially when shipments are not always advised in advance and are in excess of programmed quantities.
5. The High Commissioner's Office has speeded up considerably the preparation of allocations to National Warehouses in the provinces. This has already resulted in some improvement in the warehouse situation, particularly at Naples.

Welfare

6. Arrangements for the continuation of the welfare feeding programs for July-August have been completed. Requests for additional requirements, to cover increased consumption resulting from summer colonies for children, were made very recently by the Welfare Division and ration scales have now been agreed.

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Rationing

7. The preparation of provincial maintenance charts, based on up-to-date population statistics supplied by the High Commissioner for Food, continued throughout the month.

8. Plans for the incorporation of the special feeding scales of the Welfare Division into the Italian Government food rationing and distribution machinery have been taken a step further. Several discussions have taken place with the office of the High Commissioner for Food with a view to establishing the population basis on which rationing plans should be made. The final proposals for the new ration scales have been completed as far as the Rationing Branch is concerned. They now await checking by Supply Branch as regards availabilities during the coming half year. It is hoped to reach agreement with the Italian Government on all points by 1 August, in order that unified ration scales for all classes of consumers and for the whole of Italy may be put into operation as from 1 September 1946.

Sold Supply Officers

These officers visited 12 provinces during the month. Valuable information on the existing situation in these provinces was brought back and appropriate action thereon taken with the Italian Government.

AGRICULTURE

Agricultural Production

10. Weather conditions have been in general fairly favourable to growth. Temperatures were mostly below normal, with snow falls on high mountains. Heavy showers, strong winds and hail storms resulted in a large amount of "lodging" (beating down by rain) of grain in Central and Northern Italy, while serious occasional damp scorching in Sicily.

11. Prospects are good for wheat, rye, barley and oats; harvesting and threshing are in full swing. The development of maize is backward, owing to cool weather, but crop conditions are good in most provinces. Rice vegetation is good. The horse bean and bean harvest is almost over, with a slight reduction in yield, due to insect attacks. Tomato and potato crops are in excellent condition. Sugar-beet crop condition is mostly good with favourable prospects. Hemp is promising. Cotton vegetation is good. Transplanting of tobacco is over.

12. Olive crop prospects are good. Vineyards are generally in good condition, but in many provinces attacks of both downy and powdery mildew are reported. Fruit crops are mostly very promising in spite of considerable attacks of insects almost everywhere. The first cut of fodder crops was not very satisfactory, but the second is better in nearly all regions.

"Grana del Papale"

13. The Emergency Wheat Amassing Program is almost over. Up to 25 June, 51.1% of the wheat goal had been collected.

14. Meetings have been held in various parts of the country by the Ministry of Agriculture in conjunction with the High Commissioner of Food, and attended by representatives of this Division to discuss and arrange measures for accelerating threshing in order to ensure quick and effective amassing of the new harvest.

Agricultural Supply

15. The agricultural rehabilitation program for the second half of 1946 was re-examined and reviewed during the month.

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"Grana del Popolo"

13. The Emergency Wheat Amassing Program is almost over. Up to 25 June, 61.1% of the wheat goal had been collected.

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Agricultural Supply

15. The agricultural rehabilitation program for the second half of 1946 was re-examined and reviewed during the month.

16. Prices have been prepared for consideration by the Italian Government/UNRRA Price Committee. Prices to the farmers have now been temporarily fixed for field pea seed, binders, mowers and reaper attachments. After consideration, decision was postponed with respect to ploughs, vetch seed and trailers. In view of the lateness of the season, the Price Committee arranged that recently arrived combines should not be priced but be lent without charge to farmers for experimental purposes. Prices previously fixed for fiber flax seed and seed potatoes were confirmed.

Animal Husbandry

17. Livestock food conditions continued to improve during June, but as animals are coming out of a prolonged period of dry and poor diet, the result is widespread disease. Post-and-mouth disease is reported in many provinces, but all the cases up to now are only mild.

-3-

18. Sheep infectious diseases are more serious. Hog cholera and cryptosporidias are found everywhere, but the situation is fully under control. Poultry diseases are far less virulent than they were a year ago.

19. Milk production is increasing, and availability of meat is improving slowly.

20. The hatching of the second shipment of eggs from the United States, 72 dozens in three cases, was done with better results than were obtained from the first shipment.

Marketing

21. Availabilities for export of Italian fruits and vegetables, and possible foreign markets for them, have been examined. Internal markets have been studied in order to find a way of improving the distribution of products.

Forestry

22. A special program for future UFRFA activities was prepared, indicating mainly the need for mountain pasture improvement works. A proposal for financing out of the Lira Fund the rehabilitation of Italy's forestry economy and for the initiation of a forward forestry program was also prepared.

Fisheries

23. Because of unfavorable weather conditions, the blue fish has not approached the coast for spawning and this fishing has, therefore, up to the present, been a failure. Consequently, prices have reached high levels and many fishing boats are idle. However, with the hot weather season approaching, a change can be expected at any moment.

24. The trawlers are still having good catches with market prices at 200-300 lire per kilo.

25. Steps were taken to obtain from the Greek Authorities permission for Italian trawlers to cross Greek waters on their way to Turkey to catch bonito fish. The result was that during the month 500 tons of this fish arrived in Italy and were allotted to canneries.

Field Specialists

26. Agricultural Field Specialists (Class II) were appointed in the Southem, Piemonte and Liguria and Veneto Regions. A conference of all Regional Directors and Field Specialists was held on 17 and 18 June, following which basic instructions for their guidance were compiled.

27. A field trial of imported machinery was arranged in Bologna for 23 June, under the supervision of Mr. R.H. Bairns, who has been appointed

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27. A field trial of imported machinery was arranged in Bologna for 23 June, under the supervision of Mr. R.H. Baird, who has been appointed Agricultural Machinery Specialist to this Division.

28. Two Massey Harris machinery specialists visited the Mission and made a field trip to check assembly of recently-imported farm machinery. 642

MEDICAL

29. Plans for the third general distribution of medical supplies have been received and packing has already commenced. Meanwhile, the distribution of hospital units, hospital beds and mattresses continues. The following have been distributed to date:

200-bed hospital units	...	5	
40-bed hospital units	...	10	
Folding beds	...	1226	In addition to
Mattresses	...	666	beds and mattresses
			included in
			hospital units.

In addition, two complete X-Ray units were distributed in June, bringing the total up to 18 X-Ray units. Some 18,175 vials of Penicillin were distributed during the month.

30. The Italian authorities are transferring the Military Surplus and Balkan Stockpile from Naples to Rome, and will then make a complete inventory.

31. The breakdown of inventories for the fourth general distribution has already been completed and submitted to the Mission Director of the Health Division for scrutiny. The tonnage involved is considerable. Bulk commodities will be dealt with first, during which time the intricate planning for the hundreds of smaller items will proceed.

CONSUMER GOODS

Clothing for Displaced Persons

32. All goods accepted from the Brindisi stockpile have been released and distributed to camps for displaced persons of United Nations nationality. Owing to considerable reductions in the number of persons in these camps, a surplus of certain items will remain after camp requirements have been met. When details are known, these surpluses will be made available to Italian displaced persons. Responsibility for the procurement of clothing, textiles, and footwear for United Nations displaced persons has now passed to the Bureau of Finance and Administration, but existing commitments to, and withdrawal of, surpluses from camps will be completed by this Sub-Bureau.

Textile Raw Materials

33. This Division, in conjunction with a special Italian Government Committee, is preparing an overall plan for the use of all raw materials for textiles. The plan is to provide for three classes of goods:

- (a) Personal clothing and essential textiles for free distribution to individuals in, and households of, all destitute families.
- (b) The same essential goods for distribution at reduced prices to people in the low wage-earning groups.
- (c) For any residual quantities of materials). Suitable utility materials to be produced for controlled sale to appropriate classes at minimum economic prices.

34. Preparation of 300,000 layettes, originally programmed in 1945, will entail the immediate manufacture of 3,000,000 meters of flannelette and the procurement, partly from Government stocks and partly by manufacture of raw wool, of 300,000 baby blankets.

ANALYSIS

... recovered in the number of persons in these camps, a surplus of certain items will remain after camp requirements have been met. When details are known, these surpluses will be made available to Italian displaced persons. Responsibility for the procurement of clothing, textiles, and footwear for United Nations displaced persons has now passed to the Bureau of Finance and Administration, but existing commitments to, and withdrawal of, surpluses from camps will be completed by this Sub-Bureau.

Textile Raw Materials

33. This Division, in conjunction with a special Italian Government Committee, is preparing an overall plan for the use of all raw materials for textiles. The plan is to provide for three classes of goods:

- (a) Personal clothing and essential textiles for free distribution to individuals in, and households of, all destitute families.
- (b) The same essential goods for distribution at reduced prices to people in the low wage-earning groups.
- (c) For any residual quantities of materials). Durable utility materials to be produced for controlled sale to appropriate classes at minimum economic prices.

34. Preparation of 300,000 layettes, originally programmed in 1945, will entail the immediate manufacture of 3,000,000 meters of flannelette and the procurement, partly from Government stocks and partly by manufacture of raw wool, of 300,000 baby blankets.

ANALYSIS.

Research

35. Reports on consumption of nationally and locally rationed feedstuffs during the months of April and May 1946 have been completed. The report on livestock production in Italy, (which was mentioned in Para. 42 of Attachment K-5-b of the Monthly Report for May) has been completed and is undergoing final editing.

36. The chapter on Food and Agriculture of the Economic Survey has been revised with important additions.

Analysis

37. The Combined Working Parties on POL requirements continued their work. An entirely new system of reporting monthly on needs and consumption of POL by drainage and irrigation plants has been devised.

The following items have been analysed and reported upon:

- (a) Stocks of fats and oil-bearing materials on 1 January 1946
- (b) Cereal requirements for 1946/47
- (c) Supplementary assessing of grain.

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Statistics

38 Statistical material has been collected and screened on tractor numbers (1929 to 1946) and numbers of tractors and rasper binders (1936, 1941 and 1943).

J. Iorio
Acting Chief,
Sub-Bureau of Relief Supply

Declassified E.O. 12356 Section 3.3/NND No. 785016

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H-2-C. MONTHLY REPORT OF THE SUB-BUREAU
OF INDUSTRIAL REHABILITATION FOR JUNE, 1946.

GENERAL.

1. The Industrial Commission structure necessary for the allocation and control of imported supplies for industrial raw materials was created during the month of June. The Central Industrial Commission, responsible to the Ministry of Industry and Commerce, held two meetings during the month and the Naples and Rome Sub-Commissions were formed. The Northern Sub-Commission has been in operation since March of this year, so that the present structure completes the organization with the exception of the formation of a small Sub-Commission in Palermo. With this organization operating effectively, it is anticipated that the general allocation and reporting plan developed jointly between the Italian Government and UNRRA will be in effective operation throughout Italy by 1 July.
2. Cooperative work between the Italian Government, the military authorities and UNRRA has continued during the month in an effort to finalize the matter of starting the Bari and Naples oil refineries. The necessary studies concerning the transfer of tankage and operating cost are practically completed and it is hoped that this proposition may have the final approval of the military authorities by 20 July. The studies have been complicated somewhat by an increase in military reserve requirements in these areas, which has required additional consideration with respect to available tankage.
3. Investigations have been started on the construction of a penicillin plant by the Italian Government, the equipment for which will be furnished by UNRRA. A tentative site has been chosen for the plant on the property of the Institute of Public Health in Rome, and preliminary engineering work has been started by the Italian Government. Considerably more technical and engineering data are required, however, before this matter can be finally settled.

CHEMICALS AND PHARMACEUTICALS.

4. Chemicals. The Chemical Import Program has been revised to accord with all changes made in the previous two months. It now includes 10,280 tons of Rosta (Coc phenyl) at an estimated cost of \$ 1,689,000. The previous figure for this commodity was 12,000 tons (10,000 for the first half and 2,000 tons for the second half of 1946). The present aid was reached by cancelling 1,720 tons entirely and by trying to reduce present procurement to 6,000 tons, in view of the bleak outlook for the procurement of fats and

out Italy by 1 July.

2. Cooperative work between the Italian Government, the military authorities and UNRRA has continued during the month in an effort to finalize the matter of starting the Bari and Naples oil refineries. The necessary studies concerning the transfer of tankage and operating cost are practically completed and it is hoped that this proposition may have the final approval of the military authorities by 20 July. The studies have been complicated somewhat by an increase in military reserve requirements in these areas, which has required additional consideration with respect to available tankage.
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CHEMICALS AND PHARMACEUTICALS.

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5. Detailed specifications have been drawn up for the new items recently included in the program, viz.: Coal Tar Pitch, Butyl Alcohol, Potato Starch, Industrial Maltose and Resins.
6. Attachment H-5-c-(1) lists the production figures for the main chemical items produced in Northern Italy during the first five months of 1946. One item, copper sulfate, is of particular interest. Requirements of this chemical for 1946, as stated early this year by the Italian Ministry of Industry and Agriculture, were 80,000 tons. However, the season has been much better than anticipated with no major vine epidemics reported, so that actual requirements are likely to be even lower. Compared with the foregoing estimated requirements, the official figure of almost 35,000 tons produced in Northern Italy during the first five months of the year (which can be safely increased by 50% to take care of production in the South and of nation-wide production by improved plants), indicates that availability will exceed demand by approximately 25%.

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7. Pharmaceuticals. The entire import program of raw materials for the pharmaceuticals industry has been revised and now consists of 125 different items. This revision was carried out in close collaboration with the appropriate offices of the Italian Government.
8. Sugar for the Pharmaceuticals Industry. Since December 1945 we have been pressing the appropriate Italian offices in order to obtain an allocation of sugar to the pharmaceutical and allied industries. Eventually, the High Commissariat for Food released 248 tons of refined and 101 tons of raw sugar. However, the High Commissariat for Hygiene and Public Health which was to distribute the two commodities, decided to give the refined sugar to the pharmaceuticals industry, and the raw sugar to the citrates producers, who could not use it, as the resulting product would have been unfit for consumption. This mistake was fortunately prevented.

FOOD PROCESSING.

9. Tin-plate. The price was established, in cooperation with the Ministry of Industry and the High Commissariat for Food, for the 300 tons of tin-plate imported by UNRRA during the month of May and allocated for the production of canned fish. A further 192 tons of tin-plate were imported in June, which will be distributed on a percentage basis, planned by the various branches of the food processing industry.
10. Copra. As a result of the proposal to process edible fats from the 450 tons of copra imported by UNRRA in May, the Italian manufacturers were requested to submit, for examination, samples together with the costs of their production.
11. Sugar. Some 200 tons of sugar were allocated to produce 2,000 tons of baby food, because of the most pressing need for artificial baby foods.
12. Corn syrup. In view of the scheduled import of 20,000 tons of corn syrup in the second half of the 1946 UNRRA Program, studies on its utilization for food processing have been carried out.

TEXTILES.

13. Contracts for 250 tons of fishnet twine have been signed with the following firms:

Cotonificio Veneziano, Venice
Cotonificio Rossi, Vicenza

This mistake was fortunately prevented.

FOOD PROCESSING.

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10. Copra. As a result of the proposal to process edible fats from the 4903 tons of copra imported by UNRA in May, the Italian manufacturers were requested to submit, for examination, samples together with the costs of their production.

11. Sugar. Some 200 tons of sugar were allocated to produce 2,000 tons of baby food, because of the most pressing need for artificial baby foods.

12. Corn syrup. In view of the scheduled import of 20,000 tons of corn syrup in the second half of the 1946 UNRA Program, studies on its utilization for food processing have been carried out.

TEXTILES.

13. Contracts for 250 tons of fishnet twine have been signed with the following firms:

- Cotonificio Veneziano, Venice
- Cotonificio Fosci, Vicenza
- Cotonificio Cantoni, Varese
- Stabilimenti Tessili Italiani, Milan
- Manifatture Cotoniere Meridionali, Naples
- Cotonificio Wild & Company, Turin

14. Specifications for 909 tons of cotton yarn and fabrics for Albania have been advertised. To date the response has been very limited, with only two firms offering to produce about 10% of total requirements.

15. Negotiations are now going on with tanneries in the Campanic region for the tanning of 544 tons of raw hides using UNRA-imported Quebracho extract in the tanning process.

16. During June the following ships arrived with raw cotton:

- "John P. Holland" - 743 tons
- "Thorpean Lyle" - 1639 tons
- "A.P. Johnson" - 60 tons (approximately)
- "Lee Sang" - 500 tons (approximately)

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17. During June the following ships arrived carrying raw wool:
- "Blair Victory" - 762 tons
 - "Almira Lopez" - 1,116 tons (YT progr.)
 - "Ernie" - 1925 tons

ENGINEERING AND POWER

18. As a result of the Supply Conference in Washington, Italy has been tentatively allotted \$ 127,445,500 for industrial rehabilitation. The status of procurement of raw material requirements for Italy and tentative approval of a break-down of procurement of these materials was also obtained by the Italian Mission at this conference. In the light of the above information and with due consideration to current local conditions, a revision was made of the Engineering and Power Section of the first half and second half year programs for 1946. This was then incorporated by the Engineering and Power Division into a revised program of industrial rehabilitation supplies for 1946. This report, dated 17 June 1946, has been approved by the Italian Government and is now in the process of distribution. Copies have been sent to Washington and London.
19. The Engineering and Power Section of the Economic Survey was revised and reedited and was re-submitted in the middle of the month.
20. A system of control has been adopted by this division to guide its activities in the rehabilitation of the engineering and power industries. Complete reports on the status of all supplies are dispatched weekly to the Northern Office and to the Ministry of Industry and Commerce. With this system the exact status and background of any materials is available at a moment's notice and serves to direct action in emergencies.
21. A detailed report was prepared showing a very complete list of Diesel Marine Engines produced in Italy but excess to immediate internal demands and therefore available for export. This report was dispatched to Washington by Savings-gram on 24 June, and was followed by covering letter with complete specifications and catalogues.
22. A tentative plan was drawn up and agreed upon by which available surplus army equipment in Italy and desired by Italy will be purchased by A.R.A.R. (Azienda Riconversione Alleanza Residui - the Italian agency for the purchase for the Italian Government of British and American military surpluses), if no higher priority demands are made, to preserve UNRRA funds for purchasing surplus supplies in other countries.

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22. A tentative plan was drawn up and agreed upon by which available surplus army equipment in Italy and desired by Italy will be purchased by A.R.A.S. (Azienda Ricessioni Armamentarie Residuali - the Italian agency for the purchase for the Italian Government of British and American military surpluses), if no higher priority demands are made, to preserve UNRRA funds for purchasing surplus supplies in other countries.

23. Iron and Steel Industry. Production of pig iron and steel in April and May, as far as information is currently available, is as follows:

	Pig Iron (in tons)		Steel (in tons)	
	April	May	April	May
North Italy	9,515	not rptd.	67,113	not rptd.
Central and Southern Italy	0	0	34,587	19,790
Total	9,515	-	81,700	-

24. Some 1000 tons of special anthracite for Soderberg paste arrived in the latter part of May. A second 1000 tons arrived in early June. This was released to firms for production in the latter part of June so that during July and August there should be a corresponding increase of steel production and utilization of excess electric power. Five hundred tons of this anthracite is being re-shipped to Albania.

This arrival was timely and prevented pig iron and steel production from coming almost to a standstill.

25. Two completely-rebuilt open hearth furnaces were put in production by the Ilva Company, one at Bagnoli and one at Sesto San Giovanni Val D'Arno. This will materially increase Central and Southern steel production.
26. Every effort is being made to hasten delivery of magnesite bricks, stocks of which are dangerously low in Italy at the present time.
27. During June 5, 242 tons pig iron arrived and were distributed to the steel firms so badly in need of this material. Moreover, 304 tons of finished steel arrived in Italy during the month and will be allocated to other industries.

28. Electrotechnical Industries. A program of raw material requirements for the production of X-Ray equipment was drawn up and is being submitted for procurement. This equipment is required by the Medical Division.

29. Mining Industries. Electroneering, holidays, and the early harvest due to the Grasshopper plague have cut the Sardinian coal production so that the figures for May are as follows :

	<u>Metric tons</u>
Stock May 1	14,176
Production	88,854
<u>Total</u>	<u>103,030</u>
Local Sales	29,655
Exports	65,541
<u>Total</u>	<u>95,196</u>
Stocks 31 May	7,834

30. Local supplies and transportation facilities are adequate. Imported supplies arrived as follows :

- 6 Hoists with spare parts
- 14 Cases steel sheaves
- 28 Rolls wire rope

31. Lignite production for May was approximately 180,000 tons. Lead ore production dropped more than 50% from the April figure of 1242 due to lack of coke. Zinc ore production at Porto Marchera is expected to increase to approximately 600 tons in June. Production of fused

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	<u>Metric tons</u>
Stock May 1	14,176
<u>Production</u>	<u>88,854</u>
Total	103,030
Local Sales	29,655
<u>Exports</u>	<u>65,241</u>
Total	<u>95,196</u>
Stocks 31 May	7,834

30. Local supplies and transportation facilities are adequate. Imported supplies arrived as follows :

- 5 Hoists with spare parts
- 14 Cases steel sheaves
- 28 Rolls wire rope

31. Lignite production for May was approximately 180,000 tons. Lead ore production dropped more than 50% from the April figure of 1242 due to lack of coke. Zinc ore production at Porto Marchera is expected to increase to approximately 600 tons in June. Production of fused sulphur was approximately 7,500 tons and of sulphur ore 60,000 tons in June.

32. Building Materials Industries. Of the 8000 tons of sodium nitrate which have arrived against the agriculture program, 400 tons have been allotted to the Comitato del Vetro (Glass Industry Committee) for glass manufacture by agreement between the Ministries of Agriculture and Industry. During the month 466 tons of lumber arrived. It will be allocated to industrial uses. The production of asbestos insulating materials, roofing and pipe will be greatly enhanced by the arrival of 1357 tons of asbestos during June.

33. Mechanical Industries. The tight situation of rubber products for automobiles manufacture was slightly relieved by the arrival in June of 242 tons of natural rubber and 75 tons of tires and tubes. These rubber imports are far from adequate to meet the great need, and every effort is being made to speed up the rubber program.

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34. A summary of raw material arrivals in Italy for the Engineering and Power Division program is as follows :

Material	Weight in metric tons	Date of arrival	Port of arrival
Asbestos	1,100	8 June 1946	Naples
Asbestos	257	21 "	Naples
Lumber	466	18 "	Genoa
Pig Iron	3,742	19 "	Genoa
Pig Iron	1,500	24 "	Naples
Rubber	242	28 "	Naples
Steel	304	1 "	Naples
Tires & Tubes	75	16 "	Naples

HOUSING.

35. During June it was decided that the Sub-Bureau of Industrial Rehabilitation should devote more attention to the housing problem in Italy, particularly as industry is so concerned with the problem at every stage. A separate branch was therefore established to deal exclusively with housing and this branch will in future represent the Sub-Bureau in all housing activities.

FUELS.

36. Solid Fuels. During June, arrivals of coal and petroleum coke from all sources are expected to reach 100,000 tons, while sailings from the United States, United Kingdom, Rotterdam and South Africa are expected to reach an estimated 320,000 tons. The Coal Branch has been mainly concerned with the supplementary June allocations, and careful consideration has been given to the July breakdown, which was established at 475,000 tons. This was only made possible by the most careful conservation of supplies received since 30 March. Since that date, against the programs running through to 30 June, coal receipts and allocations for industry and stock through ports have been as below :

	April, May, June.	Receipts.
Ancona	56,301	58,328
Naples/Bagnoli	104,378	120,492
Bari	67,445	82,196
Civitavecchia	58,077	82,749
Genoa/Savona	408,800	539,938
Leghorn	46,584	47,000

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Genoa/Savona	408,800	539,938
Leghorn	46,584	47,000
Reggio	12,345	15,083
Venice	192,511	253,107
Sicily	108,225	170,305
Cagliari	8,068	10,791
	<u>1,062,734</u>	<u>1,380,989</u>

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The reserve supplies have been principally allocated to food processing and these industries capable of giving the maximum employment.

37. As to the future, the situation continues problematical. At the European Coal Organization Conference in London on 4 June, which was attended by Mr. J. McSwaney, Deputy Chief of the Italian Mission's Coal Branch, Italy was promised :

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Ruhr	-	191,000 tons
U.K.	-	10,000 "
South Africa	-	18,000 "
U.S.	-	<u>171,000 "</u>
Total		390,000 tons

There still remains formidable competition, and, unless overcome, this may seriously affect the possibilities of obtaining the increased supplies of coking quality coals which are so vitally important to the resuscitation of the iron and steel industries.

38. In order to supplement the allocation for Montecatini - a most important source of fertilizers - a further 20,000 tons a month is required, while for the five blast furnaces a minimum of 14,000 tons is necessary, and as yet we cannot tell where these additional quantities of coking quality coals may be obtained. Nevertheless, it is hoped that those coals received from the Ruhr will possess such strong coking qualities as to permit their adulteration with lower grades received from the United States. There are, however, limits to which this can be done in as much as it would be futile to lose good quality coking coals by overmixing with inferiors. This problem is now under very careful consideration by the Emergency Committee, but a policy will not be established without the full agreement of the Milan Committee.

39. P.O.I. Negotiations between the Workers' Committee, C.I.F. (Comitato Italiana Petroli - Italian Petroleum Committee, and the interested Ministries with regard to workers' pay etc., following the recent strike, were continued during the month but the general impression is that no conclusive results may be expected until a new Government is formed.

40. Military releases of bulk fuels during the month have been sufficient to cover the quantities which were due to us and in addition the backlog of Diesel Oil outstanding at the end of May has been made good.

41. Heavy motor lubricating oil has been in short supply, both for civilian and for Italian Army vehicles, but advice has been received of recent shipments which should relieve the situation.

42. The deliveries of Fuel Oil from Vado Ligure and from Venice have

required, while for the Ilva blast furnaces a minimum of 14,000 tons is necessary, and as yet we cannot tell where these additional quantities of coking quality coals may be obtained. Nevertheless, it is hoped that these coals received from the Ruhr will possess such strong coking qualities as to permit their adulteration with lower grades received from the United States. There are, however, limits to which this can be done in as much as it would be futile to use good quality coking coals by overmixing with inferiors. This problem is now under very careful consideration by the Emergency Committee, but a policy will not be established without the full agreement of the Milan Committee.

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41. Heavy motor lubricating oil has been in short supply, both for civilian and for Italian Army vehicles, but advice has been received of recent shipments which should relieve the situation.

42. The deliveries of Fuel Oil from Vado Ligure and from Venico have kept pace with the increased demands of North Italian industries. Those increased demands are due to conversion from coal to fuel oil in many plants and to the seasonal activity in the sugar refining and carrying industries.

Attachment H-5-c-(1), - production of Basic Chemicals in Northern Italy in 1946, in Metric Tons.

Bruno Luzzato,
Chief, Sub-Bureau of
Industrial Rehabilitation.

IN METRIC TONS

Commodity	January	February	March	April
Sulphuric Acid (in terms of monohydrate)	8,786	10,023	14,782	21,930
Hydrochloric Acid, 20-21 Be'	1,350	1,380	1,450	1,500
Nitric Acid, diluted, 100%	1,940	2,280	2,680	4,950
Ammonia, synthetic	860	1,550	2,640	3,800
Ammonium sulfate	2,444	2,500	4,460	6,180
" nitrate, 33-35%	-	418	1,650	1,888
Calcium nitrate, 15-16%	2,570	1,600	925	3,350
" " 13-14%	-	-	-	-
Calcium Cyanamide	-	-	-	-
Superphosphate	414	7,300	16,350	18,200
Copper Sulfate	4,370	4,940	8,340	9,000
Calcium Carbide	257	430	710	3,750
Caustic Soda, electrolytic, 100%	955	900	1,050	960
Sodium Carbonate (Soda Ash)	6,770	7,000	7,680	7,000

27 June 1946

OF DAILY PRODUCTION OF NORTHERN IN 1940,

IN METRIC TONS

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January	February	March	April	May (figures subject to revision)
8,786	10,023	14,782	21,930	21,950
1,350	1,380	1,450	1,500	1,520
1,940	2,280	2,660	4,950	3,780
860	1,550	2,640	3,800	4,390
2,444	2,500	4,460	6,180	6,600
-	418	1,650	1,888	1,910
2,570	1,500	925	3,350	1,850
-	-	-	-	3,620
-	-	-	-	1,400
414	7,300	16,350	18,200	?
4,370	4,940	8,340	9,000	7,950
257	430	710	3,750	6,080
955	900	1,050	960	900
6,770	7,000	7,680	7,000	?

CV 5972

H-6. MONTHLY REPORT OF THE BUREAU OF FINANCE AND ADMINISTRATION FOR JUNE, 1946.

RELATIONSHIP WITH THE ITALIAN GOVERNMENT.

1. The first meeting of the Lire Fund Control Committee was held on 5 June 1946, when it was decided that the broad function of the Committee would be to advise the Chief of Mission and the President of the Italian Government Delegation on all matters pertaining to the Lire Fund arising from the proceeds of the sale of UNRRA supplies. The terms of reference of this Committee were established as follows:-

- (a) To receive monthly reports from the Government as to quantities of supplies transferred to them, quantities sold, the proceeds of such sales and an accounting for any differences between these two tonnages.
- (b) To ascertain distribution costs by commodities.
- (c) To account for deposits to the Lire Fund.
- (d) To make a preliminary examination of requests for the re-employment of the Lire Fund for programs of relief and rehabilitation and to make recommendations to the Chief of Mission and the President of the Italian Government Delegation.
- (e) To account for disbursements from the Lire Fund.
- (f) To make recommendations to the Chief of Mission and the President of the Italian Government Delegation on any policy questions that may arise within the foregoing terms of reference.

2. The membership of the Committee was determined jointly between the Mission and the Italian Government to comprise the following:-

Chairmen: Maj. C.E. Hodgetts. - Deputy Chief of Mission and
Chief, Bureau of Finance and
Administration.
Secretary: Mr. P. Contini. - Special Assistant to Chief of
Mission for Government Liaison.

UNRRA Members:

Mr. G. Hopkins - Financial Adviser (Lire Fund)
Mr. Harlan Cleveland - Deputy Chief of Mission and Chief,
Bureau of Requirements and Distributions.
Mr. E. Lynch - Chief, Sub-Bureau of Supply Operations.

- (b) To ascertain distribution costs by commodities.
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UNRRA Members:

Mr. G. Hopkins - Financial Adviser (Lire Fund)

Mr. Harlan Cleveland - Deputy Chief of Mission and Chief,

Bureau of Requirements and Distributions,
Chief, Sub-Bureau of Supply Operations.

Mr. X. Lynch -

Italian Government Members

Prof. L. D'Al'

Dr. E. Della Mogra

Dr. C. Chioldelli

Comm. V. Marcolini

Comm. A. Poffano

Comm. G. Degli Alberti

Italian Government Delegation

Italian Government Delegation

Italian Government Delegation

Ministry of the Treasury

Ministry of the Treasury

I.C.E. (Istituto Commercio Estero -

Foreign Trade Institute).

3. At the second meeting of the Lire Fund Control Committee, held on 13 June, a report was submitted by the Italian Government on UNRRA commodities sold during the period 19 January to 30 April 1946, as follows:-

	SALES (in Lire)	CREDITED TO SPECIAL ACCOUNT (in Lire)
Grain, Flour and Corn	1,325,955,267	950,000,000
Seed Potatoes	321,182,875	90,919,460
Coal	3,552,329,500	2,030,000,000
TOTAL	5,199,467,642	5,040,919,460

CM 5975

The difference in coal credit to the Special Account over and above sales to 30 April (Lit. 1,447,670,400) was credited on account of sales during May. In addition an amount of Lit. 750,000,000 was credited by C.I.P. (Comitato Italiano Petroli - Italian Petroleum Committee) for the period 1 February to 30 June in respect of 20L sales not yet determined, thus bringing the total amount credited to the special account to Lit. 6,790,919,860.

Lira: An amount of Lit. 375,655,267 was retained by Federazione Consorzio Agrari on account of distribution costs yet to be determined. Included in the amount deducted from the gross proceeds of sale of seed potatoes is an amount of Lit. 111,672,815, which is a sum allotted for equalizing the unified price of imported potatoes of whatever origin (Lit. 11.30 per kilo).

4. At the second meeting of the Lira Fund Control Committee on 13 June, the following recommendations were made and have since been approved by the Joint Presidents:-

(a) Lit. 500,000,000 to be allotted to the High Commissioner for

Sardinia for the purpose of fighting the grasshopper plague.

The budget for this operation, together with a plan of re-employment, is to be submitted to the Committee within fourteen days.

(b) Lit. 50,000,000 is to be allotted to I.C.E. on account of financing of operations concerned with UNRRA supplies. Full details of the cost of the I.C.E. operation is to be submitted to the Committee within thirty days. Application has been made to the Italian Government for these funds to be made available in the Mission Lira Fund account for onward transmission to the respective Government offices.

5. The sum of Lit. 45,000,000 was lent from the Mission's Administrative Funds to the Ministry of Industry and Commerce for the operations of the Central Industrial Commission. This sum is to be repaid by the Central Industrial Commission either when the Government supplies it with funds, or when it receives its revenue from the surcharge on industrial rehabilitation supplies, which will be considered as part of the distribution costs and therefore will not enter into the Lira Fund.

6. In view of the difficulties encountered in assessing the proceeds of sale of P.C.I. supplies and distribution costs, C.I.P. agreed to pay over to the Special Proceeds of Sales Account an amount of Lit. 150,000,000 per month from 1 February 1946, when UNRRA took over the responsibility of supplying P.C.I. to Italy, the P.C.I. accounts having been closed as of 31 January. To date Lit. 750,000,000 has been credited to the Special Account, as stated in Para. 3, above. The crediting of these accounts is to be followed by final monthly statements when differences will be adjusted. It was agreed that there should be a time lag of not more than 65 days between the close of a month and the C.I.P.'s remittance of its final report on that month. In the meantime, C.I.P. will provide in the immediate future the final report on February 1946. C.I.P. also undertakes to provide monthly reports on taxes and sums paid to the Treasury and reimbursable to the Proceeds of Sale Account.

- (b) Lit. 50,000,000 is to be allotted to I.C.S. on account of financing of operations connected with UNRRA supplies. Full details of the cost of the I.C.S. operation is to be submitted to the Committee within thirty days. Application has been made to the Italian Government for these funds to be made available in the Mission Lira Fund Account for onward transmission to the respective Government offices.
5. The sum of Lit. 45,000,000 was lent from the Mission's Administrative Funds to the Ministry of Industry and Commerce for the operations of the Central Industrial Commission. This sum is to be repaid by the Central Industrial Commission either when the Government supplies it with funds, or when it receives its revenue from the surcharge on industrial rehabilitation supplies, which will be considered as part of the distribution costs and therefore will not enter into the Lira Fund.
6. In view of the difficulties encountered in assessing the proceeds of sale of P.O.I. supplies and distribution costs, C.I.P. agreed to pay over to the Special Proceeds of Sales Account an amount of Lit. 150,000,000 per month from 1 February 1946, when UNRRA took over the responsibility of supplying P.M. to Italy, the P.M. accounts having been closed as of 31 January. To date Lit. 750,000,000 has been credited to the Special Account, as stated in Para. 3, above. The credit of these accounts is to be followed by final monthly statements when differences will be adjusted. It was agreed that there should be a time lag of not more than 60 days between the close of a month and the C.I.P.'s rendition of its final report on that month. In the meantime, C.I.P. will provide in the immediate future the final report on February 1946. C.I.P. also undertook to provide monthly reports on taxes and sums paid to the Treasury and reimbursable to the Proceeds of Sale Account.
7. As a means of arriving at the amounts to be debited in respect of distribution costs from the proceeds of sale of foodstuffs already reported upon by the Italian Government, the Federazione Consorzi Agrari have computed a basis of distribution costs for grain, flour, and codfish, in accordance with Port Tariffs, National Tariffs and also actual expenses incurred in the past for specific tonnages handled. These are to be considered at the next meeting of the Lira Fund Control Committee as regards both accuracy and the establishment of the principle.
8. In connection with the indebtedness of UNRRA to the Federazione Consorzi Agrari for the warehousing and handling of UNRRA supplies under the 1946 program, a Joint Sub-Committee was set up at a meeting between the Federazione Consorzi Agrari and UNRRA held on 17 June with a view to investigating the charges made against the Mission. Following on the report of this Sub-Committee the Federazione Consorzi Agrari agreed to submit by 31 August a complete account of amounts due by UNRRA and the Italian Delegation to 30 June 1946. In the meantime it was agreed that the Ministry of the Treasury should advance to the Federazione Consorzi Agrari an amount equivalent to 80% of the total sum claimed by the Federazione Consorzi Agrari,

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excluding any commodities supplied to UNRRA Welfare Programs, which are to be dealt with separately. This payment is to be treated as one of provisional liquidation.

9. At the fourth meeting of the Liro Fund Control Committee on 28 June, a Joint Sub-Committee was formed to investigate the claims by the Federazione Consorzi Agrari in the sum of Lit. 249,696,776 for the supply of foodstuffs for the UNRRA Welfare Program, which were not available through UNRRA sources.

10. An application for an appropriation from the Liro Fund for Lit. 445,216,000 in respect of vehicles and spare parts for CASAS was considered by the Liro Fund Control Committee, and it was decided to reconsider the matter at the next meeting, during which time the entire vehicle position would be jointly studied in the light of a report submitted by the Bureau of Requirements and Distribution, to the effect that many vehicles had been taken over by the Italian Government and could be loaned to the CASAS project, thereby saving Dollar and Liro expenditure.

11. A statement was received from I.C.E. showing all the commodities taken over by it from UNRRA on behalf of the Italian Government on 30 April 1946 for the purpose of sale in accordance with the supplementary Agreement between UNRRA and the Italian Government dated 19 January 1946. A similar statement was also prepared by the Bureau of Requirements and Distribution showing commodities handed over to the Italian Government for the purpose of sale to 30 April 1946. Both these schedules are being examined with a view to reconciliation of the figures shown thereon and investigation of any differences.

12. A Price Policy Committee has been set up under the chairmanship of Mr. Harlan Cleveland, Chief of the Mission's Bureau of Requirements and Distribution, for the purpose of determining the prices of all UNRRA commodities which are being sold by the Italian Government and the net proceeds of which are being paid into the Special Proceeds of Sale Account. The prices are computed by the Price Policy Committee on the basis of actual landed cost plus estimated costs of distribution. Proceeds of Sale, cost of distribution, and other legitimate charges on gross proceeds are examined and approved by the Liro Fund Control Committee, which also approves the amounts credited to the Special Proceeds of Sale Account.

ORGANIZATIONAL CHANGES

13. As from 1 June 1946, the Bureau of Finance and Administration has been reorganized. The object of this reorganization was to free the Chief of the Bureau from the greater part of the mass of operational detail, and to permit more emphasis to be brought to bear upon matters of policy and the planning of financial and administrative work for the balance and wind-up of the Italian Mission program.

14. The Finance Division now comprises two Branches: Claims and Treasury. ~~The former Branch has been eliminated and an office of~~

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14. The Finance Division now comprises two Branches: Claims and Treasury. The Local Currency Fund Control Branch has been eliminated and an Office of Financial Advisor (Liro Fund) has been established within the office of the Deputy Chief of Mission and Chief, Bureau of Finance and Administration, to handle the increasing problems arising from the control, receipt, and re-employment of Liro funds accruing from the proceeds of sale of UMRBA supplies.

15. In the Accounts Division the Field Audit and Voucher Audit Branches have been merged into one Audit Branch. A Budget Control Branch has been established, which will be responsible for maintaining the records of financial commitments in relation to approved budgetary allocations.

16. Two sub-divisions have been created in the Division of Administrative Services: the Staff Services Sub-Division, which includes the Quartermaster Branch, Hotel and Mess Branch, and the activities in connection with the material welfare of the Mission personnel; and the Office Services Sub-Division, which is responsible for the Communications Branch, Movements Branch and Office Services Branch. The Procurement Officer is immediately under the jurisdiction of the Director of the Division, and has been made responsible for the procurement of all supplies provided for within the Mission Relief and Rehabilitation Services Budget.

17. In the Division of Personnel the Employment and Record Branches have been re-organized into a Class I Staff Employment and Record Branch, and a Class II Staff Employment and Record Branch.

18. A Division of Organization and Management has been re-established, and has two branches: a Planning Branch and a Budget Planning Branch. The Special Assistant (Preventive Service) has been transferred to the Office of the Chief of Mission.

MAJOR ACTIVITIES CURRENT AND PROPOSED

19. A procedure has been set up whereby Class II personnel may obtain Family Allowances payable by the Italian Government through the Mission, operative with effect from 1 June 1946. Social Insurance for Class II personnel, in accordance with Italian law, covering sickness and accidents while on duty, has been discussed. An Administrative Order on this subject will be issued in due course.

20. During the month, twelve Traffic Accident Claims, involving five fatalities, were received. At a meeting of the Claims Committee held on 5 June it was decided that when traffic accidents involving criminal charges were brought by the Italian police against UNRRA drivers whose guilt was doubtful, arrangements would be made whereby the Mission would assist the drivers' defence.

21. The Section responsible for material welfare items for the Mission Staff have, during the month, sent ninety daily rations each day to eleven Camp and Regional Headquarters throughout Italy. Parcels containing twenty-five books have also been sent to these Camps and Headquarters, and a complete library has been despatched to Sicily Region.

22. During June the Quartermaster Branch issued:

26,389	Class I Staff rations
17,274	Servants' rations
54,620	Class II Staff midshift meal rations
3,169	Snack Bar rations (Class II Staff)

The Mission is now entirely dependent on UNRRA rations, and all rations are being shipped from Rome to the various Regions.

23. During the month a Mail Courier Service to Florence, Genoa, Milan, and Venice was inaugurated. This service is being operated by UNRRA administrative transport, and leaves Rome three times weekly.

24. A Class II Salary Committee has been considering the revision of the local staff Salary Scales, and has worked intensively during the month of June. The findings of the Committee have been considered by the Chief of Mission, and a revised salary scale has been drawn up and approved by the Chief of Mission. It will be issued shortly in the form of

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25. A nominal roll of all Class I employees as 31 May, giving grades, salaries, nationalities, accounting station, next of kin and address of next of kin, is being prepared in accordance with ERO instructions.

26. Of the seventy jeeps required for the CASAS/UNRRA Shelter project being purchased through ARAF (Azienda Regionale Alleanzismo Res Publica) - the Italian agency for the purchase for the Italian Government of British and American military surplus), some forty will be ready to hand over to CASAS at the beginning of July. The remaining thirty will be collected during the first ten days of July. As there is a considerable number of vehicles to be processed before they are turned over to the UNRRA/CASAS Shelter project, UNRRA/CASAS have been approached with a view to engaging an additional thirty mechanics, solely for the purpose of attending to these vehicles. Although this suggestion was made on 26 May, no decision has been taken by CASAS to date.

27. Fifty Class C jeeps have recently been purchased to provide the necessary spare parts for the jeeps already on the Mission strength. These are

being collected on 1 July, so it will be possible to render many of the broken-down jeepz readily usable. In order to meet the acute fuel shortage a certain quantity has been purchased from local manufacturers. These are enabling us to keep going, but do not meet our urgent total requirement.

PROBLEMS

28. As stated in last month's report (H-6, Para.8), a discrepancy exists between EMO figures of Army pay and allowances and the officer's statement as given to UNRRA upon his secondment. Clarification on this matter is still awaited. It has now been ascertained from EMO that personnel seconded from R.A.F. Forces are not entitled to participate in the provided fund scheme, and accordingly no deductions for this purpose are to be made from their salaries.

29. In the last monthly report it was stated (H-7, Para.9) that 156 lead-carrying vehicles were being obtained from R.A.F. sources. Unfortunately, owing to hasty action taken by the R.A.F., these vehicles were turned over to ARAR for the Italian Government before the Mission officials were able to collect them. This matter has been referred to UNRRA/APHC, and it is understood that they are taking the matter up with the R.A.F., and that we shall be given an opportunity of selecting a further number of vehicles in the very near future.

PERSONNEL STATISTICS

30. As of 30 June 1946 the Mission staff consisted of 560 Class I (regular), 3,236 Class II (locally-employed) and 126 Class III (Voluntary Agency) employees - a total of 3,928 persons. Of the Class I employees 305 are British, 206 from the United States, 22 South Africans, 10 Canadians, 7 Palestinians, 3 Australians, 3 Danes, 2 Stateless and one each from El Salvador, France, Iceland, India, Iran, Jugoslavia, Poland and Russia. For division of staff by class, service and sex, and for breakdown of Class I personnel by grade, see Attachment H-10, Information Requested in Form MSR - 1.

C. E. Hodgote,
DEPUTY CHIEF OF MISSION FOR
PLANNING & ADMINISTRATION.

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FINANCE & ADMINISTRATION.

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H-7 MONTHLY REPORT OF THE BUREAU OF RELIEF SERVICES
for June, 1946

INTRODUCTION.

1. Apart from the developments reported in the Divisional Monthly Reports attached, there are several items of general interest.

VOLUNTARY SOCIETIES.

2. During June an agreement was drawn up with the Congregational Christian Service Committee regarding the cave dwellers' project which they are operating in Naples. This document, which was prepared with the assistance of the SAC legal adviser, is being submitted for the Director General's approval.

3. A review of the status and activities of the Voluntary Society members attached to this Mission will be initiated in July. With a few exceptions these voluntary workers are attached as individuals assisting us in our work with the Italian Government.

4. In Italy there are quite a few Voluntary Societies of various kinds which are operating independently or are attached to the Allied Commission. There has been no attempt on the part of the Italian Government to coordinate the activities of all Voluntary Societies, nor has this been possible in view of the fact that these societies were generally called forward by approval of the military authorities. Duplication has been eliminated mainly through individual contact between the agencies rather than through concerted action. It is doubtful whether any plan of coordination should be considered except one in which the Italian Government takes active part and develops procedures for clearance and registration of agencies. Discussions on this subject will be held with the Italian Delegation.

E.R.O. STUDY.

5. Preparations have been made for the presentation of a progress report on the E.R.O. study which was discussed in last month's report (Para. 5, Attachment H-7) by 16 July. Most of the required actions have been taken or initiated as part of the normal activities of the Mission.

WELFARE DIVISION.

6. The Italian Delegation has taken additional steps towards governmental action for the unification of welfare services in the country, and discussions between the Mission and the Delegation have begun on this subject. At the same time, the Delegation has prepared considerable material on specific relief programs for the latter half of this year. These programs are also being considered jointly with the Delegation.

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DISPLACED PERSONS DIVISION.

7. On 4 July the first meeting with the Italian Government on displaced persons will be held. Represented on the Joint Government-UNRRA committee are the Ministry of Foreign Affairs, Ministry of the Interior, Ministry of Post-War Assistance and the Italian Delegation. The meeting will review the developments on displaced persons to date and prepare for eventual transfer of displaced persons responsibilities from the military authorities to the Italian Government.

HEALTH DIVISION.

8. In addition to the several projects which have been developed in Relief Services with appropriations from the Liro Fund, there has been considerable activity in preparation for longer-range relief projects to be financed through the Liro Fund. In the health field preliminary material has already been presented by the Government and is under consideration in the Health Division. These tentative plans are being reviewed and as they are put in proper shape, will be presented to the Joint Committee for final action. At the last meeting of the Liro Fund Control Committee, a request was presented

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for the purchase of 50 Italian passenger vehicles to be assigned by the Italian health authorities to the Provincial health staffs. The need for this kind of transportation has been extremely acute for the past few years and the provision of these vehicles, if the request is approved, will materially aid the health work of the Italian Government.

9. A review of medical supplies arriving in Italy has revealed that we have fairly sizable quantities which were not requested by the Mission. This matter is being examined closely but meanwhile it is being brought to the attention of the supply authorities in Washington. Many of these items are not suitable for distribution, some are in such large quantity that they exceed any possible use for them in Italy, and others are so specific and in such small quantities that it is virtually impossible to work out distribution plans. Upon the completion of the detailed analysis of these supplies, steps will be taken to dispose of them properly.

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DEPUTY CHIEF OF MISSION
FOR RELIEF SERVICES

Declassified E.O. 12356 Section 3.3/NND No. 785016

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DEPUTY CHIEF OF MISSION
FOR RELIEF SERVICES

1961

H-7-a NGITPL REPORT OF THE HEALTH DIVISION FORJUNE 1946RELATIONS WITH ITALIAN GOVERNMENTMedical Supply Program

1. The final modifications in the procurement list of medical supplies and pharmaceutical raw materials for the year 1946 were received from the High Commissioner for Hygiene and Public Health on 5 June. The list was immediately screened by the Health Division and has been forwarded to HQ, Washington. This list contained a small number of additions and larger number of reductions and deletions, the effect of which will be a saving of approximately \$ 1,850,000 in the Health Division budget.

2. The distribution list for the third general distribution of relief medical supplies, consisting of approximately 400 tons valued at \$ 499,562, was received during the month from the High Commissioner for Hygiene and Public Health and contained modifications suggested by the Regional Medical Officers. The assembly of the items of the third general distribution started at a central warehouse in Rome on 24 June and the first consignments will be shipped to the Provinces early in July.

3. Plans for special distributions of the drugs listed below were drawn up by the High Commissioner for Hygiene and Public Health and have been approved by this Division:

	<u>Quantity</u>	<u>Value</u>
Narcotics (first distribution: morphine, tincture of opium and codeine)*	---	\$ 11,000
Insulin (second distribution)	3,200,000 units	1,920
Liver Extract (second distribution)	15,950 vials	9,507

These drugs should reach the hospitals during July.

4. Considerable progress has been made in the distribution of hospital units during the month. Two-hundred bed units have been dispatched to Foggia and Salerno, and the available balance of the 200-bed units were delivered to La Spezia and Messina. In addition, 40-bed units with all available surgical equipment were delivered to the towns listed below:

Civitavecchia	Frosinone
Nepesin Inferiore	Minturno
Campelungo Garfagnana	Bibbione
Viterbo	Chiusi
	Tricarico

Since the inception of the hospital unit distribution, a total of five 200-bed units and ten 40-bed units has been delivered to hospitals in Italy, Sicily and Sardinia. A survey of the need for hospital units has been completed in Southern and Central Italy and to some extent in Sicily and in North

tral warehouse in Rome on 24 June and the first consignments will be shipped to the Provinces early in July.

3. Plans for special distributions of the drugs listed below were drawn up by the High Commissioner for Hygiene and Public Health and have been approved by this Division:

	Quantity	Value
Moracties (first distribution morphine, tincture of opium and codeine)*	---	\$ 11,000
Insulin (second distribution)	3,200,000 units	1,920
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- | | |
|--|--|
| <ul style="list-style-type: none"> Givitaesechia Nocera Inferiore Captelmurove Garfagnana Matara | <ul style="list-style-type: none"> Frosinone Minturno Bibbiena Chiusi Tricarico |
|--|--|

Since the inception of the hospital unit distribution, a total of five 200-bed units and ten 40-bed units has been delivered to hospitals in Italy, Sicily and Sardinia. A survey of the need for hospital units has been completed in Southern and Central Italy and is now being carried out in Sicily and in ¹ ~~the~~ eastern Italy.

5. At the request of the High Commissioner for Hygiene and Public Health, 600 hospital beds were sent to the large anti-tuberculosis colony, Villaggio Sarnatoriale, Sondalo. In addition, consignments totalling 150 beds and 230 mattresses were delivered to the civil hospitals of the following towns:

	No. Beds	No. Mattresses
Brindisi	50	100
Avellino	30	30
Foggia	30	30
Matara	30	30
Potenza	40	40

6. Distribution of hospital linen is progressing satisfactorily, and since the inception of the program a total of approximately 249,839 kilograms (1,249,195 square meters) has been delivered to 99 Provinces in Italy, Sicily

* Moracties cannot be reported in one standard unit of measure.

and Sardinia direct from the textile manufacturers. Notification received on 22 June indicated that approximately 220,466 kilograms (1,147,322 square meters) of hospital linen were ready for delivery to the Provinces.

7. During June the Italian Government took title to medical supplies valued at \$ 16,787, and approximately 1,150 tons of medical supplies were received by I.S.E. (Istituto Commerciale Estero - Foreign Trade Institute) on behalf of the Italian Government, supplies which include the Onerva shipment and the Balkan Stockpile.

8. Special distribution plans for approximately 400-500 tons of bulk supplies from military surplus, Balkan Stockpile and an allotment from Onerva, will be prepared during July. These supplies include men's pajamas, bath-robes, towels, narcotics, sulfanilamide drugs, rubber drainage tubing, surgical gloves and other items.

9. Examination of the lists of medical supplies recently arrived in Italy shows that amounts in excess of the original procurement requests and a number of items which were not included in the Health Division procurement lists have been sent to this country for inclusion in the medical program. These medical supplies are now being examined by the Medical Supplies Division for quantity, origin and program allocation.

10. Candidates for overseas fellowships have been seriously delayed by difficulties experienced in obtaining entrance visas and Italian passports. None of the candidates has as yet left Italy. However, formalities have been completed for two Italian technicians to travel to the United States and Canada for a course in the technique of penicillin production. They are expected to leave Italy on 1 July. Delay has also been experienced for the same reason in the sending of four Italian doctors and radiological technicians to England for a course in mass radiography. It appears unlikely that they will leave Italy before the middle of July.

STATEMENT OF ACTIONS REQUESTED OF ERO

11. ERO was requested to explore the possibility of obtaining working diagrams and specifications of the Roth apparatus for continuous artificial respiration. Specifications and plans for this apparatus were received by the Mission fourteen days after the request was initiated. Consultations are taking place with the Italian Government on the possibilities of manufacturing the Roth apparatus in Italy for distribution to Italian hospitals. The number of machines required in this country for prolonged artificial respiration is not large, and if local manufacturers is possible an essential need will have been met for the treatment of persons suffering from respiratory paralysis.

IMMEDIATE WORK PROGRAM

12. The activities of the Health Division are continuous and do not lend

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IMMEDIATE WORK PROGRAM

12. The activities of the Health Division are continuous and do not lend themselves to description under this heading. They are described under the sections devoted to "Relations with the Italian Government" and "Major Activities" (paras. 1-11 and 13-29 respectively).

MAJOR ACTIVITIES

Headquarters Staff

13. Nursing Activities -- The former Chief Nursing Consultant for the Health Division of this Mission returned to Italy to initiate the selection of thirty nurses for overseas study in the United States. Candidates are now being processed from all parts of Italy and it is hoped that final preparations for their departure will be completed early in July. The same difficulties in obtaining passports and entrance visas are likely to occur, in addition to the fact that a great shortage of transport facilities exists between Italy and the United States. However, every effort is being made to overcome these problems.

14. Medical Supply Activities -- During June 18, 175 vials of penicillin were distributed to the hospitals of Italy, Sarlinic and Sicily. Distribution of penicillin was particularly delayed by the allocation of transport facilities.

air transport, caused by the Italian General Election on 2 June. Internal air transport for shipment of UNRRA penicillin was not available for a period of three weeks after the election and in some cases alternative methods of transport were used.

15. Epidemiology -- No cases of plague or typhus fever were reported during June. The number of cases of smallpox is slowly falling, 65 cases being reported in May.

Malaria Control

16. Central and Southern Italy and Sicily -- As forecast in the Health Division Report for May (H-7-a, Para. 17), malaria control work in these areas was completed by the middle of June.

17. Northern Italy -- Residual spraying operations are being carried out by five engineers and twenty-one malaria control units in the Provinces of Veneto, Udine, Treviso, Ferrara and Reggio. The work in Northern Italy has been delayed due to the fact that numerous houses in the Provinces of Veneto and Udine are being temporarily omitted from the spraying program because of silk worm culture, an important domestic industry in this section of the country. It will be necessary for a number of malaria teams to cover some areas a second time, in order that these houses may be sprayed otherwise, islands of unsprayed houses will exist in an area which might have been completely covered. Transport difficulties were also experienced because of lack of spare parts which immobilized some of the units. Because of these delays, it is thought that the residual spraying program in Northeastern Italy and the Po Valley area will not be completed until 1 August instead of 15 July as previously estimated.

18. Disinfestation -- Work is progressing on plans for a disinfestation program to include hospitals, orphanages, institutions and jails, and it is hoped that the program will be initiated on or about 15 August.

Tuberculosis

19. A tour of Northeastern Italy by the Assistant Consultant in Tuberculosis reveals that there is an increased incidence of tuberculosis in that area, but that this incidence is no greater than that evidenced in other sections of the country. It is hoped that when the anti-tuberculosis colony at Sondrio is in full working order many cases of tuberculosis now requiring treatment will be accommodated in that sanatorium. This project has the special interest of the High Commissioner for Hygiene and Public Health, who is making every effort to have it organized as quickly as possible. It is felt that the UNRRA contribution of 600 beds should be of great assistance in fulfilling this very desirable objective.

Staff Medical and Dental Services

20. A request has been circularized to Regional Medical Officers to explore the facilities in their Regions for the provision of radical treatment to

silk worm culture, an important domestic industry in this section of the country. It will be necessary for a number of malaria teams to cover some areas a second time, in order that these houses may be sprayed; otherwise, islands of unsprayed houses will exist in an area which might have been completely covered. Transport difficulties were also experienced because of lack of spare parts which immobilized some of the units. Because of these delays, it is thought that the residual spraying program in Northeastern Italy and the Po Valley area will not be completed until 1 August instead of 15 July as previously estimated.

18. Disinfection -- Work is progressing on plans for a disinfection program to include hospitals, orphanages, institutions and jails, and it is hoped that the program will be initiated on or about 15 August.

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Staff Medical and Dental Services

20. A request has been circularized to Regional Medical Officers to explore the facilities in their Regions for the provision of medical treatment to Class I and III staff, in view of the imminent loss of facilities provided by the Allied Forces in Italy. Regional Medical Officers have also been asked to develop a medical service for the treatment of minor injuries and illnesses in Class II staff employed in Regional Offices. Reports should be available early in July. A uniform plan will then be adopted for medical services in all Regions.

21. Health Division Dispensary attendance in Rome is summarized as follows for the month of June:

Type of Service	Class I & II Class II	All Classes
Misc. attendances (nursing treatments, minor surgical interventions and claims)	66	386
Immunizations	--	--
First attendances (Dispensary and home)	153	167
Repeat attendances	191	275
Physical examinations	23	77
Deliveries	2	3
X-rays (UNRRA film)	29	28
Laboratory tests	--	--
Major surgical operations	--	--
Dental treatments	--	--
First aid (Breds & Non-UNRRA patients)	--	--
TOTAL	484	838
		2,268

Regional Staff

22. Health Division Conference -- A conference of Regional Medical Officers and Health Division Headquarters Staff was held in Rome on 6-7-8 June. The whole field of Health Division activities in Italy was reviewed and a complete session, attended by the Chief of Mission, was devoted to the distribution of relief medical supplies which are now reaching the Provinces in considerable quantity.

23. Southern Region -- On 21 June an explosion of German war materials occurred at Campobasso which injured a number of persons, 18 of whom were admitted to the civil hospital. The Regional Medical Officer, who was visiting Campobasso at the time of the explosion, found that there was a shortage of gauze and absorbent cotton for surgical dressings, which were immediately supplied from Rome.

24. The Regional Medical Officer for Southern Italy also reported that health conditions on the Island of Capri, which has a population of 10,000, are remarkably good. Apart from a small outbreak of measles during the spring, no severe infectious diseases have been reported in several years, and even the ubiquitous smallpox has failed to touch the Island, while tuberculosis and venereal disease are extremely uncommon. The Island has a small hospital of only 15 beds, but it is extremely well run and beautifully kept.

25. Emilia and Toscana -- The Medical Officer for this Region reports that the health conditions are good in that area except for a small outbreak of Malta (undulant) fever at Pisa.

25. Lombardia Region -- Dr. J.A. Farfor assumed his duties as Regional Medical Officer for Lombardia on 15 May.

22. Health Division Conference -- A conference of Regional Medical Officers and Health Division Headquarters Staff was held in Rome on 6-7-8 June. The whole field of Health Division activities in Italy was reviewed and a complete session, attended by the Chief of Mission, was devoted to the distribution of relief medical supplies which are now reaching the Provinces in considerable quantity.

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26. Lombardia Region -- Dr. J.A. Farfor assumed his duties as Regional Medical Officer for Lombardia on 16 May.

27. Piemonte and Liguria -- With the appointment of Dr. C.O. Bedoli in June as Regional Medical Officer for this Region, all areas in Italy now have complete coverage by Health Division medical officers.

28. Sicily -- Apart from an epidemic of measles, in which a total of 1,259 cases was notified during June, health conditions in Sicily remain satisfactory.

MAJOR RESULTS AND PROBLEMS

29. Re-Employment of the Lire Fund -- A scheme for the provision of fifty Fiat motor cars, valued at Lit. 18,850,000, for use by Medical Provincial (Provincial Medical Officers) and other health officials, was submitted to the Lire Fund Control Committee on 28 June, and received its approval. Lack of transport during the last four years, due to destruction by the war, looting and mechanical wear and tear, has reduced the usefulness and efficiency of health officials serving under the High Commissioner for Hygiene and Public Health in Rome and in the Provinces. The need for transport for these officials has been stressed repeatedly by UNRRA Medical Officers in all Regions and the procurement of fifty motor cars, if the project is finally approved, will

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all in the development of an improved public health service.

GENERAL HEALTH CONDITIONS IN ITALY

30. The general health of the people in Italy remains reasonably satisfactory, and no serious epidemic diseases have occurred during the month.

G. M. Frisolle, Colonel
ACTING DIRECTOR, HEALTH DIVISION

Declassified E.O. 12356 Section 3.3/NND No. 785016

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R-7-b. MONTHLY REPORT OF THE WELFARE DIVISION FORJUNE, 1945.INTRODUCTION.

1. During June, as during the previous month, the major emphasis of the Division's work was on integrating responsibilities assumed from the Italian Displaced Persons Unit with the regular work of the Division and on planning a program for the balance of the year. Within these general fields, the major activities of the Welfare Division centered about: (a) the following up of recommendations made by the E.R.O. Study Group (See Monthly Report for May H-7-b, Para. 13-19), (b) the implementation of the policy decision to continue the supplementary feeding program through August; (c) the completion of plans for Summer Colonies; (d) the stimulation of provincial consideration of future welfare plans and (e) the beginning of work with the Ministry of Post War Assistance on the formulation of general policies with respect of repatriation and camp care of internally-displaced persons.
2. Again during this month some difficulties were encountered with respect to the receipt of food supplies. These difficulties were noticed principally at the beginning of the month, but by the end of the month the supply line was again functioning smoothly. Two factors accounted for the difficulties: (a) the temporary lag in the receipt from abroad of food supplies for the entire Mission program, and (b) the change in the procedure for making supplies available for the welfare program.
3. We were not able, during this month, to accomplish all of the objectives which we set for ourselves at the end of last month. Beginning steps, however, were taken towards each of these objectives. Our major accomplishments were as follows:
 - (a) The completion of plans for Summer Colonies and the release of instructions to all Provincial Committees on this subject.
 - (b) The completion of Movement Plan 'P', which assures supplies for the welfare program during the month of July, and the release of information with respect to this plan to all Provincial Committees.
 - (c) The preparation of a nutrition pamphlet which will be given wide distribution throughout Italy. The pamphlet is now

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- (a) The completion of plans for Sumner Colonies and the release of instructions to all Provincial Committees on this subject.
- (b) The completion of Movement Plan 'P', which assures supplies for the welfare program during the month of July, and the release of information with respect to this plan to all Provincial Committees.
- (c) The preparation of a nutrition pamphlet which will be given wide distribution throughout Italy. The pamphlet is now being printed and should be ready for release at the end of the present month.
- (d) The holding of Provincial Committee meetings in several regions of Italy for the purpose of considering future welfare planning.
- (e) The completion of the welfare section of the Mission's economic report.
- (f) The conclusion of negotiations with the Mennonite group for its special project in Italy.
- (g) The beginning of discussions with the Ministry of Post War Assistance on plans for camp evacuation and repatriation.

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FOOD AND CLOTHING DISTRIBUTION.

4. More complete and accurate statistical reports on the numbers of persons fed through the UNRWA supplementary feeding program (for needy children and nursing and expectant mothers) during April were received from the Italian Delegation Office during the month of June. These reports show that 1,916,381 persons were fed under the UNRWA supplementary program in April, 1,023,719 of them by cooked meals and 892,662 by raw-food distribution. (This is a correction of the figure given in last month's report - Para. 4 of H-7-b and Attachment H-7-b-(i).) Some of the Italian committees have not yet filed complete reports for May. Reports received to date and additional estimates by the Delegation for communes not reporting, indicate that 1,946,471 persons were fed during May, 1,098,259 through cooked meals and 848,212 with raw foods. (See Attachment H-7-b-(i) to this report.) When returns are received from all of the communes, these figures will be higher.
5. During the early portion of the month, Provincial Committees exhibited a considerable interest in the continuation of supplies after the end of June. While the Delegation had reached an agreement with the High Commissioner for Food on the new movement Plan "p", which assured the continuation of supplies, the development of the plan and the release of the information to the provinces consumed more time than usual. This was primarily due to the fact that the new system for releasing supplies for the welfare program had not been operating for a long enough period to assure its automatic working.
6. The food supply aspect of planning for summer colonies was one that gave us considerable concern during the latter portion of May and the early portion of June. Originally it had been planned to utilize for summer colonies the supplies of food that had been made available for the school lunch program. However, as a large number of summer colonies were organized, this supply was insufficient, inasmuch as the colonies provided more than one meal a day. Towards the end of the month we were finally able to solve this problem satisfactorily. From the High Commissariat for Food it was possible to procure an additional allocation of food for the welfare program, and we are now assured that all summer colonies will be able to provide adequate meals for the children who are selected for the camps.
7. Work has begun with the Ministry of Post-War Assistance and the Delegation in the development of a more orderly and accurate procedure for reporting clothing distribution figures. In the past, the only figures reported were the amounts of clothing released for distribution by our Processing Section, and reports on actual distribution to individuals were not received. Our field staff is currently trying to procure these reports for past distribution, and instructions have already been released for this type of reporting during the present distribution.
8. The Co-ordinating Committee, composed of representatives of the Ministry of Post-War Assistance, the Delegation and UNRWA, which was organized in May for the purpose of planning for the distribution of clothing, has

considerable interest in the continuation of supplies after the end of June. While the Delegation had reached an Agreement with the High Commissioner for Food on the new movement Plan "P", which assured the continuation of supplies, the development of the plan and the release of the information to the provinces consumed more time than usual. This was primarily due to the fact that the new system for releasing supplies for the welfare program had not been operating for a long enough period to assure its automatic working.

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7. Work has begun with the Ministry of Post-War Assistance and the Delegation on the development of a more orderly and accurate procedure for reporting clothing distribution figures. In the past, the only figures reported were the amounts of clothing released for distribution by our Procurement Section, and reports on actual distribution to individuals were not received. Our field staff is currently trying to procure these reports for past distribution, and instructions have already been released for this type of reporting during the present distribution.

9. The Co-ordinating Committee, composed of representatives of the Ministry of Post-War Assistance, the Delegation and UNRRA, which was organized in May for the purpose of planning for the distribution of clothing, has been functioning very well. (See May Monthly Report--H-7-6, Para. 29.) Already there has been evidence of a much more orderly presentation of needs and quondor planning as a result of the working together of the three groups involved in the distribution of clothing.

ITALIAN DISPLACED PERSONS.

10. It has now been two months since the Welfare Division assumed responsibility for working with the Italian Government on its plans for Italian displaced persons, and as yet we have not been able to procure complete information about the nature and extent of the problems presented or of the Government's plans for meeting them. From what we have been able to determine to date, there would appear to be three main aspects in which work needs to be done. These are: a) the evacuation of the camps and the return of the residents to their homes, or their relocation in other parts of Italy; b) the repatriation of those Italian nationals from the former African Colonies and from Venezia Giulia, who wish to return to these places, and c) the provision of essential services in those camps which of necessity will have to be continued for some time.

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11. Our emphasis, in all work with the Government on problems relating to Italian displaced persons, is on the assumption of fuller and more complete responsibility by the Government for plans for these persons. To date, there has been some tendency on the part of the Ministry of Post-War Assistance to let UNRRA assume too much responsibility in this area of operations.
12. Negotiations were begun in May with the Ministry of Post-War Assistance on these three questions, and it had been hoped that at least the first stage on one-- the evacuation of the camps-- would have been taken during June. No such action was taken, however, and this Division is currently endeavoring to obtain quicker action from the Ministry of Post-War Assistance.
13. A preliminary survey made of the Italian displaced persons camp population indicated that there were living in the camps persons from non-bombed-out communes whose houses were presumably intact, and persons regularly employed in the community who nevertheless continued to receive full-time care from the Ministry of Post-War Assistance. In May the Ministry prepared a draft directive to its camp commandants ordering the removal from the camps of persons ineligible for such care and directing that clothing, special rations and medical care be discontinued for these residents who were employed outside but who were unable to find a home for themselves. This directive, however, has not as yet been released, and it has been necessary for UNRRA to write officially to the Ministry of Post-War Assistance requesting that action be taken.
14. The other immediate problem that has been raised with the Government is the lack of organization for repatriation within the Ministry of Post-War Assistance. There exists within this Ministry a very small repatriation section dealing with individual enquiries. Little, if any, thought has been given by that section to overall repatriation questions, and contact has never been established between that section and the Ministry for Italian Africa, which has responsibilities for persons moving to and from the African colonies. The UNRRA repatriation section has been taking responsibility for all movements of Italian nationals into and out of the country as well as documentation of all Italian nationals to other countries and to the African colonies. If it is possible to do so, depending upon certain legal questions involved, the Welfare Division will recommend that the Italian Government itself assume primary responsibility for repatriation of Italian nationals.

REACTIVATION OF SOCIAL SERVICES AND CO-ORDINATION OF COMMUNITY ACTIVITY FOR WELFARE PURPOSES.

15. Summer Colony plans have been made by the Italian Delegation and Provincial Committees much more carefully this year than last. Reports received to date indicate that about 400,000 children will be sent to summer colonies, each for a period of one month. Colonies have been organized by the Post-War Assistance Commission, by the Ministry of Education and Gioventu Italiane, (Italian Youth Organization) working together, by independent women's groups, and by Italian voluntary agencies. The Provincial Committees are assuming overall responsibility for the co-ordination of plans for colonies made by the different groups and agencies.

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16. In Rome, the Provincial Committee conducted a course of instruction for the persons who are to work in the summer camps. Sessions were held on sanitation, group and individual recreation, camp management, etc. The Provincial Committee organized this course of instruction with the help of the Y.W.C.A., the National League of Italian Women and the Italian Federation of Women engaged in Arts, Professions and Business. University Professors, officials of the Ministry of Education and Y.W.C.A. recreation workers contributed their time for the course.

17. The Pontifical Assistance Committee conducted a similar course of instruction for its colony workers. It is interesting to note that this year the initiative in making this sort of preparation for camp plans came from provincial groups themselves. Last year, at this time, it was UNRRA that had to take the initiative.

18. All Regional Welfare Officers, during June, encouraged provincial authorities to think in terms of future welfare developments, not only in reference to the UNRRA program for the remainder of the year, but also for the long-term provision of assistance and welfare. Toward the latter part of June the Italian Delegation Office sent a directive to all of its Provincial Committees, instructing them in future Committee meetings, to give consideration to Provincial

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welfare needs and in ways of meeting these needs.

19. No reports have been received as yet regarding the subjects discussed at the Provincial Committee meetings held in response to the Delegation instructions. From our Venice Regional Office, however, we do have a report on the conference of Assistance and Welfare agencies which was held in Rovigo, Padua, Treviso, Belluno and Verona. In all of these meetings there was a consensus of opinion that: a) there was a need to coordinate the various assistance programs in order to avoid duplication of effort and assistance; b) there should be some central office responsible for the coordination; c) public provision should assure adequate funds for essential services. The suggestions made for solving the problems presented varied, but the proposals most frequently advanced were: a) provision of legislation to centralize various assistance committees; b) establishment of a central index of referred agencies, and c) the establishment of Provincial Committees of Public Assistance as a means of achieving effective coordination of welfare activities.

20. Late in June a meeting, referred to as the First National Congress of the Ente Comunitario di Assistenza (the Italian Communal Assistance Agency) was held in Venice. In addition to the Ente Comunitario Assistance officials, there were representatives of independent agencies associated with ENA, and hence, in a sense, the meeting became almost a national welfare conference.

21. Mission Headquarters staff were unable to be present at the meeting, but UNRRA was represented by our Regional Welfare Officer from the Veneto Region. From reports received on the meeting, we consider that the holding of this Congress is the most important and constructive step with respect to future welfare planning that has been taken to date in Italy. The discussions at the Congress related not only to organization, finance and forms of assistance, but also extended to considerations of a general assistance policy.

22. With respect to the assistance policy, emphasis was placed on the idea of assistance as a right of the individual rather than as charity. As part of this line, the responsibility of the Government for assuring its citizens a minimum standard of living was stressed, and the difficulties and inadequacies of relying on charity offered irregularly and systematically by private initiative without any overall supervision were pointed out.

23. Much emphasis also placed on the need to unify and coordinate present Italian welfare services, and a recommendation was made that a Ministry of Welfare be established for this purpose. Recommendations were also made to the effect that ENA should coordinate locally general assistance activities while CMAI (Opera Nazionale Maternita e Infanzia -- National Maternal and Child Welfare Institute) coordinated child welfare activities, and that overall coordinating responsibility be placed in provincial welfare committees. The need for reviewing the activities and administrative expenses of the charitable foundations, with a view to the establishment of guiding operating standards for them was emphasized. Recommendations were also made for more adequate assistance grants, and for better salaries for ENA employees so as

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24. A President, Vice President and Secretary of the Congress were elected at the meeting, and the Mission Welfare Division plans to arrange for the Delegation to work with these persons as well as others in its planning for future welfare services in Italy.

WORK OF NUTRITION PLANNING

24. During June, the Senior Nutritionist made a trip to Lombardy to make preliminary plans for the Nutrition Conference to be held in Milan the first week of September. This conference will follow the general lines of that held in Venice in May, when one difference; for this conference an attempt will be made to prevent conference sparseness from all of the Lombardy area, rather than just from the University of the town where the conference is held.

25. A pamphlet containing the agenda of all the nutrition conferences held to date, and the most significant and important speeches presented at these conferences, was compiled during June by our Nutritionists. The pamphlet, which will have wide distribution, is now being printed.

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25. Work was also begun during June on the compilation in booklet form of all the recipes developed for the use of UFERA foods. This booklet will also contain informational material on the nature, use and care of the various types of foodstuffs imported by UFERA. The foreword of this booklet will be written by the Italian dietitian who has worked closely with our nutritionists since the beginning of the UFERA program in Italy.

26. A great deal of work was done by the Mission Nutrition Branch during June in connection with summer colony plans. The new ration scales were prepared, and information on the additional foods available was released to the field.

RELATIONS WITH THE GOVERNMENT.

29. In our April report, (H-7-n, Para. 26) we commented on proposals made to establish a special inter-ministerial welfare committee as part of an overall UFERA plan for such special committees in all fields of UFERA work. In May this proposal for Special Committees was rejected by the Prime Minister, but late in June we were informed by the Italian Delegation that there was no objection to the establishment of a technical welfare committee, provided the members were not of ministerial status. Further discussions with the Government are planned on this counter proposal.

30. Relations with the Delegation continue to be very good. During the past two months that office has exhibited considerable interest in the planning of future welfare services, and has taken some steps in this regard. It has instructed its provincial committees to give consideration to this subject, it is now preparing a draft statement presenting its ideas on a program for the remaining portion of the year, and it is working on a statement recommending welfare projects for which monies from the proceeds of sale of UFERA goods might be used.

31. Working relationships with the Ministry of Post-War Assistance still need further clarification. The establishment of the working committee on clothing distribution, consisting of Delegation, Post-War Assistance and UFERA representatives, (See Para. 9 above), has been a factor that has helped our relations with the Ministry of Post-War Assistance and has provided an opportunity of acquainting the Ministry more fully with the general principles of UFERA operations.

32. As a result of UFERA initiative, a good working relationship between the Ministry of Education and the Italian Delegation has been established. On joint projects these two offices now freely clear all instructions to their respective representatives in the field.

IMMEDIATE WARE PROGRAM.

33. Our major immediate objectives are:

- a) The completion of negotiations with the Delegation on future program planning.
- b) The approval and release of Ministry of Post-War Assistance instructions on evacuation of Italian displaced persons camps.
- c) The completion of plans for the third clothing distribution to begin in

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- b) The approval and release of Ministry of Post-War Assistance instructions on evacuation of Italian displaced persons camps.
- c) The completion of plans for the third clothing distribution to begin in September.
- d) The reopening of the proposal for/welfare coordinating committee and the completion of plans for the meeting of this committee.

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Phoebe Bannister,
Director, Welfare
Division.

Attachment #7-5-(1). Number of Persons Fed under the UNRRA Supplementary Feeding Program in April and May 1946.

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NUMBER OF PERSONS FED UNDER THE UNRRA SUPPLEMENTARY FEEDING PROGRAM

IN APRIL AND MAY 1946

PERIOD	Reported fed by the Provinces		Estimated Additional Number Fed	
	By Cooked Meals	By Raw Distribution	By Cooked Meals	By Raw Distribution
April 1946	1,023,719	892,662	---	---
May 1946	1,036,001	816,750	62,258	31,462

(Figures Supplied by the Italian Delegation)

Declassified E.O. 12356 Section 3.3/NND No. 785016

Attachment H - 7 - b - (1)

NUMBER OF PERSONS FED UNDER THE UNRRA SUPPLEMENTARY FEEDING PROGRAM

IN APRIL AND MAY 1946

the Provinces	Estimated Additional Number Fed		TOTAL	
	By Cooked Meals	By Raw Distribution	By Cooked Meals	By Raw Distribution
892,662	---	---	1,023,719	892,662
816,750	62,268	31,462	1,098,259	848,212

ration)

Attachment H - 7 - c.

MONTHLY REPORT OF THE SPECIAL RELIEF PROJECTS DIVISION

FOR JUNE 1946.

RELATIONSHIP WITH THE NATIONAL GOVERNMENT.

1. Routine meetings concerning CASAS (Comitato Amministrativo Soccorso di Senesotte - Administrative Center for Assistance to the Homeless) and the Processing Section continue to be held.
2. Discussions have continued with the Ministry of Post War Assistance on the methods by which CASAS can assist in the rehoming of refugees, but the practical effectiveness of this collaboration has been delayed by the change of government.

RELATIONSHIP WITH OTHER AGENCIES.

3. There is nothing exceptional to report under this heading.

SUMMARY OF OPERATIONS.

Processing Section

General.

4. As reflected in Para. 13 below, the transportation arrangements of the Italian Delegation for Refugees with UNRWA have shown considerable improvement during the month, and the release of the displaced clothing is progressing satisfactorily. A substantial backlog still exists, however, at the reception end, and I.C.E. (Istituto Comarale Estero - Foreign Trade Institute) has not yet been able to develop a system of rapid release from dockside warehouses.
5. Soup kitchens for the workers in three main Rome workshops were established during the month.
6. Two more large cutting workshops were established in Bologna and Florence.

Used Clothing

7. The number of garments sorted during the month was 516,321.
- " " " repaired during the month was 125,349

Although the number of garments sorted and repaired shows an increase over the May figures (sorted 483,211, repaired 77,249) the increase could have been considerably greater had for the continued failure of the Italian agencies concerned to release the bales from warehouses in which they have now remained for several months.

SUMMARY OF OPERATIONS.

Processing Section

General.

4. As reflected in para. 13 below, the transportation arrangements of the Italian Delegation for Relations with UNRWA have shown considerable improvement during the month, and the release of the finished clothing is progressing satisfactorily. A substantial backlog still exists, however, at the reception end, and I.C.E. (Istituto Commerciale Estero - Foreign Trade Institute) has not yet been able to develop a system of rapid release from dockside warehouse.

5. Soup kitchens for the workers in three main Rome workshops were established during the month.

6. Two more large cutting workshops were established in Bologna and Florence.

Used Clothing

7. The number of garments sorted during the month was	616,321
" " " repaired during the month was	125,349

Although the number of garments sorted and repaired shows an increase over the May figures (sorted 153,341, repaired 77,253) the increase could have been considerably greater but for the continued failure of the Italian agencies concerned to release the bales from warehouses in which they have now remained for several months.

New Production

8. The number of garments cut was	May	June
(Daily June average, 13,000 pieces)	167,062	340,921
The number of garments made was	156,449	74,207

9. A new "unit" cost accounting system was developed during the month. Hitherto comparison of the output of workshops and sewing machines has proved difficult owing to the diverse nature of the items produced, but under the new system each type of item manufactured has a "unit" evaluation which allows an exact comparison.

Shoes

10. The number of pairs sorted was	May	June
" " " repaired was	154,908	221,006
	69,996	88,101

The number sorted may be broken down as follows:

New damaged shoes	3,553
Salvaged Army boots	135,096
Salvaged used shoes	92,357

Total 221,006

Again a substantial increase in output will be noted. The daily average output for sorted shoes is now 8,500 pairs, and that for repaired shoes is 3,700 pairs.

The average cost per pair of shoes processed is Lit. 13,75.

Salvage

	May	June
11. The number of pieces made was	97,670	134,715
The average manufacturing cost per item has been reduced from Lit. 19,174 to Lit. 12,25. Some 66,461 kgs. of salvage was received, most of it being tents.		

Releases for Distribution.

12. The following quantities of goods have been released from warehouses for distribution to Italian displaced persons, refugees and bombed-out individuals:

	<u>Clothing Items</u>	<u>Clothing Units</u>	<u>Shoes</u>	<u>Bedding Items</u>
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Month to 15 June:	591,008	165,252	146,422	1,753
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From Commencement of the Processing program:	2,935,106	816,363	625,261	26,942
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13. In addition the following have been released to the Camps Division:-

	<u>Clothing Items</u>	<u>Clothing Units</u>	<u>Shoes</u>	<u>Bedding Items</u>
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Month to 15 June:	4,392	1,993	3,470	122
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From Commencement:	210,089	42,717	40,377	2,913
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The transportation of clothing for distribution has shown considerable improvement during the month and is reflected in the above figures.

Other Production Statistics

14. Employees in Italian Camps.....	701
" " Non-Italian Camps.....	899
Employees in Religious Institutions.....	309
Employees assisted outside Camps.....	324
Skilled employees (generally on shoe repairs).....	447

12. The following quantities of goods have been released from warehouses for distribution to Italian displaced persons, refugees and bombed-out individuals:

	<u>Clothing Items</u>	<u>Clothing Units</u>	<u>Shoes</u>	<u>Bedding Items</u>
Month to 15 June:	591,008	165,252	146,422	1,753

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	<u>Clothing Items</u>	<u>Clothing Units</u>	<u>Shoes</u>	<u>Bedding Items</u>
Month to 15 June:	4,392	1,973	8,470	122
From Commencement:	210,089	42,717	40,377	2,918

The transportation of clothing for distribution has shown considerable improvement during the month and is reflected in the above figures.

Other Production Statistics

14. Employees in: Italian Camps.....	701
" " Non-Italian Camps.....	309
Employees in Religious Institutions.....	309
Employees assisted outside Camps.....	324
Skilled employees (generally on shoe repairs).....	447
Administrative employees.....	60

Number of Workshops.....	62
Total	2,150

Repair and Construction Program

15. On 10 June a decree was published declaring CASAS a "public utility" undertaking, whose work is of urgent national importance. As such, CASAS will be entitled to certain tax exemptions and the procedure for obtaining building sites will be much simplified.

16. To date 20 out of the 27 concerns scheduled for new construction have agreed to donate the sites for the new houses. The Ministry of Public Works is undertaking the very technical procedures involved in the necessary expropriation of land in the cases where the land is not already owned by the concerns. It is, however, anticipated that the actual construction need not be delayed until the conclusion of these procedures, which might take a month to negotiate through the legal labyrinths.

- 3 -

17. Plans and specifications for the three standard types of houses are prepared, the CASAS committee has approved a list of contractors who will be invited to submit tenders, and the proposed sites have been agreed upon with the communes. Contracts on nine of the projects will be agreed early in July. The time limit for completion of each contract varies from 120 to 150 days. Tenders have been requested from firms in all parts of Italy.
18. It is rapidly becoming clearer that the CASAS corporation, despite continual pressure from the Mission, has failed to concentrate sufficiently on the repair side of the program. We are now pressing for the appointment of a full-time director of repair work. Progress on repairs to date is shown in Para. 24, below.
19. A three-man emergency committee has been established to administer a fund of Lit. 10,000,000 for recoverable expenditures in cases requiring emergency action.
20. A series of recommendations to speed up the repair work has been submitted to the CASAS Committee by this Division and discussed with the Ministry of Public Works. The particular bottleneck caused by the lack of sufficient surveyors, noted in last month's report (Attachment H - 7 - c, Para. 19), will, it is hoped, be overcome by the promise of the Ministry of Public Works to send additional staff wherever CASAS requests.
21. A weekend conference of voluntary society workers, sponsored by AFSC (American Friends' Service Committee), has been held and was of value in the pooling of experience and the joint discussion of the problems of the several areas.
22. CASAS has now finally taken over, and is operating on its own responsibility, all garages and vehicles previously operated by the UNRRA repair and construction units. To date, 216 vehicles have been transferred; approximately 250 more vehicles are scheduled for transfer in the first week of July. Two water trucks have been provided for the commune of Neri, whose inhabitants have hitherto had to obtain their water from the communal fountain in petrol cans, etc.
23. The matter of the coal for the Abruzzi, referred to in the last monthly report (Attachment H - 7 - c, Para. 22), has now been adjusted to everyone's satisfaction.
24. The repair program to date may be summarized as follows:-

stated Area	No. of persons repaired	total	Building Materials
Assisted	month	to date	reheused/month
	during	total	persons transported during

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23. The matter of the coal for the Abruzzi, referred to in the last monthly report (Attachment H - 7 - c, Para.22), has now been adjusted to everyone's satisfaction.

24. The repair program to date may be summarised as follows:-

stated Area	No. of Courses assisted	No. of persons during month	No. of persons repaired total	BUILDING MATERIALS	
				total	persons transported during rehousing/month
trina	5	1,216	1,891	2,925	3,036
astione	29	153	2,868	7,812	979
russi	30	717	4,449	9,983	7,725
eto S. Stefano	1	18	371	799	162
unio	21	762	3,365	6,860	2,339
legna	11	642	1,286	1,534	1,034
varuna	3	-	-	-	20
TOTAL	100	3,508	14,232	29,913	15,295

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Fortnight only.

Guido Medzo
Director, Special Relief
Projects Division

H-7-a. MONTHLY REPORT OF THE DISPLACED PERSONS

DIVISION FOR JUNE, 1946.

I. WELFARE ACTIVITIES.

1. During the month, 15 voluntary welfare workers from Palestine arrived and were assigned to camps.
2. Mr. Meir Schwarz, leader of the Palestine voluntary agency welfare group attached to camps, returned from his mission to Palestine to recruit a voluntary agency group.

Out-of-camp Assistants.

3. It has been agreed that a partial adjustment in relief standards will be effected to make for greater uniformity in our operations in the South and North of Italy.
4. Continued progress is being made in reducing the out of camp assistance load, particularly in the Rome area. The number of D.P.s, receiving outside assistance carried forward into July is 8,823. The estimated breakdown of this group is :-

Males over 14 years	2,900
Females " " "	4,300
Children under 14 years -	1,623

Hachsharoths.

5. As of 30 June UNRRA was assisting 7,301 displaced persons in Hachsharoths (training centers). The June Hachsharoth figure includes $\frac{1}{4}$ transfers from camps to Hachsharoths.
6. In conferences between UNRRA and the A.J.D.C. (American Joint Distribution Committee), it has been agreed that the A.J.D.C. will assume responsibility for establishing and maintaining Hachsharoth housing units as well as supplying units with furniture, stoves and cooking utensils, in addition to paying for utilities and fuels. UNRRA, in turn, will maintain general supervisory services, through inspections, to cover general training programs and sanitation. We shall also assist, subject to availability, with beds, blankets, and palliases, as well as providing necessary medical items in connection with M.I. room services.

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7. At the request of the A.J.D.C., we agreed that it would be best to continue the same food ration as is made available to the outside assistance D.P. group, with the additional lira payment of Lit. 3,000.- per month per refugee. This money will be used by the D.Ps. to make their local supplementary fresh food purchases as well as to buy other amenities. This arrangement will prove most satisfactory to us from an operational point of view and does continue to give the D.Ps. in Hachsharoths a desirable measure of choice where their food is concerned. In so far as the lira outlay is concerned, our position will be good in that the cost of maintaining D.Ps. in our own camps is naturally higher. In so far as training is concerned, we have agreed to assist with whatever training equipment we have available for distribution after the needs of the UNRRA camps have been fully met. Transfers from camps to Hachsharoths are timed so as not to increase the total Hachsharoth D.P. population beyond 7,500.

623

Reuniting of Families.

8. We are receiving ever increasing requests from individuals with relatives in D.P. camps in Germany. These requests have been passed on to E.A.C. for action. Whether family units reunite in Italy or in Germany is a matter that will have to be worked out in consultation with the related groups in both countries.

Films and Printed Materials.

9. Films have been secured from Russian, Polish, British and American sources and are now being shown by the mobile units in the camps.

10. We are sending out written material in various languages, which has been made available to us by the member Government Embassies in Rome.

Vocational Training.

11. Vocational training activities, while gradually on the increase, do not yet permit of a thorough vocational training program. We have been occupied mainly with the recent camps shift, but as we are settling down so far as housing and feeding services are concerned, our staff in the field will be able to give more time to increasing and expanding vocational training activities.

II. REPATRIATION & RECORDS BRANCH.

12. Repatriation and Occupational Survey.

In conformity with the request from London, over 5,000 D.Pa. had been interviewed by the end of the month, representing approximately 22% of the total eligible D.Pa. in Italy. The target calls for completing the field aspect of this undertaking by 7 July, after which the information will be tabulated.

13. Some 352 Greeks and 142 Eritreans were returned to their respective countries during the month.

14. A group of 240 Poles, who had been assembled at Cine Citta and Reggio Emilia, left for Poland by a truck convoy which passed through Villach, Austria. According to cabled advice they should have arrived at their ultimate destination by 30 June.

15. The Repatriation Branch also effected the departure of 801

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15. The Repatriation Branch also effected the departure of 801 persons, the majority of whom were single cases, to South America, Australia, Africa and the Near East.

Repatriation into Italy during the month.

16. During June seven Italians returned to Italy from Greece and 175 from Albania.

17. A group of approximately 200 Italians is expected to arrive from Rhodes by 30 June, and the movement of nearly 5,000 Italians from Eritrea is now being planned.

18. At the present time negotiations are proceeding to receive 130 Greeks from Austria, who will transit through Italy to Bari and from there to Greece.

Camps.

19. As of 15 June 1946 there was a total of 2734 displaced persons in UNRRA-operated camps. Some 773 new cases were accepted for care in

UNRRA camps during the month, in addition to 150 persons transferred from the outside assistance rolls to the camps.

III. MEDICAL BRANCH.

20. With the contraction of the camps to two groups and Cino Citta, we have been able to place a Class I Nurse Supervisor in each camp and a Class I Doctor in the larger camps.

21. A constant problem is the selection and appointment of competent Class II medical personnel. The Jewish Agency in Italy has expressed an interest in the employment of a large number of Jewish doctors. We agree in principle, provided all other factors are equal in terms of professional proficiency. Our primary concern is to see that at least the minimum of medical standards and practices necessary for the health of the refugees is maintained.

Food and Nutrition.

22. As of 20 June, we undertook the feeding of the D.Ps. in the southern camps, making use of a two weeks' reserve of daily rations left at Maglio D.I.D. (Detailed Issue Depot) by the withdrawing military authorities, while we picked up contracts to ensure the uninterrupted supply of fresh food items. At the same time our own food stocks are moving into position, so that by 4 July we will be feeding the D.Ps. from UNRRA sources on a basic ration scale of approximately 2,450 calories per day.

23. In addition to the basic ration scale, we will maintain the special scales for working elements as well as all of the special cases requiring particular caloric consideration.

24. A special move has been undertaken to transfer the Pavia Hospital to Como. The Division's Chief Medical Officer is in Milan with the Milan Group medical specialists to effect this transfer, which will enable us to operate a central hospital for D.Ps. in the north west area.

25. The medical staff is concentrating on maintaining the highest possible standards of sanitation. Disinfectant and first class shower units are being installed in all the camps.

26. The health of the camp inmates generally is reported as good. The Report on Communicable Diseases for June 1946 indicates 7 cases of measles at Cino Citta, 17 cases of myxitis, 12 of gonorrhoea, 2 of tuberculosis, 1 of diphtheria and 1 of poliomyelitis (paralytic).

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25. The medical staff is concentrating on maintaining the highest possible standards of sanitation. Disinfectant and first class shower units are being installed in all the camps.

26. The health of the camp inmates generally is reported as good. The Report on Communicable Diseases for June 1946 indicates 7 cases of measles at Camp Citta, 17 cases of syphilis, 19 of gonorrhoea, 2 of tuberculosis, 3 of dysentery and 1 of malaria. (relapse).

IV. OPERATING SERVICES BRANCH.

27. There has been greatly increased activity in this branch during the past month.

Supplies.

28. The Division's Supply Officer has been organising and getting into position services and foodstuffs to maintain continuity of feeding in the South, as well as preparing for ultimate feeding take-over in the North. He has also made ready for warehousing and allied services that will enable us to do the total job of supplying our camp needs.

29. Good news was received about the arrival of IX supplies for D.Ps. which have been practically non-existent until now.

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Transportation.

30. Our load-carrying vehicle strength is adequate and as a result of an on-the-spot survey conducted by Mr. B.G. Jefferson of ERO and the Director of the Mission's Vehicle Control and Maintenance Division, we find that our position is good and that we shall be able to transfer back to the Allied Commission the vehicles that are still in position in the northern camps.

31. Our personnel carrying vehicle position is not as good as it might be but the Director of the Vehicle Control and Maintenance Division has assured us that by the middle of the month our requirements will be met.

D.P. Facilities.

32. Active steps were taken towards acquiring additional camps. With the aid of our Milan Group Supervisor and the Administrative Services Property Control Section at Mission Headquarters, as well as the assistance of Allied Commission Displaced Persons & Repatriation Sub-Commission, negotiations are well underway for UNRRA to take over two additional camps in the north. One, at Rivoli is a barracks-type facility, with a capacity of from 2,000 to 2,500 D.Ps. The other, Passolasqua Barracks at Novero, has a capacity of some 2,500. We are also endeavoring to acquire a third large camp in the north - we are not interested in camps with a capacity of less than 2,000.

33. The Southern Camps, although presenting an idyllic picture with their individual villas on the seashore, have made it difficult to use material and personnel to the best advantage, because of the fact that we have had more than the usual dispersal of services. The types of buildings occupied in the Lecce group do not make it possible to organize activities on a mass scale as far as workshops, schools, recreational facilities, storerooms, etc., are concerned.

34. Our survey of the Bari Air Lift Camp, which has a potential capacity of from 5,000 to 6,000 D.Ps. (approximately the total capacity of four camps in the Lecce group) will be carefully undertaken to cover housing, warehousing, facilities for camp activities and medical services, and adequacy of water supply, as well as a careful check on the waste disposal potential. In addition to UNRRA administrative and technical personnel surveying the camp, we are inviting A.J.D.C. officials, including officials of the Jewish Refugee Agency in Italy, to join the survey group.

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35. After a preliminary survey, a representative body of refugees in the Southern camps will be invited to discuss the pros and cons of this projected move.

36. While we are desirous of making the move because of the program benefits we think we can obtain, we are not committed officially to undertake any change until such time as the above interested elements have all agreed that, from the overall point of view, it will serve a good purpose.

37. Attachment. Monthly Statistical Report for Non-Italian Displaced Persons, 16 May to 15 June 1946.
H-7-4-(11).

Louis Varrichione,
Director, Displaced
Persons Division.

H-8 MONTHLY REPORTS OF THE REGIONAL DIRECTORS

FOR JUNE 1945.

Attachments.

- H-8-a. Monthly Report of the Regional Director, Sardinia Region.
- H-8-b. Monthly Report of the Regional Director, Sicily Region.
- H-8-c. Monthly Report of the Regional Director, Southern Region.
- H-8-d. Monthly Report of the Regional Director, Central Region.
- H-8-e. Extracts from the Monthly Report of the Regional Director, Tuscany and Emilia Region.
- H-8-f. Monthly Report of the Regional Director, Liguria and Piemonte Region.
- H-8-g. Monthly Report of the Regional Director, Lombardia Region.
- H-8-h. Monthly Report of the Regional Director, Veneto Region.

- H-8-f. Monthly Report of the Regional Director, Liguria and Piemonte Region.
- H-8-g. Monthly Report of the Regional Director, Lombardia Region.
- H-8-h. Monthly Report of the Regional Director, Veneto Region.

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H-8-e. MONTHLY REPORT OF THE REGIONAL DIRECTOR,
SARDEGNA REGION, FOR JUNE 1942

INTRODUCTION.

1. The anti-grasshopper campaign has been incredibly successful. It is expected that 43,000 tons of wheat will be assessed, and harvesting has already begun.
2. Meanwhile at the Regional Directors' Conference which took place 17 - 19 June, plans were made to ensure that, with the Region's own eye on the progress, the Government's crucial system would be attended by the greatest possible success. The Conference later went on to consider the work of the Bureau of Relief Services and Requirements and Distribution and also set for a short "briefing" on Finance and Administration and also set for a short budget. An immediate tangible result for Sardinia - that the special rations for the Carbonic miners will continue at my rate until 31 August - was the outcome of a special meeting with the Chief of Mission, Relief Services and the Regional Director.
3. Excitement was caused early in the month by the decision of the High Commissioner for Sardinia - against the orders of the High Commissioner for Italy - to reduce the bread ration to 150 grams for a period of 12 days, in order to maintain the bread supply throughout the month. This swift though orthodox action achieved its purpose and helped to bridge the gap until the arrival of a grain ship with 4,500 tons of wheat. On 17 June the ration was restored to 200 grams with the certainty that supplies would be available during the harvesting period.
4. The suspension of the air service between the island and the mainland for practically the entire month was a serious handicap to the Region's activities and so correspondence from Headquarters was received until its resumption on 26 June. Mail despatched earlier from Naples by sea arrived almost simultaneously.

RELATIONSHIP WITH THE ITALIAN GOVERNMENT.

5. Relations with the local Government continue to be cordial and helpful. Unfortunately the situation as described in the May Monthly Report (Attachment H-8-e, Para. 10 and 11) regarding the UNRRA Delegation Representative remains unchanged and he still needs a capable deputy. (Comment by Mission Headquarters Welfare Division: Italy has never had trained social welfare workers in the sense that the term is understood in the United States and Western Europe. UNRRA has granted overseas fellowships for five Italian welfare workers, and the Mission's welfare representatives have been trying to train the Provincial Government's welfare representatives.)

outcome of a special meeting with the Chief of Mission, Relief Services and the Regional Director.

3. Excitement was caused early in the month by the decision of the High Commissioner for Sardinia - against the orders of the High Commissioner for food - to reduce the bread ration to 150 grams for a period of 12 days, in order to maintain the bread supply throughout the month. This swift though orthodox action achieved its purpose and helped to bridge the gap until the arrival of a grain ship with 1450 tons on 11 June. On 17 June the ration was restored to 200 grams with the certainty that supplies would be available during the harvesting period.

4. The suspension of the air service between the island and the mainland for practically the entire month was a serious handicap to the Region's activities and no correspondence from Headquarters was received until its resumption on 26 June. Mail despatched earlier from Naples by sea arrived almost simultaneously.

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6. The ill-use of UNEFA vehicles loaned to the Government for the grasshopper drive prompted the Regional Director to address a strong note to the High Commissioner recommending that a more careful check be maintained and a better organization set up to ensure the smooth running of the transportation in use.

RELATIONS WITH OTHER AGENCIES.

7. The Italian Air Corps has once again displayed its interest in UNEFA activities by generously loaning beds and making beach toys for the seaside colonies.

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Apart from the great assistance already accorded the Region in the supply of rations and MAFI, the Royal Air Force has very kindly cared for our sick, and three members of the Regional Staff received medical attention during the month.

HEALTH SERVICES

Alfaro

Activities in this section were mainly centred around the summer colonies and it is hoped that accommodation for some 5000 children will be provided in various colonies by mid-July.

The improvement in housing conditions, reported last month (Attachment 1 - 6 - 4, Para. 18 - 24), continues and in inland most marked. At Alfaro families previously inhabiting the most insanitary caves are now decently housed. The welfare staff is working in the closest co-operation with the Government in the re-housing scheme, and is at present closely pursuing with the Government the question of the fishermen at Larravetto, who are in a most miserable plight, their only dwelling being an abandoned barrack in poor condition.

It has been our policy throughout to lay especial emphasis on the long-term aspects of the housing scheme, and to stress for the building of flats and "caso mirino" (small houses for the poor), since it is only by such measures that the appalling problems presented here by the housing situation can be permanently and effectively remedied. The Government's grant towards the construction of 200 "caso mirino" to be built at very low rents will provide a final settlement of the difficulties at Alfaro and Larravetto.

In three localities in the Province of Cagliari, 187 flats for the more well-to-do bombed-out persons have been completed, while 185 are in process of completion in a fourth, with a further 145 on order.

An indication of the wider trends of thought now beginning to emerge on the possible future scope of UNRRA activities is an interesting project, conceived by a Class II Field Welfare Officer in this Region, in the course of an inspection in Nuoro Province. The suggested project, which is receiving the animated attention of the Ministry of Social Assistance and of the local authorities in the Province, concerns an estate of about 150 hectares, previously owned by a wealthy Nuoro family and now the property of IFA (Ente Comunale Assistenza - Communal Assistance Society) of Bittone. It is proposed to use this land, now neglected, as an agricultural training school for orphans and poor children. Not only would the land be cultivated, but these children would grow up as trained farmers and useful citizens, to the benefit of the community in which they live. UNRRA Assistance would be required to help furnish the

and similar projects

11. It has been our policy throughout to lay especial emphasis on the long-term aspects of the housing scheme, and to stress the building of flats and "case minims" (small houses for the poor). Hence it is only by such measures that the appalling problems presented here by the housing situation can be permanently and effectively solved. The Government's plans towards the construction of 200 "case minims" to be built at very low rents will provide a final settlement of the difficulties at Isirwanis and Isarotto.

12. In three localities in the Province of Cagliari, 163 flats for the more than 1,000 bombed-out persons have now completed, while 185 are in process of completion in a fourth, with a further 145 on order.

13. An indication of the wider trend of thought now beginning to emerge on the possible future scope of UNRRA assistance is an interesting project, conceived by a Class II Field Military Officer in this Region, in the course of an inspection in Nuoro Province. The suggested project, which is receiving so animated attention of the Ministry of War Assistance and of the local authorities in the Province, concerns an estate of about 150 hectares, previously owned by a wealthy Sardinian and now the property of IMA (Istituto Centrale Assistenza - Central Assistance Society) of Uffiselle. It is proposed to use this land, now neglected, as an agricultural training school for orphans and poor children. Not only would the land be cultivated, but these children would grow up as trained farmers and useful citizens, to the benefit of the community in which they live. UNRRA Assistance would be required to help furnish the necessary machinery and tools for such an institution. Other similar projects could be taken up; Arborea, a highly cultivated stretch of land on the West coast and the source of three-quarters of the wheat consumed to date, has been discussed in this connection and will be the subject of a special report.

14. Another feather in the Welfare Section's cap was the opening of a new Feeding Centre at Iglesias, a large town and iron mining community near Carbonia. Three hundred children of school and kindergarten age - many of whom could not remember when last they ate pasta - will be provided with cooked meals daily.

- 3 -

15. A further point of interest is the fact that 250 UPRRA blankets have been supplied to the refugee camp at Sassari run by the Ministry of Post War Assistance.

Health.

General.

6. The second - and much belated - shipment of medical and laboratory supplies was reached the island and distribution to the three Provinces has been effected in the course of the month. Cotton material for bandaging and pillow cases was also distributed.

17. The hospitals on the island are over-stocked with medical supplies and have no need whatsoever for further quantities of drugs; on the other hand they stand in need of more surgical equipment. As the third distribution was not yet been despatched, it would be advisable for the situation to be reviewed, preferably in consultation with the Regional Medical Officer, before final allocations are decided. (Note:- This matter is now under consideration of Mission Headquarters.)

18. There has been a significant increase in the incidence of typhoid fever in Cagliari Province, mainly caused by the consumption of sea foods (shellfish, etc.). As against last month's total of 35 for the Province, 91 cases have been registered in June.

Malaria Control.

19. The Rockefeller Foundation, with one American entomologist and two Italian assistants, continued its mosquito survey of the island all through the month. In this period practically the entire Province of Cagliari was surveyed, and the island's principal malaria vector, Anopheles labranchiae, has been found throughout this area. The heaviest concentrations of these mosquitoes were encountered near Muravera and in the lower reaches of the Flumendosa river on the east coast; this region has a very bad malaria reputation.

20. Five shipments of malaria eradication supplies were received in the period under review, including 25 tons of Paris Green and nearly 3000 sun helmets from Cairo.

Mines

21. As forecast in last month's report (Attachment H-3-c, Part. 29) there is further decrease in the production figures for June - 76,975 tons or nearly 0,000 tons less than in May. This is due to shortage of man-power (because of the harvesting season) and holidays (the mines worked for 24 days as against

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AGRICULTURE.

21. As forecast in last month's report (Attachment M-8-c, Part. 29) there is a further decrease in the production figure for June - 78,975 tons or nearly 0,000 tons less than in May. This is due to shortage of man-power (because of the harvesting season) and holidays (the mines worked for 24 days as against 6 last month). There is a brighter outlook for July, when it is expected that the absence of holidays and the recent arrival of six scrapers will contribute to a greater production figure.

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22. Humidity and the lack of reapers account for the rather slow amassal of wheat to date, about 850 tons. The monthly ration card needs of the island

are in the region of 6500 tons and it is not considered likely that this figure will be reached without outside assistance before mid-August.

3. Grain stocks at the end of the present month total 1056 tons - sufficient for five days' supply. A wheat ship is expected on 13 July and a request for assistance from the mainland to tide things over until its arrival has been made by the appropriate authorities.

Anti-grasshopper campaign.

4. The general feeling on the island is that the grasshopper invasion has been overcome and the danger to the crops definitely averted. The fight, however, is still going on in the mountainous regions where pests in the first instar (stage of development) have been encountered.

5. Poisoned bran is now the main method of combatting these insects, since they are mostly on the wings. Small squads are still operating at night in the wild and uncultivated areas, using a small type of flame thrower as means of attack.

6. Three American aircraft carrying 100 barrels (5 tons) of Gammaxone from England landed on 7 June, while 4½ tons were shipped from the mainland a week later. Bran and poison chemicals, in quantities of 4200 and 1700 tons respectively, were also received in the course of this month. Some 800 tons of rice and 100 tons of pasta were shipped from Genoa to augment the rations of the men employed in the campaign. These at present number 9000 against a May figure of 30,000.

F. Collins
Regional Director,
Sardinia Region.

Attachment H - 8 - b

MONTHLY REPORT OF THE REGIONAL DIRECTOR,
SICILY REGION, FOR JUNE 1948

INTRODUCTIONPolitical Aspects - Food Situation

1. Election days, on the second and third of June, brought forth no unusual activities. All precautions had been taken to guard against possible difficulties. Meetings in the open had been forbidden by the Ministry of the Interior and the regulation was scrupulously adhered to on the Island.
2. Every effort was made to maintain the bread ration, not only for nutritional reasons but for the purpose of maintaining public tranquillity as well. Through the understanding efforts of Mission Headquarters sufficient grain and flour was allocated to the Island to prevent any cut in the bread ration.
3. Amassing of the 1946 harvest started on 11 June. As a result of the strenuous efforts of Major Barcroft, the Italian Displaced Persons Officer, who volunteered his services for pushing the Italian amassing program, we have been able to amass 28,000 qn up to the 25th of the month. This is not sufficient and many problems will have to be overcome. Petrol allocation is inadequate and slow in moving, due to railway tie-ups and short supply of coal. Banditry is accounting for a great loss of amassable grain and the Italian authorities are making every effort to block the roads and recover those losses whenever possible. Coastal surveillance is markedly inadequate, and the newspapers claim that great quantities of wheat are being exported to other countries. The High Commissioner has already been approached on this subject. It is hoped that good results will be accomplished with the arrival of the Regional Protective Service Officer Inspectors, through lack of tires and tubes, are limited in their activities. Efforts are being made to persuade the Prefects of the various Provinces to make the necessary tires available to all those working for the amassing.
4. The amassing is going to be difficult even with the increased price of grain, and will remain difficult until such time as ration-card holders are provided with enough bread and pasta to keep them from undernourishment and slow starvation. The bread and pasta ration, recommended by the Compartmental Food Inspector to his Ministry, and by me to Mission Headquarters, is 300 gr. of bread per day and 4 kilos of pasta per month. With this ration I consider it possible to amass according to the law. Without this ration I am convinced that all the police of Italy could not collect the grain. All details have been forwarded to the proper offices and it is hoped by this Regional Office that all possible action will be taken to persuade the Combined Food Board in Washington that Southern Italians exist on bread and pasta only. (Note by Headquarters Bureau of Requirements and Distribution: A Field Supply Officer will be sent to Sicily to investigate this situation).

strenuous efforts of Major Barcroft, the Italian Displaced Persons Officer, who volunteered his services for pushing the Italian amassing program, we have been able to amass 25,000 in up to the 25th of the month. This is not sufficient and many problems will have to be overcome. Petrol allocation is inadequate and slow in moving, due to railway tie-ups and short supply of coal. Banditry is accounting for a great loss of amassable grain and the Italian authorities are making every effort to block the roads and recover those losses whenever possible. Coastal surveillance is markedly inadequate, and the newspapers claim that great quantities of wheat are being exported to other countries. The High Commissioner has already been approached on this subject. It is hoped that good results will be accomplished with the arrival of the Regional Protective Service Officer Inspectors, through lack of tires and tubes, are limited in their activities. Efforts are being made to persuade the Prefects of the various provinces to make the necessary tires available to all those working for the amassing.

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RELATIONSHIP WITH ITALIAN GOVERNMENT, OTHER GOVERNMENTAL AGENCIES AND PUBLIC RELATIONS

Italian Government

5. Relations with the High Commissioner for Sicily remain on the most cordial level. We have worked in intimate contact, particularly over the question of grain and amassing, and fortunately see eye to eye with each other. Close contact is maintained between this office and the Regional Inspectors for Food and Agriculture. This contact will remain a very close one, especially during the amassing period. The Federazione dei Consorzi Agrari (Federation of Agricultural Institute) is furnishing us with statistics and keeping in constant touch.

Military and Governmental Agencies of Allied Powers

6. The Allied Commission closed its Liaison Office and contact with that organization will have to be made through Rome. Relations with other military

- 2 -

and Allied organizations remain good.

Other Agencies

7. The Regional Welfare Officer is working hard in hand with the Pontifical Commission, especially as regards summer colonies. Requests for transportation and sacks for clothing have been granted whenever possible. The Cardinal himself is taking an active interest in this particular subject and is giving every assistance to Padre Gliccio, Administrator of the Pontifical Commission in this area.

PROBLEMS, PROPOSED ACTIVITIES AND RECOMMENDATIONS

Finance

8. This office requested Mission Headquarters to transmit one million lire to be deposited with the American Consul General, to cover the period when political trouble was expected. This money was not, in fact, required, and it has since been returned to Rome. The new sight draft system is very much appreciated and will greatly facilitate our accounting. The visit from Captain Osmond was very helpful and cleared up several murky points.

Administration

9. Slight difficulty is being experienced in obtaining additional office space for the new Divisions which are expected to be set up in the near future, but it is hoped that adequate arrangements can be made with the help of the High Commissioner. Due to the discontinuance of air service during the elections and later because of lack of petrol, no mail was received from Rome for nearly three weeks. This office had the possibility of sending its mail to Mission Headquarters by special planes. A larger number of visitors than usual raised difficulties with regard to hotel accommodation, but they were overcome with the kind help of the Hotel Manager.

10. Authorization to set up a Mess for Class II employees has been received and the Mess opened on 24 June. The Regional Director and Regional Finance and Administration Officer both lunched there with the employees on the inauguration day and found the food good and sufficient. The speedy arrival from Rome of rations for this meal was greatly appreciated.

11. During the month another hold-up by bandits occurred. This time one of our lorries was the subject. The driver lost lire 800, but no other loss or damage was sustained.

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11. During the month another hold-up by bandits occurred. This time one of our lorries was the subject. The driver lost lire 800, but no other loss or damage was sustained.

Transportation

12. The garage which opened last month is now running satisfactorily. Sanction to spend Lit. 45,000 on a workshop was received. Although this sum has not yet been entirely spent, a noticeable drop in our expenses has already occurred. This month has shown a heavy run on all our vehicles and practically the whole time our lorries have been pushed to the uttermost, chiefly on displaced persons and processing work. The recreation lorry, fitted up for Sundays and holidays, is most popular with the Class II staff.

13. The theft of Jeep JL 287 has made itself badly felt, but comforting news that we are getting a net figure of two more jeeps from Rome has been received.

Welfare

14. The cooked meals have been increased considerably and plans are made for many more rations to be changed from "natura" to cooked.

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15. Some of the sulphur mines in the centre part of the Island were visited by the Regional Welfare Officer. Unemployment is serious in most places because of lack of equipment. Some miners are being recruited for work in Belgium.
16. Sicilian institutions are greatly in need of beds. When Welfare Officers visit institutions they are often told that additional space would be available but that there are no funds with which to buy more beds and other additional equipment. It is hoped that the Lira Fund will be used to supply more beds, as discussed at the Rome Conference. (Note by Headquarters Welfare Division:- There are beds in Italy and appropriations are made to all institutions by the Ministry of the Interior).
17. The beggar children in the streets of Palermo continues to present one of the most glaring problems in the field of welfare. Apparently conditions in other cities do not compare with the miseries in Palermo. The Regional Welfare Officer has discussed this problem at length with local officials, but no one seems to know the solution. For example, not far from the UNRRA office there is a man sitting on the side-walk, supposedly blind, his face all covered up with bandages. Two small children, about three and five years of age, practically naked, are there with him all day, sleeping on the bare side-walk. The case was reported to the Italian Health Department who made investigations and decided that the children should be in an O.N.M.I. (Opera Nazionale Maternita' e Infanzia - National Maternal and Child Welfare Institute) centre during the day-time. The man, however, refused to let them be taken away because, as he said, he wanted them with him to draw the public's pity. The Italian Health Department explained that in view of the father's attitude there is nothing further they can do. The Regional Welfare Officer is following through on the case and will insist on a more favourable conclusion.
18. The Welfare Division is very much aware that its functions should be mainly those of advising and consulting, rather than actually doing the work. However, it is hoped that an actual example of work accomplished may strengthen their arguments when discussing matters with local officials and agencies who ought to be doing the work.
19. Newspapers continue to carry complaints on the distribution of UNRRA food. Field trips are not arranged on the basis of these complaints, although, whenever possible, criticisms are collected and a special point made of investigating them. Generally the complaints appear to be without foundation. However, in many places the rations are distributed to too many people. Local Committees constantly face several times as many people as they have rations for, and their task is a difficult one. Many of the new local administrations have been seriously embarrassed when they found themselves unable to fulfill their election promises. One Mayor was killed in the public square for this reason and apparently the people approved of the assassination.

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20. Following a Report of the Field Welfare Officer on the miserable conditions found in hospitals, refugee camps, prisons, asylums, etc. in Siracusa Province, a meeting was called of the Provincial Committee and representatives of these agencies. All concerned were invited to present their ideas as to the formulation of a better general welfare program. While discussion did not seem to bring out any new ideas as to how the present system could be improved, it was apparent that everyone was conscious of the need for better coordination of all Welfare activities.

21. Another meeting of all Sicilian Provincial Secretaries was held in Palermo on 21 June. The main purpose of this meeting was to consider budgets for the summer colonies program, and to discuss the Provincial set-up under the new welfare program. Some of the Secretaries, who are now holding other jobs besides the UNRRA position, seemed a trifle worried when it was made clear to them that no such arrangements would be possible under the new system.

Health

22. By and large health conditions in Sicily remain unchanged. The measles epidemic is still raging and shows an increase over last month of 241 cases. The figures for typhoid have jumped up by half, but they are low for the time of the year and have not assumed epidemic form. No cases of typhus have been registered during the month. An increase in the number of diphtheria cases has been notified from Messina and Palermo, but elsewhere the disease has abated considerably. The all-over figures on undulant fever remain about the same as in the past month. The malaria curve is beginning to show a sharp rise. Complete figures are not available from all Provinces. The anti-larval campaign is in full swing. The number of tuberculosis cases notified remains constant, but these figures give no idea of the prevalence of the disease. Steps are being taken to increase the number of beds for tubercular patients of the Provinces. The number of cases of leishmaniasis has fallen, particularly in Catania Province, though the Provincial Medical Officer of Messina has reported eight cases in his Province. One case of leprosy has occurred in Palermo Province. The individual concerned has been admitted to the Isolation Hospital.

23. Owing to the suspension of air travel between Rome and Palermo, the usual monthly consignment of penicillin was very much delayed and arrived only on 24 June. The May supply ran out before the end of the month and the many demands for the material could not be met. As already reported by our Regional Medical Officer, 2500 vials of penicillin were landed in Palermo from Milan during the month by a private firm, and consigned to a firm of chemists. Apparently this was the first of a regular monthly consignment to Palermo, and a similar consignment is being made to Catania. No instructions have so far been received by the Italian Regional Health Inspector from the High Commissioner for Hygiene and Public Health. (Note by Headquarters Health Division: The firm of De Angeli of Milan was authorized by the High Commissioner to purchase penicillin from America for distribution through Provincial Doctors. The authority was given some months ago when penicillin was scarce in Italy. The price was fixed by the Government and the penicillin is subject to the same control as UNRRA penicillin. Instructions were sent out by the High Commissioner for Hygiene and Public Health to the Italian Regional Health Inspectors in January, when it was thought the penicillin would arrive. Delivery was delayed six months, and it is probable that the instructions have been mislaid and forgotten.)

24. The distribution of soap was completed during the month.

25. Plans for the erection of a hospital for treatment of children suffering from trachoma have been prepared and a site of common land at Bivona has been provisionally selected. This hospital will take care of 200 children who otherwise would have to be sent to institutions in Central Italy for treatment.

26. Half a dozen new Studebaker motor ambulances, a gift of the American

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26. Half a dozen new Studabaker motor ambulances, a gift of the American People, were presented through ENDSI (Ente Nazionale Distribuzione Soccorso Italo - National Committee for Distribution of Relief in Italy) to institutions in Palermo, Trapani, Messina and Catania. One of these was presented to the new hospital at Palazzo Adriano. This will prove a very great boon to the people living in the same dependent upon this hospital for urgent surgery. (Note by Headquarters Health Division: Eleven UNRRA ambulances have already been distributed throughout the Provinces of Sicily, and a further distribution will be made shortly).

Displaced Persons

27. Camps. Meetings have been held with the Ministry of Post War Assistance, Ministry of Italian Africa, Prefettura (Prefect's Office), Questura (Police) and High Commissioner, to improve conditions of refugees and expedite their repatriation. The Ministry of Post War Assistance has not yet fulfilled the promise to raise out-of-camp assistance for refugees from the Italian mainland to lire 48.30 per day, or the equivalent ration. A decision has been reached to open three new camps which are to hold approximately 5,000 displaced persons, and to trans-

- 6 -

for the 2,757 refugees in the existing five camps, which are capable of housing a much larger number. The refugee situation in Sicily is peculiar, in that more than half the refugees come from North Africa and it is not yet known whether they will be repatriated. Work has been started on the setting-up of the new refugee camp at S. Cataldo. It is hoped that 2000 refugees will be housed there. The site at Trapani is considered unsuitable and the possibility of using Favignana Island as a refugee centre is being investigated. Negotiations are being conducted for the takeover of the former Italian Ship Yards at Mondello. These buildings are still being held by the United States Navy, but it is hoped that they will shortly be released. Marked improvement of conditions at Termini refugee camp, as regards showers, lavatories, additional food and a vegetable garden are worthy of mention.

28. Distribution of clothing: A total of 226,256 garments was distributed.

29. Processing Workshops: A suitable locality has been obtained near the refugee camp at Termini. Eight sewing machines were loaned by the Church and an additional 40 sewing machines hired at 500 lire per month. Some 1,205 bales of clothing to be processed arrived on 24 June. The workshop is expected to be in full swing early in July. Plans to open shoe processing workshops are under way.

30. Expulsion of Italians from Tunis: On 2 and 10 June 1,589 Italians expelled from Tunis arrived at Palermo to join the heads of their families who had already been deported from Tunis. Of this number 554 remained in Sicily. Feeding and housing arrangements were made by the Ministry of Post War Assistance, transport facilities were provided by UNRRA. The pontifical train transported the remaining refugees to their homes on the mainland.

31. Repatriation: There has been some difficulty in obtaining passports and "laissez passer" from the Questura and Frontier Control Officer. Payment requested by the Questura for the release of passports has presented a problem. A survey of all refugees from the Italian mainland and their places of origin has been initiated and results will be forwarded to Mission Headquarters.

Agriculture

32. Threshing has begun and every possible action taken to assure and speed up the harvesting. Steps have also been taken to assure that CIP (Comitato Italiano Petroli - Italian Petroleum Committee) and the Italian Railways collaborate in the assignment and forwarding of fuel for harvesting.

33. UNRRA cooperated to the utmost in the fight against the grass-hoppers, in particular by putting all available transport at the disposal of the competent authorities. In the Province of Caltanissetta and the Aeolian Islands, where successfully brought to an

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33. UNRRA cooperated to the utmost in the fight against the grass-hoppers, in particular by putting all available transport at the disposal of the competent authorities. In the Province of Caltanissetta and the Aeolian Islands, where the infestation was most serious, the campaign was successfully brought to an end.

34. New cases of hoof and mouth disease have been reported, especially in the Province of Palermo.

35. Due to the present harvesting period agricultural unemployment is practically nil.

36. The distribution of fertilizers is proceeding very slowly. Close contact is being kept with the competent authorities with the aim of speeding up the distribution, which is scheduled to terminate this month.

37. Some agricultural machinery has arrived and been distributed in Sicily. UNRRA-imported forage peas have also been received.

38. With the initiation of harvesting the black market price of grain has fallen considerably. In production centres the price has fallen to Lit. 45 per kilo. In towns bread prices had sunk to Lit. 90 per kilo and pasta to Lit. 120 per kilo, but after the institution of "posti di blocco" (road blocks) for public security reasons, the flow of flour, bread and pasta has diminished.

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considerably and prices suddenly rose to Lit. 120 per kilo for bread and Lit. 180 per kilo for pasta.

39. A considerable fall in the price of the new crop of potatoes has been noted.

Ports and Shipping

40. Very satisfactory relations exist with all concerned in the discharge and reception of UNRRA goods in the ports of Sicily.

41. The efforts to collect all available large-size bags for the discharge of grain are not producing enough bags. At the present time, the bags used for the discharge of vessels during the past month are in the hands of the millers in each of the Provinces that have received grain from the discharging ports, and are not available for the current vessels. When any number of large bags becomes available they are put to use in the discharge of the large lumber two hatch of the ship in order that the cargo can be discharged at a greater rate in proportion to the other holds. In most instances the number two hold carries from 500 to 1000 tons more than any one of the remaining four holds.

42. During the month of June the imports of UNRRA goods into Sicily were far below those of previous months, but the daily discharge rate increased. No demurrage was incurred. The following is a listing by port and commodity of the highest tonnage discharged daily:

<u>Port</u>	<u>Tonnage</u>	<u>Commodity</u>	<u>Date</u>
Catania	3000	Flour	10 June (28 Hrs)
Messina	1400	Coal	21 June

One vessel, the S.S. "Roger Sherman", with a full cargo of coal caught fire and the coal had to be discharged at Messina by hand and by the use of one mechanical unloader. Because the cargo was unloading during discharge and a great quantity of water was further hampering discharge, the tonnage actually discharged was removed under adverse circumstances.

43. Additional progress in the repair of the ports and facilities can be reported, but the works are progressing at a slow rate due to antiquated equipment.

44. Mr. Mac Farlane of Mission Headquarters Ports and Shipping Division has made a tour of inspection of the Sicilian ports in order to make certain items of port gear and equipment available for purchase by authorized agencies. It is hoped that this equipment will be made available and that better work and more rapid progress will be made in the repair of port facilities and equipment.

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46. The supply of rail cars available in Sicily is far below the actual demand. The Italian State Railways have stated that a good portion of cars have been used to transport goods to North Italy and have not been returned to Sicily. It is appreciated that North Italy has urgent use for all available rail cars, but the situation in Sicily has gone from very bad to almost impossible. The grain from a ship due to arrive in Palermo on the 27 June must be stored on the quay due to the shortage. No guarantee has been given as to when the cargo can be removed to destination. (Note by Headquarters Bureau of Requirements and Distribution: Before the war grain was loaded in open cars covered by tarpaulins, and these were available, but refused because of fear of pilfering. A factor contributing to the shortage of box cars was the necessity of moving fruit to the North. During the orange season, Sicily had 600 extra box cars to move the entire crop. Sicily at that time had two thirds its prewar wagon fleet, as compared to one half for the rest of the country).

47. Information in advance as to the arrival of vessels has been reaching this office in the usual record time from Mission Headquarters in Rome. The Operations Office of the War Shipping Administration in Naples is still being most cooperative with this office and this liaison enables us to have the up-to-the minute information on the arrival of vessels. Telephonic conversations with

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Mission Headquarters in Rome and with other offices on the mainland continue to take place through the United States Navy facilities at Palermo. When the lines are overburdened information is despatched and received by telegraph. It is presumed that this system is satisfactory as no comments or complaints have been received.

47. The "Sorveglianza" representatives acting as agents for UNRRA have been in most instances quite cooperative in the preparation of documents and in the submission of reports and information pertaining to the discharge of vessels sailing on UNRRA account.

C.B. MOSES,
REGIONAL DIRECTOR,
Sicily Region.

Declassified E.O. 12356 Section 3.3/NND No. 785016

C. B. MOSES,
REGIONAL DIRECTOR,
Sicily Region.

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Attachment H-3-c.MONTHLY REPORT OF THE REGIONAL DIRECTOR.SOUTHERN REGION, FOR JUNE 1946.INTRODUCTION.

1. The month of June has presented a revised picture of regional activities in the Mission program. The main features are:- In the foreground, regional participation in distribution of UMERA imports calculated to encourage economic recovery and husbandry of local products. Next in importance are regional activities in the field of health and welfare, represented in progress in the distribution of medical supplies, formation of summer colonies, and continuation of supplementary feeding and clothing distribution plus consideration of new welfare projects. In the background is prominent of the additional personnel and vehicles needed to cover the enlarged activities described above and also some administrative "clean-up" in the matters of inventories, personnel records, requisitioned building records and Mission travel requirements preparatory to the closing down of the Mission.

2. The recent political upheaval has, generally speaking, not worried us although perhaps the lurid headlines in local and overseas newspapers might have led outsiders to think that Naples and the Southern Region were in a state of uproar. Such disturbances as did occur were local, and resulted in a few casualties caused mainly by indiscriminate grenade throwing. UMERA buildings and warehouses were left severely alone and movement of supplies was not interfered with. The situation is at present normal.

BUREAU OF REQUIREMENTS AND DISTRIBUTION.

3. A series of Regional Directors' conferences was held during the middle of the month at Mission Headquarters at which the responsibilities Regions would be called upon to undertake concerning wheat amassing, harvesting and other agricultural interests, fishing, distribution of food and irregularities pertaining thereto, and the revival of industry were discussed. As a result it was agreed to authorize the engagement of local technicians on Regional Staffs to authorize advice and assistance and report progress. Likely candidates are being interviewed and some selections on a probationary basis have been made. It is not easy to find the best type in the short time at our disposal. We are looking for men with some good technical background, combined with energy and tact and, if possible, with a

consideration of new welfare projects. In the background is procurement of the additional personnel and vehicles needed to cover the enlarged activities described above and also some administrative "clean-up" in the matters of inventories, personnel records, requisitioned building records and Mission travel requirements preparatory to the closing down of the Mission.

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Amassing.

4. It is not possible at this stage to make any definite comment upon the progress of amassing as, so far, we have not received copies of returns rendered by the Provincial Agricultural Inspectors concerning amounts amassed. We are awaiting firm figures not available at the time of writing this report. In the province of Foglia, however, we can say that up to 20 June, the target figure had been surpassed, i.e., a total of 32,000 quintals had been collected against an estimate of 30,000.

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5. Amassing is in full swing in the low altitudes. In the mountainous regions collection of grain has just been started. Precise figures for the month of June should be available very shortly.

6. The Region is expecting a visit from the Mission Headquarters Amassing Officer.

TRANSPORTATION.
Truck Pool.

7. During the month the Transportation representative of ERG visited the Regional Office. He examined records and agreed that an appreciable increase in both personnel-carrying vehicles and trucks is essential. Meticulous records of the extraneous duties which the emergency truck pool has been called upon to perform during the month had been maintained and were examined. It is evident that this truck pool must remain to cater for general Italian Mission needs and neighbouring Missions.

Personnel transport.

8. We are still in a parlous state despite rigid economy. A taxi service has been instituted adjoining the Regional Headquarters Offices. This has proved successful. The requirements of extraneous sections, duty visitors and transients are increasing, but we are being buoyed up with the promise of Mission Headquarters and ERG of better times to come.

HEALTH.
Medical Supplies.

9. It has not yet been ascertained whether the second distribution of medical supplies within the provinces has been completed. Present information indicates that distribution has been completed in most provinces, but delays appear to have occurred at least in Bari and Foggia. During the month 200-bed hospital units have been delivered to Salerno and Poggia provinces. The Provinces of Matera, Potenza, Catanzaro, Cosenza and Reggio Calabria have received a consignment of hospital linen.

10. There have been no outstanding epidemics.

11. The Regional Director believes that the Health Division is insufficiently staffed to provide a proper check on distribution of all important medical supplies. The seminar snaps in connection with distribution have formed the subject of many conferences recently at Mission Headquarters. The Regional Director thinks that some assistance could be provided by Regional reports covering a far wider field than is possible through visits and investigations of a single Regional Medical Officer. It is suggested that at least one Medical Supply Official be appointed to the Region to be constantly in the field charged with the sole

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(Medical Headquarters Health Division: Whenever a Medical Supply Officer has been requested by a Region he has been appointed immediately. No such request has come from the Southern Region).

WELFARE.

12. The supplementary feeding program is proceeding smoothly on the whole. The attention of the Regional Welfare staff is at present concentrated upon summer colonies and the conditions in Italian displaced persons camps. Field Welfare Officers have been giving advice on summer colonies. The Provincial Secretaries are keen and working hard to get the colonies established but the target date of 1 July is likely to be reached by very few.

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13. It is disappointing to hear that there will be no clothing distribution for summer colonies.

Displaced Persons Camps.

14. The situation here is really most serious. A detailed account of the conditions generally in displaced persons camps, and particularly in the Bari Transit Camp has been included in the Welfare Monthly Report for June. This problem evidently requires quick and firm handling.

15. Refugees from the Balkans have been arriving at the reception port at Bari in large parties without advance notice and in far too great numbers for any sort of accommodation to be provided. It appears that the UNRRA Balkan Missions have little or no control over the movement of these unfortunate people but surely they could bring sufficient pressure to bear upon the respective Governments to ensure that the flow is regulated and an early warning of anticipated sailings signalled to reception authorities in Italy.

(Note by Headquarters Welfare Division: The first time Italian refugees were sent to Bari after UNRRA took over the Italian Displaced Persons camp there, the Greek Government notified the Italian Mission of the move, and the information was passed on to the Ministry of Post-War Assistance, which failed to communicate with Bari in time to notify them before the arrival of the refugees. Since then, information has been sent by the Mission directly to Bari, but the Greek Government has not notified in time.

The only solution is to have the camps always prepared for unexpected arrivals, and an effort is being made to accomplish this).

16. Less deplorable camp conditions exist at other ports in the South Eastern area and it is recommended that efforts be made to divert incoming ships accordingly. If this is impracticable, refugees should be moved from the quayside by truck to these camps. This previous state of affairs has formed the subject of numerous talks between Regional and Mission Headquarters. The Regional Director feels that the Ministry of Post War Assistance needs some strong stimulant in this connection.

Cave Residents.

17. On 11 June the first exodus from the caves in the Maudes area

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16. Less deplorable camp conditions exist at other parts in the South Eastern area and it is recommended that efforts be made to divert incoming ships accordingly. If this is intractable, refugees should be moved from the quayside by truck to these camps. This grievous state of affairs has formed the subject of numerous talks between Regional and Mission Headquarters. The Regional Director feels that the Ministry of Post War Assistance needs some strong stimulant in this connection.

Cave Residents.

17. On 11 June the first exodus from the caves in the Naples area to the new hatted camp took place. Sixty individuals were evacuated and several interesting pictures were taken.

Personnel.

18. A Field Welfare Worker, Mr. Max Meyer, was transferred to a Northern Region on 6 June. Mr. Emyr Jones has resigned and is on leave pending return to UK. The necessary re-adjustments have been effected in consequence. No Class I replacements seem to be forthcoming and accordingly locally-engaged substitutes are being tried out.

INFORMATION.

19. The Information Section is now set up at the Regional Headquarters Office in Naples. The newspapers in the Naples area do not, however, cover Bari and the South and it seems highly desirable to install an Information Officer at our sub-office. This matter has been discussed with the Deputy Director of Information from

Mission Headquarters (Mr. Hitchcock), who is sympathetic and who has promised to pursue it on return to Rome. At present all information matters are handled at the Bari Office by the Welfare Section as was the case in Naples prior to arrival of the Information Officer.

ADMINISTRATION.

20. Mission Headquarters has agreed that an Assistant Administrative Officer must be appointed to cope with the increased administrative duties performed by this Headquarters on behalf of the Mission as a whole and neighbouring Missions. We are endeavoring to get the house in order preparatory to clearing out and are in process of compiling accurate personnel records, detailed inventories of equipment and the like.

21. As time goes on the demand for accurate administrative records becomes most exacting and this throws a heavy burden upon the administrative staff. The job, however, is being tackled energetically in spite of the enervating Neapolitan summer weather we are now experiencing.

C. HANSON-ABBOTT,
Regional Director,
Southern Region.

Attachment H-8-1MONTHLY REPORT OF THE REGIONAL DIRECTOR,
CENTRAL REGION, FOR JUNE 1946.INTRODUCTION.

1. During the current month, this Region's activities consisted mainly of the training of personnel and the initiation of definite regional functions.
2. Although the supplementary feeding program has improved somewhat, there are still some difficulties insofar as distribution and the working of the food supply line are concerned.

BUREAU OF REQUIREMENTS AND DISTRIBUTION.

3. As the result of a preliminary survey, a memorandum was submitted to the Chief of Mission recommending certain steps to be taken concerning the establishment of a security system, as well as the inspection of certain channels of distribution of URRA supplies. Much of the criticism which has been made against the appearance of URRA supplies in the black market may be attributed to two general causes - leakage and pilferage.
4. The fact that URRA supplies are received in port and turned over at ship's tackle has apparently built up in some cases the sophistry that URRA responsibility has in a great measure ceased, once title has passed to the Italian Government on the URRA supplies. Although conditions apparently have improved in the past year, in comparison with losses which have occurred in distribution made by the Allied Commission, no definite URRA check exists. Security measures from shipside, either to warehouses or to other points of destination, whether by truck or by rail, are covered mainly by Italian military guards. At the present moment, there has been no definite figure established as to losses occurring in this phase of the movement of supplies.
5. Inspection could be set up within the Regions from warehouses to points of distribution, either to provincial warehouses or to other distributing points, and spot checks could be made in any successive movements, either to communal warehouses or points at which the consumer receives ultimate distribution of URRA supplies.
6. The existing personnel structure provides for little in the nature of protective service operation. It is true that on a Headquarters

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5. Inspection could be set up within the Regions from warehouses to points of distribution, either to provincial warehouses or to other distributing points, and spot checks could be made in any successive movements, either to communal warehouses or points at which the consumer receives ultimate distribution of UNRRA supplies.
6. The existing personnel structure provides for little in the nature of protective service operation. It is true that on a Headquarters Italian Mission level there is provision for field inspection by personnel attached to the Bureau of Requirements and Distribution, as for example, the Warehouse Section, where three or four inspectors cover the entire Italian territory. Convoy supervisors and checkers furnished by the Protective Service Division in the movement of UNRRA-owned supplies intended for PX and administrative needs of UNRRA personnel in Italy, as well as medical supplies, have achieved excellent results, with no loss as to medical supplies and very little loss in UNRRA administrative supplies. 612
7. At a conference of Regional directors in June, this matter was discussed and tentative plans adopted for the setting up of an inspection system in the Regions. As to the security service from port to inland destinations, a study was to be made of the percentages of loss incurred in each separate phase of transportation. Its purpose is to establish the amount of loss sustained, and to balance the said loss in terms of money against the cost of any system of security which might be adopted.

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(Note by the Chief of Mission's Office: This proposal is now under investigation at Mission Headquarters).

8. Inasmuch as the balance of the 1946 program for URREA involves the distribution of large quantities of valuable cargo, much thought should be given to the possibility of increased losses. The probability also exists that persons who realize that the URREA program is scheduled to be completed shortly after 31 December 1946 may utilize this knowledge in making a "killing" before the program is concluded.

WAREHOUSING.

9. This Region has inaugurated a series of periodic visits to all warehouses for the purpose of checking the system of control, the amount of supplies, the period said supplies have been in storage, and the prompt movement of perishables in order to avoid spoilage.

WELFARE.

10. As mentioned in paragraph 2 above, some difficulties continue to exist in the food supply line, but it is hoped that many of them will disappear after the harvest which is now in progress.

11. The summer colonies program is taking form, and is expected to prove most beneficial.

HEALTH.

12. There were no epidemic conditions in the Region during the month. Forty-bed hospitals have been delivered to Fresinone and Minturno, and a one hundred-bed hospital to Civitavecchia.

SUB-OFFICE, ANCONA.

13. In an effort to decentralize the activities of the Region to the east of the mountains, the office in Ancona will be discontinued during the month of July, so that the Ports and Shipping Liaison Officer will be the only URREA official still stationed in the city of Ancona. He should be able to cover required needs for ships arriving at this point.

14. A sub-office will be opened up, simultaneously with the closing of the Ancona office, at Ascoli Piceno. This should coordinate administratively all Regional activities in the Marche Umbria

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Peter C. Borre,
Regional Director,
Central Region.

Attachment H-6-e

MEMORANDUM FROM THE
MONTHLY REPORT OF THE REGIONAL DIRECTOR, EMILIA AND TUSCANY REGION
JUNE 1946

INTRODUCTION.

1. Highlights of this month's activities are: a) Continuation of our economic survey tours in Ravenna, Forlì, Ferrara, Lucca and Pisa; of the 17 Provinces of the Region, only Apuania, Arezzo and Grosseto remain to be covered. b) Experiments on two successive Sundays with UNRRA-imported agricultural machines at Bologna. c) Visits to our Region by Messrs. Cleveland, Console, Luzzatta and Sullivan of the Mission Headquarters Bureau of Regional Requirements and Distribution, who gave advice as to the operation of our Regional Requirements and Distribution office.
2. The Health Division continued to stimulate distribution of medical supplies to hospitals and institutions.
3. The Welfare Division has assumed new responsibilities for the distribution of UNRRA clothing and welfare services to authorized refugees both within and outside camps. Field welfare officers have concentrated on advising provincial secretaries on the organization of summer colonies with UNRRA help.
4. The Special Relief Projects Section is expanding its large workshops in Florence and Bologna for the processing and manufacture of clothing for Italian displaced persons.
5. The UNRRA-CASAS Program is in full swing, with half of this form of reconstruction work in Italy located in this region.
6. The Displaced Persons officers are wholly absorbed at present by the resettlement and occupational registration of all non-Italian displaced persons cared for by UNRRA in this region.
7. The wheat amassing program is obtaining fine cooperation between our Requirements and Distribution office and Italian agricultural authorities. The food gap has been filled throughout the region generally, with some last-minute transfers of wheat from richer to poorer provinces. Thus both the bread ration and welfare plan "O" were maintained without an appreciable break.
8. A study has been made of the increase in cost of living and wages from 1939 to 1946 revealing that, while the cost of living has gone up about 30 times, the best wages have gone up less than 12.
9. A system has been devised by this office to keep a close check on the distribution of critical industrial materials. This has already revealed some interesting discrepancies. Unemployment reports indicate very serious situations in Ravenna, Forlì, Lucca, Pisa and Ferrara, where 41.9% of the active population is without work.
10. Carrying out its task of informing the public of what UNRRA is doing for it, the Information Office has kept the press and radio supplied with all types of UNRRA material.

HEALTH.

11. The main activity this month has been directed to supervising and stimulating distribution of medical supplies received in bulk by the Provincial Medical Officers to hospitals and authorized institutions.
12. The chief factor that has interfered with supplies actually reaching

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8. A study has been made of the increase in cost of living and wages from 1939 to 1946 revealing that, while the cost of living has gone up about 50 times, the best wages have gone up less than 12.
9. A system has been devised by this office to keep a close check on the distribution of critical industrial materials. This has already revealed some interesting discrepancies. Unemployment reports indicate very a serious situation in Ravenna, Forli, Lucca, Pisa and Ferrara, where 41.9% of the active population is without work.
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HEALTH.

11. The main activity this month has been directed to supervizing and stimulating distribution of medical supplies received in bulk by the Provincial Medical Officers to hospitals and authorized institutions.
12. The chief factor that has interfered with supplies actually reaching institutions has been the tug of war that has existed between UNRRA and the Italian Government over the payment policy. This was made quite evident at a meeting of Provincial Medical Officers of Tuscany held by the Regional Medical Officer on June 21.
13. In certain Provinces, e.g. Ravenna, institutions declined to take UNRRA supplies because "they cannot afford them". In others, requests for reduction of allotments or elimination of certain less-needed items have been made, while many have obtained their supplies by running further into debt than they already are. It appears that at least half of the public hospitals (and heavily in debt, but some fee 1 more computation about it than others. The Provincial Medical Officers are a mixed lot as regards their reaction to pressure of obvious public duty as preached by us and apprehension of official displeasure if they do not make a good showing on the cash receipt side.
14. Under our pressure, allocations and physical distribution have proceeded vigorously and a good part of all supplies has actually reached even the most remote hospitals. However, until not only Provincial Medical Officers but also

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all hospitals understand that those in need must receive their allotments without being made to pay beforehand, and are given an assurance that their ultimate ability to pay will be sympathetically investigated, certain allotments will remain unclaimed.

15. Our efforts at the present time are almost exclusively directed to seeking out the results of failures in the distribution plans. This investigation begins in the office of the Provincial Medical Officer by obtaining names of institutions which have not picked up their allotted supplies, and shows: a) undue pressure for payment by the Provincial Medical Officer; b) his inability to complete the processing-out of the considerable supplies received; c) difficulties of transportation; d) incompetence or worse of the hospital administration.

16. It is then necessary to visit the hospitals which have not picked up their supplies and see whether the reasons given at the medical officer's office are correct, not merely by interviewing the local Director but investigating needs and state of actual supplies with the medical and nursing staff working on the wards and departments.

17. The provincial health officers of this Region are comparatively poorly-paid officials working with only a small staff. For the next few months, as a result of UNRRA's activities, a very great deal more work will be required of them in receiving, checking, storing, dividing and distributing large amounts of medical supplies. This will be a quite impossible task for them unless they receive an augmented staff and office finances.

18. One hundred beds of a hospital unit were received at Rimini, 40 beds at Castelnuovo Garfagnana, and there is an early prospect of others at Chiusi and Bibbiena.

19. Supplies of excellent hospital linen are coming through, but most provinces have so far received only one of three widths, a method of distribution which was foreseen and is not causing serious difficulty, being more satisfactory at both manufacturing and receiving ends than total issues at one time. (For table of medical distribution in this Region to date, see Appendices "A" and "B").

SPECIAL TEXTILE PROJECTS.

Processing.

20. The processing activities in this region are expanding considerably on the lines of the original principles, which were:-

(a) to process clothes and shoes and manufacture clothing as economically as possible;

(b) to provide work for Italian...

17. The provincial health officers of this Region are comparatively poorly-paid officials working with only a small staff. For the next few months, as a result of UNRRA's activities, a very great deal more work will be required of them in receiving, checking, storing, dividing and distributing large amounts of medical supplies. This will be a quite impossible task for them unless they receive an augmented staff and office finances.

18. One hundred beds of a hospital unit were received at Rimini, 40 beds at Castelnuovo Garfagnane, and there is an early prospect of others at Chiusi and Bibbiena.

19. Supplies of excellent hospital linen are coming through, but most provinces have so far received only one of three widths, a method of distribution which was foreseen and is not causing serious difficulty, being more satisfactory at both manufacturing and receiving ends than total issues at one time. (For table of medical distribution in this Region to date, see Appendices "A" and "B").

SPECIAL RELIEF PROJECTS.

Processing.

20. The processing activities in this region are expanding considerably on the lines of the original principles, which were:-

(a) to process clothes and shoes and manufacture clothing as economically as possible;

(b) to provide work for Italian displaced persons.

21. The main workshops are in Florence and Bologna, with satellite workshops near these cities. This region contains the largest processing projects north of Rome. Balen are received containing overcoats, coats, trousers, shirts and shoes, which are sorted and if necessary, repaired, before being rebaled for distribution.

22. Plans for production of sandals and underwear have been drawn up in conjunction with the "Unione Donne Italiane" (Italian Women's Union), and production has begun in the Florence area. Production of underwear will begin at Bologna within a few days. At present, we have 150,000 meters of cotton cloth and 3,000,000 meters of thread ready for the production of underwear. Production of pullovers is planned in the Prato region; for this project, we have already stocked one ton of wool.

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23. Processing statistics for the past month are:

<u>Clothing:</u> Bales (approx. one quintal) opened:	Florence	615
	Bologna	359
<u>Articles repaired:</u>	Florence	13,161
	Bologna	9,465
<u>Shoes:</u> Pairs sorted:	Florence	32,294
	"	13,625
" repaired:	"	7,902
" reshaped:	"	

Clothing Distribution:

Clothing	108,167 items
Shoes	38,622 pairs

Distribution was made early this month, mostly to the Veneto Region. A further distribution of approximately 30,000 pairs of shoes for Tuscany Region will be made within the last week of June.

Repair and Reconstruction - CASAS.

24. This program shows clearly the swing-over of UNRRA's functions from relief to rehabilitation. The very foundations of Italian rehabilitation are being laid in the rebuilding of homes for resettlement. The region of Emilia and Tuscany is one of the most devastated areas of Italy. The CASAS program here comprises half of the total reconstruction work stretching from coast to coast along the Apennines. Actually of the 170 communes to be assisted by the UNRRA - CASAS program, 84 are located in this region. In Tuscany, operations are concentrated in the provinces of Carrara and Lucca along the southern slopes of the mountains, while on the northern slopes, activities are based on Bologna and extend eastwards towards Ravenna, Forlì and the coast.

25. Statistics for the region for the past month are:

- (a) Weight of building material carried: Emilia 10,223 qtls.
Tuscany 23,658 "
- (b) Communes being assisted: Emilia 20
Tuscany 21
- (c) Mileage covered by UNRRA transport in carrying building material: Emilia 26,086 miles
Tuscany 59,502 "
- (d) Rooms repaired: Emilia 698
Tuscany 500 (approx.)
- (e) Persons re-housed: Emilia 784

Evacuation was made early this month, mostly to the Veneto Region. A further distribution of approximately 30,000 pairs of shoes for Tuscany Region will be made within the last week of June.

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	Tuscany	23,658 "
(b) Communes being assisted:	Emilia	20
	Tuscany	21
(c) Mileage covered by UNRRA transport in carrying building material:	Emilia	26,086 miles
	Tuscany	59,502 "
(d) Rooms repaired:	Emilia	598
	Tuscany	529 (approx.)
(e) Persons re-housed:	Emilia	784
	Tuscany	775

UNRRA - CASAS at work:

26. Voluntary Society personnel are working splendidly in their personal contacts to clear up many misconceptions concerning the CASAS Program. It must be emphasized however that they cannot function properly in obtaining information on the needs of the communes and making proper estimates of requirements, without adequate transport to remote damaged areas in the mountains.

DISPLACED PERSONS.

Statistical Data.

27. In Tuscany 22 new cases were registered and 36 formerly registered were closed, while in Emilia 39 cases were added and 42 closed.

28. The total onso-load for out-of-camp assistance is 691 in Tuscany and 1,070 in Emilia, of which 760 are being cared for in vocational training camps (Hochsharoths) operated by the American Joint Distribution Committee.

29. During the month, 634 authorizations for medical services were issued to displaced persons. In Emilia, 74 outfits of clothing were distributed.

Repatriation - Occupational Registration.

30. The activity of the local welfare offices is wholly-absorbed at present by the repatriation, resettlement and occupational registration of all displaced persons whose completed "REOC" forms must be in Rome by 7 July. This registration will be completed by the end of the month.

WELFARE.

General.

31. Staff: Three new field welfare officers have joined the welfare staff this month, Miss Susanna Spitzer, Miss Antonietta Nardi, Mr. Raymond Mehus. Mr. Mehus fills one of our two Class I field welfare officer vacancies; Miss Spitzer and Miss Nardi (Class II) will be concerned with clothing distribution and Italian Displaced Persons camps, welfare and repatriation in Tuscany. Dr. Patella (Emilia) will remain on the staff until the end of July when he leaves for the United States.

32. UNRRA Fellowship: One of the special fellowships offered by UNRRA to Italian candidates has been won by Waltra Torigiani, field welfare officer for the provinces of Florence, Apuania and Arezzo. She will be leaving at the end of June for six-months study of social welfare organization in England.

DISTRIBUTION.

33. Figures reported on Form 4 for distributions during May show the following totals :

EMILIA	PROVINCE	HOT	DRY	TOTAL PERSONS
	Bologna	8,072	32,632	40,704
	Ferrara	3,924	14,479	18,403
	Forlì	5,595	24,297	29,892
	Modena	3,732	20,587	24,419
	Parma	1,428	9,071	11,299
				8,564

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<u>EMILIA</u>	Bologna	8,072	32,632	40,704	
	Ferrara	3,924	14,479	18,403	
	Forli	5,525	24,297	29,822	
	Modena	3,732	20,587	24,419	
	Parma	1,428	9,671	11,299	
	Piacenza	2,933	5,711	8,644	
	Ravenna	8,882	14,022	22,904	
	Reggio Emilia	2,647	NONE	2,647	
	TOTAL:	EMILIA			158,932
	<u>TUSCANY</u>	Arezzo	10,948	3,130	14,078
Arezzo		8,939	5,950	14,889	
Florence		21,934	11,896	33,830	
Grosseto		6,625	1,668	8,293	
Lucca		10,325	4,478	14,803	
Leghorn		9,059	2,052	11,111	
Pisa		10,561	2,760	13,321	
Pistoia		5,382	2,761	8,143	
Siena		2,786	3,817	6,603	
TOTAL:		TUSCANY			132,071

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34. Detailed examination of the reports shows that although totals do not vary greatly from month to month, the totals of "feeding days" reflect the food emergency conditions that prevailed during the first half of this month, resulting in a reduction in the number of actual meals served and in one case in the suspension of dry distribution.
35. The efficient reorganization of the Regional Division has enabled field officers, who, up to the present have been trying to combine the functions of welfare and supply officers, to do their specialized work - advising on the selection of recipients, methods of distribution and record keeping, and observing the reporting deviations from equitable, non-partisan procedure. In addition they will have more time to encourage the development of local social welfare activities and to work with the secretaries of the provincial committees on the revised welfare program now taking shape as the result of successive circulars from the Italian Delegation.
36. They will continue to observe local shortages, delays in deliveries of foods and difficulties between SEPRAL, Consorzi Agrari and provincial committees. Cases will be reported to the Regional R. & D. Division who will take action on the reports.

CLOTHING DISTRIBUTION & ITALIAN DISPLACED PERSONS CAMP WELFARE.

37. The Welfare Division has assumed responsibility for observing and advising provincial committees and the representatives of the Ministry of Post-War Assistance on the distribution of UNRRA clothing and welfare services to authorized categories of refugees, both within and outside camps. The four new field welfare officers are at present making a detailed survey of the distributions that have already been made and analyzing the mass of new instructions relating to the transfer of responsibility to the provincial committees.

New duties will gradually be integrated with those hitherto undertaken and, except in the field of repatriation and camp welfare, where specialized knowledge of procedures is necessary, all welfare officers will cover all branches of field work. Reports have been submitted on 10 provinces and contacts made with all officials concerned with processing, transportation and distribution of clothing.

Miss Spitzer has visited the refugee camps in Lucca, Arezzo and Florence where she has made good contacts with the Commandants and has begun discussion of specific questions.

MEETINGS.

38. The seventh monthly discussion group of provincial secretaries

36. They will continue to observe local shortages, delays in deliveries of foods and difficulties between SERRAL, Consorzi Agrari and provincial committees. Cases will be reported to the Regional E. & D. Division who will take action on the reports.

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MEETINGS.

38. The seventh monthly discussion group of provincial secretaries for Emilia met on 13 June in Bologna; the second meeting of Tuscan secretaries met in Florence on 25 June. Representatives of the Italian Delegation were present at both. The program for summer colonies was the main subject on the agenda. During the afternoon sessions, discussions on the future functions of provincial committees were led by the secretaries of Forli (Emilia) and Pisa (Tuscany).

39. Following the large meeting of representatives of social welfare agencies of Florence, held in May, further discussions have been held with smaller representative groups. An interim committee has been formed to examine the scope of the proposed Community Council and to draw up recommendations for its function, membership and constitution. Agencies represented are, the Comune of Florence, E.C.A. (Ente Comunale Assistenza (Comunal Assistance Organization), Assistenza Nazionale Assistenti Sanitarie (National Assistance to Hospital Assistants), O.N.M.I. (Opera Nazionale Maternita e Infanzia (National aid to mothers

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and children), Lotte Centre la Tuberculosi (Struggle Against Tuberculosis) and UNRRA.

40. Autumn Nutrition Conference. Miss Bernini, assistant to headquarters Nutrition Section, has held meetings in Modena, Bologna, Reggio Emilia, Parma, Piacenza and Apuania to make preliminary arrangements for the attendance of O.N.M.I. nurses and hospital assistants at the two conferences to be held in Milan and Genoa in the early autumn.

SUMMER COLONIES.

41. Field officers have devoted much time to advising provincial secretaries on the organization of summer colonies and in discussions with representatives of the many social agencies concerned. From estimates submitted to date, the following number of children will enjoy a holiday in either full or part-time colonies:

Bologna	5,090	Apuania	5,500
Ferrara	1,400	Arezzo	4,100
Forli	1,890	Florence	7,562
Modena	2,260	Grossoto	1,430
Parma	2,280	Lucca	370
Piacenza	1,900	Livorno	2,739
Ravenna	3,000	Pisa	5,504
Reggio Emilia	950	Pistoia	3,000
		Sienna	5,970

Estimated totals for the region are :

EMILIA 10,800 daily and 8,470 resident (31)

TUSCANY 30,591 daily and 5,084 resident (44)

42. About 80% of the total represents children consistently assisted by UNRRA rations. In addition to organizing the allocation of rations for the colonies, many provincial committees are continuing to provide school and daily meals for those children who are unable to go away and for those returning.

PUBLIC INFORMATION.

43. Our information officer made sure that the public was informed of what UNRRA is doing for it. This meant preparing articles, arranging for meetings, having news photographs taken and, most important of all, getting the material into the press and on the radio. This was facilitated by the patient ground-work done by the information officer in the past months. Almost every day Bologna and Florence radio listeners heard one of our radio broadcasts was placed

Perli	1,400	Lazio	4,100
Modena	1,390	Florence	7,552
Parma	2,260	Crossato	1,430
Piacenza	2,280	Lucca	370
Ravenna	1,900	Livorno	2,739
Reggio Emilia	3,000	Pisa	5,524
	950	Pistoia	3,000
		Siens	5,970

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GENERAL ECONOMY.

44. The main problem is markets for food-processing industries, especially those which engaged in pre-war exporting. Markets outside the region or abroad are also required for agricultural machinery. Fuel, sugar and tin plate are immediate requirements. In spite of our large C.A.S. program, increased State assistance in rehousing is needed at Forli, Ravenna, Bologna, Lucca, Pisa and Ferrara.

45. This region is characterized by reliance on the tourist trade and the development of diversified light industries. Outstanding are Florentine craftsmanship, Grosseto pyrite for sulphuric acid, Prato textiles, Larcorello borax and power works, Fiumbino smelting and shipyards, Leghorn shipyards and the Elba iron works. There is room for development of trade in wines, chestnut extracts artistic and scientific glassware, terrazo, felt and straw products, mercury, lignite and methane. Apunzia is an industrial zone which has been severely damaged by the war but unemployment here has always been a problem.
46. Appeals for fuel and raw material are giving way to a search for foreign markets. Prices are still inflationary and will remain so until foreign credits are created for the purchase of raw materials. Until this position is eased, the general economic situation will deteriorate. Dead markets and closed factories are resulting in serious unemployment and poverty.
47. Regional Labor Offices in Bologna and Florence have furnished us with copies of their monthly reports to the Ministry of Post-War Assistance on which the attached charts (Appendix "C" - "D") are based, clearly showing serious occupational situations. Appendix "C" shows that the greatest unemployment in Tuscany is found in industry, with 68,700 of the registered 119,260 unemployed in this category. The reverse is true in Emilia where, of the 214,800 registered unemployed, 116,270 are agricultural workers.
48. Appendix "D" gives our estimates of the percentage of active population unemployed by province. The unemployment figures are official as of 31 May, 1946; for purposes of estimate, the latest available population figures were used (1938). The most serious unemployment situation exists in Ferrara where 41.9% of the active population is unemployed. This is probably to be explained by the fact that most of the labor consists of migratory agricultural hands. Apunzia is next with 27.8% unemployed, a situation which even the Fascist Government, with its artificially-created industries, was not able to resolve. Other serious unemployment situations exist in Livorno, Lucca, Bologna, Modena and Reggio Emilia.
49. Appendix "2" gives the minimum monthly food expense for the average family of five people in the province of Florence both in May 1939 and in May 1946. These expenses averaged 684.40 lire in 1939 and 20,854.58 lire in 1946. The cost of living, therefore, has risen on an average by 3.047. The second part of the chart gives the average monthly wage of the most common type of skilled laborer in Florence by category as of April 1940 and April 1946. The average increase in wages is 1,182.60% for the single worker and 888.17% for the married man with a family. Thus, while the cost of living in Florence Province has risen over 30 times since 1939, the single man's wage has gone up less

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AGRICULTURE.

General.

50. Heavy rainfalls, this month have proven a serious handicap to the wheat harvest. On the other hand, they were a definite asset to the remaining crops which are now quite promising. For example, in the hilly districts of Florence Province, a second cutting of hay seems assured. The sugar-beets look promising and, although some infestation by Ailica insects (sugar-beet flea beetles) has been noticed again this year, an average crop of 250 quintals per hectare may be expected in Emilia and Tuscany. An abundant fruit crop of peaches, plums, apricots and pears is expected in Romagna at the end of this month, although the orchards suffered from winter and spring draughts and lack of copper sulphate and insecticides. The olive trees in Tuscany look

very promising, but unfortunately, vineyards in both Emilia and Tuscany have suffered extensively from the drought and this year's wine is expected to be poor in quality and low in alcoholic content.

Wheat Harvesting.

51. The food gap has been filled throughout the region generally, with some last-minute transfers of wheat from richer to poorer provinces. The new wheat campaign has the fullest cooperation of all our regional officers and Italian Government officials. In this region, wheat harvesting has top priority, and the latest figures furnished by the Ispettorati Compartimentali Agrari (Compartimental Inspectorate of Agriculture) of Florence and Bologna are:

1945 WHEAT HARVESTING CAMPAIGN - AS OF 25 JUNE

TUSCANY

	<u>Quintals Harvested</u>	<u>Target</u>
Florence	8,118	250,000
Grosseto	29,641	400,000
Arezzo	0	200,000
Sienna	0	450,000
Pisa	4,277	240,000
Lucca	0	5,000
Pistoia	550	11,000
Lephorn	0	120,000
Apuania	0	2,500

EMILIA

	<u>Quintals Harvested (27 June)</u>	<u>Target</u>
Bologna	58,499	1,000,000
Modena	22,140	300,000
Reggio Emilia	6,305	215,000
Parma	23,278	670,000
Piacenza	15,090	500,000
Ferrara	135,848	700,000
Ravenna	90,335	700,000
Forli	60,000	600,000

52. It will be noted that Tuscany has begun harvesting later than Emilia. This is partially explained by factors of climate and by the late-harvesting varieties of wheat cultivated in Tuscany. Grosseto in Tuscany, and Ferrara in Emilia are leading the way, having been the first provinces of this region to start threshing and emassing. Thus, it was possible to transfer wheat from these provinces to cover bread requirements in Florence, Apuania and Lucca in Tuscany and Parma, Modena and Reggio in Emilia. Incidentally, it is interesting to

Florence	8,119	250,000
Grosseto	29,641	400,000
Arosso	0	200,000
Sienna	0	450,000
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EMILIA

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Modena	22,140	300,000
Reggio Emilia	5,305	215,000
Parma	23,278	670,000
Piacenza	15,090	500,000
Ferrara	135,848	700,000
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UMER Machinery Experiments.

53. Important tests of UMER-imported agricultural machinery were conducted on two successive Sundays in Bologna in the presence of UMER Regional officers and hundreds of Italian agricultural officials, technicians, manufacturers, proprietors and laborers.

54. On the first Sunday, Messery-Harris and McCormick-Deering reapers and binders were demonstrated by an UMER technician - while on the second Sunday, Minneapolis-Molineo 25-35 HP and Case 45 HP tractors were set to work with harrows and various types of plows. The

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results proved quite satisfactory, with the result that there is an even greater desire on the part of regional land-owners to obtain U.S.S.R. agricultural equipment, since the machinery already allocated has been completely distributed.

55. Some of the figures on agricultural distribution thus far in the region are :

<u>Tractors:</u>	
M-M 25 HP	9
M-M 35 HP	167
Case 45 HP	27
<u>Reapers:</u>	120
<u>Binders:</u>	48
<u>Plows:</u>	30
<u>Fertilizers:</u>	
Nitrates	10,190 tons
Phosphates	2,364 "
<u>Forage Pea Seeds:</u>	210
<u>Seed Potatoes:</u>	2,157 "

INDUSTRY.

56. This recently-formed section has passed the organizational stage and is ready to function. A competent Class II specialist has been put in charge; Mr. Luzzatto set forth the general directives in a recent visit; and a system of report forms has been created to keep constant check on allocations and distributions of critical industrial items.

Requirements and Distribution.

57. Our report forms are based on the national plan for monthly industrial reports on requirements of critical materials and availability of finished products, as it is already being implemented by the North Italy Industrial Sub-Commission of the Ministry of Industry and Commerce, Milan. These forms are giving up-to-date information collected from chambers of commerce and industry and industrial

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58. The scheme is beginning to operate in the Emilia compartment, but in Tuscany, a certain amount of opposition is being experienced from industrialists who object to the prescribed forms which the Government has adopted as a basis for determining allocations of critical materials. Until the new Industrial Sub-Commission begins to function in Rome, inevitable delays will probably adversely affect the recalcitrant organizations concerned. Until we are fully informed of regional allocations of critical materials, it will be difficult to check on distribution. Thus far, we have been informed only of distribution in Tuscany and allocations for Emilia.

POL.

59. The province of Lucca has complained that its allocation of gas oil is less than 25% that of Florence, in spite of the availability of methane in Florence.

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60. We are investigating the possibility of substituting methane for PGL. Local resources of methane are by no means exhausted, although it is being used regularly for industrial and automotive purposes throughout Emilia and in the Province of Florence.

61. The following comparison of allocations and consumption of methane in the Province of Florence is revealing:

	ALLOCATION (Cubic Meters)	CONSUMPTION (Cubic Meters)
ENAC	137,000	50,410
Automobiles	68,000	18,940
TOTAL	205,000	79,350

Surplus - 126,650

62. The fact that 125,650 cubic meters of the monthly allocation of 205,000 cubic meters of methane were not consumed in May indicates that consumers of methane are finding no difficulty in switching over to petrol or gas oil, which appears to be available on the black market.

FOOD.

63. The general bread ration and Welfare Plan "O" were maintained without an appreciable break, although difficulties arose in several provinces.

64. Steps have been taken to systematize control of the general distribution of food by means of reports designed by this office. While the various regional and provincial Government offices concerned have been most cooperative, insufficient data has been returned to date to enable us to present an overall picture. We have been assured by the Conocri Agrari Provinciali, the SEFRALS, the Uffici Interregionali Pedemontorzi and the Ispettorati Regionali dell'Alimentazione that they are now prepared to maintain a constant stream of required data to this office without in any way placing an extra burden on the officials concerned. We will be in a position to analyze, convert to common units and condense these returns in our forms, designed to show clearly any irregularity in distribution. Such irregularities will be referred to the Regional Protective Services Officer for investigation.

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FOOD.

63. The general bread ration and Welfare Plan "C" were maintained without an appreciable break, although difficulties arose in several provinces.
64. Steps have been taken to systematize control of the general distribution of food by means of reports designed by this office. While the various regional and provincial Government offices concerned have been most cooperative, insufficient data has been returned to date to enable us to present an overall picture. We have been assured by the Concorzi Agrari Provinciali, the SEFFALS, the Uffici Interregionali Federconsorzi and the Ispettorati Regionali dell'Alimentazione that they are now prepared to maintain a constant stream of required data to this office without in any way placing an extra burden on the officials concerned. We will be in a position to analyze, convert to common units and condense these returns in our forms, designed to show clearly any irregularity in distribution. Such irregularities will be referred to the Regional Protective Services Officer for investigation.
65. The Lucca Regional Director's study of food purchases of the average worker's family shows that not many clear cases of malnutrition are reported in hospitals, as they admit only pathological cases of an acute nature. Nevertheless, there were several cases of workers fainting during their work because of malnutrition. There is an increasing tendency for the average working family to run up debts with food shop-keepers.
66. During the war in Parli, meat was rationed at 100 grams per head per week and 3000 quintals were required monthly to maintain the ration in Parli Province. Today, more than a year after the end of the war, with a free market in meat, the quantity of meat registered at the provincial abattoirs is 1,000 quintals monthly. Thus, with no restriction on the sale of meat, only one third of the war-time ration is available. With prices of meat varying from 230-400 lire per kilogram, it is obvious that only the small wealthier segment of the entire population is consuming available meat.

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PORTS AND SHIPPING.

67. Leghorn received only two UNERA general cargo ships this month while Piombino had nothing. This reduction in ship arrivals naturally had serious consequences in unemployment among the port workers, especially in Piombino, where the workers have requested our aid in having more UNERA ships discharged there. According to statistics, Piombino is the second fastest port in Italy for discharge of coal without mechanical means. As it is possible to berth a complete coal or wheat vessel stern first for lightening in four or five hours before complete berthing and discharge. A vessel with bulk cargo can be lightened by 1,000 tons on six barges at Piombino and then proceed to Leghorn.

68. UNERA goods in Leghorn warehouses continue to be properly stored and in satisfactory condition.

ADMINISTRATION.

69. All UNERA-CASAS personnel with the exception of a few interpreters, drivers and mess staff, have been taken off the regional UNERA payroll and transferred to the Italian Government CASAS strength as of 10 June. This accounts for the drop in personnel figures as shown in the following table of regional personnel strength as compared with last month:

	CLASS I		CLASS II				CLASS III	
	May	June	Monthly Paid		Daily Paid		May	June
			May	June	May	June		
Florence	10	12	34	53	53	33	-	-
Bologna	7	5	32	38	62	24	9	9
Penza	-	1	-	-	-	-	-	-
Leghorn	-	-	2	2	1	3	-	-
Carrara & Lucca	1	1	7	5	53	4	8	7
TOTAL	18	19	75	98	149	68	17	16

GRAND TOTAL:- May 259
June 195

70. We are still awaiting the arrival of a Transport Officer, Rome, by the filling of

ADMINISTRATION.

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	CLASS I		CLASS II				CLASS III	
	MAY	JUNE	Monthly Paid		Daily Paid		MAY	JUNE
			MAY	JUNE	MAY	JUNE		
Florence	10	12	34	53	33	33	-	9
Bologna	7	5	32	38	62	24	-	-
Faenza	-	1	-	-	-	-	-	-
Leghorn	-	-	2	2	1	3	-	-
Carrara & Lucca	1	1	7	5	53	4	8	7
TOTAL	18	19	75	98	149	63	17	16

GRAND TOTAL:- MAY 259
JUNE 195

70. We are still awaiting the arrival of a Transport Officer. Rome has promised some easing of our transportation problem by the filling of our allocated vehicle strength, but in the meanwhile, our field activities are severely limited.

71. Billeting space has become a problem again with the order from the military to vacate their billets. The problem seems to be solved in Florence, but is extremely difficult in over-crowded and war-torn Bologna.

FINANCE.

72. The recent arrival of a temporary Finance Officer has aided immensely in tightening budgetary control and regional finance operations generally. The modification of the sight draft system from a weekly to a monthly system simplifies the previous complicated disbursement procedure. Other principles of operation remain the same. Reimbursement of the ingrat account will be carried out weekly, covered by a

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disbursement schedule submitted to Roma. To provide for the absorption of the Bologna, Carrara and Lucca accounts, the regional interest account has been increased to the monthly figure of 3,000,000 lire, which should cover all subsidiary accounts. A small sub-interest account of 50,000 lire has been opened to cover the UNRRA-APRO Liaison Office in Leghorn.

PROTECTIVE SERVICES.

73. Little has been said in past reports of the operations of this office. With the development of our R. & D. activities, investigations of irregularities in distribution and ~~in the~~ ~~in~~ ~~the~~ ~~warehouses~~ will increase.

74. Two recent cases are typical of protective services work. Three persons were arrested near Ferrara, ~~attending to transport~~ 10 tons of wheat. They were in possession of false ~~documents~~ permits to transport foodstuffs. Two persons were arrested in Mantova, near Bologna, charged with selling considerable quantities of United States and evaporated milk at black market prices. One of the gentlemen is the former mayor of Mantova.

A.L. Ellison,
Regional Director,
Emilia and Tuscany Region.

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Attachment H-9-f

MONTHLY REPORT OF THE REGIONAL DIRECTOR
LIGURIA AND PIEMONTE REGION, FOR JUNE
1946

INTRODUCTION

1. The much-discussed General Election in Italy has passed, and it is not for us to question the result. However, it is worthy of recording that the actual voting in Liguria and Piemonte was carried out in a truly democratic fashion and that no disturbances of a political nature occurred.
2. Mr. Harland Cleveland, Deputy Chief of Mission for Requirements and Distribution, visited Genoa on 26 June. The Fort of Genoa was inspected and a meeting was held at which 111 persons were present, invitations having been sent to Government and Civic Officials, Consuls, Banks, Industrial houses etc. Mr. Cleveland's talk, "A few fundamental facts about UNRRA - what it is, and what it isn't", was extremely well received. The complete speech was read over the radio the same night.
3. Tuesday, 25 June, was the anniversary of the first British mine-sweeper to enter the Port of Genoa. A service in remembrance of the sacrifices made for the recovery of the port was held, and laurel leaves were thrown on the water on the precise spots where Italian workers and British sailors lost their lives while attending to the destruction of mines. UNRRA was invited to take part in this ceremony, and representatives of the Region attended the service.

PUBLIC INFORMATION

4. The Press of the Region have given special coverage and prominence to UNRRA and to the Italian Authorities during the coming harvest. All papers carried an article on the arrival of Col. E.A.L. Oldfield, Regional Agricultural Harvest Liaison Officer, whose special task is to co-operate with the Italian authorities, advise, help, and straighten out problems that arise in the field.
5. A meeting of the Directors of the Turin papers has been held during the month, with the object of bringing release of UNRRA news to coincide with Genoa. Full agreement has been reached through the respective representatives in Genoa and all news will be telephoned to Turin daily.
6. The "Economic Notes" now arrive in Genoa on Saturday. Press releases from these notes are immediately worked out, followed up by the general mailing list, which is ever on the increase.
7. UNRRA port operations have been closely followed and notes and

received. The complete speech was read over the radio the same night.

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7. UNRRA port operations have been closely followed and notes and photos have been sent to the Press so as to keep the public informed of UNRRA activities. All cuttings, photos, etc., have been forwarded regularly to Rome Headquarters.

AGRICULTURE

8. Weather during the last half of this month has been generally fair, with rather low temperature. 605

Liguria Region.

9. Wind and heavy rain caused some damage to the wheat crop, especially in the Province of La Spezia. Cutting has commenced along the Riviera, while the interior parts, owing to altitude and the slower process of ripening, will not be ready until the end of July.

2
Piemonte Region.

10. Cutting progresses rapidly in the plain and prospects appear to be good.

Threshing.

11. Enquiries have been made to all the Ispettorati Provinciali (Provincial Inspectors) of Liguria and Piemonte to know if they are actually prepared for this season's harvest. The reports are most favorable, everything is in order, and they expect operations will proceed without interruptions.

12. The Harvest Liaison Officer is already on the job and is ready to assist and give helpful advice, if needed, in the work for the campaign of amassing the grain.

Fertilizers.

13. Copper Sulphate, ammonium nitrate, Chilean nitrate of soda, have reached the Consorzi Agrari Provinciali of the various provinces, where allocation had been made, and in most cases distribution to farmers has already started. A strict control is being kept to make certain that UNRA supplies go through the correct channels and that distribution is properly carried out. Separate reports on fertilizers are being forwarded to the Agriculture Division, Headquarters.

Seed Potatoes.

14. The crop appears to be good but in some localities 25-40% of seed planted has not germinated. There are various opinions - poor ventilation on the way to Italy or in Consorzi warehouses - the wrong kind of seed for the soil etc. It is felt, however, that the continuous rains, cold weather during April and early May, just after planting, are the main causes of seed spoilage, in confirmation of which it has been noted that native seed has met with the same result.

Olive Crop.

15. It is said that the prospects have not been so good for the past 50 years.

FISHERIES

16. The Capitaneria di Porto (Master of the Port) who is charged by P.A.F.P. (Fondazione Assistenza Riformimenti Pesca - Foundation for Relief and Supply of Fishers) with the distribution of A.C.

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FISHERIES

16. The Capitaneria di Porto (Master of the Port) who is charged by F.A.R.F. (Fondazione Assistenza Riformimenti Pesca - Foundation for Relief and Supply of Fishers) with the distribution of A.C. fishing materials reports that owing to the length of time that these commodities have been held in the Consorzio Agrario, the price of fishing materials on the open market is far below that which the Government now demands, and that the fisherfolk are not prepared to pay the Government prices.

17. The net factories at Camogli have many looms idle owing to the lack of requests on the Italian market for fishing nets, and have had to dismiss personnel. This is causing distress, as it is the main industry of this village.

18. A request has been made to this Region by the Fisheries Division Headquarters, for a survey of the Liguria coast of Region E where there are many important fishing centers, such as Viareggio, Leghorn, Porto Ferrario, Piombino etc. The lack of transport is holding up this project as a jeep cannot be allotted for full-time work with Fisheries.

WELFARE

19. This has indeed been a month of meetings; at least one provincial committee meeting was held in each of the 11 provinces, with summer colonies, clothing, cotton and medical distribution plans on all agenda.
20. In addition to these routine meetings many of a more specialized character took place. The Women's Voluntary Committees met in several Provinces; at Alessandria all communal secretaries met with the Prefect, Avvocato Borghese and UNRRA Representatives; at Turin all Post-Bellica (Post-War Assistance) secretaries met with the Regional secretary and UNRRA staff.
21. Regional Welfare Staff met with the Regional supervisor of Gioventu' Italiana (Italian Youth) on the summer colony program; with the Regional Post-Bellica Secretary for Liguria; with representatives of the Centro Studi Assistenza Sociale (Center of Studies for Social Assistance) at Genoa, and with the representatives of the Pontifical Commission in several Provinces.
22. The volume of work for the Welfare Division of the Region has been almost doubled by the change-over to summer colonies and by the addition of the I.D.P. responsibilities. The clothing distribution has been made extremely difficult because provincial officials did not receive clear instructions outlining the procedures to be followed, explaining the functions of the Ministry of Post-War Assistance, the Delegation, and UNRRA. Much of the clothing has arrived in poor condition with large quantities of miscellaneous articles such as unmade garters and moth-eaten woolen scarves etc., the constructive use of which rather defeats all concerned.

Analysis of Feeding Program.

23. Between 28 January and 11 March feeding operations began in all the Provinces of Piemonte and Liguria. The total number of persons for whom food has been allocated in these regions is 116,420. The total number of persons receiving food as reported on 10 June 1946 was 115,524 with only 896 rations undistributed.
24. Food has been allocated to 496 communes and on 10 June 480 of these communes were reporting regularly, which represents a sharp contrast to the 50.5% which reported in February.
25. Since January the percentage of cooked food distributed has greatly increased. In Liguria now the percentage of cooked food given in each province is as follows: -

Savona:	85%	of rations cooked.
La Spezia :	58%	" "
Genova:	73%	" "

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La Spezia :	58%	" "
Genova:	73%	" "
Imperia:	58%	" "

26. In Piemonte we have examined the cooked-feeding program more minutely, and the following chart shows the percentage of cooked rations being given in each Province per age group.

PERCENTAGE OF RATIONS BEING DISTRIBUTED THROUGH COOKED MEALS $60\frac{1}{4}$

Province	0-1	1-3	4-8	9-15		Nursing & Expectant Mothers
				School Lunch Program		
Alessandria	9%	19%	71%	78%	26%	
Aosta	35%	10%	50%	40%	25%	(+)
Asti	12%	42%	84%	70%	10%	
Cuneo	15%	42%	89%	89%	29%	
Novara	23%	31%	77%	42%	-	(+)
Turin	18%	65%	97%	96%	78%	
Vercelli	90%	100%	100%	100%	100%	

27. The low percentage of cooked food in Aosta and Novara is in the main due to the fact that both provinces are mountainous and the mountain communes, being poor, lack the necessary resources for a cooked program. It is gratifying to note the progress that has been made in extending school lunch programs for the four to 15-year group and to see that in one province - Vercelli - practically all rations are issued as cooked food.

28. Since distribution started there have been only minor disturbances at a few centers. Most of the demonstrations which did occur were in protest of the practice of always distributing UNRRA food to the same individuals. Sindaci (Mayors) say that this is their greatest difficulty, especially in small communities where the number of needy persons far exceeds the rations allocated. Having to choose the most needy on any priority acceptable to the unfed-remainder has caused more than one sindaco to present his resignation.

Clothing Distribution to Italian Displaced Persons.

29. All Provinces have prepared distribution plans but these have not been presented to provincial committees as the clothing has not yet been fully sorted and examined. In some provinces shoes and heavy articles of clothing are lacking. The general dissatisfaction which has been voiced about the type and condition of the clothing received may in part be due to the fact that only recently some Provinces had distributed an allocation of new clothing consisting of women's dresses and men's suits which had been received from the Ministry of Post-War Assistance.

30. In Vercelli province 20,000 adults are now working in the rice fields. About one half of these people are residents of Vercelli and the others come from outside Provinces. The working and transplanting of rice began on 15 June and is expected to continue for about 45 days.

31. Nine hundred children of rice workers are being given UNRRA rations through ONMI (Opera Nazionale Maternita' e Infanzia - Maternal and Child Welfare Institute) and ASILI and about 50% of these were already receiving UNRRA food before work in the rice fields began. Extra food is being purchased by funds contributed jointly by ECL (Ente Comunale Assistenza - Communal Assistance Committee), ONMI, and the rice workers' union.

32. Children of rice workers will receive medical attention from ONMI centers and the adults will be cared for by communal doctors. First aid equipment has been assigned to key spots in case of minor accidents.

33. On 22 June a photographer arrived from Public Information Division, Rome, to photograph the "Rice Harvest". A field worker accompanied him to Vercelli to view the operations now in process pre-

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DISPLACED PERSONS.

34. Liguria is assisting 626 persons.
Piemonte is assisting 892 persons.
Since the last report 41 persons have been referred to Camp.

35. During the month all clients being assisted through this office have been called for interview in connection with P.S.O.C. (Repatriation Occupational and full particulars in regard to repatriation, re-settlement, and occupational capacity have been taken.

36. Hospital authorizations issued have amounted to 502 for the month. On the 10 June an agreement was made with the Director of the Colesia Hospital Genoa-Bevarolo. This agreement provides that only 300 lire instead of 400 lire per day are paid for the hospitalization of our sick clients.

SECURITY

37. During the month a conference was held by the Prefect, Dr. Antonio Antonucci, which the heads of the Police Department in Genoa attended. The security position in the Port was reviewed in all its aspects and the Prefect stated that he would do all in his power to increase the number of police functioning in the Port and to ensure that instructions of Port Regulations were prosecuted promptly and vigorously. The month has seen a further increase in the number of prosecutions by the Port Police.

38. The number of thefts reported to this office has shown an increase this month, with thieves usually showing discrimination and stealing valuable foodstuffs, like sugar. The reporting by the Cornic officials of thefts to this office has improved considerably and notification of them is now received immediately.

39. During the month a Camps Division Warehouse was opened in Genoa which will be used as a Port Warehouse for the Camps Division Central Warehouse at Milan. Goods will be received in this warehouse and forwarded to Milan. Already the warehouse has commenced operations and the Railway Police of Genoa have proved most cooperative in the escort of goods by rail from Genoa to Milan. Despite a shortage of agents, Dr. Gioecis, Chief of Railway Police in Genoa, has never refused a request by this office for the services of Railway Police.

HEALTH

40. Dr. Rodall, Medical Officer for this Region, arrived on the 10 June. All files and distribution lists of medical supplies, linen for sheets etc., have been handed over and a thorough check-up with Medico Provinciale is taking place.

41. The hospital unit for 200 beds to LA Spezia is well under way, and a request has been made to Milan to expedite the linen allotment for the beds to LA Spezia.

42. On the 18 June 80,000 vials of penicillin were received directly from America by the SS "Halula Victory" for the Provincial Doctor of Genoa, and arrangements have been made for cold storage. The Medico Provinciale (Provincial Doctor) of Genoa knows nothing of this penicillin's subsequent fate except that he has received instructions from Bergamo, Rome, to arrange for its debarkation and storage.

43. The Erdime Warehouse, Genoa, has been visited and a report on the movement of stock since the issue of the new price list is being prepared. It is being arranged that the price list is circulated to all hospitals, institutions, etc.

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44. Dr. Rodell is arranging a meeting of all Medico Provinciali of Liguria in Genoa and of Piemonte in Turin. The object of these meetings is an attempt to get all Provinces to work according to one generalized system.

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FINANCE AND ADMINISTRATION

45. Personnel
The present strength of our personnel is made-up as follows:-

9 Class I employees	- 6 in Genoa.	
	3 in Turin.	
65 Class II employees	- 53 in Genoa.	Monthly - 33
		Daily - 20
	12 in Turin.	Monthly - 8
		Daily - 4

- 6 -

2 Class III employees - 1 in Genoa
1 in Turin

making a total of 76 employees of all classes.

During the month there has been a further expansion of our Organization in Genoa, and the following new Departments have been added:-

Health - in charge of Dr. Pedell.
Assessing - in charge of Col. Oldfield.

Mess. - Class I employees.

46. An agreement has been reached with the Colombia Hotel Management and the details have been submitted to Rome for final approval. All Divisions of Headquarters are requested to let the Regional Office know well in advance if any of their staff are visiting Genoa, so that accommodation can be reserved and an indent sent for rations.

TRANSPORT

47. This Department is still encountering some difficulty in providing suitable transportation for the Organization, due to the insufficient number of jeeps assigned to us, the lack of spare parts, and the bad condition of some of the vehicles requiring continuous repairs.

48. A survey of the transport situation has been carried out by the Transport Division, Headquarters, for Major Jefferies' report to Z.R.C. Should the additional vehicles, required be forthcoming, this Region would be able to function smoothly.

PORTS - GENOA AND SAVONA

49. During the first 25 days of June, only two colliers carrying UNRRA coal to the amount of 13,290 tons arrive at Savona, none at Genoa. We have been informed that there will be many arrivals of coal at Genoa and Savona during the coming month. The situation as far as general cargo and grain is concerned is not so bad, 54,732 tons having been discharged. Actual A.C./UNRRA cargoes which have arrived at Genoa are 16 vessels carrying the following items:-

Grain and oats	Tons.	41,229.
Gasoline	"	14,863.
Cotton	"	4,520.
Metals	"	2,100.
General	"	19,040.

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Grain and oats	Tons. 41,229.
Gasoline	" 14,863.
Cotton	" 4,520.
Metals	" 2,100.
General	" 19,010.

	Tons. 81,722.

Savona - five vessels carrying the following items:-

Coal	Tons. 13,782.
Petrol	" 30,906.

	Tons. 44,688.

50. The warehouse situation has eased considerably since the last report. A warehouse has been taken over at Alessandria with a capacity of 80/90,000 bales of cotton and 20,000 tons of general cargo. Thirty-five thousand bales of cotton have been moved from the port already, and it is hoped that during July the back-piling of merchandise in the port area will have ceased.

51. An additional berth for the discharge of coal has been arranged at Savona at which a daily rate of 1,800 tons could be handled. Efforts are being made to obtain permission for Liberty vessels to enter the Port of La Spezia where a berth is available for coal discharge at the rate of 1,800 tons daily. The reason for this is the recent reopening of the railway line of La Spezia-Fiuma which serves Emilia, Liguria and the Southern Provinces of Lombardia. The following survey has been made of the maximum acceptance of cargoes in the three ports of Liguria:-

<u>Genoa.</u>	
Coal	Tons 200,000
Grain	" 100,000
General and other bulk	" 150,000

Total	450,000
<u>Savona</u>	
Coal	Tons 230,000
Other bulk	" 40,000
General cargo	" 40,000

Total	310,000
<u>La Spezia</u>	
Coal	Tons 50,000
<u>Total for Liguria Region.</u>	
Coal	Tons 480,000
Grain	" 100,000
General and other bulk	" 230,000

Total	810,000

52. Good relationship exists between UNREA and all Government Agencies working in the Port area, and "Sorveglianza" are continuing to give first-class cooperation with this office.

Savona

Coal	Tons 230,000
Other bulk	" 40,000
General cargo	" 40,000

Total	310,000

La Spezia

Coal	Tons 50,000
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Total for Liguria Region

Coal	Tons 480,000
Grain	" 100,000
General and other bulk	" 230,000

Total	810,000

52. Good relationship exists between UNREA and all Government Agencies working in the Port area, and "Sorveglianza" are continuing to give first-class cooperation with this office.

RELATIONSHIP WITH THE ITALIAN GOVERNMENT AND OTHER AGENCIES.

53. Cordial and solid working arrangements exist between UNREA and all Italian Government Departments. Constant contact is being maintained with Prefects, Provincial Secretaries, Mayors, etc. Voluntary Agencies are proving a great help to the Welfare Division, especially in connection with the Summer Colony Program.

54. Ministry of Agriculture Officials have shown much appreciation of the fact that UNREA is interested in the Amassing Program and are anxious to collaborate and help with all the means at their disposal. **602**

C: 5112

L. Koenigsbert,
Regional Director,
Liguria & Piemonte Region.

Attachment H-8-2.

MONTHLY REPORT OF THE REGIONAL DIRECTOR, LOMBARDDIA REGION,

FOR JUNE 1945

General Economic Situation

1. Interest in economic events in Lombardia, as elsewhere in Italy during the month of June, was subordinated to the elections and their results. Once the final declaration of the Republic was made, however, attention was a bit on economic and social developments.
2. Among other things frequent demonstrations of returning POW's with somewhat violent tendencies were noted in most of the important provincial centers. Various branches of industry paid more than usual attention to the arrival and distribution of UNRRA goods. The statement of Mr. Harlan Cleveland to a press conference on 28 June serves as a timely verification of the present situation with respect to UNRRA's supply and distribution progress.
3. The amassing of wheat is well underway. At the end of June no less than 55,000 tons of wheat have been amassed into the Granaio del Popolo in Lombardia which is up to all reasonable expectations and indicates that the estimate of Mission Headquarters in Rome of approximately 213,000 tons before the end of July will be met.
4. Production levels remain more or less the same as last month because of: (a) export and exchange difficulties, (b) shortage of fuel, both liquid and solid, despite a supplementary allocation of 50,000 tons of coal during the month of June, and (c) the claim of the industrialists that they cannot afford to pay the heavy employment taxes and contributions on new and untrained workers.
5. Unemployment is still high, with the number of Italian refugees in this region constantly increasing. There has been a temporary emigration of some labor to Switzerland where employment seems to be plentiful. Tourist trade is small and many of the hotels in the lake regions are empty.

Agriculture and the Amassing

6. Wheat amassing has begun in all provinces except Como, Sondrio, and Varese, where hilly country has been the cause of later reaping and threshing. Amassing is going on in a generally satisfactory manner and probably the target goal will be surpassed, especially in Mantova, Cremona, and Brescia Provinces. The following table shows the latest figures:

Cleveland to a press conference on 28 June 1941 as a timely clarification of the present situation with respect to UNRRA's supply and distribution progress.

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4. Production levels remain more or less the same as last month because of: (a) export and exchange difficulties, (b) shortage of fuel, both liquid and solid, due to a supplementary allocation of 60,000 tons of coal during the month of June, and (c) the claim of the industrialists that they cannot afford to pay the heavy employment taxes and contributions on new and untrained workers.

5. Unemployment is still high, with the number of Italian refugees in this region constantly increasing. There has been a temporary emigration of some labor to Switzerland where employment seems to be plentiful. Tourist trade is small and many of the hotels in the lake regions are empty.

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Province	Amassable*	Total on July 1st -	Percentage
Bergamo	20,000 tons	627 tons	3.14
Brescia	50,000 "	6,769 "	13.53
*Como	4,780 "	-	-
Cremona	50,000 "	15,612 "	33.62
Mantova	70,000 "	20,278 "	29.95
Milano	60,000 "	8,013 "	13.35
Pavia	46,000 "	2,524 "	5.31
**Sondrio	-	-	-
*Varese	1,500 "	-	-
Total	256,280 tons	55,023 tons	15.57%

*No current data available

**No amassing forecast, since retentions are expected to cover production.

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7. This regional Agricoltura Division has, since the beginning of the amassing campaign, kept in close touch with interested Italian agencies, (Consorzio Agrari - (Agricoltura Institute) - UFRZA (Unione Provinciale Statistica Economica Agricoltura - Provincial Union of Agricultural Economic Statistics) - the Inspector of Agriculture - U.M.A. (Utenti Motori Agricoli - Users of Agricultural Motors), to ensure that everything possible is being done to make it successful. A considerable amount of work has been done in the checking of supplies of binder twine, baling wire, thrashing sets, belting, and P.O.L. In Lombardia about 3500 thrashing sets have been listed and their operation is under control by provincial inspectors of agriculture, who are also responsible for P.O.L. needs. The sale of the 125 AC tractors, now all sold and operating in Lombardia, has been conducted under UFRZA supervision. These tractors, in addition to those previously in possession of the farmers, will drive thrashing sets, and due to their superior mobility will put farmers at a considerable advantage.
8. Wheat reaping has been in progress through the month, particularly in the provinces of Mantova, Cremona, Brescia and Milano. The yield is somewhat under expectations owing to the unfavorable weather conditions in March and at the time of reaping, but on the whole production will not be under the estimated 550,000 tons for Lombardia.
9. Corn is progressing very satisfactorily all over the region, both first and second crops; weather permitting, production will be above the estimated 500,000 tons. Rye, barley, and oat crops are also satisfactory and the general outlook for grain production is good. Fruit and vegetable crops are exceptionally abundant and owing to lack of opportunity to export over-production is causing grave concern.
10. Forage production has been normal but farmers have had to be very quick in cutting and collecting hay, taking advantage of the fine days alternating with rainy days. Cattle feed is, however, short, and consequently high in price. Whatever help UFRZA can give with these supplies will bring great relief to Lombardia livestock breeding and milk and meat products feed processing.
11. Soda and ammonium nitrates arrivals and distribution have taken place throughout the month. A total of approximately 10,000 tons has been distributed for the second corn crop. One hundred mowers, 55 binders, and 70 tractor-plows have arrived at the Federazione dei Consorzi Agrari assembling center at Piacenza and are being distributed to the regional Consorzio Agrari. Forage pea and flax seeds have arrived and are being distributed. P.O.L. for threshing is arriving regularly and 1200 tons of coal have been provided to operate some 400 steam engines in Lombardia.

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Public Health

12. One of the most important activities of the month has been the inspection of the system of medicinal distribution down to the hospital level. The personal contacts made by Dr. Farfor, Regional Medical Officer, have accelerated the second distribution, despite the fact that the Provincial Medical Officers have been somewhat slow in getting their allotments cut to the hospitals.

13. An M.I. room in charge of Dr. A. Kaluzny for UNRA personnel, was opened on 14 June. Dr. Kaluzny is to assume the duties of Staff Medical Officer in addition to those of Medical Supply Officer. The dispensary of the Montecatini Company, including X-ray apparatus, has been placed at the disposal of UNRA.

14. Benzyl Benzoin for the treatment of scabies has arrived and was distributed to the provinces of Milan, Como, and Sondrio. The Provincial Medical Officer of Milan has been requested to set aside half his quota for the remaining provinces. Provincial Medical Officers have been given instructions in the use of this substance.

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15. Data as to the amount of DDT required for the projected disinfection campaign is being collected from the Provincial Medical Officers, as well as recommended modifications in the plan for the distribution of narcotics drawn up by the High Commissioner for Hygiene and Public Health. Both of these operations are expected to begin shortly.
16. An investigation of 592 quintals of American soap given by AMG to the Consorzio Agrario Provinciale (now in a depot at Brera near Foro trade. Release of this urgently-needed commodity is being arranged. A request for DDT for the disinfection of San Vittore prison was received. After investigation it was decided to give the necessary solution but to defer its application until expert technical staff is available. Per personal disinfection a supply of DDT powder is to be sent immediately.
17. Local facilities for medical, surgical, and dental treatment for Class I and III personnel in the event that present military installations close are being explored and a report is in preparation. Facilities for dental treatment of Class II staff and the possibility of obtaining drugs not available on the Italian market for deserving cases of non-Italian origin are also under investigation.
18. Cotton Goods Distribution - Total shipments of cotton goods from Lombardia factories during June amounted to a total of 145,743 kgs for public health purposes and 67,372 for displaced persons. A complete breakdown of shipments for each province of Italy in terms of sheets, pillow cases, and towels is available in this regional office.
Public Welfare
19. During the month of June 150,000 needy mothers and children were assisted in Lombardia. A major activity during the month was the organization of summer colonies, as all the Provincial Secretaries were occupied with the various summer colony programs. Emphasis in this region was also centered around the forthcoming nutrition conference, Italian refugees, and the possibility of organizing a summer social service institute.
20. Feeding Program - Emphasis on hot meals as against raw distribution has continued in all provinces, with considerable improvement in many cases. In discussing the feeding program our attention has been called by the Delegation to plan "P", which includes dried eggs, soup and jam, and also to the rations for the summer colonies. This does not necessarily assure delivery by SEPVAL as based upon past experience. We therefore urge that pressure be brought to bear by Mission Headquarters upon SEPVAL to make these items available when they are needed. (Note by Headquarters Bureau of Requirements and Distribution: At present we are in close contact with the High Commissioner for Food, who has given orders that all food under

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21. Relationship with the Government - The relationship of the Welfare Section with the Italian Delegation has been excellent and there is a continuous exchange of information. The Delegation is, however, short of staff and organizationally weak, with the result that it is not effectively supervising the welfare program and giving the provinces necessary leadership. As a consequence the provinces have turned to the welfare staff for guidance and assistance in planning their programs.

22. Because of the governmental set-up giving control over the Provincial Secretary to the Prefect and the Delegation, the power and effectiveness of the Provincial Committee is greatly reduced, and since the Delegation is weak it has been difficult to have put into effect certain necessary actions. Examples of this difficulty are found in Cremona, where the Prefect is planning to remove the present satisfactory Secretary, and in Milan, where the Provincial office has been in a state of chaos, but due to the backing of the Prefect, a change was made by the Delegation with extreme difficulty. It is unfortunate that Milan, the most important province of Lombard's, has the

worst provincial office in the region. In all of the provinces our welfare workers have been of considerable aid in assisting secretaries and Provincial Committees in planning their programs. Perhaps it is premature to think of withdrawing them from their present mode of operation and changing the program for only three months of the calendar year.

23. Summer Colonies - All provinces have been extremely occupied during the past month in an effort to get summer colonies organized. Provincial committee meetings were held in all the provinces and plans discussed and approved. All provinces have received help from welfare workers in working out summer plans. In some cases we assisted with transportation of equipment. The following table shows the number and type of colonies in the Provinces of Lombardia:

SUMMER COLONIES IN LOWEARDIA

	Full Time		Day Only	
	number of colonies	number of children	number of colonies	number of children
Bergamo	6	670	94	14,000
Brescia	16	1800	80	10,000
Mantova	5	500	32	6,500
Como	2	200	21	2,000
Sondrio	2	200	7	1,000
Milano	40	8000	40	20,000
Verese	7	700	50	7,500
Pavia	1	200	300	5,000
Cremona	-	-	11	2,500
Totals	78	12,270	641	68,600

24. Nutrition - Meetings in all the Provinces were held during the past two weeks for the purpose of setting plans for the nutrition conferences to be held in Milan in September. The meetings were well attended and considerable interest was expressed in the forthcoming conferences.

25. Summer Institute - During the past few weeks interest has been developed in the project of a summer institute for social service problems. It was at first thought that the Ministry of Post-War Assistance would finance the project, but this now seems unlikely. Since support from Rome for using the Lire fund was also refused, a circular has been issued to various social agencies in an effort to obtain their financial support.

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26. Italian Displaced Persons - One important problem that has arisen recently is that 8000 additional Italian refugees were sent to Milan from Venezia Giulia and Tunisia without taking into consideration the facilities available for their care. The Ministry of Post-War Assistance representatives turned to UNRRA for help in finding a refuge for these people. The Italian army, according to the Ministry of Post-War Assistance representative, has some facilities but is not very cooperative. In addition, the Prefect has not been of any great assistance. We have been able to advise the Ministry of Post-War Assistance of existing facilities and have contacted Allied army groups to ascertain how and where these refugees can be received. A temporary shelter has been found for the group with a hope that a national planning program is developed in Rome in the near future. With refugees coming in from all parts of Italy and overseas it cannot be considered a purely local matter, especially in the absence of genuine interest in the welfare of the refugees.

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27. In order to assist the Italian displaced persons camps, which seem to be growing in this region, it is suggested that considerable quantities of material and equipment that UNRRA has available in the southern regions - such as glass, soap, disinfectants - be brought up to some centrally located place in the North for distribution. In this way supplies could be provided for the camp in a short time and the refugees would receive some material assistance while a national program is formed for their eventual resettlement. (Note by Headquarters Bureau of Relief Services: The equipment which UNRRA has is for national usage and can be transported to any part of Italy from the existing warehouses as easily as though it were stored in other sections of the country, provided that definite requests are made).

Information

28. Due to the fact that no officers have been appointed for Statistics or Requirements and Distribution, Information Officers made visits to the Provinces to gather information on nutrition and food processing.

29. The purely informational activities of the region were somewhat fewer this month due to the rather uncertain political situation and consequent increased space given in the press and radio to political events. The most important work included the following:

a. Preparations were made for advance press publicity for the nutrition conference to be held in Milan in September by Miss Sue Sadow, Chief Nutritionist for the Italian Mission. Plans were also made for a prolongation of the conference in order to demonstrate to Milanese housewives the uses of UNRRA foods.

b. The Regional Information Officer visited farms and canning plants in Mantova Province to study the problem of over-production of certain fruits and vegetables. A Conference was held with the Assistant Nutritionist of the Austrian Mission on the need for these same foods in Austria. A report was sent to Rome on the results of this investigation and conference.

c. Interviews were held and reports made on stocks of Allied-imported dehydrated foods in provincial warehouses and experiments were made to ascertain if they could be used in pasta, bread, and biscuit making. From information gathered from the Food Processing Committee, Milan's SEPRA Director, and Miss Sue Sadow, reports were compiled and submitted to Rome.

d. The Regional Information Officer, accompanied by Dr. A. Kalusny, Medical Supplies Officer, visited the sanatorium village of Sandalo (Province of Sondrio) to gather information regarding the needs of this institution in view of its appeal to UNRRA for assistance in procuring equipment.

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d. The Regional Information Officer, accompanied by Dr. A. Kalusny, Medical Supplies Officer, visited the sanatorium village of Sondalo (Province of Sondrio) to gather information regarding the needs of this institution in view of its appeal to UNRRA for assistance in procuring equipment.

e. Circular letters were sent to Chambers of Commerce and Labor Exchanges of the region asking for latest statistics on unemployment, and to the SENRALS of the nine provinces requesting figures on surplus stocks of dried imported UNRRA and Allied foods in their respective warehouses.

f. Bulletins were issued to the press and radio on UNRRA sponsored training course for Italian and central European nurses in America and on "UNRRA and the Amassing Campaign", a special release approved by Mr. Harlan Cleveland and distributed at a press conference held on the occasion of Mr. Cleveland's visit.

g. Interviews were had with Sir George Paish and Commander Rao, British economists, and with Dr. Kurt von Schuschnigg.

Protective Services

30. The protective service continued to be one of the most active branches of the regional office. The following cases were handled:

c. Black market dealings in UNERA Chilean nitrate of soda and sulphate of ammonium. A report was sent to Mission Headquarters.

b. Irregularities regarding imported coal in Pavia Province.

c. Theft at FURZEN Cotton Mills, Gravello Tice, by armed bandits. Investigations at this stage have resulted in the arrest of 14 of the bandits and the recovery of over 3000 meters of UNERA sheeting. The load of the bandits has not yet been apprehended but his identity is known and a warrant has been issued for his arrest.

d. The owner of a vehicle illegally using UNERA markings was located and the markings removed.

e. An Italian civilian was arrested for petty thieving in UNERA offices.

f. Fifty tons of black market coal were impounded at Bergamo, and an investigation is now underway.

g. Four quintals of sugar were stolen from the Consorzio Agrario at Cremona.

31. During the month 12 consignments of UNERA cotton goods were dispatched from the Lombardia cotton mills. Police escort was arranged for each of these shipments.

Administration and Personnel

32. The main problems occurring during the month resulted from the moving of Camps Group H.Q. to Milan. The office accommodation required by this branch was about three times that originally requested by them and considerable difficulty was encountered in arranging for this additional space. Should there be any further expansion it may be necessary to rent offices in another location, since it now appears that it will not be possible to have more space in the present building. The contract with Montecatini for rent of furniture and offices at the rate of Lit. 1,400,000 for the occupation of the third floor seems to have met with the approval of the Italian Delegation in Rome but has not yet been signed.

33. The billeting of approximately 75 persons from Camp Groups H.Q. has caused the number of rooms needed at the Hotel Continentale to exceed by a large margin the number contracted for. The best solution to this urgent problem seems to be the finding of another hotel, since partial occupation is opposed by the owner of the Continentale and requisitioning of the entire premises would leave some 130 rooms unused. The Hotel Nord is available and seems to be suitable despite the fact that only a few

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34. The need for Requirements and Distribution, Amassing and Economic Analysis personnel remains acute. Further clarification of the order freeing Class I employees is awaited. Should it be impossible to hire persons for these positions the work of the region will be seriously handicapped.

35. The first distribution of clothing for Class II personnel is expected to occur within the next two weeks. Plans are also being made for the establishment of a staff association in this region.

Transportation

36. No changes have been made in the number of vehicles allocated to this region; the shortage of transport remains acute. Mr. Jefferson of

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E.R.O. and Mr. De Mattos from Mission Headquarters Vehicle Control and Maintenance Division visited the office and agreed that there are too few vehicles to meet the increasing needs of all divisions.

37. The requisitioning of a garage has not yet been completed, but the Regional Transportation Officer has been informed verbally that the order should reach Milan within the next few days. The present premises are entirely unsuitable and until the proposed change is effected efficient operation is extremely difficult.

38. Trucks have been extensively used for welfare work during June. Five different relief organizations which would otherwise have been unable to afford transport used UNEFA vehicles to take children to summer camps. One of these organizations offered hospitality to 10 children of Class II employees in return.

39. The spare-part and tire situation remains critical. Much-needed repairs are not being made because of the lack of these items and because of the vehicle shortage which necessitates constant use of every car.

A. L. SAFFA
REGIONAL DIRECTOR,
LOMBADIA REGION.

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A. L. RAFFA
REGIONAL DIRECTOR,
LOMEADIA REGION.

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H.Q. Rome by Dr. Cipriani (Venice representative of the Italian Delegation) on 24 June for discussion.

- b. The possibility of organizing technical schools for training of the unemployed. This scheme has been warmly received by the Press. Provincial conferences were arranged for every day of the week, commencing 24 June to discuss details and estimate costs.
 - c. The examination of the conditions of agriculture and the progress of the harvest. Dealt with under R & D.
 - d. The development of the fishing industry. Study completed. The Fisheries Specialist proceeded to Mission H.Q. to discuss with the Chief of the Agriculture and Fisheries Division.
 - e. Assistance unification. Conferences continue, but progress is slow owing to the ramifications of the various societies.
 - f. The distribution of surplus clothing from the U.S. lying in Port warehouses. No progress to report. This calls for an early decision by the Italian Government if the entire stock is not to be destroyed by rats.
2. The examination of surplus stock of coal. Movement is taking place and the situation is well in hand.
10. Targets for July will be:
- a. To press for action on the CASAS scheme in Region Venezia.
 - b. To complete the study and make recommendations regarding the organization of Technical Schools.
 - c. To continue with the scheme for assistance unification.
 - d. To continue pressure for the distribution of surplus clothing lying in port warehouses.
 - e. To prepare an administrative plan for the switch to greater control on distribution of all UNRRA supplies as outlined at the Regional Director's Conference.
 - f. To instruct additional staff in their duties in implementing the plan mentioned above in (e).

SUPPLY AND DISTRIBUTION

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SUPPLY AND DISTRIBUTION

11. The harvest for this year is now in progress and it is anticipated that the yield in the Region Veneto will exceed last year's total by at least 5%. The early deliveries of grain to the silos are greater than were expected and, even after allowing for a diminution after the bonus period, there is still every prospect of a bumper harvest.
12. Already there are rumors of the illegal export of large quantities of grain to Jugoslavia from the provinces of Rovigo, Treviso and Venice, and investigations are proceeding. So far there are no facts to report.
13. The fruit season is rapidly approaching and the question of disposal of surpluses is a vital one in this Region. With the help of the Regional Director arrangements have been made for the representative of the Chamber of Commerce of Padua to go to Vicenza on 3 July to discuss plans for exchanging fruit for timber.

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A. AGENTE H - 8 - h

MONTHLY REPORT OF THE REGIONAL DIRECTOR,

VENETO REGION, FOR JUNE 1946

GENERAL

1. Considering the character and magnitude of the publicity campaign preceding the Italian elections, with its suggestion that feelings would run high, the calm and good order of Election Day and the days before the final results were known, which followed, came as something of an anticlimax.
2. The results have been received without bombast by the victors and without recriminations by the losers and local officials have once more settled down to deal with the domestic problems of the Region.
3. It was a great advantage to be able to channel the attention of the officials concerned to the critical food situation which existed within the Region.
4. Taking an average throughout Region Veneto from 14 June to 24 June, the stock of flour in each Province only allowed for a daily distribution of 50% of the 200 gram ration. The balance being made up with polenta (maize meal).
5. It is particularly unfortunate that the maize in question from the S.S. "Vittorio Veneto", is musty and unpalatable. A sample was submitted to the Hygiene Office who certified it as non-injurious despite its flavor.
6. All Provinces were scraping the bottom of their barrels to maintain even the 50% flour distribution when small quantities of the new harvest began to seep through.
7. Even though the quantity, at first, was very small, it had an immediate effect on the ration. All Provinces in this Region are now back to normal distribution without maize flour unless they specially request it.
8. The provincial officials are to be congratulated on the methods they adopted in order to hold the line and so avert a major crisis until

3. It was a great advantage to be able to channel the attention of the officials concerned to the critical food situation which existed within the Region.
4. Taking an average throughout Region Veneto from 14 June to 24 June, the stock of flour in each Province only allowed for a daily distribution of 50% of the 200 gram ration. The balance being made up with polenta (maize meal).
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8. The provincial officials are to be congratulated on the methods they adopted in order to hold the line and so avert a major crisis until the new harvest came in, and no less praise is due to the people of the Provinces who accepted calmly and without serious complaint, an unwelcome variation in their ration.
9. Targets for June were:
 - a. The proposed CASAS scheme for Region Veneto. After investigating the extent of devastation in ^{each} province a report has been prepared showing what is required in the more heavily-damaged Communes. This report was taken to Mission

- H.Q. Rome by Dr. Ciprian (Venice representative of the Italian Delegation) on 24 June for discussion.
- b. The possibility of organizing technical schools for training of the unemployed. This scheme has been warmly received by the Press. Provincial conferences were arranged for every day of the week, commencing 24 June to discuss details and estimate costs.
 - c. The examination of the conditions of agriculture and the progress of the harvest. Dealt with under R & D.
 - d. The development of the fishing industry. Study completed. The Fisheries Specialist proceeded to Mission H.Q. to discuss with the Chief of the Agriculture and Fisheries Division.
 - e. Assistance unification. Conferences continue, but progress is slow owing to the ramifications of the various societies.
 - f. The distribution of surplus clothing from the U.S. lying in Port warehouses. No progress to report. This calls for an early decision by the Italian Government if the entire stock is not to be destroyed by rats.
8. The examination of surplus stock of coal. Movement is taking place and the situation is well in hand.
10. Targets for July will be:
- a. To press for action on the CASAS scheme in Region Venezia.
 - b. To complete the study and make recommendations regarding the organization of Technical Schools.
 - c. To continue with the scheme for assistance unification.
 - d. To continue pressure for the distribution of surplus clothing lying in port warehouses.
 - e. To prepare an administrative plan for the switch to greater control on distribution of all UERA supplies as outlined at the Regional Director's Conference.
 - f. To instruct additional staff in their duties in implementing the plan mentioned above in (e).

- f. The distribution of surplus clothing from the U.S. lying in port warehouses. No progress to report. This calls for an early decision by the Italian Government if the entire stock is not to be destroyed by rats.
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 - e. To prepare an administrative plan for the switch to greater control on distribution of all UERSA supplies as outlined at the Regional Director's Conference.
 - f. To instruct additional staff in their duties in implementing the plan mentioned above in (e).

SUPPLY AND DISTRIBUTION

11. The harvest for this year is now in progress and it is anticipated that the yield in the Region Veneto will exceed last year's total by at least 5%. The early deliveries of grain to the silos are greater than were expected and, even after allowing for a diminution after the bonus period, there is still every prospect of a bumper harvest.
12. Already there are rumors of the illegal export of large quantities of grain to Jugoslavia from the provinces of Rovigo, Treviso and Venice, and investigations are proceeding. So far there are no facts to report.
13. The fruit season is rapidly approaching and the question of disposal of surpluses is a vital one in this Region. With the help of the Regional Director arrangements have been made for the representative of the Chamber of Commerce of Padua to go to Vienna on 3 July to discuss plans for exchanging wheat for timber.

- 3 -
14. There is still no information regarding the posting of a Supply and Distribution Officer for Region Veneto. Increased activity in the Distribution side of this branch sharpens the necessity of such an appointment as the Regional Director, acting as a Supply Officer, sometimes does so at the expense of other rehabilitation matters.
 15. The Harvest Liaison Officer arrived on 24 June and is already in the field making necessary enquiries and contacts to further the amassal program.
 16. **COAL.** - Despite the effects of the recently-settled Coal Strike in the U.S. June allocations of coal for Region Veneto were met.
 17. Careful planning also has resulted in making available a sufficient stock to meet July requirements, after which it is hoped that supplies will once again arrive regularly from the U.S.
 18. Backpiling amounts to 17,372 tons at Dock A with a further 26,910 tons at Vetrocoko.
 19. **FISHERIES** - The fishing industry is rapidly approaching its pre-war level of production, but the high price of fish will be maintained as long as fish remains an invaluable item of the daily diet.
 20. **PORTS** - For the month of June there was again little activity in the Port of Venice. The number of arrivals totalled 28 ships which included three ships (colliers) for URFFA Italy and two ships (general and maize) for URRA Austria. Of the remainder, 11 were for the Army and 12 for civil account.
 21. Stocks in warehouses consist of 998 tons (soup, evaporated milk, canned fish, powdered milk) to the Italian Government account at warehouses 16/17.
 22. There is still ample room in warehouses for additional general cargo.
 23. Cotton for URFFA Italy and URRA Albania lying in the Sacca Pisola warehouse still awaits orders for local processing.

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23. Cotton for UNRRA Italy and UNRRA Albania lying in the Sacca Pisola warehouse still awaits orders for local processing.
- HEALTH
24. The good record of health in the Region is somewhat marred by the high incidence of T.B. and we were therefore glad to welcome Dr. Avitabile, Asst. to the Consultant T.B. Section of Health Division on her short visit of inspection, during which she covered nine of the 10 Provinces in the Region.
25. The anti-malaria D.D.T. operation continues at full pressure, such to the satisfaction of residents and farmers whose properties are being treated.

26. All provinces have now received an issue of UNRRA medical supplies but distribution from Endimex stocks is still sluggish, only three provinces having received supplies from this source. The large stock of Endimex (14,000 cases) which has been lying in the Magazzino Punto Franco Venice since last October is still untouched, but recent information indicates that 500 cases will shortly be transferred to Genoa, where it is hoped they will be distributed and not stored.

27. Two alarming reports of the outbreak of serious infectious diseases near the town of St. Stino di Livenza (Province of Venice) appeared in the local press. Investigation proved the reports to be exaggerated, as it was the same insanitary habitation which the Regional Director and Regional Medical Officer had already visited and at which Dr. Mac Rae had taken energetic action to control an outbreak of dysentery.

28. The Post Bellona Camp at Verona is causing some concern from a health point of view as both the building and the sanitary arrangements are inadequate and unsatisfactory. The Regional Director has written to the Prefect suggesting that immediate steps be taken to requisition more suitable premises.

WELFARE

29. Region Veneto is well served in its Welfare Branch under the supervision of Miss Sumbwall and her Assistants. The Regional Director spent a day visiting various camps and seeing at first hand the day-to-day problems with which this branch is faced. The mid-day meals provided under the assistance program are good when one considers the limited amount of food available for this purpose.

30. It is understood that there are large stocks of dried eggs and powdered milk in Italy which are not moving as rapidly as is desirable. If so, these commodities would be invaluable as an addition to the present distribution and the advisability of purchasing them through the Lire fund might be investigated.

31. Arrangements for the summer colonies are nearing completion. We do not yet know whether UNRRA rations will be available to serve three meals per day, but such a concession would solve so many difficult problems, e.g. varied diets, funds for local purchases, etc, that we earnestly hope the discussion at present taking place at Mission H.Q. will decide in favor of the suggestion.

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32. The importance of learning behind at least the shape of a National Public Assistance scheme when UNRRA finishes its 1946 program is fully appreciated and conferences at many levels are taking place to further this end. The ramifications of the many Assistance Societies already operating retard progress, but a whole-hearted enthusiasm such as exists in this Region for such a scheme should eventually overcome all difficulties.

33. The services in relation to the post-war assistance have been largely limited to getting acquainted with the situation. Further developments seem dependent on the early clarification of policy and instructions by the two administrative agencies - the Delegation and the Ministry - and further clarification of the Welfare officer's responsibilities.

PROTECTIVE SERVICE

34. A check on the system of issue and storage of D.D.T. in the anti-malarial campaign zones has been made with beneficial results. This commodity is in great demand by the public but so far no D.D.T. has appeared on the black market in this Region.
35. The provincial press, at the request of the Regional Protective Officer, has instantly warned the public against persons falsely representing themselves to be UNEFA officials. The value of such publicity was proved during the month of June when three foreigners in possession of forged UNEFA documents were arrested on the Austrian-Italian border and put into prison.

ADMINISTRATION

36. There has been considerable re-organization in the administration of the Region, and the responsibilities of R & D branch and of the Administration branch are now clearly defined.
37. The present strength of Region Veneto is: 11 Class I and 78 Class II Employees.
38. The Director of the Transportation Division at the Regional Directors' conference in Rome stated that each Region would acquire its strength in Jeeps within 14 days. It is hoped that this will be implemented as the present amount of passenger carrying transport is insufficient.

J.L. JONES,
Regional Director,
Veneto Region

- 36. There has been considerable re-organization in the administration of the Region, and the responsibilities of A & D branch and of the Administration branch are now clearly defined.
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J.L. JONES,
Regional Director,
Veneto Region

3. 6109

590

Declassified E.O. 12356 Section 3.3/NND No. 785016

Reporting Unit - Italian Mission

Attachment H - 9 FORM S-50

Commodity Group	Acquisitions	Issues to	
		Italian Government	Field Office Operations
1	3	5	6
0 Food, Fats & Oils, Soap & Tobacco	167955	167312	643
1 Clothing, Textiles & Footwear	8765	8765	
2 Medical Supplies & Equipment	610	610	
4 Communication & Transport	1	1	
6 Agricultural Supplies	8145	8145	
7 Manufactured Products	192	192	
8 Fuels & Lubricants	132391(a)	132391(a)	
9 Raw Materials	8260	8260	
	326319	325676	643

(a) Excluding Petrol, Oil and Lubricants shipped in Bulk quantities.

Declassified E.O. 12356 Section 3.3/NND No. 785016

Attachment II - 9 FORM S-50

FF
JJ
MONTH - JUNE 1946

Acquisitions

Issues to
Italian Government Field Office
Operations

3

5

6

167955

167312

643

8765

8765

610

610

1

1

8145

8145

192

192

132391(a)

132391(a)

8260

8260

326319

325676

643

cents shipped in bulk quantities.

CU 6164

785016

H-10. INFORMATION REQUESTED UNDER FORM M.S.R. 1.

UNPRA

Country, Italy
 Month covered by
 report, June 1946

A. Distribution of Supplies.

Note: In accordance with instructions from Washington, Form S-50 (Attachment H-9) has been substituted for Section A, Item 1, 2 and 3 of form M.S.R. - 1.

4. a. Supplies received from UNPRA by outright transfer and distributed by the Government :

1. Total turned over by the Government for further distribution (sum of items a-e)
 - (a) To private distributive trade channels: Nil
 - (b) To industrial users including government enterprises for further processing: Nil
 - (c) To non-profit voluntary agencies (list) Nil
 - (d) To cooperative distributions : Nil
 - (e) To Governmental distribution agencies(list) Istituto Commercio Estero.

<u>Commodity Class.</u>	<u>Long Tons.</u>
0	993,651
1	45,601
2	3,711
3	57
4	251
5	190
6	35,154
7	241
8	1,501,930
9	10,404
	<u>2,591,150</u>

2. Stocks on hand in Government's control not yet released to above agencies for distribution: Nil

3. Total received (sum of items 1 and 2); 2,591,150 Long Tons.

4. b. Equipment (not included in Item 4.a) leased by Government from UNPRA, total to date: Nil

- (a) To private distributive trade channels: Nil
- (b) To industrial users including government enterprise for further processing: Nil
- (c) To non-profit voluntary agencies (list) Nil
- (d) To cooperative distributions: Nil
- (e) To Governmental distribution agencies (list) Istituto Commercio Estero.

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	<u>2,591,150</u>

- 2. Stocks on hand in Government's control not yet released to above agencies for distribution: Nil
- 3. Total received (sum of items 1 and 2); 2,591,150 Long Tons.
- 4. b. Equipment (not included in Item 4.a) leased by Government from UNERRA, total to date: Nil
- 4. c(1) Supplies distributed by Government to 30th April, 1946 for which proceeds were received: 1,281,198 Metric tons.
This figure excludes P.O.L. which has yet to be established.
- (2) Approximate Balances of Supplies excluding P.O.L. handed over to Italian Government to 30th April, 1946, for which no proceeds were received: 428,460 "
- Some of these supplies have already been distributed and it is anticipated that proceeds in respect of all will be received in due course.
- (3) Proceeds received by Italian Government in respect of Sales under (1) above: 5,199,167,742 Lire

590

-2-

b(1) Total amount turned over to Special Account by Italian Government: 5,199,167,742 Lire (4-c-3)

P.O.L. (150,000,000 Lire per month 1st Feb - 30th June, 1946 on account of Sales until actual determination): 750,000,000

Coal (on account of Sales May 1946): 1,447,670,400
7,396,838,142 Lire

Less: Retained by Federazioni Connerzi pending determination of distribution
Costs of Grain, Flour and Codfish: 375,655,267

Distribution costs of Seed Potatoes: 118,590,600

Quota for equalising unified price of imported Seed Potatoes: 111,672,815 605,218,682

Balance paid into Special Proceeds of Sale Account: 6,790,919,460 Lire

(2) Amounts Expended out of Proceeds under "B" above: UMEBA Administrative Expenses: 1,500,000,000

Balance remaining for appropriation: 5,290,919,460 Lire
=====

Recommended appropriations awaiting approval of Joint President of Joint Committees expected by 6th July, 1946: 568,850,000 Lire

Note: In accordance with the Memorandum dated 1 March 1946 from the Director of Finance and Financial Advisor, E.R.O., to the Chief of the Italian Mission, subject: Procedure for the Collection and Presentation of Statistics on Proceeds of Sale of UMEBA supplies, three

Costs of Grain, Flour and Codfish: 375,555,267

Distribution costs of Seed Potatoes: 118,590,600

Quote for equalising unified price of imported Seed Potatoes: 111,672,815 505,918,682

Balance paid into Special Proceeds of Sale Account: 6,790,919,460 Lire

(2) Amounts Expended out of Proceeds under "B" above:
 UREFA Administrative Expenses: 1,500,000,000

Balance remaining for appropriation: 5,290,919,460 Lire

Recommended appropriations awaiting approval of Joint President of Joint Committees expected by 6th July, 1946: 566,650,000 Lire

Note: In accordance with the memorandum dated 1 March 1946 from the Director of Finance and Financial Advisor, E.R.O., to the Chief of the Italian Mission, Subject: Procedure for the Collection and Presentation of Statistics on Proceeds of Sale of UREFA supplies, three copies of Form E.F.2 will be sent to the E.R.O. and one copy to the Headquarters Office in Washington, as Attachment H-12 to this report. Form E.F.2., Amount and Utilization of Proceeds from Sale of UREFA Supplies, contains more detailed data on the topic stated for the period 19 January to 30 April 1946.

C. Items C-1 through C-5 are covered in Attachment H-7-d-(i), and are therefore omitted from Attachment H-10, in accordance with London's Cable No. 1186.

Note: Statistics in Items C-6 through C-11 are for the period 19 May to 15 June 1946, inclusive, and cover all ten camps in which medical care was an UREFA responsibility during the period (Bari No. 1 Transit Camp, Cine Citta Camp, and the Lecce and Milan Camp Groups).

- 6. Total number of patient days in UREFA-operated hospitals: 7,963.
- 7. Total number of clinic visits to UREFA-operated clinics: 13,040.

-3-

- 8. Number of UNRRA-operated camps or other UNRRA-operated institutions in which services reported in Items C-6 and C-7 were provided during the period:
23.
(12 camp clinics, 9 camp hospitals and 2 central hospitals).
- 9. Number serving these hospitals and clinics at end of period under review:
a. Doctors: 32.
b. Nurses: 61.
- 10. Total number of immunizations under UNRRA direction during the period: 7,153.
- 11. Total number of child health examinations under UNRRA direction during the period: 691.
- D-1. PERSONNEL OF MISSION AS OF 30 JUNE 1946.

NUMBER

	CLASS			VOL. AGENCY
	I	II	III	
1. Classification of employees on pay-roll at end of month by service:				
a. Displaced Persons.	54	214		93
b. Health.	10	29		8
c. Welfare.	12	9		-
d. Agricultural Rehabilitation.	15	24		-
e. Industrial Rehabilitation.	40	82		-
f. Requirements Co-ord & Supply (Bureau of E. & D., excluding Divs. of Inland Transport, Indust. Rehab. and Agr. Rehab.)	90	138		-
g. Division of Inland Transport (Bureau of E. & D.).	4	8		-
h. Camps Operations.	94	473		-
i. Finance & Administration	84	466		-

- 10. Total number of immunizations under UNGRA direction during the period: 7,153.
- 11. Total number of child health examinations under UNGRA direction during the period: 691.

D-1. PERSONNEL OF MISSION AS OF 30 JUNE 1946.

	NUMBER			VOL. AGENCY
	CLASS I	CLASS II	CLASS III	
1. Classification of employees on pay-roll at end of month by service:				
a. Displaced Persons.	54	214	93	
b. Health.	10	29	8	
c. Welfare.	12	9	-	
d. Agricultural Rehabilitation.	15	24	-	
e. Industrial Rehabilitation.	40	82	-	
f. Requirements Co-ord & Supply (Bureau of R. & D., excluding Divs. of Inland Transport, Indust. Rehab. and Agr. Rehab.)	90	138	-	
g. Division of Inland Transport (Bureau of R. & D.).	4	8	-	
h. Camps Operations.	94	473	-	
i. Finance & Administration (except Personnel Div. & Vehicle Control and Maintenance Division)	84	466	-	
j. Personnel	12	37	-	592
k. Vehicle Control and Maintenance	17	826	-	
l. Office of Chief of Mission (excluding Information Div.)	20	109	-	
m. Information Div.	11	10	-	
n. Regional Staff.	103	611	25	
TOTAL:	566	3,236	126	

=====

D-2. The text of Item D-2 has not yet been received in this office.

D-3.

EMPLOYMENT OF PERSONNEL AS OF 30 JUNE 1946 BY SEX

<u>Sex</u>	<u>CLASS I</u>	<u>CLASS II</u>	<u>CLASS III</u>
Male	385	2427	95
Female	181	809	31
	566	3236	126

D-4.

EMPLOYMENT OF CLASS I PERSONNEL AS OF 30 JUNE 1946 BY

GRADE

Grade 1	-	10.	Grade 6	-	78.	Grade 11	-	45.
Grade 2	-	0.	Grade 7	-	68.	Grade 12	-	22.
Grade 3	-	1.	Grade 8	-	88.	Grade 13	-	10.
Grade 4	-	56.	Grade 9	-	56.	Grade 14	-	4.
Grade 5	-	75.	Grade 10	-	50.	Grade 15	-	1.

D-4.

EMPLOYMENT OF CLASS I PERSONNEL AS OF 30 JUNE 1946 BY

GRADE

Grade 1	-	10.	Grade 6	-	78.	Grade 11	-	45.
Grade 2	-	0.	Grade 7	-	68.	Grade 12	-	22.
Grade 3	-	1.	Grade 8	-	88.	Grade 13	-	10.
Grade 4	-	58.	Grade 9	-	56.	Grade 14	-	4.
Grade 5	-	75.	Grade 10	-	50.	Grade 15	-	1.

1677

