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(VOL. III)

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(VOL. III)

MONTHLY REPORTS, UNRRA
JULY 1946

Ex Comm. 129.
WASA's Monthly Report for July herewith.
I have not read the monumental
work in its entirety but have marked
passages of interest in the general
summary.

S.M.C.M. 17/8 H.S. 19/8

MSL 19/8. ~~MSL~~

Bo

Chief Commissioner.

Attached is submitted for your signature

Information

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AUG 20 1948

Paras 1-6.

MS 15/8

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Summary
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Chief Commissioner

Approved
Attached is submitted for your signature
information

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Pages 1-6. MS/15/18

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UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

ITALIAN MISSION

Chief of Mission's Narrative Report for the Month of

July 1946

CONTENTS.

AUG 16 1946

This report consists of a brief summary of the Italian Mission's major activities during the month of July 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. Services Provided with UNRRA Resources.
- F. Public Relations.
- G. Organization and Administration of the Mission.
- H. List of Attachments.

S. M. KERRY,
Chief of Italian Mission.

Distribution:

Allied Commission,
Brazilian Embassy,
British Embassy,

Albania,
Austria,
Cairo,

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Washington,

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

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CHIEF OF MISSION'S NARRATIVE REPORT FOR THE 1TH OFJULY, 1946.A. INTRODUCTION

1. At the end of June prospects were for a peaceful July for the Mission after an anxious pre-harvest month. Three events destroyed that expectation. They were:

- a) The call to London on Budget problems.
- b) The Petrol strike.
- c) The visit of the Director General.

THE CALL TO LONDON

2. The Chief of Mission and the Deputy Chief of Mission for Requirements and Distribution spent a week in London discussing policy questions underlying the budgets for the third and fourth quarter. The immediate problems were caused by the "freeze" on Class I personnel at a time when some types of supplies for Italy had not begun to arrive. Underlying this, however, were questions as to how deeply this Mission should involve itself in the problems of allocation and distribution. Agreement was reached that our present actions are within the framework of our agreement; but it was also agreed that we should transfer responsibilities to the Government as rapidly as they are prepared to take them. Plans were also agreed for substituting Italian Personnel for Foreign Staff as rapidly as possible, especially in instances where competent staff can be assigned from Government Ministries to UNRRA on loan, so that UNRRA experience will later be transmitted directly into the appropriate Government channels.

PETROL STRIKE

3. The petrol strike reared its unlovely head after we had thought everything would be settled quietly. We were presented with the problem of how to unload eight or 10 tankers already in the Mediterranean on which the demurrage would be about 3,000 dollars a day each. The Government was also greatly concerned about keeping the threshing and emassing moving without interruption. An emergency meeting was called, including representatives of the Military, the Government, Labor and of UNRRA. This Mission took the position of complete neutrality toward the strike, but emphasized that we should do everything necessary to avoid demurrage, even to diverting or cancelling ships. Fortunately, the new Government came into power on the very morning of the first day of the strike and acted at once, invoking all the powers of Government agencies to continue distribution to essential services. The strike itself was settled after several days, with the strikers getting an increase in wages paid by increasing the cost of petrol. UNRRA

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THE VISIT OF THE DIRECTOR GENERAL

4. The visit of the Director General was of the anticipated cyclonic variety. He set a new record for a small amount of paper work - 30 minutes. (This does not include the several weeks of work answering the 800 letters which have been received, mostly addressed "Dear Cousin"). Nearly all of Mr. La Guardia's time was spent seeing people and UNRA at work. He met both the Italian and Foreign Staffs for an hour each, but most of the time in conference was spent with the Government. He did not ^{remain} in Rome, but visited ⁶⁴

CM 6617

785017

- 2 -

several devastated towns, and managed a trip to Milan to look into UNRA supplies for industry, and one to Sicily to find out why the Sicilians, almost alone in Italy, refused to turn in their grain to the Government. The Director General had two roles in Italy; one as Head of UNRA, and one as "amico" La Guardia. The latter one was even more demanding than the first: many hundreds of people tried to see him personally, or to reach him by telephone, or by letters handed in to the office, or even through the window of his automobile. All of this was a novelty even for this Mission, which has seen many strange things. All-in-all, the visit was a real success: the Director General hammered home essential facts about the world shortage of supplies and, to make up for this, he made numerous personal speeches which greatly encouraged a people, who at this moment, feel very much in need of friends.

GRAIN

5. The grain problem has turned from one of fighting for enough bread for tomorrow, to building a plan that will make some sense for a year. The amassing has gone very well: of the goal for the year of some 2,379,852 tons of wheat about 72% had been amassed by the end of the month. The results were uniformly good, with the notable exception of Sicily, which has the same feeling for Government Agents as do moonshiners in Kentucky. Under the inspiration of their own oratory, apparently every speaker in every party had promised that if his people came to power, there would be an increase in the ration. The Mission had instructions that the decision was solely that of the Government, but we made it crystal clear that supplies were short and that caution was the word of the day. Nevertheless, the ration was raised on 22 July to 250 grams. This is by no means too much bread for a people who rely so heavily on this item in their diet. Also, the rise of 50 grams in the ration helped the amassing program and helped to break the Black Market, in which the price of bread fell by roughly 30 to 35 lire a kilo in Rome. There was also talk of increasing the pasta ration from two to three kilos a month, but this died down after we had stressed that it would take another half million tons of grain. This Mission also opposed any reduction in the milling rate which the High Commissioner of Food would like to have reduced from 90% to 85%. The Director General stressed the undesirability of this as have the British Government, the International Emergency Food Council, and UNRA Headquarters; but, nevertheless, the High Commissioner is offering each province a choice between 250 grams of bread at 90% extraction or 235 at 85%. This tendency is thoroughly bad because there is a tendency not to reduce the ration even though the extraction rate is lowered, and we are doing everything possible to prevent this trend, but we have been instructed that the decision is entirely that of the Italian Government.

5. The grain outlook to the next harvest is thus bad. This Mission has agreed that other countries shall have priority until their own harvests are in, provided that this does not mean that Italy gets less in the long run. But we have asked for 1,750,000 tons to the next harvest.

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6. The grain outlook to the next harvest is thus bad. This Mission has agreed that other countries shall have priority until their own harvests are in, provided that this does not mean that Italy gets less in the long run. But we have asked for 1,750,000 tons to the next harvest. If the 250 gram ration is maintained and no other increases made, the requirement will be not less than 1,850,000 tons. We are informed by Washington that it will probably be impossible to get more than 1,500,000 tons. This Mission had allocated funds for 750,000 tons, the rest to be paid for by the Government; but higher prices for wheat and large shipments of un-programmed and sometimes un-ordered food items, make it doubtful whether UNRRA can pay for all of the 750,000 tons without wrecking other programs. Now UNRRA and the Government can extricate themselves from this situation is a matter for some very serious work in the coming weeks.

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-3-

COAL

7. The position regarding imports of coal appears to be improving. In July 484,000 tons arrived in Italy as against 111,000 tons in June, but this is still below the average monthly needs of 600,000 tons. July shipments are expected to reach the figure of 620,000 tons. The most interesting new development is that 15,000 tons are scheduled to come from Silesia in August by rail, and if transport difficulties, due chiefly to lack of wagons, can be overcome, this figure should rise within three months to 80,000 tons.

GRASSHOPPER CAMPAIGN

8. July saw the end of this campaign with the triumphant record of less than 10% loss. This was a triumph for Gamarexene and air transport, and London, which helped us out when action had to be immediate. A word of credit also goes to the Division of Vehicle Control and Maintenance for getting 150 trucks into position quickly, and to General Fimre, High Commissioner for Sardinia (an old flying friend of the Director General's from the first war) for an admirable job of local organization in Sardinia.

THE PRICE AND LIRE FUND CONTROL COMMITTEES

9. These have been continuing their excellent work. The prices have been fixed on the following items: flax seed, coal, seed potatoes, insulin, timlate, certain cotton goods, wheat binders, forage pea seed, forage seed corn; and the Committee is rapidly catching up on its work. The Lire Fund Control Committee has some 16 technical sub-groups checking on the accounting for each important commodity. The results of their work will mean an increasing and regular flow of Lire into the Lire Fund.

10. This Lire Fund, by the way, has only recently been recognized by Headquarters as a most important resource for rehabilitation. We are glad to know that the policy for its use is to be reviewed at Geneva.

REPORTS ON TARGETS FOR JULY

11. (a) To prepare the necessary reports for the August Council Session.

Done

(b) To give maximum assistance to Regions on the Grain Processing Program.

Excellent progress in most Regions, but improvement needed in the South and drastic action in Sicily.

(c) To accelerate work on the Textile Program.

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Excellent progress in most Regions, but improvement needed in the South and drastic action in Sicily.

(c) To accelerate work on the Textile Program.

Basic agreement worked out between the Government and Industry. Contracts should be signed in August.

(d) To assist in accelerating the CASAS (Comitato Amministrativo Soccorso ai Senzatetto - Administrative Committee to Aid the Homeless) Building Program for housing homeless Italians.

Work on new houses satisfactory. Work on repairs lagging. Drastic steps to be taken to accelerate work including additional grants for poorest families whose need is greatest, but who sometimes can contribute nothing toward costs.

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(e) To bring the work of the Price and Live Fuel Control Committee in to date.

Proceeding satisfactorily.

(f) To sign the SACRED Agreement on displaced persons.

Done.

(g) To review the organization of Relief Services in the light of the UNO staff.

In progress.

(h) To improve inspection of distribution of UNRRA supplies.

Begin, and will be accelerated with aid of visiting team from UNO.

(i) To revise the budget in the light of the Chief of Mission's distribution of funds and to establish the basis for Fourth Quarter operations.

Done.

(j) To get the maximum amount of automotive transport running and to work on essential projects.

In progress.

TARGETS FOR AUGUST.

12. (e) To revise operational plans in the light of Geneva decisions.

(b) Prepare Fourth Quarter Budget.

(c) Complete re-organization of D.P. Camps, including larger decentralizations and placing of responsibility in regions.

(d) To get enlarged textile program actually in operation, with first priority on layettes.

(e) To revise and accelerate the housing repair program.

(f) To review distribution system in the light of findings of special committee.

(g) To develop a clothing distribution plan based on textile program.

Progress on Organization of Relief Services in theLight of the MO study.

In progress.

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- (g) To develop a clothing distribution plan based on textile program.
- (h) To revise Travel Section in order to care for transients from other Missions.

UNRRA's Role in the Italian Economy.

13. The month of July found UNRRA once again swimming into stride with a major volume of shipments into Italy. As compared with a trough in June of only 325,000 long tons and the peak load in April of 860,000, more than 1,000,000 tons arrived this month.
14. Coal, the plasma of the Italian economy and now without rival as the single most important import, reached a volume of over 470,000 tons in July and was expected substantially to exceed that amount in August. Bread cereal receipts, bearing out UNRRA's promise to

-5-

125

continue such shipments after the harvest, approximated 200,000 tons, of which about 35,000 tons was Argentine gift grain for which UNRRA was meeting only the transportation costs. Other food items and the various miscellaneous materials essential for Italy's agricultural and industrial rehabilitation were both received in the greatest monthly volume to date. Among these, certain items, like nickel and industrial chemicals, were arriving for the first time since the program started.

15. Overshadowed by the UNRRA volume, but continuing on a significant scale nevertheless, were Italian Government and private imports, the former bringing in such items as asphalt and nitrates and the latter still importing cotton. Shipments of phosphate rock from North Africa continued in large volume, with a record target of 65,000 tons being set for the month.

16. Meanwhile, much thinking was being done about the future of the Italian economy after UNRRA leaves. The Mission's effort this year has been to provide as much as possible of the basic essentials, so that the Italian Government and private interests could devote the maximum amount of their resources to the building up of industry and the export trade. Behind all this was the knowledge that the central factor in Italy's economic recovery is the availability of foreign exchange and that the faster the country can build up its exports, the faster it can be placed on a pay-as-you-go basis.

17. Two factors especially, it is now being generally realized, have served to delay this eventuality. First has been the breakdown, in the first half of this year, in deliveries of coal. With the level of Italian industrial activity almost directly dependent upon the flow of this commodity, potential exports have been seriously reduced. The other factor is the lack of available financing to cover even the above-UNRRA needs for 1946. Out of approximately \$ 537 million (excluding freight costs) which, according to original plans for industrial development, would have covered the above-UNRRA requirement, it was estimated this month that only \$ 324 million would, in fact, be available. The net result of such factors was that industrial exports in 1947 are not expected to exceed \$ 400 million, hardly enough, taken together with Italy's miscellaneous income, to cover half of her total import bill.

RELATIONSHIP WITH THE ITALIAN GOVERNMENT.

Supplementary Agreements Negotiated or in Progress.

18. Correspondence has been exchanged between the Chief of Mission and the Minister of Foreign Affairs concerning the ultimate responsibility, on the termination of UNRRA, for the care and maintenance of those displaced persons who are covered by the UNRRA charter.

General Problems of Relationship.

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General Problems of Relationship.

19. The new De Gasperi Government is not substantially different from the previous one, and its political composition is almost equally divided between the Christian Democrat, the Socialist and the Communist parties.

20. The Minister of Foreign Trade Brocci, of the Action Party, has been replaced by the Christian Democrat Casarilli. The Christian Democrat Grandi, the former Minister of Industry and Commerce, has been replaced by the Socialist Morandi. The relations between UNRRA and the Ministry of Industry and Commerce are expected to be fruitful, also, because the new Undersecretary to the Ministry Trucelloni has been working in close collaboration with the Mission

-6-

in his former capacity of Chairman of the Industrial Commission.

21. The solution of the problem of the processing and distribution of UNRRA raw cotton was one of the first results of the relations with the new Ministry.

22. The Liro Fund Control Committee held two meetings during the month of July. The most important recommendations reached by the Committee referred to the appropriation of 500 million lire for the Anti-Grasshopper Campaign for Sardinia, and 245 million lire to the Federazione Agraria (Federation of Agricultural Institutes) for expenses incurred for the handling of UNRRA Supplies under the 1945 program. (The minutes of the meeting held on 10 and 12 July are Attachment H-1-e).

23. The Price Committee held three meetings during the month of July. (The minutes are Attachments H-1-c, H-1-b and H-1-e). For each commodity submitted to the Price Committee, the following figures have been established:

- (a) The sale price
- (b) The estimated cost of distribution
- (c) The estimated difference between (a) and (b) which represents the net proceeds of sale, that is, the amount to be paid into the Liro Fund.

24. The Price Committee works in close collaboration with the Liro Fund Control Committee, and representatives of UNRRA and the Government sit on both committees. The Price Committee, in fixing prices, estimates the costs of distribution for each UNRRA-imported commodity, and the Liro Fund Committee analyzes and checks the distribution costs actually incurred by the Agencies concerned in the handling of UNRRA goods.

25. Prime Minister De Gasperi emphasized the need for a uniform price policy for UNRRA-imported goods and domestic products, and the Price Committee is endeavoring to apply such a policy.

26. The first meeting of the Displaced Persons Committee was held on 4 July. The Committee serves as an advisory body to the Chief of UNRRA Italian Mission and the President of the Italian Government Delegation for Relations with UNRRA. (See Attachment H-5-3-(i)).

27. It was pointed out, during the meeting, that UNRRA was authorized to offer assistance only to those displaced persons who qualify for such assistance under existing resolutions, and that the Agreement between UNRRA and the military authorities, (See C, Para. 27) provides for the transfer to UNRRA of responsibility for UNRRA-eligible displaced persons only.

C. RELATIONSHIP WITH OTHER AGENCIES.

28. The UNRRA-SIGNED Agreement, relating to transfer of respon-

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C. RELATIONSHIP WITH OTHER AGENCIES.

28. The UNRRA-SACMED Agreement, relating to transfer of responsibility for displaced persons from SACMED to UNRRA, was signed on 15 July in Rome by S.M. Koenig, Chief of the Italian Mission for UNRRA and Major General M.W. McLeod, Chief of Staff for SACMED. (See Attachment H-6-d-(11)). The Agreement is effective as of 1 August 1946.

D. SUPPLY AND DISTRIBUTION.

Requirements.

29. The unloading of 1,440,000 tons of wheat from 1 to 29 July plus the arrival of 190,315 metric tons of imported cereals brought relief

-7-

from the cereal crisis which had been facing Italy for several months and created a stock sufficient to maintain existing ration scales for 108 days. Several Regions were able to augment the bread ration. Imports of foodstuffs other than cereals amounted to 29,460 tons, including 17,367 tons of sugar, 3,840 tons of wet salted codfish, 2,817 tons of fat oils.

30. In Sardinia, with five recently-installed UNRRA sawmills in operation, no holidays and the return of many of the harvesting minors, the coal production for July went up by leaps and bounds, and a total of 95,514 tons was dug out of the pits, as compared with a total of 78,975 tons for June.

31. The first of a series of joint conferences with representatives of the High Commissioner for Food on the question of consolidating national ration scales has been held. At present the High Commissioner for Food is not able to state whether or not the Government will make available sufficient foreign credit to purchase foodstuffs abroad, or line to purchase any uncontrolled foodstuffs on the home market. A decision was made that as soon as possible equalization of existing scales between North and South must be agreed upon.

32. Material progress has been made towards clearing up of the black spots in regard to spoiled and deteriorated foodstuffs. The recently-formed National Commission in a two-day session at Naples made a complete examination of the accumulation of spoiled goods and goods in danger of deteriorating. Instructions were issued for disposing of the goods at once. Genoa is scheduled as the next port to receive the attention of the Commission. Actually, the total quantity of spoiled goods forms but a small proportion of total UNRRA imports.

33. It was feared that the Italian rubber factories would have to close down in August due to the non-arrival of synthetic rubber. This Mission requested Washington that a constant percentage of synthetic to crude rubber should be maintained in all shipments so that factories would work a constant percentage "mix" and thereby obtain a maximum production. The general situation is now considerably eased as we have been informed that an allocation of 2,000 tons of synthetic rubber has been made to the Italian Delegation in Washington for shipment in equal quantities in July, August and September and that this allocation will not affect the UNRRA program.

34. Energetic action taken last March has resulted in a continued high volume of delivery of phosphate rock from North Africa so that against a total program to date of 218,000 tons, 181,000 have been applied to the superphosphate industry. Unfortunately, nothing like a corresponding amount of superphosphate monthly has been forthcoming, the actual figure being approximately 40,000 tons.

Shipments Received and Purchases Within Mission Territory.

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31. The first of a series of joint conferences with representatives of the High Commissioner for Food on the question of consolidating national ration scales has been held. At present the High Commissioner for Food is not able to state whether or not the Government will make available sufficient foreign credit to purchase foodstuffs abroad, or line to purchase any uncontrolled foodstuffs on the home market. A decision was made that as soon as possible equalization of existing scales between North and South must be agreed upon.

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33. It was feared that the Italian rubber factories would have to close down in August due to the non-arrival of synthetic rubber. This Mission requested Washington that a constant percentage of synthetic to crude rubber should be maintained in all shipments so that factories would work a constant percentage "mix" and thereby obtain a maximum production. The general situation is now considerably eased as we have been informed that an allocation of 2,000 tons of synthetic rubber has been made to the Italian Delegation in Washington for shipment in equal quantities in July, August and September and that this allocation will not affect the UNRRA program.

34. Energetic action taken last March has resulted in a continued high volume of delivery of phosphate rock from North Africa so that against a total program to date of 218,000 tons, 181,000 have been supplied to the superphosphate industry. Unfortunately, nothing like a corresponding amount of superphosphate monthly has been forthcoming, the actual figure being approximately 40,000 tons.

Shipments Received and Purchases Within Mission Territory.

35. About 17,631 tons of agricultural supplies and raw materials for agricultural supplies have reached Italian Ports during July. In addition, 21 tons of sodium arsenite have been received and stockpiled in the UNRRA Mediterranean Reserve Pool of Insecticides in Naples.

36. Port receipts for July amounted to slightly over one million tons, exceeding June by about 450,000 tons and represents acceptance and total or partial discharge of 151 vessels. The congestion of the Port of Venice which occurred, due to the Trieste strike and the diverting of shipping, was handled efficiently and the Port is now clear.

37. The problem of the Polish ship BATORI (See Attachment H-1 Monthly Report for June 1946, Paragraph 6) was solved on 15 July by the lifting of the lien which had been placed by the Italian shipbuilders. Consequently the Polish Government has withdrawn its ban on exports of coal to Italy.

38. July International Trade Shipments consisted of 300 tons of alfalfa seed and 12 sample fishing lamps to Greece and 200 tons of alfalfa seed to the Ukraine.

Distribution.

39. An increased emphasis is being placed on speeding up the distribution of supplies as indicated by:

(a) The assignment of the Assistant Chief of the Requirements and Distribution Bureau to specific work on Regional and Distribution problems;

(b) The organization of a Regional Liaison Branch in the Sub-Bureau of Relief Supply to coordinate the work of Regional Supply Officers who are responsible for watching and checking distribution of imported foodstuffs;

(c) Issuance of instructions to regions on expansion of the distribution of Agricultural supplies, and the preparation of similar instructions on food and industrial materials;

(d) The arrival in Rome of the Distribution Control Unit of EEO to study distribution techniques and inspection on the ground.

(e) The two-day conference at Naples of the recently-formed National Commission at which potential and actual spoilage and deterioration of foodstuffs was examined and disposal instructions were immediately given.

40. The distribution of petroleum products was interrupted during the month by a sudden strike of CNP (Comitato Italiano Petroli-Italian Petrol Committee) employees at Genoa on 15 July, which became effective over the whole country the following day. During the period of the strike incoming tankers were discharged with the exception of the S.S. "Karsten Wang" with 100,000 barrels of Fuel Oil at Genoa, where the strikers refused to handle the ship, thus causing a heavy bill for demurrage.

41. The Government, after being unsuccessful in having the strike called off, issued an order placing all the petroleum installations under Italian Military control and calling, under penalty of fines and imprisonment for refusal, on all key personnel to distribute fuel to essential services and UREPA,

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42. Packing and distribution for the third general distribution of relief medical supplies consisting of approximately 446 tons, valued at \$ 561,930, was begun in July. A total of approximately 180 tons remain to be distributed and will be dispatched from Rome to Provinces in Sardinia and Italy during the first week in August.

43. Special distributions of narcotic drugs, insulin and liver extract, mentioned in the June report (H-7-a, Para. 3) were completed according to schedule during July.

-9-

123

44. One 200-bed hospital unit was delivered during the month, and five 40-bed units. In addition, laboratory units were delivered to laboratories in Sicily.

45. Three complete X-ray units of a total tonnage of four tons have been shipped to Marche, Lombardia and Toscana.

46. During July, 20,000 vials of penicillin were distributed.

Industrial Rehabilitation

47. Real progress has been made on the development of an overall plan for the use of raw materials for textiles. It has been agreed tentatively that pending the receipt of all the necessary statistical data, a first quantity of 8,200 tons of cotton shall be put into manufacture. Priority will be given to flannellette for babies' layettes, sheeting for hospitals and domestic use, shirting and cotton dress material. The necessary steps are being taken to obtain a preliminary allocation from the Lira Fund to finance this manufacture. Planning is based on the assumption that approximately one third of the total quantity of finished cotton goods will be distributed free and that the sale price of the remainder, while very low, will be sufficient to cover the manufacturing cost of the goods for free distribution.

48. ANG Udine have expressed their readiness in principle to exchange 60,000 wool blankets, a part of their surplus holdings, against raw cotton or wool. Details of the exchange are being worked out.

49. Concrete proposals for the furnishing of over 300,000 blankets for the Layette Program have been submitted. The plan includes recutting almost all the good wooled blankets still held by ICS (Istituto Commercio Estero - Foreign Trade Institute).

50. The latest figures available (for June) show that the production of iron and steel has increased since last reported, pig iron being 18,937 tons and steel 94,529.

Agricultural Rehabilitation

51. During the early part of the month dry hot weather prevailed in the North and in Central Italy. Later, there were several storms with rain in the north and some wind and hail, which damaged crops in some provinces.

52. The cutting of fall wheat is practically over except in the mountain zones. Threshing is continuing at a good pace and the delivery of the harvest is progressing very well in most parts, especially in Emilia, Marche and Veneto. The harvest is disappointing in Sicily and only fair in South Italy, Lombardia and Piemonte. The total amount of wheat reported collected up to 29 July is 1,440,000 tons.

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53. The prospective crop of sugar beets and potatoes is excellent, but legumes have been widely damaged by aphids. Tomatoes and tobacco, especially in Puglia, show signs of moisture deficiency. On the whole, vines and fruit trees are in good condition. In some parts olives have fallen owing to lack of moisture.

54. Allocations of petrol for fisheries have been largely increased. For the month of August the following allotments have been obtained: diesel oil - 77%, kerosene - 93%, and gasoline - 48% of maximum requirements. This will allow the fishermen to

-10-

work from 16 to 13 days during August, and will be an appreciable increase in the total catch available for food.

E. SERVICES PROVIDED WITH UNRRA RESOURCES.

Welfare.

Services, Programs and Kind of Groups Given Services.

55. The Division of Welfare and respective Ministries of the Italian Government are concerned with, and making plans for, the continuation of the welfare program after UNRRA terminates. It is also indicated that the Italian Delegation is proposing the establishment of a Central Ministry of Social Security and Relief, and the coordination into one Provincial Committee for Social Welfare of the ECA (Ente Comunale di Assistenza - Italian Communal Assistance Agency), Post-War Assistance and the present Provincial Committees of charity and relief. This Provincial Committee for Social Welfare would coordinate all the welfare services in the provinces, and would be responsible to the Ministry of Social Security and Relief. Whereas there is still no positive indication that such a Ministry will be established, the interest of the Delegation in future planning on broad general lines is encouraging.

56. In the field of Welfare, the Provincial Committees are extending their activities to the development of criteria for selection of relief recipients, methods of distribution of relief supplies and record keeping and observing and reporting on relief distribution practices. From Milan comes word of the Provincial Committee and other interested groups developing a plan for a summer institute for social service problems and in service training of social agency personnel.

57. The first joint committee of UNRRA, the Italian Delegation and representatives of the Italian Government was held on 4 July to consider problems affecting both non-Italian persons in Italy, particularly those ineligible for UNRRA care, and the problems of the Italian refugees. Tentative arrangements were made for the transfer of the Tracing Bureau to the proper social agency designated by the Italian Government, and simultaneously arrangements were made by the Health Division and Displaced Persons Division for the discontinuance of the UNRRA-operated Forlì Hospital in Northern Italy and the greater utilization of Italian medical facilities for the care of non-Italian displaced persons.

58. The construction of new houses planned by CASIS (Comitato Amministrativo Soccorso di Sennatetto - Administrative Committee to Aid the Homeless) is in progress. The majority of contracts have been let and legal difficulties pertaining to the requisition of land have been overcome. The major problem continues to be eventual ownership of CASIS property. The repair of damaged houses, however, is not progressing satisfactorily. First, repair work under the Italian War Damage Act limits assistance to the repair of houses

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58. The construction of new houses planned by CASAS (Comitato Amministrativo Soccorso di Senzatetto - Administrative Committee to Aid the Homeless) is in progress. The majority of contracts have been let and legal difficulties pertaining to the requisition of land have been overcome. The major problem continues to be eventual ownership of CASAS property. The repair of damaged houses, however, is not progressing satisfactorily. First, repair work under the Italian War Damage Act limits assistance to the repair of houses which have suffered under Lit. 300,000 damage. Second, the general poverty of the Italian population in bombed-out areas prevents householders from participating in the 40% repair costs not assumed by the Government. Third, many homeless persons requiring housing are not householders and are therefore excluded from coverage under the "Anticipated Material" clause of the War Damage Act.

59. Active steps are being taken to form a coordinating Committee of UNRRA, the Italian Delegation and the Ministry of Post-War Assistance to consider the transfer of responsibility for processing clothing to the Italian Government. A sub-committee of the Lino Fund Control Committee has been formed to consider the allocation of further lire

-11-

122

funds for the manufacture of clothing through commercial channels sponsored by the Ministry of Post-War Assistance, and to develop concrete plans for future joint planning on these expenditures.

60. The major accomplishments during the month were:

(a) The reaching of an agreement with the Government on the limits to be met by it in presenting its plans for future welfare activities.

(b) The signing by the Ministry of Post-War Assistance of the instruction which represents the first step taken by that Ministry in its evacuation of Italian Displaced Persons Camps.

(c) The settlement of the many problems arising in connection with the special feeding program in Carbania.

61. More complete and accurate statistical reports on the numbers of persons fed during May through the UNRRA supplementary feeding program (for needy children and nursing and expectant mothers) were received from the Italian Delegation Office during July. These reports show that 1,910,410 persons were fed under the UNRRA supplementary feeding program in May, 1,072,897 by cooked meals and 837,513 by raw food distribution. (This is a correction of the figure given in the last month's report - Para. 4 of H-7-b and Attachment H-7-b-(4).).

62. Incomplete reports received to date for June show a feeding of 1,787,580 during that month. This figure is lower than those reported for preceding months because no distribution took place during June in Campobasso Province and the Comune of Carbania because of delays in the receipt of food.

63. The distribution of used clothing to war sufferers, refugees and bombed-out persons continued. When responsibility for clothing distribution was transferred to the Welfare Division on 1 May, agreement was reached with the Italian Delegation and the Ministry of Post War Assistance that prior to the next distribution of clothing, scheduled to begin in September, revised rules of eligibility would be prepared.

64. During the month the Processing Section sorted 635,620 old garments and repaired 159,676 out 311,408 new garments and made 491,209. It also sorted 183,150 pairs of shoes and repaired 80,460.

65. During the period 15 June to 15 July, 449,359 clothing items, 108,226 clothing units, 96,720 shoes and 179 bedding items were released from warehouses for distribution to Italian Displaced Persons, refugees and needy homeless persons. In addition, during the same period, 2,795 clothing items, 407 clothing units, and 1,910 shoes were released to Campa Division for non-Italian Displaced Persons.

66. The repair work during a period of six weeks has been carried on in 117 communes, where 3,910 rooms were repaired, rehousing 35,044 persons.

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67. In Carbonia 100 children of the streets ranging from nine to 15 years who had been living in cellars, shops, etc., have been gathered together in an institution established by priests of the Don Bosco Congregation. These children, who had been obtaining their food by pilfering, begging or selling black market cigarettes were transferred to the Don Bosco institution by the monthly meal of UNRRA rations. In addition to the hot meal and the recreation now provided at the institution, the priests plan to offer opportunities for these boys to learn useful trades and to find more suitable homes for them.

-12-

68. In L-Spezia two feeding centers have been established for homeless children, and in one center a school has been organized and the children have been induced to remain for instructions.

Voluntary Agency Matters.

69. During July considerable time was devoted to the revision of the agreements with the Congregational Service Unit and the Mennonite Service Unit. The purpose of this was to formalize the relationships of these units to UNRRA and to the Italian Government so as to assure complete understanding of and agreement with respect to the specific projects undertaken by these groups.

70. The Mennonite Service Unit has begun its distribution of clothing to needy persons in the Waldesian Valley area of Turin Province. The Congregational Unit has moved 35 families (209 individuals) from Naples caves into the new barracks being built for 500 of the cave inhabitants. Last March the Italian Delegation appropriated five million lire for this cave project, and the Congregational Unit is currently reviewing its expenditures and estimating the cost of completing the project in an attempt to determine whether or not more funds will be required. When the five million lire was appropriated, it was assumed that that amount would cover the complete cost of the project, and it is not known at this time whether or not the Italian Delegation will be willing to consider a request for additional funds.

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-13-

204-ITALIAN DISPLACED PERSONSRegistration, Repatriation and Resettlement

71. During the period reported upon, the Repatriation and Occupational Survey of displaced persons from 16 years of age eligible for UNRRA assistance whether in or out of camps, was completed. Over 19,000 forms were received at Mission HQ and coded.

72. The Repatriation and Resettlement Information Bulletin was completed and copies have now been issued to all UNRRA Camps and Field Welfare Officers; amendments will be made as required.

73. In the course of the period under review -- 16 June to 15 July -- the following major group repatriation moves were completed:-- 240 Poles to Poland, 146 Greeks to Greece, three groups of Yugoslavs totalling 140 persons to Yugoslavia. During the same period approximately 200 displaced persons of different nationalities were repatriated individually. Preparatory work in connection with movement of 60 Austrians to Austria and 36 Czechs to Czechoslovakia was completed during the period.

74. Until recently AFHQ had issued travel orders for the repatriation of non-Italian displaced persons, but this practice has been discontinued. Therefore this Mission requested the Italian Government to issue the necessary documents for the exit of displaced persons from Italy. We have been informed that the Government will not require travel orders and that UNRRA certification will be considered by the Italian authorities as sufficient documentation for the issuance of exit permits.

75. During the month several meetings were held between Major Titov, the Soviet representative to UNRRA in Italy, UNRRA ERC and Italian Mission staff regarding displaced persons problems affecting Soviet citizens. It was agreed that UNRRA, Displaced Persons Division, would bring together in one camp, presumably Cincitta, all persons who appear to be Soviet citizens and who are covered by the UNRRA Charter (with the possible exception of Jewish persons living in organized communities). USSR representatives will have free access to the camp where its citizens are concentrated, and the citizens will be given full opportunities to correspond with their relatives and friends at home.

76. It has been discovered that Greek displaced persons moving through Italy ex-Austria and ex-Germany, destined for repatriation to Greece, do not, upon arrival at the Bari Transit Camp, receive clearance, in many instances, for onward movement to Greece for Germany, Austrian and Hungarian-born spouses. Others in this group, although cleared by the Greek authorities, are unwilling to be repatriated at this time, although, when in Austria they have declared themselves to be ready for repatriation. The problem is further complicated by the fact that the greater part of these Greeks are not clearly eligible for continuing care as displaced persons under UNRRA Resolutions, but have been accepted by UNRRA upon request of the military authorities in Austria and AFHQ Italy for transit and repatriation. We are now carrying on discussions with the several parties involved, with a view to the early voluntary repatriation

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77. A meeting was arranged between General Belosin of the Rumanian Repatriation Mission and his staff and the staff of the Italian Mission. The General suggested that Rumanians eligible for UNRRA care and desiring repatriation be assembled in UNRRA camps for identification and registration on specified dates. This suggestion was accepted, and although the projected repatriation of the group is to be made on AC responsibility, UNRRA will offer all possible services in connection with those Rumanians eligible for UNRRA care.

CM 6617

Maintenance and 28

78. Supplies for which local purchase orders were placed during June are now arriving. Some difficulties, however, have been experienced in the procurement of blankets and PX rations. As for food -- all camps, with the exception of Lecce, now hold approximately one month's rations. Arrangements have been made with the Food Division of the Sub-Bureau of Relief Supplies to release a two and a half months' requirements for all Displaced Persons' establishments as from August 1.

79. As of 15 July there was a total of 9,213 displaced persons in UNRRA-operated camps. (See attachment K-6-d-(iv). The number of displaced persons or family groups outside camps who received assistance in cash or supplies under UNRRA auspices during this time totals 16,564.

80. The Forlì hospital having been closed, its personnel and equipment have been assigned to other areas.

81. It is also proposed to reduce the Southern Camp Hospitals to the status of infirmaries, and increase the number of beds available for UNRRA at the Lecce Hospital.

82. Our responsibilities in connection with the Hochsharoth may need revision. A recent survey indicates that many premises used for the Hochsharoth are in urgent need of adequate hygiene measures. At the moment we are limited to consulting with the American Joint Distribution Committee medical services regarding these problems.

83. Dr. Coigny, ERO representative, after a recent visit to all UNRRA camps, made the following observations on hygiene:-- Southern Camps - Fair; Northern Camps - Good, except for the Genoa Camp where the site is declared to be unsuitable.

RESULTSMajor Results and Problems

84. During July, the Italian Government took title to medical supplies valued at \$1,985 and approximately 340 tons were received by the ICE on behalf of the Italian Government.

85. No action requests were made to ERO during the month.

86. Twenty-seven Italian nurses selected for the UNRRA Nurse-Teacher-Training Program arrived in Rome on 31 July from all parts of Italy for final briefing prior to their departure for the US on 4 August via Naples.

87. Penicillin is now arriving in increasing quantity and plans are being prepared for the clinical use of the drug on a more extensive scale. It is hoped that a number of diseases in which penicillin is therapeutically active will be added to the approved list of diseases for which the drug may now be used in Italy.

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88. The malaria-control program for the Italian mainland, which started on 1 May, is expected to be completed by the end of July. Final figures are not yet available.
89. The scheme for the Nation-wide disinfection of hospitals, orphanages, institutions and jails is rapidly assuming final form. It is hoped that by 1 September engineers and equipment will be on the site and operations will be ready to start. However, the main difficulties at present are (1) failure of the Medici Provinciali (Provincial Health Officers) to send in requested information, and (2) the non-availability of kerosene in various provinces. In a

-15-

conference between the sanitary engineers of the Division and the Italian authorities it was agreed to use 20 tons of 100% DET and 500 sprayers for this program.

90. The revised plan for the distribution of X-ray film is being carried out and should take place in August. Expiration date of this film varies between June and August 1946, but after trial the film was found to be in a satisfactory state of preservation.

91. The High Commissioner for Hygiene and Public Health has allocated the sum of 250 million Lire for the anti-tuberculosis Sordani Sanatorium, which is expected to open in August with 1,500 beds for the accommodation of refugees and returning prisoners of war. The unfinished sanatorium of the Ospedale Riuniti at Monte Mario, Rome, will soon be finished and equipped. The High Commissioner contributed 60 million Lire for this project with the provision that 350 beds be reserved for Consorzio patients.

92. The URECA Tuberculosis Consultant visited the URECA Displaced Persons Camps in the North to investigate the facilities for diagnosis and treatment of tuberculosis among displaced persons. The problem of institutional treatment for cases of tuberculosis in the URECA camps has been discussed with the High Commissioner for Hygiene and Public Health and arrangements will be made for the assignment of a number of beds for this purpose at the new sanatorium at Sondalo.

RESULTS OF GENERAL HEALTH CONDITIONS

93. The general health of the people in Italy remains satisfactory. With the exception of two cases of typhus fever in Sicily, no serious epidemic diseases have occurred during the month.

PUBLIC RELATIONS

Visit to the Mission of non-Italian Legislative and Diplomatic officials

94. There is nothing to report under this heading.

Major Results and Problems

95. Of outstanding importance during the month was the visit of the Director General and his party 24 - 26 July. The Information Division had special responsibilities in regard to many important portions of the program - such as the Press Conference held on 24 July, the official welcome at the Campidoglio followed by the reception of 2,000 children from URECA-aided schools, visits to Government officials, the meeting with the Constituent Assembly and various trips to inspect URECA operations. In addition, the Information Division had direct responsibility for issuing press releases, texts of the Director General's speeches, and for keeping the local and foreign press informed of the Director General's movements.

96. Major press interest during the month centered on the visit of the Director General. It is estimated that in Rome alone, from

tion of refugees and returning prisoners of war. The unfinished sanatorium of the Ceredali Riuniti at Monte Mario, Rome, will soon be finished and equipped. The High Commissioner contributed 60 million Lira for this project with the provision that 350 beds be reserved for Consorzio patients.

92. The UERRA Tuberculosis Consultant visited the UERRA Displaced Persons Camps in the North to investigate the facilities for diagnosis and treatment of tuberculosis among displaced persons. The problem of institutional treatment for cases of tuberculosis in the UERRA camps has been discussed with the High Commissioner for Hygiene and Public Health and arrangements will be made for the assignment of a number of beds for this purpose at the new sanatorium at Sondalo.

RESULTS OF GENERAL HEALTH CONDITIONS

93. The general health of the people in Italy remains satisfactory. With the exception of two cases of typhus fever in Sicily, no serious epidemic diseases have occurred during the month.

PUBLIC RELATIONS

Visit to the Mission of non-Italian Legislative and Diplomatic officials

94. There is nothing to report under this heading.

Major Results and Problems

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97. Increase in the broad nation was the subject of Mr. LeGuardin's broadcast on 15 July and of an official statement of the Mission's attitude in "Economic Notes" on 19 July. "Economic Notes" also carried major articles on the wheat harvesting and the Lira Fund. The demand for "Economic Notes" both in English and Italian increased.

-16-

98. UNEZA's exhibit in the Rome Fair has been compared with great difficulty and expenditure of time in order to make this a convincing portrayal of UNEZA activities in Italy.

99. A series of especially heavy demands this month taxed the resources of the photographic section severely and affected the quantity of pictures available for the press. The total number of enlargements distributed, however, far exceeds any previously-recorded figure, being 1,261.

100. Mr. Norman Corwin, the winner of the Wendall Willkie Award, visited the Mission during the month.

6. ORGANIZATION AND ADMINISTRATION OF THE MISSION

Major Organizational Changes

101. During the month the Chief of Mission's Office has been reorganized on the following lines:

(a) The Chief of Mission is now assisted by four Deputy Chiefs of Mission - the Chiefs of the Bureau of Finance and Administration, Relief Services, Requirements and Distribution, and the Industrial Adviser to the Chief of Mission.

(b) The Regional Directors are responsible to the Chief of Mission through the Mission Executive Officer, who will now deal with general matters concerning the Regions, and with questions of general policy affecting regional operations.

(c) The Special Assistant for Protective Services is directly responsible to the Chief of Mission through the Mission Executive Officer.

(d) The Office of Economic Analysis and Reports has been abolished, and in its place a Division of Operational Analysis has been reconstituted. The position of Economic Adviser has been merged with that of the Director of this Division, and he will report to the Chief of Mission direct. The Division consists of an Economic Analysis Branch and a Reports Branch.

102. The Division of Program Coordination and Statistics has been transferred from the Sub-Bureau of Supply Operations to the office of the Chief of the Bureau of Requirements and Distribution.

Personnel

103. As of 30 July the Mission staff consisted of 567 Class I (regular) employees, 5,334 Class II (locally employed) and 111 Class III (Voluntary Agency) employees -- a total of 4,012 persons.

104. By services the staff was divided as follows: Displaced

visited the Mission during the month.

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104. By services the staff was divided as follows: Displaced Persons 361; Health 30; Welfare 27; Agricultural Rehabilitation 39; Industrial Rehabilitation 113; Requirements Coordination and Supply (Bureau of Requirements and Distribution excluding the Divisions of Inland Transport, Industrial and Agricultural Rehabilitation) 218; Division of Inland Transport 13; Cargo 57; Finance and Administration (excluding Personnel and Vehicle Maintenance and Control) 554; Personnel 48; Vehicle Control and Maintenance 829; Chief of Mission 132; Public Information 22; Regional Staff 992.

Administrative Problems

105. As stated in the last two monthly reports (May H-6, Para. 8 and June H-6 Para. 28), a discrepancy exists between the ERO fi-

-17-

119
guros of Army pay and allowances and the officer's statement given on his secondment to UNRRA. Clarification is still wanted.

106. Interpretation of Clause No. 551.2 of the Basic Field Manual is causing considerable confusion. Previously the policy has been that employees are entitled to a cash settlement equivalent to and in lieu of, the cost of repatriation. Instructions have now been received from ERO that this clause is being amended, and that no future similar action is to be taken pending clarification from Washington on the whole position.

107. Staff problems have arisen in connection with the supply of Foreign Exchange to terminated personnel, personnel preceeding outside the Mission on leave or on duty. In many cases travellers' cheques cannot be used.

108. The question of supplying cash to personnel on leave from other Missions is another problem. Visits have been received from members of other Missions, and although their pay books show credits, in view of the instructions promulgated in ERO Cable No. 1,787 which laid down that salary withdrawals cannot be made in the country in which leave is taken, they were unable to draw any money whatsoever.

109. Various problems have arisen with regard to salary allotments, especially in the case of employees of other than American and British nationality. It is hoped that the Director of Accounts may be able to clear all the foregoing problems during his impending visit to the ERO.

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F. LIST OF ATTACHMENTS.

-18-

- E-1. Monthly Report of the Special Assistant to the Chief of Mission For Government Liaison.
- H-1-a. Minutes of Third Meeting of Price Committee.
 - H-1-b. Minutes of Fourth Meeting of Price Committee.
 - H-1-c. Minutes of Fifth Meeting of Price Committee.
 - H-1-d. Minutes of Fifth Meeting of Price Committee.
 - H-1-e. Minutes of Fifth Meeting of Price Committee.
 - H-1-f. Minutes of Displaced Persons Committee.
 - H-1-g. Minutes of the Fourth Meeting of Live Fund Control Committee.
- E-2. Brief Summary of the Main Economic Developments in Italy during July 1946.
- E-3. Monthly Report of the Division of Public Information.
- H-3-a. "Weekly Bulletin", Vol. 2, No. 23, dated 2 July 1946.
 - H-3-b. "Weekly Bulletin", Vol. 2, No. 24, dated 3 July 1946.
 - H-3-c. "Weekly Bulletin", Vol. 2, No. 25, dated 16 July 1946.
 - H-3-d. "Weekly Bulletin", Vol. 2, No. 26, dated 24 July 1946.
 - H-3-e. Mr. La Guardia Press Conference, 24 July 1946.
 - H-3-f. Translation of Mr. La Guardia's Broadcast from Rome-Radio, 24 July 1946.
- E-4. Monthly Report of the Bureau of Requirements and Distribution.
- H-4-a. Monthly Report of the Program Coordination and Statistics Division.
 - H-4-b. Monthly Report of the Sub-Bureau of Relief Supply.
 - H-4-c. Monthly Report of the Sub-Bureau of Supply Operations.
 - H-4-d. Monthly Report of the Sub-Bureau of Industrial Rehabilitation.
- E-5. Monthly Report of the Bureau of Finance and Administration.
- E-6. Monthly Report of the Bureau of Relief Services.
- H-6-a. Monthly Report of the Health Division.
 - H-6-b. Monthly Report of the Welfare Division.
 - H-6-c. Monthly Report of the Special Relief Projects Division.
 - H-6-d. Monthly Report of the Displaced Persons Division.
 - H-6-e (1). Displaced Persons Committee Document No. 1.
 - H-6-f (11). Letters between Mr. Feeny and the Hon. Alcide De Gasperi, Prime Minister, on the subject of non-Italian refugees in Italy.
 - H-6-g (11). UNRRA-SACRED agreement relating to transfer of responsibility for Displaced Persons from SACRED to UNRRA.
 - H-6-h (1v). Monthly Statistical Report for Non-Italian Displaced Persons, 16 June - 15 July 1946.
- E-7. Monthly Reports of the Regional Directors.

H-3. Monthly Report of the Division of Public Information.

- H-3-a. "Weekly Bulletin", Vol. 2, No. 23, dated 2 July 1946.
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- H-3-d. "Weekly Bulletin", Vol. 2, No. 26, dated 24 July 1946.
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- H-3-f. Translation of Mr. La Guardia's Broadcast from Rome-Radio, 24 July 1946.

H-4. Monthly Report of the Bureau of Requirements and Distribution.

- H-4-a. Monthly Report of the Program Coordination and Statistics Division.
- H-4-b. Monthly Report of the Sub-Bureau of Relief Supply.
- H-4-c. Monthly Report of the Sub-Bureau of Supply Operations.
- H-4-d. Monthly Report of the Sub-Bureau of Industrial Rehabilitation.

H-5. Monthly Report of the Bureau of Finance and Administration.H-6. Monthly Report of the Bureau of Relief Services.

- H-6-a. Monthly Report of the Health Division.
- H-6-b. Monthly Report of the Welfare Division.
- H-6-c. Monthly Report of the Special Relief Projects Division.
- H-6-d. Monthly Report of the Displaced Persons Division.
- H-6-d (i). Displaced Persons Committee Document No. 1.
- H-6-d (ii). Letters between Mr. Keeny and the Hon. Alcide De Gasperi, Primo Minister, on the subject of non-Italian refugees in Italy.
- H-6-d (iii). UNRRA-SACKED agreement relating to transfer of responsibility for Displaced Persons from SACKED to UNRRA.
- H-6-d (iv). Monthly Statistical Report for Non-Italian Displaced Persons, 16 June - 15 July 1946.

H-7. Monthly Reports of the Regional Directors.

- H-7-a. Monthly Report of the Regional Director, Sardinia Region.
- H-7-b. Monthly Report of the Regional Director, Sicily Region.
- H-7-c. Monthly Report of the Regional Director, Southern Region.
- H-7-d. Monthly Report of the Regional Director, Central Region.
- H-7-e. Extracts from the Monthly Report of the Regional Director, Tuscany and Emilia Region.
- H-7-f. Monthly Report of the Regional Director, Liguria and Piemonte Region.
- H-7-g. Monthly Report of the Regional Director, Lombardia Region.

118

-19-

H-7-h. Monthly report of the Regional Director, Veneto Region.

H-8. Form S-50.

H-9. Form MSR-1.

H-10. "Economic Notes".

H-10-a. Vol. 1, No. 25, dated 5 July 1946.

H-10-b. Vol. 1, No. 26, dated 12 July 1946.

H-10-c. Vol. 1, No. 27, dated 19 July 1946.

H-10-d. Vol. 1, No. 28, dated 26 July 1946.

H-11. Form EF-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.

785017

E-11. Form EP-2. Amount and Utilization of Proceeds from Sale of DMRA
Supplies.
(For Washington and London only).

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117
ATTACHMENT B-1

MONTHLY REPORT OF
THE SPECIAL ASSISTANT TO THE CHIEF OF MISSION FOR THE
MONTH OF JULY 1946

A. RELATIONSHIP WITH THE ITALIAN GOVERNMENT.

The New Government.

1. As was expected, the new De Gasperi Government is not substantially different from the previous one, and its political composition is almost equally divided between the Christian Democrat, the Socialist and the Communist parties.
2. The Minister of Foreign Trade Bracci, of the Action Party, has been replaced by the Christian Democrat Campilli. The Christian Democrat Gronchi, the former Minister of Industry and Commerce, has been replaced by the Socialist Morandi. The relations between UNRRA and the Ministry of Industry and Commerce are expected to be fruitful, also because the new Undersecretary to the Ministry Tremelloni has been working in close collaboration with the Mission in his former capacity of Chairman of the Northern Industrial Commission.
3. One of the first results of the relations with the new Ministry, has been the solution of the complex problem of the processing and distribution of UNRRA raw cotton. (See also attachment B-4, Para. 11).

Director General's Visit to Italy.

4. The month of July was highlighted by the visit of Director General LaGuardia to Italy. The enthusiastic reception given to the Director General by the people and the Government showed the tremendous popularity of Mr. LaGuardia and the Italian appreciation for the work of UNRRA in Italy. In spite of the disillusionment prevailing among the Italians because of the Big Four's decisions and the publication of the proposed peace treaty, the welcome given to Mr. LaGuardia was unreservedly cordial. This was evidenced not only by the official receptions, but also by the many hundreds of letters addressed to Mr. LaGuardia from all parts of Italy from admirers and friends.

5. Mr. LaGuardia paid official visits to the provisional President of the Republic De Nicola, and to Prime Minister De Gasperi in addition to being received in private audience by His Holiness Pius XII. During his brief sojourn in Rome, Mr. LaGuardia was given a reception by the Mayor of Rome at the Campidoglio where he was offered a silver reproduction of the symbolic Roman she-wolf. Furthermore, the Director General was invited to address a large representation of deputies to the Constituent Assembly at the Montecitorio Building. This was the first time that a foreign personality was received by the Italian Constituent Assembly, and the session will be recalled as a memorable occasion by all those present.

6. Besides the official ceremonies, Mr. LaGuardia had a number of meetings

different from the previous one, and its political composition equally divided between the Christian Democrat, the Socialist and the Communist parties.

2. The Minister of Foreign Trade Bracci, of the Action Party, has been replaced by the Christian Democrat Campilli. The Christian Democrat Gronchi, the former Minister of Industry and Commerce, has been replaced by the Socialist Morendi. The relations between UNRRA and the Ministry of Industry and Commerce are expected to be fruitful, also because the new Undersecretary to the Ministry Tremelloni has been working in close collaboration with the Mission in his former capacity of Chairman of the Northern Industrial Commission.

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6. Besides the official ceremonies, Mr. LaGuardia had a number of meetings with Italian Ministers with whom he discussed general policy questions, and particularly the food situation and the economic conditions of Italy after the cessation of UNRRA assistance.

Italian Government's participation in UNRRA Council.

7. Avv. Montini, president of the Italian Government Delegation for relations with UNRRA and his secretary, Dr. Chiodelli, attended as observers a session of the Committee of the Council for Europe, which was held in London during the month of July.

8. Furthermore, a delegation of Italian Government officials composed of Avv. Montini, Prof. De Marzi of the High Commissariat for Food, and Prof. Saraceno of the Ministry of Industry and Commerce will attend, as observers, the Fifth Session of the UNRRA Council in Geneva.

Problems concerning other UNRRA Missions.

9. The problem of the Polish ship BATORI (See Attachment H-1 monthly report of June 1946, paragraph 6) was solved on 15 July, by the lifting of the lien which had been placed by the Italian shipbuilders. Consequently the Polish Government has withdrawn its ban on exports of coal to Italy.
10. The Austrian Mission and UNRRA/AFHQ requested this Mission to obtain from the Italian Government permission for a number of Austrian uniformed and armed guards to escort supplies destined to Austria in transit through Italian territory. We have been informed by the Government that such request cannot be granted. On the other hand the Government has instructed its representatives in Vienna to offer the UNRRA Austrian Mission the services of Italian armed guards for the protection of UNRRA goods in transit through Italy. This policy of the Italian Government is consistent with the directives contained in AFHQ's order dated 9 April 1946, according to which armed foreign guards of other than British and American nationality cannot be admitted in Italian territory.

Joint Committees.The Price Committee.

(The minutes of the third, fourth and fifth meetings are shown as attachments H-1-a, H-1-b, H-1-c).

11. During the month of July the Price Committee held three meetings. In addition to establishing the prices for a number of agricultural machines, fertilizers and other items, the Price Committee has determined some procedural principles for the purpose of ensuring the prompt application of the fixed prices on the part of the Italian agencies concerned.
12. The Supplementary Agreement between UNRRA and the Italian Government provides that the net proceeds of sale of UNRRA supplies be paid into the Lire Fund. Accordingly, for each commodity submitted to the Price Committee, the following figures are established:
- a) The sale price
 - b) The estimated cost of distribution
 - c) The estimated difference between a) and b) which represents the net proceeds of sale, that is, the amount to be paid into the Lire Fund.
13. The Price Committee works in close collaboration with the Lire Fund Control Committee, and several representatives of UNRRA and the Government sit in both Committees. Whereas the Price Committee, in fixing prices, estimates the costs of distribution for each UNRRA imported commodity, it is the function of the Lire Fund Control Committee, to analyze and check the distribution costs actually incurred by the agencies concerned in the handling of UNRRA goods. The Lire Fund may be increased or reduced in accordance with the findings of the Lire Fund Control Committee.
14. Another policy which is followed by the Price Committee consists in endeavoring to apply a uniform policy for prices of UNRRA imported goods and domestic products. The need for such

of the Italian Government is consistent with the directives contained in ARHQ's order dated 9 April 1946, according to which armed foreign guards of other than British and American nationality cannot be admitted in Italian territory.

Joint Committees.

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14. Another policy which is followed by the Price Committee consists in endeavoring to apply a uniform policy for prices of UNRRA imported goods and domestic products. The need for such uniform price policy was emphasized in a letter from Prime Minister De Gasperi dated 16 January to the Chief of Mission, immediately preceding the signing of the Supplementary Agreement. However, although the Price Committee is aware of the importance of adopting a uniform price policy, it has been made clear to the Government that UNRRA policies must be governed by the Council Resolutions and especially by the principles established in Resolution No. 7. Accordingly for several commodities the prices fixed by the Committee have been lower than the landed cost or the price of similar domestic products.

Lire Fund Control Committee.

(The minutes of the fifth meeting are referred to as Attachment H-1-e.

- 3 -

The minutes of the Sixth meeting will be attached to the next monthly report).

15. The Committee has held two meetings during the month of July. The most important recommendations reached by the Committee referred to the appropriation of 500 million lire for the Anti-Communist Campaign for Sardinia, and 245 million lire to the Federazione Consorzi Agrari for expenses incurred for the handling of UNRRA Supplies under the 1945 program.

Displaced Persons Committee.

(Minutes of the first meeting are referred to as Attachment H-1-d).

16. The first meeting of the Displaced Persons Committee was held on 4 July. The main functions of this Committee consist in advising UNRRA and the Italian Government as regards the programs of relief, rehabilitation and repatriation of non-Italian displaced persons in Italy, and Italian displaced persons outside of Italy.

Travel orders for Repatriation of non-Italian Displaced Persons.

17. Until recently AFHQ had issued travel orders for the repatriation of non-Italian Displaced Persons. However, this practice has been discontinued and therefore this Mission requested the Italian Government to issue the necessary documents for the exit of Displaced Persons from Italy. We have been notified that the Government will not require any travel orders and that UNRRA certification will be considered by the Italian authorities as sufficient documentation for the issuance of exit permits.

3. AGREEMENTS NEGOTIATED OR IN PROCESS

Agreement between UNRRA and SACRED

18. The Agreement between UNRRA and SACRED regarding the transfer of responsibility to UNRRA for non-Italian displaced persons, was signed by Maj. Gen. M.W.M. Wood Chief of Staff for SACRED, and S.M. Keeny Chief of Mission for UNRRA, on 15 of July and is effective as of 1 August 1946.

San Marino

19. Following the instructions from ZRO, this Mission wrote a letter to the Italian Government asking whether the Government would be willing to furnish San Marino with additional supplies, over and above the 30,000 dollars worth of supplies, which have been furnished to San Marino by UNRRA, in accordance with the Agreement of 14 July 1945. The Italian Government was requested to apply to San Marino the same principles which are followed in the Italian program. It was also made clear to the Government that any supplies sent to San Marino will not be in addition to the UNRRA program for Italy. The Italian Government has not yet answered UNRRA's request.

P. Contini
SPECIAL ASSISTANT TO
THE MISSION

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B. AGREEMENTS NEGOTIATED OR IN PROGRESS

Agreement between UNRRA and SACMED

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P. Contini
SPECIAL ASSISTANT TO
THE CHIEF OF MISSION

Attachments:

- H-4-a - Price Committee meeting of 2nd July, 1946.
- H-4-b - " " " " 16th July, 1946
- H-4-c - " " " " 30th July, 1946
- H-4-d - Lire Fund Committee meeting of July 10th and 12th, 1946
- H-4-e - Displaced Persons Meeting of 4th July, 1946.

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UNRRA Italian Mission
Central Secretariat

PRICE COMMITTEE

Minutes of the Third Meeting
held at 10:00 a.m. 2nd July, 1946

PRESENT FOR UNRRA:

H. Cleveland	Deputy Chief of Mission & Chief Bur. R & D
E.S. Lynch	Sub Bureau of Supply Operations
J. Imrie	Ass't Chief, Sub Bur. R. Supply - Bur. R & D
W.G. Peterson	Sub Bureau of Supply Operations
V.B. Sullam	Chief Analyst, Sub Bureau Relief Supply
F. Verdirame	Price Specialist - Bureau R & D
G. Cardani	Division of Agriculture - Bur. R & D
R.H. Baines	" " " " " "
F. Hendel	Chemical Division - Bureau R & D
C.T. Piscicelli	" " " " " "
G. d'Ayala Valva	Sub Bureau Industrial Rehabilitation-Bur. R & D
P. Contini	Special Assistant for Government Liaison
G.M. Hopkins	Financial Adviser (Lire Fund) C.F.A.
O. Caracciolo	Bureau of R & D (Interpreter)

PRESENT FOR ITALIAN GOVERNMENT:

L. d'Alessandro	Director General, Italian Delegation
E. Della Negra	Italian Government Delegation
C. Chiodelli	" " " "
G. Menzies	" " " "
V. Marcolini	Ministry of the Treasury
A. Poffano	" " " "
A. Foglietti	Inter-Ministerial Committee on Prices
G. Gambioli	Ministry of Agriculture
L. Bellingeri	Ministry of Foreign Trade
L. Trincas	High Commissariat for Public Health & Hygiene

A G E N D A

1. Approval of minutes of 1st and 2nd meetings.
2. Discussion of Terms of Reference.
3. Review of prices of UNRRA imported commodities already agreed between the Italian Government and UNRRA.
4. Determination of prices of remainder of commodities submitted to Price Committee at previous meetings.
5. Recommendations by Italian Government technicians as to plows, mowers and trailers.

H. Cleveland	Deputy Chief of Mission & Chief Bur. R & D
E.S. Lynch	Sub Bureau of Supply Operations
J. Imrie	Ass't Chief, Sub Bur. R. Supply - Bur. R & D
W.G. Peterson	Sub Bureau of Supply Operations
V.B. Sullam	Chief Analyst, Sub Bureau Relief Supply
P. Verdirame	Price Specialist - Bureau R & D
G. Cardani	Division of Agriculture - Bur. R & D
R.H. Baines	" " " " " "
P. Hendel	Chemical Division - Bureau R & D
C.T. Piscicelli	" " " " " "
G. d'Ayala Valva	Sub Bureau Industrial Rehabilitation-Bur. R & D
P. Contini	Special Assistant for Government Liaison
G.M. Hopkins	Financial Adviser (Lire Fund) C.F.A.
O. Caracciolo	Bureau of R & D (Interpreter)

PRESENT FOR ITALIAN GOVERNMENT:

L. d'Alessandro	Director General, Italian Delegation
E. Della Negra	Italian Government Delegation
C. Chiodelli	" " " "
G. Menzione	" " " "
V. Marcolini	Ministry of the Treasury
A. Poffano	" " " "
A. Foglietti	Inter-Ministerial Committee on Prices
O. Gambioli	Ministry of Agriculture
L. Bellingeri	Ministry of Foreign Trade
L. Trincas	High Commissariat for Public Health & Hygiene

A G E N D A

1. Approval of minutes of 1st and 2nd meetings.
2. Discussion of Terms of Reference.
3. Review of prices of UNRRA imported commodities already agreed between the Italian Government and UNRRA.
4. Determination of prices of remainder of commodities submitted to Price Committee at previous meetings.
5. Recommendations by Italian Government technicians as to plows, mowers and trailers.
6. Establishment of procedure for formal submission of commodity price recommendations by UNRRA or Italian Government to Price Committee.

112

MINUTES OF THE THIRD MEETING OF THE
PRICE COMMITTEE

I. Approval of minutes of 1st and 2nd meetings.

1. The meeting was opened by Mr. Cleveland who introduced the first item on the Agenda.
2. MR. MARCOLINI suggested this approval be postponed until the next meeting, inasmuch as he had not read a translation of the minutes from English.
3. MR. CLEVELAND suggested that the English and Italian stenographers agree on one text of the minutes: this text, after editing, should be translated into Italian and distributed in both languages.
4. It was agreed that the approval of the minutes of the first and second meetings be postponed until the next meeting of the Committee. (ACTION SECRETARIAT)

II. Discussion of Terms of Reference. (Documents No. 11 and 11 a)

VI. Establishment of procedure for the formal submission of commodity price recommendations by UNRRA or the Italian Government to the Price Committee.

5. MR. D'ALESSANDRO proposed that Item 2 of the Agenda be discussed together with Item 6 and this was agreed.
6. MR. D'ALESSANDRO stated that at the time the Terms of Reference had been approved, the Price Committee did not have full power to establish prices, as this authority was vested with the Interministerial Committee on Prices and the Ministry of Foreign Trade. Referring to his letter of 1st July, 1945 to Mr. Keeny (Document No. 11) he pointed out, however, that the Delegation had succeeded in obtaining from the interested Government agencies that the recommendations of the Price Committee, after ratification by the two chairmen, be considered final in the establishment of prices. MR. D'ALESSANDRO added that this achievement went even beyond the Agreement, inasmuch as in accordance with Article III (d)(iii), the Italian Government would have been obliged only to consult with UNRRA as regards prices of UNRRA commodities.
7. MR. CLEVELAND and MR. MONTINI pointed out that Article III (d) of the Agreement said that "the Government will discuss and agree with UNRRA" a number of policies, including price policies.
8. MR. D'ALESSANDRO explained further that the recommendations made by the Price Committee are final, subject to the following considerations:
 - a) that the recommendations be agreed formally by Mr. Keeny and Mr. Montini

3. MR. CLEVELAND suggested that the English and Italian stenographers agree on one text of the minutes: this text, after editing, should be translated into Italian and distributed in both languages.

4. It was agreed that the approval of the minutes of the first and second meetings be postponed until the next meeting of the Committee.
(ACTION SECRETARIAT)

II. Discussion of Terms of Reference. (Documents No. 11 and 11 a)

VI. 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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7. MR. CLEVELAND and MR. CONTINI pointed out that Article III (d) of the Agreement said that "the Government will discuss and agree with UNRRA" a number of policies, including price policies.

8. MR. D'ALESSANDRO explained further that the recommendations made by the Price Committee are final, subject to the following considerations:

- a) that the recommendations be agreed formally by Mr. Keeny and Mr. Montini

- 2 -

- b) that the prices for the most important commodities be published in the Official Gazette
 - c) that agreements reached by the Price Committee should not be in contrast with the general price policies of the Italian Government.
- As regards point c) MR. D'ALESSANDRO said that the Italian Agencies concerned will submit to the Price Committee their proposals and points of view.
9. MR. D'ALESSANDRO suggested that the items of the Agenda be submitted to the Italian Government ten days before the meetings of the Committee, in order to give the representatives of the Ministries ample opportunity to prepare themselves for the discussion.

10. MR. CLEVELAND said that MR. D'ALESSANDRO'S communication was a tremendous step in the direction of facilitating the work of the Price Committee. He added that the three points raised by MR. D'ALESSANDRO were all reasonable and acceptable to UNRRA.

11. MR. SULLAM asked which prices must be published in the Official Gazette in order to be final.

12. MR. D'ALESSANDRO replied that only the prices of commodities of notable importance to the economy of the country are published in the Official Gazette.

13. MR. FOGLIETTI added that all prices for goods sold to the consumers should be published in the Official Gazette in order to prevent abuses and to protect the consumers.

14. MR. D'ALESSANDRO proposed that the Price Committee establish which prices should be published in the Official Gazette.

15. It was agreed that the Price Committee would determine the procedure to be followed for the publication of agreed prices on the Official Gazette.

16. MR. D'ALESSANDRO and MR. MARCOLINI stated that after the ratification by Messrs. Keeny and Montini of the price recommended by the Price Committee, the Delegation will inform in writing the Interministerial Committee on Prices, of the decisions jointly reached.

17. MR. CONTINI proposed that the price decisions be reported on a standard form to be signed by Avv. Montini and Mr. Keeny. This form should include a reference to Article III (d) of the Agreement and to the recommendation made by the Price Committee.

18. MR. CONTINI'S proposal was accepted and it was agreed that the

results and points of view.

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17. MR. CONTINI proposed that the price decisions be reported on a standard form to be signed by Mr. Montini and Mr. Keeney. This form should include a reference to Article III (d) of the Agreement and to the recommendation made by the Price Committee.

18. MR. CONTINI'S proposal was accepted and it was agreed that the

- 3 -

details on the procedure would be agreed subsequently.

19. MR. CLEVELAND again expressed his appreciation for the way in which the Government, in the middle of the present difficulties, had reached a decision which would be very helpful to the work of UNRRA.

20. MR. D'ALESSANDRO pointed out that from an economic point of view prices and costs are closely related and that, therefore, the work of the Price Committee should be closely tied up with that of the Lire Fund Control Committee. He said that there were two types of costs:

- a) The costs of distribution already incurred. This is mainly an accounting problem and the examination of such costs should be made by the Lire Fund Control Committee.
- b) Estimated costs of distribution. These should be taken into consideration by the Price Committee in fixing prices of UNRRA commodities.

21. MR. CLEVELAND said that he believed he was in agreement with MR. D'ALESSANDRO and that the Price Committee will establish for each commodity

- a) The price to the first consumer.
- b) The estimated distribution cost (exclusive of customs duties).
- c) The difference between a) and b) will be the amount to be paid into the Lire Fund.

MR. CLEVELAND added that the above three figures would be transmitted to the Lire Fund Control Committee, which would make subsequent adjustments regarding the distribution costs which have actually been incurred.

22. MR. CLEVELAND added that the necessary coordination between the Lire Fund Control Committee and the Price Committee was ensured by the presence of persons like MR. HOPKINS, who were members of both Committees.

23. MR. FOGLIETTI said that there was a substantial problem to be solved, that is, whereas MR. CLEVELAND started from the prices to the consumer, the Government in the establishment of prices, starts from the landed cost (on the basis of 225 lire per dollar) and adds to it the costs of distribution. Therefore, MR. FOGLIETTI added there is a need for coordination of these two policies.

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- 4 -

24. MR. CLEVELAND said that this subject should not be discussed in general but rather commodity by commodity.
25. MR. FOGLIETTI stressed that UNRRA goods should not be sold in competition to goods imported by the Italian Government.
26. MR. CLEVELAND answered that the basic policy was laid down in an exchange of letters between Prime Minister De Gasperi and Mr. Keeny, to the effect that there should be a uniform price policy, and added that the purpose of the Price Committee was to ensure that such policy be applied.
27. MR. MARCOLINI agreed with MR. CLEVELAND and said that prices should be established on an ad hoc basis. He added that in previous meetings the prices of some agricultural items had been exceptionally established at a lower price than the landed cost, whereas in other cases the prices on the domestic market would be taken into consideration.
28. MR. LERIE pointed out that there were some questions of principle which had to be solved. For example, UNRRA wheat is still being sold at 100 lire per dollar whereas the rate of 225 lire per dollar should be applied to all imported goods.
29. MR. CLEVELAND said that any proposal regarding general principles should be submitted to the Price Committee in the next and future meetings.
30. It was then agreed that the Price Committee will establish prices commodity by commodity. However, prices may be established for groups of commodities whenever a principle can be agreed applying to all the commodities in that group.
- III. Review of prices of UNRRA imported commodities already agreed between the Italian Government and UNRRA.
31. MR. CLEVELAND, referring to the table of prices already fixed, (Document No. 2 attached to the minutes of the first meeting) asked if there were any questions on the prices previously agreed.
32. MR. CONTINI pointed out that the price of penicillin, which was quoted at 144 lire per vial in the above-mentioned document, had not been agreed by the Italian Government. The Government had been selling penicillin at 300 lire per vial and had not agreed to MR. KEENEY'S request that the price be lowered to 144 lire. Therefore penicillin should be omitted from the list of prices already agreed.
33. MR. TRINCAS said that a differentiation should be made between the 1945 and 1946 program. The price of penicillin had been fixed at 300 lire for the 1945 program.

ensure that such policy be applied.

27. MR. MARCOLINI agreed with MR. CLEVELAND and said that prices should be established on an ad hoc basis. He added that in previous meetings the prices of some agricultural items had been exceptionally established at a lower price than the landed cost, whereas in other cases the prices on the domestic market would be taken into consideration.

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33. MR. TRINCAS said that a differentiation should be made between the 1945 and 1946 program. The price of penicillin had been fixed at 300 lire for the 1945 program.

- 5 -

34. MR. MARCOLINI confirmed that 300 lire was the price for 1945 and that the Price Committee should fix the price for 1946.
35. MR. CONTINI pointed out that in a letter to the Delegation, the High Commissioner for Health had stated that he could not agree to lowering the price of penicillin because of the high costs of distribution borne by the High Commissariat. MR. CONTINI stressed that the costs of distribution are deducted from the gross proceeds of sale and that therefore the High Commissariat would be reimbursed for all expenditures connected with the distribution of penicillin. Therefore, the high cost of distribution could not be considered a valid reason for opposing a lower price for penicillin.
36. It was then agreed that, in view of the lack of previous agreement, the price of penicillin should be submitted to the Committee at the next meeting. (ACTION SECRETARIAT)
37. MR. CLEVELAND asked whether there were any other prices for which agreement had not been clearly reached.
38. MR. SULLAK said that the price of seed potatoes should be applied to the quantities previously imported and not to the forthcoming imports.
39. MR. MARCOLINI pointed out that the cotton goods mentioned in Document No. 2 referred to the 1945 program.
40. MR. FOGLIETTI stated that although the price for tinplate was very low he would be willing to agree to it.
41. MR. CONTINI proposed that all the prices previously agreed be listed in "Price Decision No. 1", which should be formulated on the basis of his previously agreed proposal.
42. It was then agreed that "Price Decision No. 1" will include all the prices previously agreed between UNRRA and the Government, and that reference should be made to the fact that the price for cotton goods applied only to the 1945 program.
43. MR. FOGLIETTI asked whether the price of wheat at 2250/2500 lire per quintal had been agreed by UNRRA.
44. MR. CLEVELAND said that wheat is now being paid at the amounts at the 2250/2500 price. However, the question of the price for UNRRA imported wheat should be submitted to the Price Committee.
45. MR. DELLA NEGRA pointed out that the Government at the present time buys the wheat from the amounts at 2250/2500 but sells UNRRA wheat to the mills at 900 lire.
46. MR. MARCOLINI said that at a meeting with UNRRA at which the High Commissioner for Food was present, it had been agreed that UNRRA wheat imported up to July 1st would continue to be sold at 900

Rec.No.6

for all expenditures connected with the distribution of penicillin. Therefore, the high cost of distribution could not be considered a valid reason for opposing a lower price for penicillin.

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46. MR. MARCOLINI said that at a meeting with UNRRA at which the High Commissioner for Food was present, it had been agreed that UNRRA wheat imported up to July 1st would continue to be sold at 900 lire.

- 6 -

47. MR. CLEVELAND answered that no formal agreement had been reached on the price of UNRA wheat and that this matter should be discussed and agreed at the next meeting of the Price Committee. This was agreed. (ACTION SECRETARIAT)

IV. Determination of prices of remainder of commodities submitted to Price Committee at previous meetings.
(Documents No. 13, 13a, 14 and 14 a)

V. Recommendations by Italian Government technicians as to plows, mowers and trailers. (Documents No. 8, 9, 10, 12 and 12 a)

48. It was agreed that Items 4 and 5 on the agenda should be considered together.

a) Plows. MR. CLEVELAND referring to Document No. 12, said that the proposal had been made that plows should be sold to the first consumer at 50,000 lire f.o.b. Consol warehouse.

49. MR. FOGLIETTI and MR. MARCOLLI pointed out that the domestic price for plows is 70,000 lire and that accordingly the price for UNRA plows should be higher.

50. MR. FOGLIETTI proposed that the plows be sold at 55,000 lire.

Rec. No. 7 51. It was agreed that the price for plows would be Lit. 55,000.

52. b) Mowers. MR. CLEVELAND, referring to Document No. 12 stated that the recommended price was 35,000 lire.

Rec. No. 8 53. It was agreed that the price for mowers should be Lit. 35,000, with the provision that this price should be valid only up to the 15th of August, 1946.

54. c) Trailers. MR. CLEVELAND, referring to Document No. 12 said that the recommended price was 30,000 lire if the trailers were used for agricultural purposes; he said that the Government was supposed to determine whether the trailers could be used for industrial purposes and which price should be fixed in that case.

55. It was agreed that at the next meeting of the Price Committee the Government would report on whether trailers can be used for industrial purposes. (ACTION ITALIAN GOVERNMENT)

56. d) Ammonium Nitrate (Documents No. 13 and 13a). MR. FOGLIETTI proposed that the price be fixed only after the establishment by the Inter-Ministerial Committee on Prices of the price for ammonium nitrates of national production.

V. Recommendations by Italian Government technicians as to plows, mowers and trailers. (Documents No. 8, 9, 10, 12 and 12)

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55. It was agreed that at the next meeting of the Price Committee the Government would report on whether trailers can be used for industrial purposes. (ACTION ITALIAN GOVERNMENT)

56. d) Ammonium Nitrate (Documents No. 13 and 13a). MR. FOGLIETTI proposed that the price be fixed only after the establishment by the Inter-Ministerial Committee on Prices of the price for ammonium nitrates of national production.

- 7 -

57. MR. CARDANI proposed instead that the price be fixed now because the nitrates have been in Italy for some time.

58. After some discussion it was agreed that MR. FOGLIETTI would submit to the meeting the conclusions reached by the Government regarding the price of ammonium nitrates of national production and the elements on the basis of which such conclusions have been reached. (ACTION ITALIAN GOVERNMENT)

59. e) Copper Sulphate. (Documents No. 14 and 14a) It was agreed that a decision on the price of copper sulphate should be postponed to a later date, when this fertilizer will be used.

60. MR. CLEVELAND proposed that before the next meeting of the Price Committee MR. VERDIRAJE should call a meeting of a joint sub-committee for the purpose of establishing the costs of distribution and the amounts to be paid into the Lire Fund for the following items:

Plows
Mowers
Forage Pea Seeds
Binders
Reaper Attachments

61. MR. D'ALESSANDRO appointed MR. FOGLIETTI and MR. DELLA NEGRA as the Italian Government representatives in this sub-Committee.

62. It was agreed that the next meeting of the Committee would be held on Saturday, July 13th, at 9:00 a.m.

63. The meeting rose at 1:15 p.m.

DISTRIBUTION:

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

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Bur. P & A (2)	
Bur. R.S. (2)	
Program Coord. Sub-Bur. of Supply Operations	
Price Office - Bur. R & D	

Attachment H-1-b

UNRRA Italian Mission

Central Secretariat

PRICE COMMITTEE

Minutes of the Fourth Meeting
held at 10:00 a.m., 16 July, 1946

PRESENT FOR UNRRA:

H. Cleveland
J. Loris
R.B. Scriven
V.B. Sullam
P. Verdirame
G. Cardani
P. Contini
G.M. Hopkins
E.C. Benn
G.M. Frizelle
G. Kiege

Deputy Chief of Mission & Chief, Bureau R & D
Asst Chief, Sub-Bur. Relief Supply, Bur. R & D
Coal Branch, Sub-Bur. Industrial Rehabilitation
Chief Analyst, Sub-Bur. Relief Supply, Bur. R & D
Price Specialist, Bur. R & D
Division of Agriculture, Bur. R & D
Special Asst to Chief of Mission
Financial Adviser (Lire Fund) to C.F.A.
Health Division, Bureau of R.S.
Health Division, Bureau of A.S.
Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

L. D'Alessandro
G. Menzione
O. Gambioli
A. Foglietti
R. Festa-Campanile
D. Miraglia
P. De Luca
F. Apicella
M. Panzanaro

Director General, Italian Delegation
Italian Delegation
Ministry of Agriculture
Interministerial Committee on Prices
Ministry of Agriculture
" " "
" " "
Ministry of Industry

AGENDA

- I. Approval of minutes of First, Second and Third meetings
- II. Items for price fixing:
 - (a) penicillin
 - (b) medical supplies
 - (c) antiseptics for electrodes and petroleum coke
 - (d) vetch seed
 - (e) wheat
- III. Progress report of Sub-Committee on distribution costs of following items:
binders, mowers, ploughs, reaper attachments & forage pea seeds,
(UNRRA)

ASSIST FOR UNRRA:

H. Cleveland Deputy Chief of Mission & Chief, Bureau R & D
 J. Lurie Asst't Chief, Sub-Bur. Relief Supply, Bur. R & D
 R.B. Scriven Coal Branch, Sub-Bur. Industrial Rehabilitation
 V.B. Sullan Chief Analyst, Sub-Bur. Relief Supply, Bur. R & D
 P. Verdirame Price Specialist, Bur. R & D
 G. Cardani Division of Agriculture, Bur. R & D
 P. Contini Special Asst't to Chief of Mission
 G.M. Hopkins Financial Adviser (Lire Fund) to C.P.A.
 E.C. Bonn Health Division, Bureau of R.S.
 G.M. Frizelle Health Division, Bureau of A.S.
 G. Adesgo Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

L. D'Alessandro	Director General, Italian Delegation
G. Menziona	Italian Delegation
O. Gambioli	Ministry of Agriculture
A. Foglietti	Interministerial Committee on Prices
R. Feste-Campanile	Ministry of Agriculture
D. Miraglia	" "
P. De Luca	" "
F. Apicella	" "
M. Panzanaro	Ministry of Industry

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- II. Items for price fixing:
 - (a) penicillin
 - (b) medical supplies
 - (c) antinecrotic for electrodes and petroleum coke
 - (d) vetch seed
 - (e) wheat
- III. Progress report of Sub-Committee on distribution costs of following items:
 - binders, mowers, ploughs, reaper attachments & forage pea seeds, (UNRRA)
- IV. Report by Italian Government technicians on possible use of trailers for industrial purposes. (Italian Government)
- V. Government's report on proposed price for ammonium nitrate. ¹⁹⁴³
- VI. Any other business.

MINUTES OF THE FOURTH MEETING OF THE
PRICE COMMITTEE

I. Approval of minutes of 1st, 2nd and 3rd meetings.

1. The meeting was opened by Mr. Cleveland who introduced the first item on the agenda.
2. MR. D'ALESSANDRO, speaking for the Italian Government, stated that there were no objections to make to the minutes of the previous meetings.
3. The minutes of the 1st, 2nd and 3rd meetings were consequently approved.

II. Items for price fixing.

- a) penicillin (Documents No. 15 and 15 A, 16 and 16 A)
 - b) medical supplies
 - c) anthracite for electrodes and petroleum coke (Documents No. 17 and 17 A, 18 and 18 A)
 - d) vetch seed (Documents No. 19 and 19 A)
 - e) forage seed corn (out of the Agenda) (Documents No. 20 and 20 A)
 - f) wheat (Documents No. 21 and 21 A)
 - g) penicillin (Documents No. 15 and 15 A, 16 and 16 A).
4. MR. CLEVELAND asked the High Commissioner for Health, MR. BERGAMI, to make a statement on this item.
5. MR. BERGAMI stated that penicillin is distributed under the control of the medical provincial authorities, "medici provinciali". Until now penicillin (imported under the 1945 program) has been allotted free or against payment, according to the financial situation of the consumer. Before fixing a price, he added, it should be decided whether free distribution to the needy will continue. If so, a price should be fixed, which would cover the cost of penicillin distributed free of charge.
6. MR. CLEVELAND asked what was in the past the proportion between the penicillin distributed free of charge and that sold.
7. MR. BERGAMI informed that this proportion varies from place to place, in some cases free distribution amounting to 90%, and in others as low as 10%. It would be necessary to determine the percentage of the future free distribution.
8. MR. CLEVELAND asked what percentage was suggested by the Italian Government.
9. MR. BERGAMI replied that he considered that approximately 25% was a reasonable percentage to be altered in three months time, if the quantity proved to be insufficient.
10. MR. BEN stated that the smaller the quantity of penicillin available, the larger should be the amount to be issued free. However,

II. Items for price fixing.

- a) penicillin (Documents No. 15 and 15 A, 16 and 16 A)
 - b) medical supplies
 - c) anthracite for electrodes and petroleum coke (Documents No. 17 and 17 A, 18 and 18 A)
 - d) vetch seed (Documents No. 19 and 19 A)
 - e) forage seed corn (out of the Agenda) (Documents No. 20 and 20 A)
 - f) wheat (Documents No. 21 and 21 A)
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7. MR. BERGAMI informed that this proportion varies from place to place, in some cases free distribution amounting to 90%, and in others as low as 10%. It would be necessary to determine the percentage of the future free distribution.
8. MR. CLEVELAND asked what percentage was suggested by the Italian Government.
9. MR. BERGAMI replied that he considered that approximately 25% was a reasonable percentage to be altered in three months time, if the quantity proved to be insufficient.
10. MR. BERGAMI stated that the smaller the quantity of penicillin available, the larger should be the amount to be issued free. However, he added, even though the availability of penicillin is large for the time being, the use of this commodity for V.D. creates the need of a greater amount for free distribution. Finally MR. BERGAMI agreed to the percentage of 25% to be distributed free, as suggested by MR. BERGAMI.
11. MR. CLEVELAND asked for MR. BERGAMI's opinion on having the ^{5/16} ~~5/16~~ consumers charged also for the 25% non paying.

CM 5375

- 2 -

12. MR. EZZI considered this proposal reasonable, provided that this charge did not make the price excessive.

13. MR. CLEVELAND asked by whom the determination of the ability to pay was made.

14. MR. BERGAMI replied that the decision rested with the "medici provinciali" or with the Provincial Committees, as in the case of insulin.

15. MR. CLEVELAND called for further discussion or comments on the principle that penicillin be so priced that 25% might be distributed free of charge and that 75% should cover the landed cost plus distribution cost of the total amount imported by UNRRA.

16. MR. SULLAN pointed out that there are persons who never will obtain free penicillin, as they are not in the list of the needy, and who could not afford paying for it, i.e. Government employees.

17. MR. BERGAMI pointed out that until now, it was sufficient for the "medico provinciale" to testify the difficult economic condition of persons requiring penicillin, for this to be distributed free of charge. The free distribution of penicillin was never limited to people included in the list of the needy. Should the Italian Government have a well-balanced budget, he said, this free distribution could be met by the Government; but, this not being the case, MR. BERGAMI recommended that a price be fixed covering the free distribution.

18. MR. CLEVELAND stated that he had no objection to this principle, provided that consumers can buy penicillin at a reasonable rate.

19. MR. EZZI stressed the importance of the availability of this ~~medicament~~ to everyone. The only alternative to the proposal, he added, could be a sliding scale of prices, but, as this would be difficult to apply, he agreed to the suggested principle as the only practical one for the present.

20. After some discussion, the following principle was agreed:

- a) 25% of the penicillin imported by UNRRA will be distributed gratis to needy persons or institutions.
- b) The price of the remaining 75% will be fixed to cover the landed cost plus distribution cost of the total amount imported by UNRRA.

21. MR. CLEVELAND proposed that a joint working party between UNRRA and the Government work out the price of penicillin on the basis of the principle agreed.

22. This proposal was accepted and it was agreed that the price of

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- a) 25% of the penicillin imported by UNRRA will be distributed gratis to needy persons or institutions.
- b) The price of the remaining 75% will be fixed to cover the landed cost plus distribution cost of the total amount imported by UNRRA.

21. MR. CLEVELAND proposed that a joint working party between UNRRA and the Government work out the price of penicillin on the basis of the principle agreed.

22. This proposal was accepted and it was agreed that the price of penicillin should be based on the unit landed cost, plus unit distribution cost, multiplied by 133%, which will allow for the coverage of the cost of the 25% distributed free. 544

23. MR. BERGAMI stated that the price established for UNRRA imported penicillin could serve as a basis for the price of all penicillin sold in Italy, inclusive of that imported by the Italian Government outside the UNRRA program.

- 3 -

24. MR. CLEVELAND agreed, and pointed out that the great bulk of this commodity imported in the country is UNRRA's, and indicated that the price of UNRRA penicillin should prevail.

25. It was then agreed that the principle should be established that the price of penicillin imported by the Government should be the same as that of UNRRA imported penicillin.

26. A Joint Sub-Committee was appointed to make recommendations for the price of penicillin, composed of the following persons:

UNRRA: Messrs. Benu, Morgan, Hopkins, Verdirame

ITALIAN GOVERNMENT: Messrs. Foglietti, Solimena, Mensione, Poffano.

27. It was agreed that the price of this commodity will be fixed at the next meeting of the Price Committee. (ACTION: UNRRA & ITALIAN GOVERNMENT)

b) Medical supplies.

28. MR. CLEVELAND asked for the list of prices of medical supplies suggested by the Government.

29. MR. D'ALESSANDRO proposed that the discussion on the price of medical supplies be postponed to the next meeting.

30. MR. CLEVELAND agreed, but suggested to establish in this meeting, in order to avoid future discussion on each item, the following general principles:

a) that all medical supplies be priced on the basis of the landed cost, plus distribution cost, except where the Government would consider it necessary to submit to the Price Committee special cases in which, because of the discrepancy between the landed cost of UNRRA imported supplies and the cost of domestic production, the price might have to be fixed on the basis of the latter.

b) that prices be fixed on the basis of 225 lire to the dollar, regardless of when the item were imported.

31. MR. D'ALESSANDRO stated that the suggested principle seemed too rigid and would require too many exceptions. He expressed his willingness to approve the principle as constituting a general policy, but that, owing to the present situation of the Italian market, it would appear necessary to consider the price of these commodities case by case.

32. MR. BERGAMI, referring to the supplies under discussion, wished to clarify that the prices under consideration apply only to the finished products, and made the point that under last year's plan the supplies were distributed only to hospitals, which pay exclusively when funds are available. MR. BERGAMI pointed out that it was not advisable to establish a price other than that based on the landed cost plus distribution cost, inasmuch as the greater part of the cost of medical

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33. MR. CLEVELAND stated that even though hospitals were supported by the Government, this should not interfere with the fixing of prices for medical supplies, and compared it to the principles followed in selling coal to the state railways.

-4- Att. H-1-b

34. MR. FORTANO asked whether the discussion referred to the 1945 import program, in which medical supplies were to be distributed gratis to the population.

35. MR. CONTINI pointed out that the First Agreement did not prevent the government from selling some of the supplies imported under the 1945 agreement.

36. MR. BERGAMI asked the Committee to consider the fact that while supplies lay idle in warehouses, hospitals were left without because of their inability to pay. In fact hospitals had refused supplies allocated to them, only because they could not meet the prices.

37. MR. CLEVELAND proposed that the working party studying penicillin prices should examine the pricing of all medical supplies. He brought out that even though UNRRA supplies are given to the hospitals without any charge at present, a price should be determined as a basis for future payments.

38. MR. FOGLIETTI stressed the importance of establishing one price to be applied for both Government and UNRRA supplies, to avoid that hospitals refuse to accept some supplies in favour of others at a lower price.

39. MR. FORTANO emphasized that the Government must insist on the differentiation between supplies coming under the 1945 program and those under 1946, since with the former the Government set up a fund of 5 billion lire, and supplies were distributed free, while this did not apply to the 1946 program.

40. MR. CLEVELAND suggested that the medical price group studying penicillin, consider the extent of the applicability of the proposed principles to medical supplies in the light of the problems brought out by MR. BERGAMI.

41. MR. CLEVELAND'S proposal was accepted and it was agreed that the Committee, established under para. 26, of which MR. FORTANO will be a member, should study the pricing of all medical supplies.
(ACTION: UNRRA & ITALIAN GOVERNMENT).

c/ Anthracite for electrodes and petroleum coke
(Documents No. 17 and 17A, 18 and 18A.)

42. MR. CLEVELAND called on MR. SCHIVK who stated that the price of anthracite should be reviewed when information on the cost of the Ruhr coal is available.

43. MR. CLEVELAND remarked that the question had already been discussed by the Coal Committee.

44. MR. FOGLIETTI pointed out that if the Ruhr coal were priced higher

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(ACTION: UNRRA & ITALIAN GOVERNMENT).

c) Anthracite for electrodes and petroleum coke
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42. MR. CLEVELAND called on MR. SCRIVEN who stated that the price of anthracite should be reviewed when information on the cost of the Ruhr coal is available.

43. MR. CLEVELAND remarked that the question had already been discussed by the Coal Committee.

44. MR. FOGLIETTI pointed out that if the Ruhr coal were priced higher than other fuel, this would imply the increase in price of all coal from 3500 to 4000 lire, with the exception of that for public utilities.

45. MR. CLEVELAND said that at the time the price of 3,500 lire per ton was set, the actual landed cost was 24 dollars, whereas in October it is anticipated the landed cost will drop to 15 dollars, with a reduction in freight charges. It was his suggestion that the matter be left open until the Government has a specific proposal as to the price, but that it should be considered, however, that the original price of coal was set,

103
Att. H-4-b

-5-

having in mind the estimated price in October 1946, on the assumption that LARCA's program would taper off in October, whereas present indications extend it to January 1947.

46. MR. FOGLIETTI said that an increase in the cost of coal would bring an increase in production costs. Should there be larger imports in the future, an increased production would compensate for the higher cost of coal.

47. MR. CLEVELAND, referring to the specific question of anthracite (6,000 tons only as compared to 2½ million tons of the other fuels), suggested that the Committee follow the recommendations of the special Coal Committee as regards the prices of anthracite and Petroleum Coke.

48. MR. FOGLIETTI stated that some petroleum coke was imported by the Italian Government and that its price, based on that of the coal coke, was 8,000 lire per metric ton, as against the proposed price of 4,375 lire. It is unreasonable, he added to sell petroleum coke at a lower price than metallurgical coke, the former having more calorific value.

49. After some discussion MR. CLEVELAND suggested that the Coal Committee should be asked to determine the calorific value of petroleum and metallurgical coke taking 3500 lire as a basis for establishing the price.

50. MR. FOGLIETTI emphasized that the price set () as a basis should be the price of metallurgical coke.

51. MR. CLEVELAND suggested that the Coal Committee invite Mr. FOGLIETTI to attend their session to be held on July 23rd, when the calorific value of petroleum coke will be determined. (ACTION: LARCA: BUREAU R & D)

52. MR. CLEVELAND called for discussion or comments on the price of anthracite for electrodes.

53. MR. D'ALESSANDRO proposed that this problem be considered by the same Coal Committee.

54. MR. SUMMAM pointed out that this item is used for the production of "calcioceanamide" which is essential for rice cultivation, therefore being sensibly urgent.

55. It was agreed that the price of anthracite for electrodes be fixed at 5,250 lire per ton and that the price will be re-examined within three months.

d) Vetch seed, (Documents No. 19 and 19a)

56. MR. CLEVELAND referring to the price of this commodity, pointed out that originally it was 35,000 lire per ton.

785017

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54. MR. SULLIX pointed out that this item is used for the production of "calciodianamide" which is essential for rice cultivation, therefore being seasonably urgent.

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d) Vetch seed. (Documents No. 19 and 19a)

56. MR. CLEVELAND referring to the price of this commodity, pointed out that originally it was 35,000 lire per ton and asked the Committee if the proposed figure of 45,000 lire (the price of the domestic ~~product~~) could be agreed upon.

57. It was agreed that the price for vetch seed would be lire 45,000 per ton to the farmer.

58. The question of the proportion of distribution cost was brought up, and, according to MR. CLEVELAND's suggestion, it was agreed that this problem be examined by the Agricultural Sub-Committee. (ACTION: URRA: BUREAU R & D)

CM 8375

- 6 -

Forage seed corn. (Documents No. 20 and 20 A) (outside of the Agenzia)

59. MR. PESTA CA' DANIELA pointed out that the pricing of this item is seasonably urgent. He quoted the price of 1800 - 2200 lire per quintal, already established, as too low, taking into consideration the landed cost. In fact he said the landed cost is as much as the cost of seed corn on the black market, so he proposed the price be set at a maximum of 2500 lire per quintal.

60. MR. TUGLIENI said that, although he considered excessive the landed cost (8 158), he would agree to the pricing of this seed at 2500 lire per quintal, and asked that this price be made effective immediately in view of the urgent need of this seed.

61. It was agreed that the price for forage seed corn would be lire 2500 per quintal net weight, packing free.

62. MR. CLEVELAND suggested that the special committee studying other prices, work out the difference between the distribution cost of this commodity and the amount to the Lire Fund. (ACTION: URRA: BUREAU R & D)

e) Wheat. (Documents No. 21 and 21 A)

63. MR. PAVANO stated that the Italian Government fixed the Ammassi price at 2250/2500, but the price to the mills remained at 300 lire per quintal until 31st July 1946. The question of imported wheat was not considered.

64. MR. CLEVELAND stated it was URRA's assumption that the price of URRA wheat would follow the Ammassi price. The question of the eventual subsidy for the maintenance of the political price of bread will be taken up separately, he added.

65. MR. D'ALESSANDRO stated that he would ask the various administrations concerned to give their viewpoint on URRA's proposal. He said that he understood that URRA wished that the price of wheat imported by URRA since the fixation of the Ammassi price for the 1946/47 crop should be the same as that paid for wheat brought to the "Ammassi".

66. After some discussion, it was agreed that URRA will write an official letter to the Government containing the Pession's proposals as regards the price of URRA imported wheat. (ACTION: URRA: BUREAU R & D)

III. Progress report of Sub-Committee on distribution costs of following items: binders, hammers, ploughs, reaper attachments, forage pea seed.

67. MR. CLEVELAND called on MR. BULLA to report on this matter, who said that the prices had been examined but that progress was slow because of the confused state of the records of the Federazione Consorzi Agrari. He reported that, as regards forage pea seeds, the only problem left was that of determining landed costs.

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- 61. It was agreed that the price for forage seed corn would be lire 2500 per quintal net weight, packing free.
- 62. MR. CLEVELAND suggested that the special committee studying other prices, work out the difference between the distribution cost of this commodity and the amount to the lire fund. (ACTION: UNRRA: BUREAU R & D)

e) Wheat. (Documents No. 21 and 21 A)

- 63. MR. ROZZANO stated that the Italian Government fixed the Ammassi price at 2250/2500, but the price to the mills remained at 900 lire per quintal until 31st July 1946. The question of imported wheat was not considered.
- 64. MR. CLEVELAND stated it was UNRRA's assumption that the price of UNRRA wheat would follow the Ammassi price. The question of the eventual subsidy for the maintenance of the political price of bread will be taken up separately, he added.
- 65. MR. VALESANDRO stated that he would ask the various administrations concerned to give their viewpoint on UNRRA's proposal. He said that he understood that UNRRA wished that the price of wheat imported by UNRRA since the fixation of the Ammassi price for the 1946/47 crop should be the same as that paid for wheat brought to the "Ammassi".
- 66. After some discussion, it was agreed that UNRRA will write an official letter to the Government containing the Mission's proposals as regards the price of UNRRA imported wheat. (ACTION: UNRRA: BUREAU R & D)

III. Progress report of Sub-Committee on distribution costs of following items: binders, mowers, ploughs, reaper attachments, forage pea seed.

- 67. MR. CLEVELAND called on MR. SULLA to report on this matter, who said that the prices had been examined but that progress was slow because of the confused state of the records of the Federazione Consorzi Agrari. He reported that, as regards forage pea seeds, the only problem left was that of determining landed costs.
- 68. It was agreed that a final report will be submitted as early as possible by the Sub-Committee. (ACTION: UNRRA: BUREAU R & D: 30)
- 69. MR. SULLA expressed his appreciation for the helpful work done on this matter by MR. PIETROMARCHI of the Italian Delegation.

- 7 -

101

IV. Report by It. an Government Technicians on possible use of trailers for industrial purposes.

70. MR. CLEVELAND asked for the report of the Government as to the possible use of trailers for industrial purposes, with a view to raising the price for these vehicles.
71. MR. PANZARRO stated that it had been ascertained that trailers could be used for industrial purposes, but it had not yet been determined which firms could utilize them, nor the number of trailers which might be sold right away.
72. MR. CLEVELAND emphasized that the concern of this Committee is only the pricing of this article, and asked if the Government had a recommendation for prices of the trailers for industrial use.
73. MR. CLEVELAND also requested the Ministry of Industry to examine the question of the price of trailers and to present its recommendations to this Committee at its next meeting.
74. It was agreed that at the next meeting the Government will submit concrete proposals on this matter. (ACTION: ITALIAN GOVERNMENT)

V. Government's report on proposed price for ammonium nitrate.
(Documents No. 22 and 22 A)

75. MR. CLEVELAND asked whether data on ammonium nitrate required for the last meeting were available from the Government.
76. MR. FOGLIETTI reported that the Government was not in a position as yet to quote a price for local production, since negotiations were still being carried on with producers in the North. His opinion was that it would be easier to level prices by changing the figure of the imported product, rather than adapting the price of the indigenous product to that of the imported one.
77. MR. CLEVELAND pointed out that this would mean putting the matter off for two weeks more. He added that indications had come from the field that ammonium nitrate had arrived in the provinces, and had been frozen for lack of pricing, but that the supply imported under the Y/T Program was being distributed at a price of 2400 lire per quintal. He suggested that distribution of the UNRA supply already in the provinces be made at this price, subject to change after completion of the Government investigation on the matter, so as not to freeze the quantities already in the warehouses.
78. MR. FOGLIETTI stated that it would be better to postpone the decision for another week or two, since it may be necessary to revise the price.
79. MR. CLEVELAND emphasized that the Government is allowing Y/T goods to be sold, while holding UNRA goods in the warehouses.

72. MR. CLEVELAND emphasized that the concern of this Committee is only the pricing of this article, and asked if the Government had a recommendation for prices of the trailers for industrial use.

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78. MR. ROGLIETTI stated that it would be better to postpone the decision for another week or two, since it may be necessary to revise the price.

79. MR. CLEVELAND emphasized that the Government is allowing Y/T goods to be sold, while holding UNRA goods in the warehouses.

80. MR. ROGLIETTI argued that, if the price of 2400 lire were fixed now, and subsequently it had to be raised, there was the possibility that people could always claim that all their nitrates were purchased at the lower price.

- 8 -

81. MR. DE LUCA concurred with MR. CLEVELAND's view that now is the time to get this commodity to the farmers, adding that in the event of a price revision, the Government is always in a position to request a change in price.

82. MR. FOGLIETTI confirmed his previous position.

83. MR. CLEVELAND pointed out that the price would apply to only ten percent of the entire lot anyway, since that percentage is all that is on hand, but he stressed the importance of not accepting the principle that the Y/T nitrates could be sold but URRA nitrates should be confined to warehouses.

84. MR. FOGLIETTI asked if URRA would be willing to postpone this question to next meeting.

85. MR. CLEVELAND replied that there was no alternative for URRA if the Government were not prepared to establish a price now, but warned that it would be difficult for the Mission to explain the present situation to its Headquarters.

86. It was agreed that the discussion on pricing of ammonium nitrate be postponed to the next meeting. (ACTION: SECRETARIAT)

VI. Any other matters. (Documents No. 23 and 23 A)

87. MR. CLEVELAND submitted to the Government representatives a summary of the agreements previously reached by the Committee on Procedural Principles.

88. After some discussion the following amendments to the Summary were agreed:

Para. 1 - reading "The price decisions reached..." was amended to read - "Price agreements reached..."

Para. 2 - a) reading "The price to the first consumer..." was amended to read - "The sale price..."

Para. 2 - b) the phrase "exclusive of custom duties" should be omitted.

Para. 6 - The first sentence should be omitted.

The Second sentence should read "The Price Committee will determine, case by case, which prices will be published in the Official Gazette. (ACTION: SECRETARIAT)"

89. During the meeting, agreement was reached also on the following procedural points:

- a) At MR. CLEVELAND's suggestion, it was agreed that the Government would work out a plan for publicizing and enforcing the prices established by the Committee. This plan will be submitted to the

785017

continued to warehouses.

84. MR. FOGLIETTI asked if UNRA would be willing to postpone this question to next meeting.

85. MR. CLEVELAND replied that there was no alternative for UNRA if the Government were not prepared to establish a price now, but warned that it would be difficult for the Mission to explain the present situation to its Headquarters.

86. It was agreed that the discussion on pricing of ammonium nitrate be postponed to the next meeting. (ACTION: SECRETARIAT)

VI. Any other matters. (Documents No. 23 and 23 A)

87. MR. CLEVELAND submitted to the Government representatives a summary of the agreements previously reached by the Committee on Procedural Principles.

88. After some discussion the following amendments to the Summary were agreed:

Para. 1 - reading - "The price decisions reached..."
was amended to read - "Price agreements reached..."

Para. 2 - a) reading - "The price to the first consumer..."
was amended to read - "The sale price..."

Para. 2 - b) the phrase "exclusive of custom duties" should be omitted.

Para. 6 - The first sentence should be omitted.

The Second sentence should read "The Price Committee will determine, case by case, which prices will be published in the Official Gazette. (ACTION: SECRETARIAT)"

89. During the meeting, agreement was reached also on the following procedural points:

a) At MR. CLEVELAND's suggestion, it was agreed that the Government would work out a plan for publicizing and enforcing the prices established by the Committee. This plan will be presented at the next meeting of the Price Committee. (ACTION: ITALIAN GOVERNMENT)

b) At MR. COMINI's suggestion, it was agreed that copies of the instructions on prices issued by the Ministries will be sent to the Mission for information. (ACTION: ITALIAN GOVERNMENT)

99
- 9 -
90. The meeting adjourned at 1:10 p.m.

DISTRIBUTION:

All those present
Chief of Mission
Industrial Adviser
Legal Adviser
Div. Operational Analysis
Bureau R & D (2)
Bureau P & A (2)
Bureau S. S. (2)
Progr. Coord. - Sub-Dir. of Supply Operations
Price Office - Bureau R & D
Spec. Ass't to COM (2)
Reference Secretariat (2)
Registry (2)
American Embassy - Mr. Leigh Hunt

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Declassified E.O. 12356 Section 3.3/NND No. 785017

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Bureau R & D (2)
Bureau F & A (2)
Bureau R. S. (2)
Progr. Coord. - Sub-Bur. of Supply Operations
Price Office - Bureau R & D
Spec. Ass't to Com (2)
Conference Secretariat (2)
Registry (2)
American Embassy - Dr. Leigh Hunt

DI 5375

URRA Italian Mission
Central Secretariat

PRICE COMMITTEE

Minutes of the Fifth Meeting
held at 9:30 a.m., 30th July, 1946

PRESENT FOR URRA:

H. Cleveland	Deputy Chief of Mission & Chief, Bureau R & D
J. Imrie	Asst't Chief, Sub-Bur. R. Supply - Bureau R & D
W.G. Peterson	Sub-Bureau of Supply Operations
V.B. Sullen	Chief Analyst, Sub-Bur. R. Supply - Bureau R & D
F. Verdirame	Price Specialist - Bureau R & D
G. Cariani	Division of Agriculture - Bureau R & D
H.H. Landsberg	Progr. Coord. & Stat. Div. - Bureau R & D
G. D'Avola Valva	Sub-Bureau of Industrial Rehabilitation
P. Contini	Spec. Asst't to Chief of Mission
E.C. Benn	Health Division - Bureau R.S.
L.D. Orpen	Office of Fin. Adviser, Lire Fund, Bureau P & A
E.C. Lapouna	Bureau of P & A
G. Miegge	Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

L. D'Alessandro	Director General, Italian Delegation
G. Mersione	Italian Delegation
E. Della Negra	" "
C. Chiodelli	" "
L. Trincas	High Commissariat for P. Health & Hygiene
A. Apicella	Ministry of Agriculture
A. Gambioli	" " "
V. De Simone	" " "
P. De Luca	" " "
M. Pansaruro	Ministry of Industry
V. Marcolini	Ministry of the Treasury
A. Poffano	" " "
A. Foglietti	Interministerial Committee on Prices
R. De Lieto Vollan	Ministry of Foreign Trade.

AGENDA

- I. Approval of Minutes of 4th Meeting.
- II. Report by Italian Government on steps to be taken to ensure application and enforcement of prices fixed by Committee. (Italian Government)
- III. Report from Agricultural Sub-Committee on Distribution costs of following items:
 - a) Grain binders
 - b) harvesters

V.B. Sullam Chief Analyst, Sub-Bur. R. Supply - Bureau R & D
 F. Verdirame Price Specialist - Bureau R & D
 G. Cardani Division of Agriculture - Bureau R & D
 H.H. Landsberg Progr. Coord. & Stat. Div. - Bureau R & D
 G. D'Alaya Valva Sub-Bureau of Industrial Rehabilitation
 P. Contini Spec. Asst't to Chief of Mission
 E.C. Berni Health Division - Bureau R.S.
 L.D. Orpen Office of Fin. Adviser, Lire Fund, Bureau F & A
 E.G. Lapenna Bureau of F & A
 G. Miegge Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

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 G. Mazzione Italian Delegation
 E. Della Negra " "
 C. Chiodelli " "
 L. Trincas High Commissariat for P. Health & Hygiene
 A. Apicella Ministry of Agriculture
 A. Gambioli " "
 V. De Simone " "
 F. De Luca " "
 M. Panzanaro Ministry of Industry
 V. Marcolini Ministry of the Treasury
 A. Poffano " "
 A. Foglietti Interministerial Committee on Prices
 R. De Lieto Vollan Ministry of Foreign Trade.

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- I. Approval of Minutes of 4th Meeting.
- II. Report by Italian Government on steps to be taken to ensure application and enforcement of prices fixed by Committee. (Italian Government)
- III. Report from Agricultural Sub-Committee on Distribution costs of following items:

a) grain binders
 b) mowers
 c) plows
 d) reaper attachments
 e) forage pea seed
 f) vetch seed
 g) forage seed corn

5.33

- IV. Report from Medical Sub-Committee on

a) penicillin
 b) medicines

- 2 -

V. Italian Government proposals on trailers for industrial use.
(Italian Government)

VI. Italian Government report on proposed price for ammonium nitrate. (Italian Government)

VII. Items for price fixing:

- a) petroleum coke
- b) Sudan grass
- c) cottonseed
- d) cottonseed oil
- e) rubber
- f) corn syrup
- g) cotton seed cake

VIII. Items to be re-examined (Prices valid to 15th July):

- a) wheat binders
- b) reaper attachments

IX. Any other business.

- b) Sudan grass
- c) cottonseed
- d) cottonseed oil
- e) rubber
- f) corn syrup
- g) cotton seed cake.

VIII. Items to be re-examined (Prices valid to 15th July):

- a) wheat binders
- b) reaper attachments

IX. Any other business.

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MINUTES OF THE FIFTH MEETING OF THE
PRICE COMMITTEE

I. Approval of minutes of 4th meeting.

1. The meeting was opened by Mr. Cleveland who introduced the first item on the Agenda.
2. MR. D'ALESSANDRO pointed out that the minutes of the last meeting were received by the Italian Delegation only on Saturday, and he suggested that approval of the minutes be postponed until next meeting.
3. It was agreed that the approval of the minutes of the 4th meeting be postponed until the next meeting. (ACTION: SECRETARIAT)

II. Report by Italian Government on steps to be taken to ensure application and enforcement. (Document No. 23 & 23 A)

4. After some discussion, it was agreed that:

- a) Price decision will be prepared in both languages, Italian and English. (ACTION: PRICE OFFICER, UNRRA)
- b) Place of delivery will be indicated in the Price decisions. (ACTION: PRICE OFFICER, UNRRA)
- c) Price decision will be communicated quickly by the Delegation to the Interministerial Committee on Prices and, for information, to other Italian Administrations concerned. (ACTION: ITALIAN GOVERNMENT)
- d) It will be the function of the Interministerial Committee to decide which prices should be published in the "Official Gazette". (ACTION: ITALIAN GOVERNMENT)

5. It was then agreed that para. 6 of the "Statement of Procedural Principles" (Document No. 23 and 23 A)

reading: "The Price Committee will determine, case by case, which prices will be published in the Official Gazette..."

be amended to read: "It will be the function of the Interministerial Committee on Prices to decide which prices should be published in the "Official Gazette"

(ACTION: SECRETARIAT)

5430

6. MR. CLEVELAND recommended to the Government that all prices should be published in the "Official Gazette".

next meeting.
3. It was agreed that the approval of the minutes of the 4th meeting be postponed until the next meeting. (ACTION: SECRETARIAT)

II. Report by Italian Government on steps to be taken to ensure application and enforcement. (Document no. 23 & 23 A)

4. After some discussion, it was agreed that:

- a) Price decision will be prepared in both languages, Italian and English. (ACTION: PRICE OFFICER, URRA)
- b) Place of delivery will be indicated in the Price decisions. (ACTION: PRICE OFFICER, URRA)
- c) Price decision will be communicated quickly by the Delegation to the Interministerial Committee on Prices and, for information, to other Italian Administrations concerned. (ACTION: ITALIAN GOVERNMENT)
- d) It will be the function of the Interministerial Committee to decide which prices should be published in the "Official Gazette". (ACTION: ITALIAN GOVERNMENT)

5. It was then agreed that para. 6 of the "Statement of Procedural Principles" (Document no. 23 and 23 A)

reading: "The Price Committee will determine, case by case, which prices will be published in the Official Gazette..."

be amended to read: "It will be the function of the Interministerial Committee on Prices to decide which prices should be published in the "Official Gazette"

(ACTION: SECRETARIAT)

5:30

6. MR. CLEVELAND recommended to the Government that all prices should be published in the "Official Gazette".

7. MR. FOGLIETTI stated that prices are legally binding after their publication in the "Official Gazette"; however this will be necessary only in those cases in which an infraction to the fixed price is possible (i.e. when the Government is not the distributing agency).

Rec.
no. 13

8. After some discussion, it was agreed that the Price Committee recommended to the Italian Government that all URRA prices be published in the "Official Gazette", in order to make them legally binding.

EX 607

- 2 -

9. It was also agreed that a draft of each Price Decision be transmitted informally to MR. FOGLIETTI of the Interministerial Committee on Prices (pending approval by the two Chairmen) to enable the Committee to act on them without delay the moment they are officially ratified by the two Chairmen.
(ACTION: PRICE OFFICER, JEFRA)

III. Report from Agricultural Sub-Committee on Distribution Costs of following items: (Document No. 24 and 24 A)

- a) Grain binders
- b) Mowers
- c) Plows
- d) Reaper attachments
- e) Forage pea seed
- f) Vetch seed
- g) Forage seed corn

10. MR. SULLAM presented a summary report (Documents No. 24 and 24 A) and asked if it would be possible to establish at this meeting, whether a global percentage mark-up on distribution costs should be adopted for all imported supplies, or the percentage mark-up be established for each item separately.

11. MR. D'ALESSANDRO said that the percentage mark-up should be fixed case by case.

12. MR. FOGLIETTI suggested that, as example, costs be shown in detail for at least one item.

13. MR. SULLAM agreed to this proposal, and indicated this would be handled in the full report to be presented later.

14. After some discussion it was agreed that examination of this item would be postponed to the next meeting of the Price Committee.
(ACTION: SECRETARIAT)

IV. Report from Medical Sub-Committee on (Documents No. 25 & 25 A, 16 & 16 A)

- a) Penicillin
- b) Medicines

15. MR. CLEVELAND asked DR. BEN to report recommendations of the Medical Sub-Committee on the price of Penicillin and medical supplies in general.

- a) Penicillin.

16. DR. BEN stated that, according to the report already submitted

- a) Grain binders
- b) Mowers
- c) Plows
- d) Reaper attachments
- e) Forage pea seed
- f) Vetch seed
- g) Forage seed corn

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- b) Medicines

15. MR. CLEVELAND asked DR. BENN to report recommendations of the Medical Sub-Committee on the price of Penicillin and medical supplies in general.

- a) Penicillin.

16. DR. BENN stated that, according to the report already submitted by the Medical Sub-Committee, the recommended price for Penicillin should be:

- 255 lire per 100,000-unit vial
- 450 lire per 200,000-unit vial

17. DR. BENN pointed out that although packing charges did not greatly differ for the two types of vials, the price recommended for the 200,000-unit vial was considerably higher than the price for the 100,000-unit vial. This, he added, was done in order to avoid a

- 3 -

tendency to buy more quantities of Penicillin than necessary.

18. DR. BEN pointed out that the landed cost of UNRRA Penicillin is 64 cents, equivalent to Lire 144 at the rate of exchange of 225 lire per dollar. This cost is higher than that of Penicillin imported by the Italian Government, and the Sub-Committee felt that some reduction of the UNRRA landed cost might be possible.

19. After some discussion it was agreed that the price of Penicillin be fixed at Lire 235 per 100,000-Unit vial and Lire 450 per 200,000-Unit vial.

b) Medical supplies.

20. DR. BEN suggested that the approval of the proposals of the Sub-Committee on medical supplies, be postponed until MR. HOKINS had cleared with the Italian Government the point as to whether the proceeds of medical supplies of the 1945 program should be paid into the Lire Fund. It was understood by DR. SOLIMENA and himself, that the proceeds of sale of medical supplies imported by UNRRA, should go to the Treasury and not to the Lire Fund, inasmuch as the Treasury had already allocated 5 billion lire for the 1945 program.

21. It was agreed that DR. BEN's interpretation was correct.

22. MR. MARCOLINI said that the sum of 5 billion lire was to be considered as a maximum. Should the 1945 plan come to less than this amount, the sum to be allocated to the Lire Fund would be correspondingly reduced.

23. MR. CLEVELAND remarked that this was a matter for the Lire Fund Committee rather than the Price Committee.

24. MR. D'ALESSANDRO supported MR. CLEVELAND's remark.

25. MR. CLEVELAND said that his opinion was that a list of prices for medical supplies could be prepared without considering the question of Lire Fund.

26. DR. BEN stressed that it would be advisable to agree in this meeting on the proposal of the Sub-Committee, that in fixing prices for medical supplies the rate of exchange be 225 lire per dollar.

27. MR. CLEVELAND's proposal to approve points from 1 to 4 of para. 3 of the recommendations of the Medical Sub-Committee, was agreed. (ACTION: ITALIAN GOVERNMENT AND UNRRA, BUREAU R & D). The points in question read as follows:

"1. It was agreed that Balkan stock-pile items, although purchased in the 1946 program, shall be considered together with 1945 relief supplies.

5428

No. 14
lin be fixed at Lire 255 per 100,000-Unit vial and Lire 450 per 200,000-Unit vial.

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24. MR. D'ALESSANDRO supported MR. CLEVELAND's remark.

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(ACTION: ITALIAN GOVERNMENT AND UNRRA, BUREAU R & D). The points in question read as follows:

"1. It was agreed that Balkan stock-pile items, although purchased in the 1946 program, shall be considered together with 1945 relief supplies.

5/28

"2. Dr. Benn said that according to recent information, there was likely to be excess of some medical supplies imported under the 1945 program, over and above the requirements of the State-aided medical institutions. Prices must be fixed for such excess supplies, in order that they may be distributed.

"3. Dr. Solimena said the High Commissariat for Public Health & Hygiene, in conjunction with Medical Supply Division, would prepare a list of all drugs in excess of the requirements of State-aided medical institutions.

- 4 -

4. It was agreed that the exchange rate should be calculated at 225 lire to the dollar, for the excess supplies."

V. Italian Government proposals on trailers for industrial use.

28. MR. CLEVELAND asked whether the Ministry of Industry and Commerce was now ready to make a recommendation on the selling price of trailers for industrial use.

29. MR. PANZARARO of the Ministry of Industry and Commerce firstly declared that it would be necessary to modify the brake system of trailers, to make them suitable for industrial use.

30. The recommended price for said trailers, he added, should be Lire 55,000, that is a little less than the price offered by the ARAR (Lire 65,000) for similar trailers.

31. MR. CLEVELAND asked for observations and comments.

32. MR. MARCOLINI stated that it was not advisable to establish a price lower than that offered by ARAR. In Milan, he added, the "Officine Meccaniche" (O.M.) had to stop the assembling of agricultural machines, owing to the strong competition caused by the UREKA machinery on the market. However, he agreed on the price suggested by the Ministry of Industry and Commerce.

33. MR. CLEVELAND proposed that the suggested price be adopted with the understanding that, should it be found too high to move the trailers quickly, it could be reduced.

Rec. No. 15 34. It was agreed that the price for trailers be fixed at Lire 55,000, subject to modification, if necessary.

VI. Italian Government report on proposed price for ammonium nitrate.
(Document No. 22 and 22 A)

35. MR. FOGLIETTI stated that from information gathered by his office, it appeared that the Ammonium Nitrate produced in Italy had a lower base than the imported product. He, therefore, proposed a price of Lire 2,400 per quintal, for 31/35% Ammonium Nitrate.

Rec. No. 16 36. It was agreed that the price for Ammonium Nitrate, having a base of 31/35%, should be Lire 2,400 per quintal.

VII. Items for price fixing:

- a) Petroleum coke (Document No. 18 & 18 A)
- b) Sudan grass (Document No. 26 & 26 A)
- c) Colophony (Document No. 27 & 27 A)
- d) Composition selling (Document No. 28 & 28 A)

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- b) Sudan grass (Document No. 26 & 26 A)
- c) Colophony (Document No. 27 & 27 A)
- d) Composition soling (Document No. 28 & 28 A)
- e) Rubber (Document No. 29 & 29 A)
- f) Corn Syrup (Document No. 30 & 30 A)
- g) Cotton seed cake (Document No. 31 & 31 A)
- a) Petroleum coke. (Document No. 16 & 16 A)

38. MR. CLEVELAND stated that it was his understanding that at the meeting held by the Coal Committee, a price of Lire 4,375 per ton had been agreed.

- 5 -

38. MR. FOGLIETTI pointed out that as Petroleum coke is used in lieu of hard coal, the price established for coal coke should apply to petroleum coke for the amount being imported. As regards future importation of petroleum coke, the price should be re-examined in view of the fact that coal imported by the Italian Government is sold at a higher price.

Rec. No. 17 39. It was agreed that the recommended price for Petroleum coke imported on the present UNRRA program would be Lire 4,375 per ton, subject to future revision in case of future imports.

b) Sudan Grass. (Document No. 26 & 26 A)

40. MR. CARENINI stated that Sudan grass was due to arrive in Italy on the 2nd of August, and that the fixing of price for this product was seasonably urgent.

Rec. No. 18 41. After some discussion, it was agreed that price for Sudan grass will be Lire 4,000 per quintal, the price already agreed between UNRRA's Agricultural Division and the Ministry of Agriculture.

c) Colophony. (Document No. 27 & 27 A)

42. MR. CLEVELAND stated that UNRRA proposed the price of Lire 100 per kilo for colophony.

43. MR. MARCOLINI informed that the actual price of colophony imported by the Italian Government was Lire 120 per kilo; therefore, he suggested that this price should be adopted for the supplies imported by UNRRA.

44. MR. CLEVELAND pointed out that the Y/T and free market price for Colophony was Lire 120 per kilo, while the price suggested by the North Italy Industrial Sub-Committee, was Lire 60 per kilo. The Ministry of Industry and Commerce had recommended a price of Lire 100 per kilo.

45. MR. D'ALESSANDRO confirmed that the price of colophony on the free market was Lire 120 per kilo.

46. MR. FOGLIETTI requested that the fixing of price for colophony be postponed, in order to permit the Italian authorities to collect further details on the costs.

47. MR. D'ALESSANDRO pointed out that it was necessary to collect further details on the actual market situation in connection with colophony, rather than on costs.

48. MR. MARCOLINI stated that inasmuch as the technical people concerned had already proposed the price of Lire 135 per kilo, and this was in conflict with the free market and Y/T prices of Lire 120 per kilo, the matter should be re-examined and recommendation

subject to future revision in case of future imports.

b) Sudan Grass. (Document No. 26 & 26 A)

40. MR. CARDANI stated that Sudan Grass was due to arrive in Italy on the 2nd of August, and that the fixing of price for this product was seasonably urgent.

41. After some discussion, it was agreed that price for Sudan Grass will be Lire 4,000 per quintal, the price already agreed between UNRA's Agricultural Division and the Ministry of Agriculture.

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49. MR. D'ALESSANDRO suggested that a meeting be held on this matter, including representatives of the Treasury and of the Institute of Foreign Trade (ICE).

5426

50. MR. CLEVELAND requested MR. VERDIRA to call a Committee in order to study the price of colophony and to bring its recommendations to the next meeting. (ACTION: UNRA, BUREAU R & D)

- 6 -

51. MR. POGGIETTI stated that, in order to fix the selling price of colophony, it would be advisable to know the American quotation of this product.

52. MR. CLEVELAND suggested that the Committee studying the matter should also take this request into consideration. (ACTION: UNRRA, BUREAU R & D)

a) Composition soling. (Document No. 28 & 28 A)

53. MR. CLEVELAND stated that the recommended price was Lire 100 per kilo.

54. MR. CLEVELAND further pointed out that, although there was general concurrence on this price of composition soling, the material might be used in connection with a special program of processing and distribution, similar to the cotton/wool arrangements now being negotiated.

55. MR. CLEVELAND therefore proposed to postpone the decision on the price of composition soling to a future meeting. This was agreed. (ACTION: SECRETARIAT)

e) Rubber. (Document No. 29 & 29 A)

56. MR. CLEVELAND stated that a proposal on the price of rubber had just been received by UNRRA and would need to be studied before action could be taken by the Committee. It was agreed that the price of Rubber be discussed at the next meeting (ACTION: SECRETARIAT)

f) Corn Syrup. (Document No. 30 & 30 A)

57. MR. CLEVELAND stated that there was a proposal from the Italian Government for fixing the price of corn syrup at Lire 50 per kilo to the consumer. He wanted to know what was meant by "consumer".

58. MR. D'ALESSANDRO informed that the question of the "consumer" had already been discussed by the Price Committee. The consumer, he added, is the first purchaser.

59. MR. CLEVELAND pointed out that the distribution plan for Corn Syrup will probably be divided in two parts:

- a) distribution to the individuals as food,
- b) distribution to the pharmaceutical industries.

Therefore two prices might be fixed, owing to the different use of this product.

60. MR. CLEVELAND suggested that the fixing of the price be postponed in order to give enough time to the Italian Government to work out a distribution plan. This suggestion was agreed.

- c) Composition soling. (Document No. 28 & 28 A)
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57. MR. CLEVELAND stated that there was a proposal from the Italian Government for fixing the price of corn syrup at Lire 50 per kilo to the consumer. He wanted to know what was meant by "consumer".
58. MR. D'ALESSANDRO informed that the question of the "consumer" had already been discussed by the Price Committee. The consumer, he added, is the first purchaser.
59. MR. CLEVELAND pointed out that the distribution plan for Corn Syrup will probably be divided in two parts:
- a) distribution to the individuals as food,
 - b) distribution to the pharmaceutical industries.
- Therefore two prices might be fixed, owing to the different use of this product.
60. MR. CLEVELAND suggested that the fixing of the price be postponed in order to give enough time to the Italian Government to work out a distribution plan. This suggestion was agreed. 5/25
61. MR. MARCOLINI stated that both categories of the distribution plan refer to industrial purposes as corn syrup is to be delivered to pharmaceutical industries and to food industries for production of fruit syrups, and not to individuals. MR. MARCOLINI pointed out that the distribution to food industries is seasonably very urgent.

- 7 -

62. MR. CLEVELAND suggested that the Committee approve a procedure whereby UNRRA and the Delegation might reach an agreement on this price before the next meeting, if the distribution plan is ready, and it is urgent to put the plan into effect.
(ACTION: ITALIAN GOVERNMENT AND UNRRA, BUREAU R & D)

63. This proposal was agreed.

g) Cotton seed cake. (Document No. 31 and 31 A)

64. MR. CARDANI stated that cotton seed cakes are not much used in Italy. This type of animal feed, he added, cannot be used by itself, but only in the production of mixed animal feed. He informed that against a price of Lire 750 per quintal, proposed by the Italian Government, there is the price of Lire 1,000 suggested by UNRRA.

65. MR. CARDANI pointed out that the discrepancy between the two prices was due to a mistake in calculation on part of the Italian Government.

66. MR. DE SILONE agreed that a mistake was made by the Italian Government, but still was of the opinion that the lower price of Lire 750 should be applied, owing to the lower nutritive value of this feed, as compared with other products used in animal feed mixtures.

67. MR. BRIN stated that he made an enquiry on the prices of the animal feed mixtures in Italy: they vary from Lire 1,900 to Lire 2,400 per quintal. The mixture with cotton seed could be easily sold, he added, at a price of Lire 2,000/2,200.

68. MR. MARCOLINI and MR. D'ALESSANDRO expressed themselves in favor of the 1,000 lire price.

69. It was agreed that the price for cotton seed cake will be Lire 1,000 per quintal.

Rec.
No. 19

VIII. Items to be re-examined (Prices valid to 15th July)

- a) Wheat binders
- b) Reaper attachments

70. MR. CLEVELAND asked whether any alterations were proposed in the prices on these items.

71. MR. D'ALESSANDRO said that the prices were considered too low, but were still under review. It was also pointed out that there was no necessity for reaching a decision before about November.

785017

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65. MR. CARDANI pointed out that the discrepancy between the two prices was due to a mistake in calculation on part of the Italian Government.

66. MR. DE BIANCHI agreed that a mistake was made by the Italian Government, but still was of the opinion that the lower price of Lire 750 should be applied, owing to the lower nutritive value of this feed, as compared with other products used in animal feed mixtures.

67. MR. DEBIE stated that he made an enquiry on the prices of the animal feed mixtures in Italy: they vary from Lire 1,900 to Lire 2,400 per quintal. The mixture with cotton seed could be easily sold, he added, at a price of Lire 2,000/2,200.

68. MR. MARCOLINI and MR. D'ALESSANDRO expressed themselves in favor of the 1,000 lire price.

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71. MR. D'ALESSANDRO said that the prices were considered too low, but were still under review. It was also pointed out that there was no necessity for reaching a decision before about November.

72. It was therefore agreed to postpone the discussion. ^{5 of 24}

IX. Any other business.7. POL Prices.

73. There was some discussion on POL prices, and MR. CLEVELAND said that UPRRA had agreed with the Italian Delegation to a price increase of 2 lire per litre for Gasoline and 2 lire per kilo for

- 2 -

Casoli and Kerosene.

74. MR. FOGLIETTI informed that this was a mistake, for the Gas-oil should be 2 lire per litre rather than per kilo. It was agreed that the Italian Government would amend MR. D'ALESSANDRO's original letter accordingly, and UNRRA would confirm its agreement in writing.
(ACTION: ITALIAN GOVERNMENT AND UNRRA)

75. MR. CLEVELAND asked MR. FOGLIETTI to obtain from CIP as soon as possible its report on the basis for the present prices and a suggested changed basis of landed costs.

.. Next Meeting.

76. It was agreed that next meeting will take place on 10th August 1946.

77. The meeting adjourned at 11:30 a.m.

DISTRIBUTION:

All those present
Chief of Mission
Industrial Adviser
Legal Adviser
Div. Operational Analysis
Bur. R & D {2}
Bur. F & A {2}
Bur. R. S. {2}
Progr. Coord. - Sub-Bur. of Supply Operations
Price Office - Bureau R & D
Spec. Asst to C O A {2}
Conf. Sec. Secretariat {2}
Registry {2}
American Embassy - Mr. Leigh Hunt

Attachments: 24 & 24 A, 25 & 25 A, 26 & 26 A, 27 & 27 A, 28 & 28 A,
29 & 29 A, 30 & 30 A, 31 & 31 A, 32 & 32 A, 33 & 33 A,
34 & 34 A.

785017

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 34 & 34 A.

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UNRRA Italian Mission
Central Secretariat

LIRE FUND CONTROL COMMITTEE

Minutes of the Fifth Meeting
held at 10 a.m., 10th July, 1946
and continued at
9 a.m., 12th July, 1946

PRESENT FOR UNRRA:

Mr. Hodgetts
Mr. Hopkins
Mr. Pravers
Mr. Contini
Mr. Sorieri
Mr. Benn
Mr. Prizelle
Mr. Kiege

Deputy Chief of Mission & Chief, Bur. P & A
Financial Adviser (Lire Fund) to C.P.A.
Senior Finance Officer, Office of Fin. Adv.
Spec. Assistant to Chief of Mission
Deputy Chief of Mission & Chief, Bur. R.S.
Director of Division of Health
Division of Health
Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

Mr. D'Alessandro	Italian Government Delegation
Mr. Scheda	"
Mr. Marcolini	Ministry of the Treasury
Mr. Calano	" (only for meet. of 12 July)
Mr. Solimena	High Commissariat for P. Health & Hygiene
Mr. Ferrari	" " " " " "
	(only for meet. of 12 July)
Mr. Pragnanese	Ministry for Post-War Assistance
Mr. Borgianni	ICE
Mr. Bongiovanni	ICE

A G E N D A

1. Approval of minutes of previous meeting.
2. Plan for employment of Lire 1,500,000,000 for Health Program. (Delegation) (Document No. 6 and 6 A)
3. Supplementary allocation of Lire 446,000,000 to CASAS project. (UNRRA) (Document No. 7 and 7 A, 8 and 8 A)
4. Examination of expenditure of Lire 81,165,925 by the Italian Government Delegation for processing of cotton for the Ministry of Post-War Assistance Program. (Delegation) (Doc. N. 9&9A, 10&10A)
5. Progress report on charges by the Federazione Consorzi Agrari for UNRRA Camps and Welfare Programs. (Delegation)
6. Progress report on distribution cost of Federazione Consorzi Agrari for 1945 Program. (Delegation)
7. Progress report on bases of distribution costs of grain, flour

785017

Mr. Hodgetts Deputy Chief of Mission & Chief, Bur. F & A
 Mr. Hopkins Financial Adviser (Lire Fund) to C.F.A.
 Mr. Bravers Senior Finance Officer, Office of Fin. Adv.
 Mr. Contini Spec. Assistant to Chief of Mission
 Mr. Sorieri Deputy Chief of Mission & Chief, Bur. R.S.
 Mr. Benn Director of Division of Health
 Mr. Prizelle Division of Health
 Mr. Megege Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

Mr. D'Alessandro Italian Government Delegation
 Mr. Scheda "
 Mr. Marcolini Ministry of the Treasury
 Mr. Calano " " (only for meet. of 12 July)
 Mr. Solimena High Commissariat for P. Health & Hygiene
 Mr. Ferrari " " " "
 Mr. Frangipane Ministry for Post-War Assistance
 Mr. Borgianni ICE
 Mr. Bongiovanni ICE

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4. Examination of expenditure of Lire 81,165,925 by the Italian Government Delegation for processing of cotton for the Ministry of Post-War Assistance Program. (Delegation) (Doc. N. 9a, 9A, 10a, 10A)
5. Progress report on charges by the Federazione Consorzi Agrari for UNRRA Camps and Welfare Programs. (Delegation)
6. Progress report on distribution cost of Federazione Consorzi Agrari for 1945 Program. (Delegation)
7. Progress report on bases of distribution costs of grain, flour and codfish as calculated by the Federazione Consorzi Agrari. (Delegation)
8. Progress report on POL situation. (Delegation) (Doc. No. 11 & 11 A)
9. Cost of distribution of coal. (Delegation) (Doc. No. 12 & 12 A)
10. Imported wool. (Delegation)
11. Sardinian coal. (Delegation) (Document No. 13 & 13 A)
12. Any other business.

OFFICE Italian Mission.

MINUTES OF THE FIFTH MEETING OF THE
LIRE FUND CONTROL COMMITTEE

I. Approval of minutes of previous meeting.

1. MR. HODGETTS opened the meeting, asking if there were any comments to be made regarding the Minutes of the previous meeting on 28 June.
2. MR. CONTINI pointed out a typographical error in paragraph 33 a) where "1st August" should read "31st August". (ACTION: SECRETARIAT)
3. MR. D'ALESSANDRO pointed out that in para 31, "Gen. Saracino" should read "Mr. Saracino". (ACTION: SECRETARIAT)
4. MR. D'ALESSANDRO, referring to para 33 a), said that the list of expenses would be submitted within 31st August, but would include expenses incurred up to 30th June only. He suggested the para. should be altered to read: "The Federazione Consorzi Agrari should submit within 31st August 1946 a complete list of expenses incurred for the 1945 program up to 30th June 1946". This was agreed. (ACTION: SECRETARIAT)
5. It was also agreed to amend Recommendation No. 2 (para 35) to read: "It was agreed that an advance would be granted of 80% of the sum to be indicated by the Federazione for the expenses incurred up to 30 June 1946 in connection with the 1945 program". (ACTION: SECRETARIAT)
6. MR. HODGETTS said that the Federazione should give an account of all expenses incurred up to 30 June 1946, both for the 1945 and the 1946 programs.
7. MR. SCHENA agreed, provided that the two accounts for the 1945 and the 1946 programs be kept separate.
8. It was then agreed that the Delegation would request the Federazione to communicate within 31 August, the expenses incurred also for the 1946 Program up to 30 June 1946. (ACTION: DELEGATION)
9. MR. HODGETTS asked that in para 20 "although" should be amended to read "when", i.e. "when he did not sit on the Price Committee, he was represented by MR. HOPKINS." (ACTION: SECRETARIAT)
10. MR. D'ALESSANDRO asked that a further sentence be included in the Minutes to emphasize that MR. MARCOLINI and himself were in complete agreement. There should be an insertion in para 23 "to read: 'MR. MARCOLINI agreed with MR. D'ALESSANDRO's remarks, and said that...'"

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(ACTION: SECRETARIAT)
6. MR. HODGETTS said that the Federazione should give an account of all expenses incurred up to 30 June 1946, both for the 1945 and the 1946 programs.
7. MR. SCHEDA agreed, provided that the two accounts for the 1945 and the 1946 programs be kept separate.
8. It was then agreed that the Delegation would request the Federazione to communicate within 31 August, the expenses incurred also for the 1946 Program up to 30 June 1946. (ACTION: DELEGATION)
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10. MR. D'ALESSANDRO asked that a further sentence be included in the Minutes to emphasize that MR. MARCOLINI and himself were in complete agreement. There should be an insertion in para 23 to read: "MR. MARCOLINI agreed with MR. D'ALESSANDRO's remarks, and said that..."
(ACTION: SECRETARIAT)
11. MR. CONTINI asked that, whenever possible, corrections of this kind be made on the draft which is submitted to the Government for clearance before the issue of minutes in final form.
12. MR. SCHEDA said that, in connection with Recommendation No. 2, the advance of 80% of the approximately 400 million lire estimated by the Federazione for the expenses incurred up to 30 June 1946, should

- 2 -

be paid immediately, and not after 31 August. However, the 75 million lire previously paid to the Federazione on account should be deducted from the advance.

13. There was general agreement to MR. SCHEDA's proposal.
(ACTION: UNRA AND DELEGATION)

14. MR. MARCOLINI said that ICE was making continual payments to the Treasury for goods sold, which up to date had amounted to 7,857,918,000 Lire. Out of this sum, 1,050,000,000 Lire had already been used for re-employment plans, including 500,000,000 Lire for the Anti-Locust Campaign.

15. MR. MARCOLINI suggested a Sub-Committee be set up to examine the 500,000,000 Budget and expenditure on the Anti-Locust Campaign, comprising a representative from the Treasury, from the Delegation, and either MR. HODGETTS or MR. HOPKINS.

16. MR. HODGETTS agreed, and said that MR. HOPKINS would represent him on this Sub-Committee.

17. It was then agreed that a Sub-Committee composed of Messrs. D'ALESSANDRO and MARCOLINI for the Government, and MR. HOPKINS for UNRA, or their representatives, will examine the budget and expenditures of the Anti-Grasshopper Campaign.
(ACTION: UNRA AND DELEGATION)

18. There being no other comment of objection, the Minutes of the previous meeting were approved.

II. Plan for employment of Lire 1,500,000,000 for Health Program.
(Documents No. 6 and 6 A)

19. MR. SOLIMENA, submitting Document No. 6 and 6 A, said this sum was requested by the High Commissariat as a contribution to the work of rehabilitation which the Government was doing in the health field.

20. MR. HODGETTS said that the Document which had just been put before him showed a figure of over $\frac{3}{4}$ billion Lire, whereas the Agenda gave the figure as $1\frac{1}{2}$ billion Lire, and he asked for an explanation of the discrepancy.

21. MR. SOLIMENA said that the re-employment plan showed the complete needs of the health program, which would total $\frac{3}{4}$ billion Lire, while the $1\frac{1}{4}$ billion Lire represented the most urgent needs.

22. MR. HODGETTS asked which items were the subject of special budgets previously submitted.

23. MR. SOLIMENA replied that the items were 500 million for the

treasury for goods sold, which up to date had amounted to 7,857,918,000 Lire. Out of this sum, 1,050,000,000 Lire had already been used for re-employment plans, including 500,000,000 Lire for the Anti-Locust Campaign.

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16. MR. HODGETTS agreed, and said that MR. HOPKINS would represent him on this Sub-Committee.

17. It was then agreed that a Sub-Committee composed of Messrs. D'ALESSANDRO and MARCOLINI for the Government, and MR. HOPKINS for UNRA, or their representatives, will examine the budget and expenditures of the Anti-Grasshopper Campaign.
(ACTION: UNRA and DELEGATION)

18. There being no other comment of objection, the Minutes of the previous meeting were approved.

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19. MR. SOLIMENA, submitting Document No. 6 and 6 A, said this sum was requested by the High Commissariat as a contribution to the work of rehabilitation which the Government was doing in the health field.

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22. MR. HODGETTS asked which items were the subject of special budgets previously submitted.

23. MR. SOLIMENA replied that the items were 500 million for the Anti-Malaria Campaign for Sardinia and $18\frac{1}{2}$ million Lire for transports for provincial doctors. Of the 500 million, 100 million had been approved by the Joint Committee. The $18\frac{1}{2}$ million Lire had been recommended by the Lire Fund Control Committee to the President of the Delegation and the Chief of Mission for their joint approval.

- 3 -

24. MR. SOLIMENA said that, within the amount of money allocated, the High Commissariat would decide on the priority to be given to particular health projects.

25. MR. SOLIMENA suggested that a special Sub-Committee be set up to examine the developments of this plan.

26. It was then agreed that a Sub-Committee be established to examine the Health Program. This Sub-Committee is composed of: Dr. Bern and Mr. Hopkins for UNERA, Mr. D'Alessandro, for the Delegation, Mr. Marcolini for the Treasury, Mr. Trincas for the High Commissariat for Public Health and Hygiene.

27. MR. MARCOLINI proposed that the Lire Fund Control Committee recommend to MR. KENY and AVV. MONTINI the allocation of 1½ billion Lire for this Health Program, and that, when approved, the sum be spent according to the procedure to be established by the Sub-Committee just nominated.

28. MR. MARCOLINI said that the Treasury had already allocated 3 billion Lire to the High Commissariat for Public Health and Hygiene for the Anti-Tubercular Campaign.

29. MR. SOLIMENA said that it cost 150,000 Lire to care for one tubercular case for one year. For 1½ billion Lire 10,000 cases could be cared for, which represented only a small percentage of the people affected by tuberculosis in Italy.

30. MR. KENY asked whether the Committee approved of the whole plan in broad principle, if expenditure would be limited to the proposed 1½ billion Lire, or whether the High Commissariat could ask for additional grants as required at a later date.

31. MR. RODGETTS replied that the Committee expressed no opinion upon the general plan, but had appointed a Sub-Committee to examine and report upon it. He said that at the present time the allocation of only 1½ billion Lire should be recommended, but that after examination and approval of the plan, a further sum might be recommended, depending upon the findings of the Sub-Committee.

32. MR. CONTINI asked for confirmation of his understanding of the agreement, which was that the Lire Fund Control Committee had agreed to recommend to the two Chairmen that 1½ billion Lire be allocated to the High Commissariat for Public Health and Hygiene for the execution of the Health Program, and that the procedure for the expenditure of that sum be decided by the Sub-Committee appointed earlier at the present meeting.

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26. It was then agreed that a Sub-Committee be set up to examine the developments of this plan.
27. Mr. MARCOLINI proposed that the Lire Fund Control Committee be established to examine the Health Program. This Sub-Committee is composed of: Dr. Benn and Mr. Hopkins for UGRRA, Mr. D'Alessandro, for the Delegation, Mr. Marcolini for the Treasury, Mr. Trincas for the High Commissariat for Public Health and Hygiene.
28. Mr. MARCOLINI proposed that the Lire Fund Control Committee be allocated 1 1/2 billion Lire for this Health Program, and that, when approved, by the Sub-Committee just nominated.
29. Mr. MARCOLINI said that the Treasury had already allocated 3 billion Lire to the High Commissariat for Public Health and Hygiene for the Anti-Tubercular Campaign.
30. Mr. SOLIMENA said that it cost 150,000 Lire to care for one tubercular case for one year. For 1 1/2 billion Lire 10,000 cases could be cared for, which represented only a small percentage of the people affected by tuberculosis in Italy.
31. Mr. BENN asked whether the Committee approved of the whole plan in broad principle, if expenditure would be limited to the proposed 1 1/2 billion Lire, or whether the High Commissariat could ask for additional grants as required at a later date.
32. Mr. RODGETTS replied that the Committee expressed no opinion upon the general plan, but had appointed a Sub-Committee to examine and report upon it. He said that at the present time the allocation of only 1 1/2 billion Lire should be recommended, but that after examination and approval of the plan, a further sum might be recommended, depending upon the findings of the Sub-Committee.
33. Mr. CONTI asked for confirmation of his understanding of the agreement, which was that the Lire Fund Control Committee had agreed to recommend to the two Chairmen that 1 1/2 billion Lire be allocated to the High Commissariat for Public Health and Hygiene for the execution of the Health Program, and that the procedure for the expenditure of that sum be decided by the Sub-Committee appointed earlier at the present meeting.
- Rec.M.3 33. It was then agreed that:
- On the basis of the plan presented (Document No. 5 and 6 A), the Committee recommends the allocation of 1,500,000,000 Lire to the High Commissariat for Public Health and Hygiene for the execution of its Health Program.
 - The Sub-Committee established under para 24 will examine and control the expenditure of the 1 1/2 billion Lire allocated to the High Commissariat, and will also examine and make recommendations with respect to the general plan presented

- 4 -

by the High Commissariat. (ACTION: UNRRA)

4. It was further agreed that the Delegation will be responsible (Documents No. 6 and 6 A) for convening the meetings of the Sub-Committee. (ACTION: DELEGATION)

III. Supplementary allocation of Lire 446,000,000 to CASAS project
(Documents No. 7 and 7 A, 8 and 8 A)

35. MR. HODGETTS said that Document No. 2 (attached to the minutes of the meeting of the Lire Fund Control Committee of 28 June, 1946) should be withdrawn and replaced by Document No. 7 and 7 A. The reason for the change, as explained in the covering letter, was that UNRRA had been able to provide 600 trucks from its own transportation resources, thus reducing the requirements of trucks and spare parts, with the result that the figure was now only 167,066,000 Lire.

36. MR. SORIERI explained that Items (a) and (b) of Document 2 would remain unchanged, Item (c) had been reduced because, as MR. HODGETTS had explained, 800 of the 1,000 trucks required could be provided by UNRRA. In Items (d) and (e), the number of tires and inner tubes to be purchased with Lire had been reduced, because UNRRA felt reasonably sure of the procurement by the Mission of most of the tires and tubes over this minimum amount. MR. SORIERI explained that what was not purchased for Lire would be charged in dollars against the 5 million dollar allocation. He said the Mission had asked for the procurement to be made in Lire in order to save dollars, but the purchase must be made in one way or the other.

37. In Item (f), calculations had been made on the basis of the best estimates provided by transportation experts, for six months only, for these vehicles for which spare parts will not be included in the consignments of spare parts arriving from the U.S. in the next month.

38. Item (g), continued MR. SORIERI, was necessary because the trucks being obtained by the Mission were not fitted with tools, and no allowance had been made in the budget for tools for the 1,000 vehicles.

39. MR. SORIERI proposed that there be agreement on the authorization of the total figure, dividing the items into two parts, roughly, first, what was urgently needed, and secondly what might be needed later. The items of absolute priority were (a) and (b) and 50% of Item (f) (50% because spare parts for the trucks to be bought in Lire were not being included, as these trucks were not being asked for at the moment). Therefore, MR. SORIERI said, the total for which approval was being requested was 167,066,000 Lire. The amount

(Documents No. 7 and 7 A, 8 and 8 A)

35. MR. HODGETTS said that Document No. 2 (attached to the minutes of the meeting of the Lire Fund Control Committee of 28 June, 1946) should be withdrawn and replaced by Document No. 7 and 7 A. The reason for the change, as explained in the covering letter, was that UNRRA had been able to provide 800 trucks from its own transportation resources, thus reducing the requirements of trucks and spare parts, with the result that the figure was now only 167,066,000 Lire.

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40. MR. HODGETTS said that MR. SORIERI proposed an agreement in principle to an appropriation from the Lire fund of 167,066,000, and to an immediate advance of 23,041,000 Lire, but he himself would like to make a counter-suggestion. He proposed that the Committee consider now the question of recommending the immediate advance of 23,041,000, and that they request the CASAS representatives to come forward from time to time with supplementary requests, as and when they were found to be necessary.

- 5 -

41. MR. SORIERI pointed out that these items had already been approved and were incorporated in the 5 million dollar Budget, and the expenditure might be made from one source or the other, although of course no expenses will be made unless they were required. MR. SORIERI explained that the proposal to use Lire whenever possible was intended to save dollars for the Government to use on other items.

42. MR. SORIERI added that every item did not need to be justified before the Committee, as the expenditure of 5 million dollars had already been approved by the Joint Committee. Documents No. 7 and 7 A indicated that \$ 614,868 would be saved by the use of Lire.

43. MR. HODGETTS gave a brief history of the CASAS plan, which had been placed before the Joint Committee for approval. The Joint Committee at its meeting of 8 March, 1946, had allocated the sum of 1 billion Lire to CASAS; and had immediately advanced 200 million Lire. The Joint Committee had also approved the allocation of up to 5 million dollars for the provision of transportation and other items which at the time could not be purchased in Lire in Italy.

44. Since that time, MR. HODGETTS continued, machinery had been established, through Army surplus agencies, whereby certain of this transport and equipment could be purchased in Lire, and with a view to allowing some of these 5 million dollars to be used for the purchase of other supplies, it was suggested by MR. SORIERI that as much Lire as possible should be used.

45. MR. HODGETTS pointed out that the Joint Committee had approved this program, and the expenditure of 1 billion Lire, and up to 5 million dollars, which were set aside for this purpose. Therefore the Lire Fund Control Committee could in no way criticize the former action of the Joint Committee, but could only carry out an amendment which would be to the advantage of Italy.

46. MR. MARCOLINI raised the point that the first plan had been to construct 7,380 rooms at a cost of 100,000 Lire each; then in the meeting on 8th March 1946, the Joint Committee had examined the total needs of this plan and agreed that the construction planned should be completed in six months. MR. MARCOLINI said that six months had elapsed now, and these 7,380 rooms had not all been built, but there were six months of administration costs to be considered.

47. MR. SORIERI pointed out that the Decree establishing CASAS had been issued in April, and CASAS had begun to operate officially on May 9th, 1946.

48. MR. MARCOLINI asked whether, if less than the 5 million dollars was spent, the economy would be to the advantage of the Italian Program. MR. HODGETTS confirmed that this was so.

42. MR. SORIERI added that every item did not need to be justified before the Committee, as the expenditure of 5 million dollars had already been approved by the Joint Committee. Documents No. 7 and 7 A indicated that \$ 614,868 would be saved by the use of Lire.

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48. MR. MARCOLINI asked whether, if less than the 5 million dollars was spent, the economy would be to the advantage of the Italian Program. MR. HODGETTS confirmed that this was so.

49. MR. MARCOLINI said that if the Delegation purchased trucks from ARAR, it would pay the cost price, whereas if CASAS bought the vehicles, it would be charged with an extra sum by ARAR.

50. MR. SORIERI replied that the price indicated was ARAR's quotation.

- 6 -

The Mission considered ARAR's prices excessive, and had already asked the Delegation (Director General Flores) to negotiate with them and get the lowest possible price.

51. MR. RODGERS suggested the purchase of the trucks be undertaken by the Delegation, which would subsequently turn them over to the project. MR. DIAMANTINO said there was no objection to this procedure being adopted.

52. It was then agreed that:

Rec.N.4

a) The Lire Fund Control Committee recommends that the sum of Lire 23,041,000 be allocated to the Delegation for the purchase of one Fiat car, 50 Jeeps and 50% of the spare parts (Items a), b) and 50% of c) of Documents No.7 and 7 A) which will be turned over to C&S&S; and

b) It having been understood that these expenses had already been voted by the Joint Committee by the use of dollars, that this Committee sympathizes with the desire to conserve dollars to the general benefit of the relief of Italy, and to spend, if necessary, further Lire for the purchase of other items mentioned in Documents No.1 and 7 A, up to L. 167,065,000.

53. MR. SORIERI said that his understanding was that, within the limits of Lire 167,065,000, C&S&S could purchase necessary supplies without further reference to the Lire Fund Control Committee.

54. It was confirmed that MR. SORIERI's understanding was correct.

IV. Examination of expenditure of Lire 81,156,925 by the Italian Delegation for processing of cotton cloth, 50% should be processed by the War Assistance Programme. (Documents No. 3 & 4, 10 & 11 A)

55. MR. FRAMERIE read a report on the plan for processing cotton (Documents No.9 and 9 A).

56. It was agreed to adjourn at 12.15 p.m., and to resume the meeting at 9 a.m., 12th July.

57. The meeting reassembled at 9 a.m. on 12th July, and began by considering item IV on the agenda.

58. MR. SORIERI recalled the agreement made some time ago, that of the 5 million metres of cotton cloth, 50% should be processed by the Ministry of Post-War Assistance, and 50% by the Processing Section of the Mission. The Ministry of Post-War Assistance's 50% was to be processed in workshops jointly operated by the Ministry and the Mission, in order to avoid confusion.

59. MR. SORIERI noted from the state-

object. Mr. D'AMASSIMO said there was no objection to this procedure being adopted.

52. It was then agreed that:

Rec.N.4

a) The Lire Fund Control Committee recommends that the sum of Lire 23,041,000 be allocated to the Delegation for the purchase of one Fiat car, 80 Jeeps and 50% of the spare parts (Items a), b) and 50% of f) of Documents No.7 and 7 A) which will be turned over to C&S&S; and

b) It having been understood that these expenses had already been voted by the Joint Committee by the use of dollars, that this Committee sympathizes with the desire to conserve dollars to the greatest benefit of the relief of Italy, and to spend, if necessary, further Lire for the purchase of other items mentioned in Documents No.1 and 7 A, up to L. 167,000,000.

53. Mr. SORIERI said that his understanding was that, within the limits of Lire 167,000,000, C&S&S could purchase necessary supplies without further reference to the Lire Fund Control Committee.

54. It was confirmed that Mr. SORIERI's understanding was correct.

IV. Examination of expenditure of Lire 81,166,925 by the Italian Delegation for processing of cotton cloth, 50% by the Ministry of Post-War Assistance and 50% by the Ministry of Post-War Assistance's-50% was to be processed in workshops jointly operated by the Ministry and the Mission, in order to avoid confusion. (Documents No. 5 & 5 A, 10 & 10 A)

55. Mr. FRAGAPANE read a report on the plan for processing cotton (Documents No.9 and 9 A).

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59. Mr. SORIERI noted from the statement read previously by Mr. FRAGAPANE that the Committee which had formulated this plan had consisted of representatives of the Italian Delegation and of the Ministry, and had not included representatives from the Mission. According to this statement, contracts had already been made for the manufacture of the cotton, although there had been no joint examination of the contracts, at which the Mission's experience in processing clothes and knowledge of suitable costs might have been useful. A superficial examination, in the short time available, seemed to indicate that prices

- 7 -

were higher than the costs sustained by the Processing Section for the same kind of work, and for that reason, MR. SCRIBERI said, the Mission was concerned about the details of the plan.

60. The basis of the plan was satisfactory, namely that half the work should be done by the Ministry and half by the Mission, MR. SCRIBERI continued, and close co-ordination in the joint operation was ensured through recent discussions between MR. NADZO and MR. FRAGAPANE. There remained only detailed questions regarding the actual costs of the operation, and of arrangements made under the plan, to be settled.

61. MR. FRAGAPANE said that the plan now being examined had been developed on the basis of agreement reached in January 1946 according to which half the material was to be processed by the Ministry of Post-War Assistance. The plan was completed accordingly in February, and was approved and signed by the Minister of Post-War Assistance. It was then submitted to the President of the Italian Delegation and approximately two months ago, was submitted, through MISS BANISTER, to MR. KEENE. Since no criticism of the plan had been offered, the Italian Delegation had been under the impression that the plan had been found adequate by UNRRA.

62. MR. FRAGAPANE said that there had been discussions between MR. NADZO, DR. FISHER, MR. HOLDER and himself, on the plan; he suggested that a Sub-Committee of experts should examine it in detail, after the Lira Fund Control Committee had approved the plan in principle. MR. FRAGAPANE proposed that the Sub-Committee should consist of representatives of UNRRA, the Ministry of Post-War Assistance, and the Italian Delegation.

63. MR. NADZO said that during these discussions it had been agreed to continue to operate this plan and the Processing Section program as a co-ordinated program, and that a Sub-Committee should be formed on the basis of the Sub-Committee already existing in connection with the work of the Processing Section.

64. MR. SCRIBERI agreed that a Sub-Committee was needed to examine costs and specific arrangements, and to ensure coordination and joint supervision.

65. It was then agreed that a Sub-Committee be formed composed of the following: Messrs. Nadeso, Fisher, and Hopkins, to represent UNRRA; Messrs. Molino Bossi and Ermini for the Delegation; Messrs. Fragapane and Totti for the Ministry of Post-War Assistance.

66. MR. FRAGAPANE said that a financial expert from the Ministry of Post-War Assistance would also sit on the Sub-Committee, and would be nominated later.

67. MR. ROBERTS proposed the following:

more remained only detailed questions regarding the actual costs of the operation, and of arrangements made under the plan, to be settled.

61. MR. FRAGAPANE said that the plan now being examined had been developed on the basis of agreement reached in January 1946 according to which half the material was to be processed by the Ministry of Post-War Assistance. The plan was completed accordingly in February, and was approved and signed by the Minister of Post-War Assistance. It was then submitted to the President of the Italian Delegation and approximately two months ago, was submitted, through MISS BANNISTER, to MR. KELLY. Since no criticism of the plan had been offered, the Italian Delegation had been under the impression that the plan had been found adequate by UNRRA.
62. MR. FRAGAPANE said that there had been discussions between MR. NADZO, DR. FISHER, MR. HODER and himself, on the plan; he suggested that a Sub-Committee of experts should examine it in detail, after the Lire Fund Control Committee had approved the plan in principle. MR. FRAGAPANE proposed that the Sub-Committee should consist of representatives of UNRRA, the Ministry of Post-War Assistance, and the Italian Delegation.
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64. MR. SCRIBERI agreed that a Sub-Committee was needed to examine costs and specific arrangements, and to ensure coordination and joint supervision.
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66. MR. FRAGAPANE said that a financial expert from the Ministry of Post-War Assistance would also sit on the Sub-Committee, and would be nominated later.
67. MR. HODGETTS proposed the following terms of reference:

5/18
(1) to examine and report upon the contracts which have been entered into or which are being made in respect of the processing of the material;

(2) to examine and report upon the costs of the proposed processings;

(3) to co-ordinate the efforts of the Ministry of Post-War Assistance and UNRRA in this joint operation;

- 8 -

66. The meeting was in agreement with these terms of reference.

65. MR. HOMENETIS commented that point (3) was essential, because UNRRA's objective was the complete transfer of the processing responsibility to the Government, and this was considered the first step towards effecting such transfer.

70. It was agreed that MR. FR. GARLIE would convene the meetings of the Sub-Committee.

V. Progress report on charges by the Federazione Consorzi Agrari for UNRRA Crops and Welfare Programs.

VI. Progress report on distribution cost of Federazione Consorzi Agrari for 1945 Program.

VII. Progress report on bases of distribution costs of grain, flour and oilseed as calculated by the Federazione Consorzi Agrari.

71. At MR. HOMENETIS' suggestion, discussion of Items Nos. 5, 6 and 7 on the Agenda was postponed until the next meeting.

VIII. Progress report on PCI situation. (Document No. 11 and 11 A)

72. MR. SCHEDA said that CIP had been paying 150 million Lire a month on account, for the past four months, and had agreed to communicate the exact figure of the proceeds of sale two months after the sale has taken place, and to pay the difference. In addition to the 600 million Lire already paid, CIP paid 47,467,438.50 Lire for February, 156,156,075.12 Lire for March, and 150 million Lire on account for June. Thus the total paid to the Lire Fund by CIP to the present day was 953,322,512.25 Lire.

73. MR. SCHEDA said that Lire 1,320,000,000 Lire had been paid in Customs charges for sales to civilians for the months of March, April and May.

74. CIP had made a reservation, MR. SCHEDA added, to the effect that figures in their monthly accounts would not be definite and final, since final figures could only be given from their yearly accounts.

75. MR. HOMENETIS commented that the position was very satisfactory, and that some excellent work had been done on this program.

IX. Cost of distribution of coal. (Document No. 12 and 12 A)

76. MR. SCHEDA said that distribution costs for coal should be con-

70. It was agreed that MR. FRAGARONE would convene the meetings of the Sub-Committee.

V. Progress report on charges by the Federazione Consorzi Agrari for Unemployment and Welfare Programs.

VI. Progress report on distribution cost of Federazione Consorzi Agrari for 1945 Program.

VII. Progress report on bases of distribution costs of grain, flour and codfish as calculated by the Federazione Consorzi Agrari.

71. At MR. RODGERS' suggestion, discussion of Items Nos. 5, 6 and 7 on the agenda was postponed until the next meeting.

VIII. Progress report on POL situation. (Document No. 11 and 11 A)

72. MR. SCHEDA said that CIP had been paying 150 million Lire a month on account, for the past four months, and had agreed to communicate the exact figure of the proceeds of sale two months after the sale has taken place, and to pay the difference. In addition to the 500 million Lire already paid, CIP paid 47,167,438.50 Lire for February, 156,156,073.72 Lire for March, and 190 million Lire on account for June. Thus the total paid to the Lire Fund by CIP to the present day was 953,522,512.25 Lire.

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75. MR. RODGERS commented that the position was very satisfactory, and that some excellent work had been done on this program.

IX. Cost of distribution of coal. (Document No. 12 and 12 A)

76. MR. SCHEDA said that distribution costs for coal should be considered differently from distribution costs for other commodities, for whereas generally the cost of distribution was a complex figure, in the case of coal it was a simple figure because it was paid entirely by the recipients.

77. The Ufficio Centrale Carboni (Coal Central Office) was a sub-agency of ICE, MR. SCHEDA continued; coal was handled over directly to the Gruppi Regionali Commerciali Carboni Possibili (Regional Groups of Possible Coal Traders), Associazione Generale Commerciale Carboni Possibili (General Association for Trade of Possible Coal) and to the

- 9 -

public utilities.

78. At the time of receipt of the coal, all these agencies made payment on the spot, so that there was no difference between the gross and net proceeds. Private firms paid 3,500 Lire per ton, and public utilities paid 2,600 per ton.

79. MR. SCHEDA added that the total cost of the coal at the point of delivery was as follows: for private industry, 3500 Lire per ton plus about 1000 Lire for distribution costs; for public utilities, 2600 Lire per ton plus about 900 Lire for distribution costs.

80. MR. HODGETTS asked what was the net figure from these sales which was paid into the Lire Fund.

81. MR. SCHEDA replied 3,500 and 2,600 Lire per ton for private industries and public utilities respectively.

82. MR. HODGETTS asked whether the distribution costs of 1,000 Lire and 900 Lire had been examined. He requested a report from the Subcommittee on the exact make-up of the distribution costs, together with the Sub-Committee's comments on the various items. He asked when such a report could be placed before the Committee.

83. MR. D'ALESSANDRO said it would be available for the meeting after next. (ACTION: DELEGATION)

84. MR. HODGETTS asked that a similar report be prepared on the distribution costs of FOL, to be available at the same time.

85. MR. D'ALESSANDRO agreed that this would be done. (ACTION: DELEGATION)

86. MR. HODGETTS asked what had been paid into the Lire Fund from the sale of coal.

87. MR. SCHEDA replied that the amounts paid into the Lire Fund were 750,000,000 Lire on April 30, and 4,090,304,425 Lire at the end of May.

X. Imported wool.

88. MR. MARCOLINI reported that about 80,000 quintals of wool had arrived in Naples and Genoa, and the removal of this wool from the warehouses should be dealt with urgently. He therefore proposed that the question of wool be placed as the first item on the agenda for the next meeting, and that meanwhile a representative from URUKA and another from the Government be appointed to report and make recommendations to the Committee at its next meeting.

89. MR. SCHEDA said this matter concerned the Bureau of S & D.

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85. MR. D'ALESSANDRO agreed that this would be done. (ACTION: DELEGATION)

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89. MR. HODGETTS said this matter concerned the Bureau of R & D as well as the Bureau of F & A. MR. HODKINS would represent F & A, and although, MR. HODGETTS said, he was not competent to nominate a representative of R & D, he would like to nominate, tentatively, MR. ERNO LUZZATTO or his representative.

90. It was agreed that MR. SCHEDA would arrange a meeting of this group. (ACTION: DELEGATION)

XI. Sardinian Coal. (Document No. 13 and 13 A)

91. MR. MARCOLINI said the Treasury had requested that 500 million Lire from the Lire Fund should be set aside for subsidizing the price of coal from Sardinia. Production costs of this coal amounted to more than the sale price, and approval had been given to the proposal that the difference between these two figures should be borne by the Lire Fund.

92. MR. HODGETTS asked by whom this proposal had emanated.

93. MR. MARCOLINI said that the agreement had been reached at a meeting in MR. CLEVELAND's office, when Messrs. CLEVELAND, GALANO, ROGNETTI and SAPONARO were present. It was then established that the sale price for imported coal should be 3500 Lire, and since Sardinian coal cost more to produce and was of poorer quality, it was agreed to subsidize its production from the Lire Fund.

94. MR. GALANO said that after the meeting in MR. CLEVELAND's office, which took place in February last, MR. SAPONARO of the Treasury had asked the Italian Delegation to make a formal request to UNRA that the subsidy from the Lire Fund be authorized.

95. MR. HODGETTS said that he wished it to be recorded that the Government (MR. SAPONARO of the Treasury) had taken the initiative in asking a subsidy for coal from the Lire Fund.

96. MR. MARCOLINI explained that the estimated cost of the subsidy for the four months from March to June was 500 million Lire. The actual exact cost would be established later.

97. MR. GALANO, referring to Document No. 13 and 13 A, said that, from March to June, the CAROSARINA Company had produced 345,928 tons of coal, for which a subsidy of 1,000 Lire per ton should be applied, totalling 345,928,000 Lire. To this sum there should be added 32 million Lire required for the Sardinian coal supplied to public utilities, making a total of 377,928,000 Lire. During the same period the Montecatini had produced 69,999 tons of lignite, to which a subsidy of 500 Lire per ton should be applied, totalling 34,999,545 Lire. The grand total therefore was 500,000,000 Lire.

98. MR. GALANO added that these figures were not final, because the data given by the producers would be checked.

99. MR. MARCOLINI requested that an allocation of 500 million Lire be recommended as an advance, and that the complete documentation and checking will be done subsequently.

Rec.N.5 100. It was then agreed that, at the Government's request, the Committee would recommend that the sum of 500 million Lire be allocated to the Ministry of the Treasury to be used as an advance against the subsidy for the price of coal, and that a complete documentation

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Rec.N.5

100. It was then agreed that, at the Government's request, the Committee would recommend that the sum of 500 million Lire be allocated to the Ministry of the Treasury to be used as an advance against the subsidy for the price of coal, and that a complete documentation on this subject would be produced by the Government at a later date.
101. MR. HODGETTS asked whether the subsidy was proposed for a limited period, or to continue indefinitely.
102. MR. GALANO replied that the present agreement covered the period March to June only, after which period the costs of production, prices of imported coal, etc. were to be re-examined and new recommendations

- 11 -

103. MR. HODGETTS said he assumed this matter would be dealt with in the Price Committee.

XII. Other business.

104. MR. HODGETTS said that an exhibition was being held in Rome at the Mostra delle Attività Romane, and it had been suggested that UNRRA should have a pavilion there to publicize the work which was being done in conjunction with the Italian Government. The cost of participation in the Mostra for the entire period of the exhibition - July to December - was estimated at 1,104,000 Lire. MR. HODGETTS asked the advice of the Treasury as to whether this should be a special vote from the Lire Fund, or paid by the Italian Delegation, or by UNRRA as an administrative expense.

105. MR. HODGETTS said that there were still many people who thought that UNRRA was being paid for the supplies imported by it, and so forth, and that it would be an excellent thing to show the man-in-the-street the work which UNRRA and the Government were actually doing.

106. MR. D'ALESSANDRO said that the Government as general policy was not to sponsor or participate in exhibitions, but that it would be a good idea if UNRRA participated - the expenses could be charged to the Mission's administration funds as a publicity expense.

107. MR. HODGETTS said that he would inform MR. KEENE accordingly.

108. The meeting rose at 10.50 a.m.

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UNRRA ITALIAN MISSION
Central Secretariat

DISPLACED PERSONS COMMITTEE

Minutes of the First Meeting
held at 11:00 a.m. 4th July, 1946

PRESENT FOR UNRRA:

Mr. Sorieri Deputy Chief of Mission and Chief, Bur. R.S.
Miss Montgomery Assistant Chief, Bureau of R.S.
Mr. Varrichione Director of Displaced Persons Division, Bur.R.S.
Mr. Horwitz Chief of Standards and Clothing Branch, Bur.R.S.
Mr. Contini Special Ass't to C O M for Government Liaison
Mr. Miegge Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

Mr. Zoppi Ministry of Foreign Affairs
Mr. Martini Ministry of Foreign Affairs
Mr. Pinto " "
Mr. Frangipane Ministry of Post War Assistance
Mr. Scrinzi " "
Mr. Flores Director General, Italian Government Delegation
Mr. Sanjust Italian Government Delegation
Mr. Casanova " "
Mr. De Vito Ministry of the Interior

A G E N D A

1. Discussion of functions and composition of the Committee.
2. A review of the non-Italian Displaced Persons' problems and developments to date.
3. A review of the Italian Displaced Persons' problems and developments to date.
4. Any other business.

785017

Mr. Sorieri Deputy Chief of Mission and Chief, Bur. R.S.
 Miss Montgomery Assistant Chief, Bureau of R.S.
 Mr. Varrichione Director of Displaced Persons Division, Bur.R.S.
 Mr. Harwitz Chief of Standards and Clothing Branch, Bur.R.S.
 Mr. Contini Special Ass't to C O M for Government Liaison
 Mr. Niegge Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

Mr. Zoppi	Ministry of Foreign Affairs
Mr. Martini	Ministry of Foreign Affairs
Mr. Pinto	" "
Mr. Frangione	Ministry of Post War Assistance
Mr. Sorini	" "
Mr. Flores	Director General, Italian Government Delegation
Mr. Sanjust	Italian Government Delegation
Mr. Casanova	" "
Mr. De Vito	Ministry of the Interior

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90

MINUTES OF THE FIRST MEETING OF THE
DISPLACED PERSONS COMMITTEE

I. Discussion of functions and composition of the Committee.
(Document No. 1)

1. MR. SORIERI opened the meeting, announcing that this would be conducted in English, and interpreted by MR. MARGES. He expressed appreciation of the presence of representatives from the various Ministries, and the opportunity to have a serious discussion on the problems of Displaced Persons.
2. MR. SORIERI continued, saying that a preliminary question was whether there should be separate Committees for the problems of Displaced Persons, Welfare, Health, etc., or whether the present Committee should be a Sub-Committee within a general Committee for Relief Services. He added that a decision on this point could be made later.
3. MR. SORIERI stated that the functions and responsibilities of the Committee for Displaced Persons had been discussed at a previous meeting, and called upon MR. CONTINI to review the terms of reference which had been prepared as a result of this discussion.
4. MR. CONTINI stated that two joint Committees between the Government and UNRRA had already been established - the Lire Fund Control Committee and the Price Committee - and suggested that the terms of reference and functions of the Displaced Persons Committee should follow the same pattern as those adopted and approved for the two previous Committees. The functions of the Committee, he continued, would be advisory to the Chief of Mission and the President of the Italian Government Delegation, to whom all decisions reached at the meetings would be submitted for final approval.
5. The membership, continued MR. CONTINI, had been agreed, and it was now necessary to ratify this. On the Italian side, he stated, there would be a representative from each of the following Ministries: The Ministry of Foreign Affairs, the Ministry of the Interior, the Ministry of Post War Assistance and the Italian Government Delegation.
6. MR. HORWITZ asked whether there would be a representative from the Ministry of Italian Africa, to which MR. ZOPPI replied that he did not consider this to be necessary, because the Displaced Persons under discussion were non-Italian.
7. MR. SORIERI disagreed with this opinion, saying that the subject of both Italian and non-Italian displaced persons had been discussed at the previous meeting. He added that the functions of the Committee should not include those Italians who were displaced internally, but those who were displaced to other countries and those whose normal

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8. MR. ZOPPI agreed that in those circumstances it would be necessary to have a representative from the Ministry of Italian Africa; MR. FLORES confirmed that viewpoint and there was general agreement that a representative from this Ministry should be invited to sit on the Committee. (ACTION: DELEGATION)

9. MR. ZOPPI enquired whether the assistance given to Displaced Persons, both Italian and non-Italian, was of an emergency character, or whether it was proposed that they should be helped to return to their former place of residence. MR. SORIERI replied that this was a matter which would have to be discussed with the Government; he added that the specific respon-

- 2 -

sibility concerning Italian Displaced Persons rested with the Ministry of Post War Assistance or the Ministry of Italian Africa. MR. FRAGAPANE stated that the Ministry of Post War Assistance was in agreement with this.

10. MR. FLORES suggested that in addition to the Director General for Relief Services, there should be two other members of the Italian Government Delegation on the Committee, namely MR. CASANOVA and MR. MOLINO, who were both closely connected with the problem of refugees. MR. SORIERI stated that it was not necessary to indicate individuals at this stage, only the Agencies or Ministries who would send representatives.

11. It was stated that the UNRRA representatives would be:- MR. SORIERI, MR. VARRICHIONE, MISS MONTGOMERY and MR. HORNITZ, and a representative of the Office of the Chief of Mission (MR. CONTINI). MR. SORIERI said that if special consultants were required, they would be called upon when necessary.

12. MR. CONTINI stated that the Chairman would be MR. SORIERI, and MR. SORIERI requested representatives from the Government to suggest when the meetings should be held.

13. MR. FLORES proposed that the Chairman should call meetings when they were necessary. MR. SORIERI seconded this proposal, saying that at first the meetings would not be very frequent, but as the responsibility of the Government increased the meetings would be more frequent. There was general agreement that the Chairman should call meetings when he considered this to be necessary.

14. MR. CONTINI said that the functions of the Committee should be:

- a) To co-ordinate all activities and responsibilities of UNRRA and of the Italian Government as regards non-Italian Displaced Persons in Italian territory, Italian Displaced Persons outside of Italian territory and movement of Italian Displaced Persons to and from Italy.
- b) To advise on the programmes of assistance, rehabilitation and repatriation of Displaced Persons.
- c) To make recommendations regarding any advisable provision with regard to assistance and eventual repatriation or transfer to other countries of non-Italian Displaced Persons ineligible for UNRRA care.

15. MR. ZOPPI suggested that the word "eventual" in Para. 3 (c) be deleted. It was then agreed to delete the word "eventual" from Para. 3 (c) of the Terms of Reference. (ACTION: SECRETARIAT)

785017

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15. MR. ZOPPI suggested that the word "eventual" in Para. 3 (c) be deleted. It was then agreed to delete the word "eventual" from Para. 3 (c) of the Terms of Reference. (ACTION: SECRETARIAT)
16. MR. SORIERI stressed that none of the aforementioned functions should supersede or interfere with the specific responsibilities of the Government or UNRRA as regards Displaced Persons, and proposed that an amendment be made to this effect. MR. SORINI proposed that the Committee would have the functions of co-ordination and advice to the various agencies responsible for executing the programmes.
17. At MR. CONTINI's suggestion, it was agreed that the words "provided that the functions of this Committee do not supersede any of the direct responsibilities and functions of the Ministries concerned or the UNRRA Italian Mission" should be added to Para. 3 (a). There were no further

- 3 -

comments on the Functions of the Committee, which were unanimously approved by the meeting.

18. MR. CONTINI stated that a representative of the UNRRA Italian Mission would be responsible for the 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.

19. There was some discussion on the number of representatives which each Ministry should appoint to the Committee; MR. SORIERI expressed preference for keeping the numbers at a minimum compatible with the efficient execution of the functions of the Committee. It was generally agreed that apart from the Delegation, which would have three representatives, one Delegate from each Ministry should sit on the Committee, and the Ministries would be entitled to call upon specialists to attend meetings when necessary.

20. MR. SORIERI stated that the question whether this Committee should be separate or part of a Committee on Relief Services would be discussed at a later date. He then called upon MISS HELEN MONTGOMERY to give a brief summary of the work, and present position regarding non-Italian Displaced Persons.

II. A review of the non-Italian Displaced Persons' problems and developments to date.

21. MISS MONTGOMERY stated that "eligibility for UNRRA assistance" had been defined in the following way:-

- a) United Nations nationals, who have evidence of their nationality, displaced as a result of the war and in financial need.
 - b) Persons of neutral, ex-enemy or indeterminate nationality, displaced as a result of the war from their normal place of residence because of religion, racial or political persecution.
22. MISS MONTGOMERY continued, saying that evidence was required from these persons in determining the category to which they belonged stating, as an example, that UNRRA directives indicated that persons of United Nations nationality who had come to Italy since the cessation of hostilities were not eligible for UNRRA assistance, on the basis that they had not been displaced as a result of war. However, those persons who had been persecuted for religious, racial or political reasons, coming to Italy after the war would be eligible for UNRRA assistance.

23. MR. ZOPPI suggested that in adopting this principle the UNRRA programme would not cover the majority of non-Italian Displaced Persons,

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23. MR. ZOPPI suggested that in adopting this principle the UNRRA programme would not cover the majority of non-Italian Displaced Persons, who came to Italy after the cessation of the hostilities. MR. SORIERI confirmed that, with the exception of the persecutees, a condition for eligibility to UNRRA assistance was the displacement before the cessation of hostilities. The problem of ineligible displaced persons was a very complex and should be discussed separately.

24. MR. SORIERI continued, saying that since the principles of eligibility had been qualified, the case of every Displaced Person in all the Camps had been reviewed, and as a result it had been discovered that a considerable number were not eligible for UNRRA care. He stated that responsibility for this group, numbering some 10,000/15,000 persons, had been assumed by the Military, and UNRRA had no further responsibility for them.

- 4 -

25. MR. ZOPPI enquired whether all the displaced persons assisted by UNRRA were located in Camps, or whether assistance was given to people living outside.

26. MR. SORIERI stated that at the present time the primary responsibility for non-Italian Displaced Persons rested with the Military. UNRRA, he said, acted as agent of the Military, but an agreement with the Military will be signed shortly, transferring to UNRRA the responsibility for the non-Italian Displaced Persons eligible for UNRRA assistance. He continued, stating that in Italy there were approximately 26,000 non-Italian Displaced Persons eligible for UNRRA care; of these, many of whom were Jewish, approximately 10,000 were in Camps operated by UNRRA. He stated that there was a group of Camps near Lecce and Milan, and other Camps at Bari, Cinisetta, Genoa, etc.

27. MR. SORIERI continued, saying that there were 7,000 Jewish DP's in small camps operated by the American Joint Distribution Committee, and these were under UNRRA sponsorship and assistance. In addition, he stated, there were slightly less than 9,000 Displaced Persons living outside of camps. MR. SORIERI added that there were 17,000 Displaced Persons of various nationalities, mainly Yugoslavs and Poles, in camps operated by AC.

28. Within the group assisted by UNRRA, said MR. SORIERI, there were between thirty and forty different nationalities and the majority of these were persons who could not be repatriated. He added that except for the Jewish Displaced Persons, whose repatriation would be difficult, and most of whom wish to resettle in Palestine, UNRRA was down to the hard core of the of the Displaced Persons problem. He stated that although it was not a direct responsibility of UNRRA, assistance was given to the Military authorities in the repatriation of those persons under their care.

29. MR. SORIERI stated that in connection with the non-Italian Displaced Persons, the main objective of UNRRA was to effect repatriation and to give assistance pending repatriation, adding that assistance was also given in movements of re-settlement. MR. SORIERI then gave the following information:)

from 1.1.44 to 15.6.46	83,000 non-Italian Displaced Persons were repatriated from Italy,
" 16.5.46 " 16 6.46	1,100 non-Italian Displaced Persons were repatriated from Italy.

He stated that the whole plan of operation had been directed towards what was best for the Displaced Person and what was best for Italy.

30. MR. DE VITO enquired whether the relationship between UNRRA and the American Joint Distribution Committee was official or unofficial.

785017

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31. MR. SORIERI replied that UNRRA officially assisted the Joint Distribution Committee in its assistance to non-Italian Jewish Displaced Persons, but the Joint Distribution Committee's other operations with regard to Jews in Italy did not concern UNRRA. MR. SORIERI stated that there was close co-operation between the Military Authorities and UNRRA on the question, and a Joint Committee had been set up to discuss policies and establish uniform operation. The common desire of UNRRA and the Military was to effect repatriation, although no displaced person was forced to return to his country against his will.

- 5 -

III. A review of Italian Displaced Persons' problems and developments to date.

32. MR. SORIERI then turned to the question of Italian Displaced Persons. He stated that the problems here were with regard to the movement or return of Italians to former Italian Colonies, and the return of Italian civilians from other countries. He stated that UNRRA did not have a direct operating responsibility and defined UNRRA's functions as follows:-

- a) To serve as an intermediary between the Italian Government and the Military Authorities here and elsewhere in order to facilitate communications or arrangements for movements
- b) to cooperate with the Ministry of Post Has assistance as regards the reception of these persons into Italy, and their assistance.

33. MR. MARTINI enquired whether the problem of Italian internees in other countries was included in this operation, or whether they were dealt with separately.

34. MR. SORIERI replied that there were different problems regarding Italians in countries where UNRRA was operating, in former Italian Colonies under Military control or elsewhere. Each aspect of the problem had to be dealt with separately. He then called upon MR. VARRICHIONE to give a brief summary on the return of Italian Displaced Persons from the Colonies.

35. MR. VARRICHIONE stated that since 26th February 1946, the authority to return Italians to Tripolitania and Cyrenaica had been suspended. The procedure, he continued, for persons wishing to be repatriated was as follows:- Italians in Italy wishing to return to the former Colonies apply through the UNRRA Repatriation Office. They then communicate with a friend or relative in the area to which they wish to return, asking them to apply to the local Military Authority for permission to enter this area.

36. MR. MARTINI asked what procedure the Ministry of Foreign Affairs should follow when application was made direct to them.

37. MR. CASANOVA asked whether provisions were made for those persons wishing to return to their former residence, and who had no relatives residing there who could apply for them.

38. MR. VARRICHIONE stated that application must be made through the medium of relatives, friends or business firms. On the first point, MR. VARRICHIONE said that UNRRA would prefer that the responsibility in this matter be transferred to the Ministry of Foreign Affairs, or the Ministry for Italian Colonies and Overseas.

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39. It was agreed that the Ministry of Italian Africa should be asked to approach the Allied Military Authorities, with the aim of obtaining that all questions concerning the return of Italian Displaced Persons to the former Italian Colonies be handled directly between the Ministry of Italian Africa and the British Military Administration.
(ACTION: ITALIAN GOVERNMENT).

- 6 -

It was further agreed that the UNRRA Italian Mission would support the above request. (ACTION: UNRRA).

40. MR. VARRICHIONE then gave the following information:-

1. (a) All repatriations to Tripolitania and Cyrenaica have been suspended since 26th February 1946.
- (b) At the present time UNRRA Registration and Repatriation Branch hold written Authority from British Military Administration, Tripoli and Benghazi for the return to Tripolitania and Cyrenaica of 1300 Italian Nationals (under the Bread-winners scheme agreed between the Italian Government and the British Military Administration at Tripoli and Benghazi) and approximately 300 Italian children rejoining their parents and relatives in Tripolitania.
- (c) All Italian Nationals wishing to return to Tripolitania and Cyrenaica require an Entry-Permit. The application is to be made by relatives, close friends or firms in the country of destination. When Authority is received at UNRRA Registration and Repatriation Branch - Applicants are notified and steps taken for their repatriation.
- (d) Two routes are open at the present time for repatriation to Tripolitania and Cyrenaica:-
 - (i) Direct sailing of passenger ships to Tripoli
 - (ii) Sailings via Egypt, which require transit clearance for Egypt obtainable from Egyptian Government.Sailings, passengers and warships handled by the Italian Ministry of the Navy are FREE of charge, and consequently most frequently used by these Headquarters.
- (e) The following obstacles are encountered in the repatriation program:
 - (i) The above mentioned suspension of permits for return to Tripolitania and Cyrenaica. However, about 50 exceptions have been made on compassionate grounds since 26 February.
 - (ii) Ban on Italian Warships entering Tripoli Harbour.
 - (iii) Refusal of acceptance in Tripolitania and Cyrenaica by British Military Administration.
 - (iv) Failure to obtain Egyptian Transit Permit.

2. The following repatriations have been carried out:-

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- (iii) Refusal of acceptance in Tripolitania and Cyrenaica by British Military Administration.
- (iv) Failure to obtain Egyptian Transit Permit.

2. The following repatriations have been carried out:-

August 1945	115	Italian children to Tripolitania
October "	265	" "
January 1946	573	" "
April "	767	" "

Since February 1946, 50 Italian Families (on compassionate grounds)

3. At the present time, approximately 5000 Italian children are awaiting authority for re-entry into Tripolitania, and UNRRA

- 7 -

continuously receives individual requests (an average of 25 per week) for return to the former Italian Colonies.

41. MR. VARRICHIONE stated that permission had been obtained for 974 Italian children to proceed to Tripolitania straight away, and arrangements had been made for the Middle East authorities to be notified of this.

42. MR. MARTINI enquired whether there had been any other exceptions made apart from these children, saying that his understanding was that no new permits would be issued until there was a change in policy.

43. MR. SORIERI stated that there had been no indication of any change in policy up to the present time, and that in general no exceptions were made for males over 16 and females over 18, unless on compassionate grounds.

44. MR. FLORES stated that while he appreciated UNRRA's work in connection with repatriation to the former Italian Colonies, he would like to draw attention to the fact that many former residents of the Colonies were going down to Sicily in the expectation of getting transportation. This, he said, was creating a serious problem.

45. MR. SORIERI replied that he was aware of this state of affairs, and that after the Ministry of Italian Africa has approached the Military Authorities, all the possibilities should be examined. He continued that there should be further discussion between the competent Ministries, UNRRA and the Military Authorities in order to establish clearly the procedure of repatriation, and the results of these discussions should be given wide publicity in the newspapers. MR. SORIERI added that MR. HORWITZ and MR. FRACAPANE would endeavour to do all they could to assist these people.

46. MR. VARRICHIONE stated that a letter had been addressed to the British Military Administration of Tripolitania urging admittance for the 5000 children awaiting repatriation. A reply was awaited.

47. MR. SORIERI stressed the importance of UNRRA working in close co-operation with the Ministry of Italian Africa and other Ministries in order to develop a clear cut procedure in this matter. He stated that negotiations should be started with the Military at the earliest possible time.

48. MR. FLORES said that the Italian Delegation would communicate with the Ministry of Italian Africa and invite them to appoint a representative to this Committee. (ACTION: DELEGATION).

49. MR. FLORES raised the question of evacuees from Venezia Giulia, asking whether these persons were considered as refugees.

50. MR. SORIERI stated that they were considered as refugees by the

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43. MR. SORIERI stated that there had been no indication of any change in policy up to the present time, and that in general no exceptions were made for males over 16 and females over 18, unless on compassionate grounds.
44. MR. FLORES stated that while he appreciated UNRRA's work in connection with repatriation to the former Italian Colonies, he would like to draw attention to the fact that many former residents of the Colonies were going down to Sicily in the expectation of getting transportation. This, he said, was creating a serious problem.
45. MR. SORIERI replied that he was aware of this state of affairs, and that after the Ministry of Italian Africa has approached the Military Authorities, all the possibilities should be examined. He continued that there should be further discussion between the competent Ministries, UNRRA and the Military Authorities in order to establish clearly the procedure of repatriation, and the results of these discussions should be given wide publicity in the newspapers. MR. SORIERI added that MR. HORWITZ and MR. FRAGAPANE would endeavour to do all they could to assist these people.
46. MR. VARRICHIONE stated that a letter had been addressed to the British Military Administration of Tripolitania urging admittance for the 5000 children awaiting repatriation. A reply was awaited.
47. MR. SORIERI stressed the importance of UNRRA working in close co-operation with the Ministry of Italian Africa and other Ministries in order to develop a clear cut procedure in this matter. He stated that negotiations should be started with the Military at the earliest possible time.
48. MR. FLORES said that the Italian Delegation would communicate with the Ministry of Italian Africa and invite them to appoint a representative to this Committee. (ACTION: DELEGATION).
49. MR. FLORES raised the question of evacuees from Venezia Giulia, asking whether these persons were considered as refugees.
50. MR. SORIERI stated that they were considered refugees by the Ministry of Post-War Assistance and it was unlikely that they would be able to return to their former place of residence. He stated that Camps were being set up to accommodate them.
51. MR. SORIERI expressed his thanks to members for attending the meeting, saying that although it had been in the nature of a general discussion it had paved the way for other meetings where concrete problems would be discussed.
52. The meeting rose at 1 p.m.

- 8 -

DISTRIBUTION:

All those present
C O M
Industrial Adviser
Legal Adviser
Div. Operational Analysis
Bur. R & D (2)
Bur. P & A (2)
Bur. R. S. (2)
Prog. Coord. - Sub-Bur. of Supply Operations
Government Liaison (2)
Conference Secretariat (2)
Registry (2)

Declassified E.O. 12356 Section 3.3/NND No. 785017

Bur. of A. & D. (2)
Bur. of P. & A. (2)
Bur. of R. & S. (2)
Prog. Coord. - Sub-Bur. of Supply Operations
Government Liaison (2)
Conference Secretariat (2)
Registry (2)

OM 6134

DISPLACED PERSONS COMMITTEE
Document No. 1

DISPLACED PERSONS COMMITTEE

Terms of Reference

1. The Displaced Persons Committee is an advisory body to the Chief of UNRRA Italian Mission and the President of the Italian Government Delegation for relations with UNRRA, to whom the decisions reached at the meetings will be submitted for final approval.
2. The Displaced Persons Committee will include, on the Italian side, representatives of the Ministry for Foreign Affairs, of the Ministry of the Interior, of the Ministry for Post-War Assistance, of the Ministry of Italian Africa, and of the Italian Government Delegation for Relations with UNRRA, and, on the UNRRA side, the Deputy Chief of Mission and Chief, Bureau of Relief Services, the Assistant Chief of Bureau of R.S., the Director of Displaced Persons Division, the Chief of Standards and Clothing Branch, a representative of the Office of the Chief of Mission, and their designated representatives as might be necessary.
3. The functions of the Committee are the following:
 - a) To co-ordinate all activities and responsibilities of UNRRA and of the Italian Government as regards non-Italian displaced persons in Italian territory, eligible for UNRRA assistance, Italian displaced persons outside of Italian territory, and movement of Italian displaced persons to and from Italy, provided that the functions of the Committee do not supersede any of the direct responsibilities and functions of the Italian Ministries concerned and of the UNRRA Italian Mission.
 - b) To advise on the programs of assistance, rehabilitation and

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Government Delegation for relations with UNRRA, to whom the decisions reached at the meetings will be submitted for final approval.

2. The Displaced Persons Committee will include, on the Italian side, representatives of the Ministry for Foreign Affairs, of the Ministry of the Interior, of the Ministry for Post-War Assistance, of the Ministry of Italian Africa, and of the Italian Government Delegation for Relations with UNRRA, and, on the UNRRA side, the Deputy Chief of Mission and Chief, Bureau of Relief Services, the Assistant Chief of Bureau of R.S., the Director of Displaced Persons Division, the Chief of Standards and Clothing Branch, a representative of the Office of the Chief of Mission, and their designated representatives as might be necessary.

3. The functions of the Committee are the following:

- a) To co-ordinate all activities and responsibilities of UNRRA and of the Italian Government as regards non-Italian displaced persons in Italian territory, eligible for UNRRA assistance, Italian displaced persons outside of Italian territory, and movement of Italian displaced persons to and from Italy, provided that the functions of the Committee do not supersede any of the direct responsibilities and functions of the Italian Ministries concerned and of the UNRRA Italian Mission.
- b) To advise on the programs of assistance, rehabilitation and repatriation of displaced persons.
- c) To make recommendations regarding any ~~advisory~~ provision with respect to the assistance and repatriation or transfer to other countries of non-Italian displaced persons ineligible for UNRRA assistance.

- 2 -

4. Mr. A.n. Sorleri, Deputy Chief of Mission and Chief, Bureau of R.S., is the Chairman of the Committee.

5. A representative of the UNRRA Italian Mission will be responsible for the 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.

Declassified E.O. 12356 Section 3.3/NND No. 785017

representative of the Delegation, call the meetings, issue the minutes, and follow up the recommendations made by the Committee.

OM 6134

UNRRA Italian Mission
Central Secretariat

LIRE FUND CONTROL COMMITTEE

Minutes of the Fourth Meeting
held at 10 a.m., 28th June, 1946

PRESENT FOR UNRRA:

C.E. Hodgetts
G. Hopkins
L. Travers
P. Contini
A.A. Sorlieri
E.C. Benn
G.M. Frizelle
E.S. Lynch
H.H. Landsberg
G. Miegge

Deputy Chief of Mission & Chief, Bur.P & A
Financial Adviser (Lire Fund) to C.F.A.
Senior Finance Officer, Office of Fin.Adv.
Spec. Ass't to C.O.M for Gov't Liaison
Deputy Chief of Mission & Chief, Bur.R.S.
Director of Division of Health
Division of Health
Chief of Sub-Bureau of Supply Operations
Division of Program Coord. & Statistics
Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

L. d'Alessandro
E. Della Negra
C. Chiodelli
V. Scheda
V. Marcolini
G. Solinena
M. Fracca
Borgianni

Italian Government Delegation
"
"
"
"
Ministry of the Treasury
High Commissariat for Public Health & Hygiene
I.C.E.
I.C.E.

A G E N D A

1. Approval of minutes of previous meeting.
2. Advance of funds to High Commissioner for Public Health and Hygiene. (Delegation)
3. Request from Bureau of Relief Services for additional contribution from the Lire Fund to CASAS for transport. (UNRRA)
4. Charges by Federazione Consorzi Agrari regarding foodstuffs for UNRRA Camps and Welfare programs. (Delegation)
5. Report on the indebtedness of UNRRA and Delegation to the Federazione Consorzi Agrari for distribution costs under the 1945 program. (Delegation).
6. Statement on the basis of distribution costs of grain, flour, codfish, as calculated by the Federazione Consorzi Agrari. (Delegation).
7. POL situation. (Delegation)
8. Cost of distribution of coal. (Delegation)

785017

Senior Finance Officer, Office of Public Aff.
Spec. Ass't to C O M for Gov't Liaison
Deputy Chief of Mission & Chief, Bur.R.S.
Director of Division of Health
Division of Health
Chief of Sub-Bureau of Supply Operations
Division of Program Coord. & Statistics
Interpreter

P. Contini
A.A. Sorieri
E.C. Benn
G.M. Frizelle
E.S. Lynch
H.H. Landsberg
G. Miegge

PRESENT FOR ITALIAN GOVERNMENT:

L. d'Alessandro	Italian Government Delegation
E. Della Negra	"
C. Chiodelli	"
V. Scheda	"
V. Marcolini	Ministry of the Treasury
G. Solimena	High Commissariat for Public Health & Hygiene
M. Pracca	I.C.E.
Borglanni	I.C.E.

AGENDA

1. Approval of minutes of previous meeting.
2. Advance of funds to High Commissioner for Public Health and Hygiene. (Delegation)
3. Request from Bureau of Relief Services for additional contribution from the Lire Fund to CASAS for transport. (UNRRA)
4. Charges by Federazione Consorzi Agrari regarding foodstuffs for UNRRA Camps and Welfare programs. (Delegation)
5. Report on the indebtedness of UNRRA and Delegation to the Federazione Consorzi Agrari for distribution costs under the 1945 program. (Delegation).
6. Statement on the basis of distribution costs of grain, flour, codfish, as calculated by the Federazione Consorzi Agrari. (Delegation).
7. POL situation. (Delegation)
8. Cost of distribution of coal. (Delegation)
9. Any other business.

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UNRRA Italian Mission

MINUTES OF THE FOURTH MEETING OF THE
LIRE FUND CONTROL COMMITTEEI. Approval of minutes of previous meeting.

1. MR. HODGETTS opened the meeting, asking if there were any comments to be made regarding the minutes of the previous meeting on 21st June.
2. MR. MARCOLINI raised objection, to the implied criticism made regarding his non-attendance at the last meeting, saying that he had been engaged with the Allied Authorities and had formally requested that the meeting be postponed; he added that he would like to place the problem of wool on the agenda of the next meeting, since this involved large sums of money.
3. MR. HODGETTS, replying to MR. MARCOLINI, said that he had not received his request to postpone the meeting, and MR. CONTINI stated that the question of wool would be placed on the agenda for the next meeting. (ACTION: SECRETARIAT)
4. MR. D'ALESSANDRO stated that in view of the increasing number of Committee Meetings, it would be impossible for him to attend them all - he added that the members of the Italian Delegation represented on the Committee had the authority to make decisions. He stated that MR. DELLA NEGRA would be unable to remain on the Lire Fund Control Committee, and would be substituted by Engineer VALERIO SCHEDEA; MR. DELLA NEGRA would, however, remain on the Price Committee.
5. MR. HODGETTS expressed appreciation of MR. DELLA NEGRA's work for the Lire Fund Control Committee.
6. There being no other comment or objection, the minutes of the previous meeting were approved.
- II. Advance of funds to High Commissioner for Public Health & Hygiene.
(Documents No. 1 and 1 A.)
7. MR. SOLIMENA stated that a program for Hygiene & Health Rehabilitation had been prepared, but had not yet been approved. He stated that pending this approval it was necessary to advance some funds for the purchase of cars for the Provincial Doctors, and for warehousing and transportation expenses.

Referring to the supply of cars, MR. SOLIMENA stated that it had always been the custom of the Italian Government to supply transportation for Provincial Doctors, but this was not now possible - therefore UNRRA's help had been sought in the matter. He stated that 44 cars were necessary in the Provinces, and a further six would be required for Central Inspecting, involving an approximate expenditure of Lit. 12,850,000.

2. MR. MARCOLINI raised objection to the implied criticism made regarding his non-attendance at the last meeting, saying that he had been engaged with the Allied Authorities and had formally requested that the meeting be postponed; he added that he would like to place the problem of wool on the Agenda of the next meeting, since this involved large sums of money.

3. MR. HODGETTS, replying to MR. MARCOLINI, said that he had not received his request to postpone the meeting, and MR. CONTINI stated that the question of wool would be placed on the Agenda for the next meeting. (ACTION: SECRETARIAT)

4. MR. D'ALESSANDRO stated that in view of the increasing number of Committee Meetings, it would be impossible for him to attend them all - he added that the members of the Italian Delegation represented on the Committee had the authority to make decisions. He stated that MR. DELLA NEGRA would be unable to remain on the Lire Fund Control Committee, and would be substituted by Engineer VALERIO SCHEDA; MR. DELLA NEGRA would, however, remain on the Price Committee.

5. MR. HODGETTS expressed appreciation of MR. DELLA NEGRA's work for the Lire Fund Control Committee.

6. There being no other comment or objection, the minutes of the previous meeting were approved.

II. Advances of funds to High Commissioner for Public Health & Hygiene.

(Documents No. 1 and 1 A)

7. MR. SOLIDERA stated that a program for Hygiene & Health Rehabilitation had been prepared, but had not yet been approved. He stated that pending this approval it was necessary to advance some funds for the purchase of cars for the Provincial Doctors, and for warehousing and transportation expenses.

Referring to the supply of cars, MR. SOLIDERA stated that it had always been the custom of the Italian Government to supply transportation for Provincial Doctors, but this was not now possible - therefore UNERA's help had been sought in the matter. He stated that 44 cars were necessary in the Provinces, and a further six would be required for Central Inspectors, involving an approximate expenditure of Lit. 12,850,000.

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- 2 -

8. MR. MARCOLINI stated that a sum of 2½ billion lire had been requested by the Health Commissioner for its program, but this had now been reduced to 1½ billion lire. He added that the expenditure of the above sum had been agreed by the Italian Government Delegation, but had to be submitted to the Joint Committee. He said that the Delegation had no objection to grant an advance of Lit. 18,850,000, but requested that the full plan for the expenditure of the 1½ billion lire should be submitted to the Lire Fund Control Committee at the next meeting.

9. MR. SOLDANI stated that his High Commissariat had already prepared the programs for anti-tuberculosis and anti-malaria; these, he said, were now being examined, and a full plan would be submitted as requested. MR. NERI stated that his Division would prefer to submit an overall plan on broad lines at the next meeting, and present the individual parts in detail at successive meetings.

10. MR. HODGETTS enquired where the six cars for Central Inspectors would be located, and on being informed that these would be stationed in Rome pending emergency calls from the Provinces, he stressed the importance of these cars being used in the Field, rather than as Headquarters transport. MR. HODGETTS requested that attachment No. 1 to Document No. 1 be deleted from the record, and this was agreed by the members present. (ACTION: SECRETARIAT)

Rec.N.1 11. It was agreed that an immediate advance of Lit. 18,850,000 for the purpose described should be granted to the High Commissariat for Health & Hygiene, with the proviso that a plan for the expenditure of Lit. 1,500,000,000 be submitted to the next meeting of this Committee. (ACTION: BUREAU OF F & A & High Commissariat for Public Health & Hygiene)

III. Request from the Bureau of Relief Services for additional contribution from the Lire Fund to CASIS for transport.
(Document No. 2 and 2a)

12. MR. SORIERI referred to Document No. 2, concerning the purchase through UNRRA of transport for the CASIS programs for a cost of Lit. 446,216,000. At a previous meeting a partial request for 90 jeeps at a cost of Lit. 13,590,000 had been discussed, and it had been agreed that the total request would be submitted at this meeting. MR. SORIERI proposed that the purchase of transport should be made through the Lire Fund, in order to save dollar and sterling currency for the purpose of purchasing further supplies.

13. MR. D'ALESSANDRO objected to the expenditure of so large a sum - Lit. 446,216,000 - on transportation, which, he added, hardly seemed reasonable in view of the fact that this represented almost half the amount which had been allocated for the CASIS project.

penditure of the 1½ billion lire should be submitted to the Lire Fund Control Committee at the next meeting.

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- 3 -

14. MR. MARCOLINI stated that in Italy only the Ministry for Public Works could erect any buildings of public utility. However, in view of the special project which had been put forward, the Treasury had agreed that certain houses could be built by the C&S&S Committee and had limited the cost of the project to 1 billion lire. UNRA agreed to assist, continued MR. MARCOLINI, by supplying transportation from the dollar fund. If it was now proposed to spend half a billion lire on transport, to which must be added the cost of gasoline, the cost of building these houses would exceed the expenditure involved, had they been built by private contractors. He objected to the proposal on the grounds that it was too much at variance with the original project.

15. MR. HODGETTS agreed with this statement from the financial point of view, but added that a large number of vehicles had been turned over by the Allies to various departments of the Italian Government recently, and many of these were standing idle. He stated that 150,000 tires had also been handed over to the Italian Government, and suggested that the vehicles and tires should be provided for the C&S&S program on loan from the Government. MR. SORLIERI said that 5,000,000 in dollars and sterling was available for expenditure on these items, but if it was possible to use lire, it seemed reasonable that the dollar and sterling currency should be saved for purchases which it was not possible to make in lire.

16. MR. MARCOLINI enquired how these vehicles had been given to the Italian Government by the Allies, and MR. LYNCH explained that this had been done largely through the sale of military surplus. He added that these vehicles were not gifts to the Government, and several thousand trucks and a large number of tires had been involved in the transaction, many of which were still in warehouses.

17. MR. MARCOLINI suggested that there was a lack of proportion between the expenditure on building and the cost of transportation. MR. HODGETTS stated that the C&S&S project could not be charged with the capital value of the vehicles. The amount involved, he continued, would be the depreciation of these vehicles over a period of six months, which would be between 1/6th and 1/4th of the total value.

18. MR. D'ALESSANDRO said that in view of the uncertainty concerning the future of lire currency, the cost of depreciation of the cars, tires, etc. was difficult to determine. He requested that a decision on the request for additional funds to C&S&S be postponed to a later meeting.

19. MR. D'ALESSANDRO continued, stating that there was a difference in policy between the Lire Fund Control Committee and the Price Committee; these, he said, should work with the same aim in view -

by supplying transportation from the dollar fund. If it was now proposed to spend half a billion lire on transport, to which must be added the cost of gasoline, the cost of building these houses would exceed the expenditure involved, had they been built by private contractors. He objected to the proposal on the grounds that it was too much at variance with the original project.

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18. MR. D'ALESSANDRO said that in view of the uncertainty concerning the future of lire currency, the cost of depreciation of the cars, tires, etc. was difficult to determine. He requested that a decision on the request for additional funds to CASAS be postponed to a later meeting.

19. MR. D'ALESSANDRO continued, stating that there was a difference in policy between the Lire Fund Control Committee and the Price Committee; these, he said, should work with the same aim in view -

- 4 -

it was not possible to stabilize prices at a low level, and at the same time to put lire into the Lire Fund. The price, he suggested, should be fixed taking into account the need to collect money into the Lire Fund.

20. MR. HODGETTS replied, saying that this point did not arise at the present time as the Price Committee had only held one meeting - he added that there was a uniform policy on both Committees; he stated that he was a member of both Committees, and although he did not sit on the Price Committee, he was represented by MR. HOPKINS, and the policy to be followed was discussed between the various representatives and approved by the Chief of Mission. MR. LYNCH, he added, was also on both Committees. He suggested that the Government representatives should hold discussions amongst themselves prior to the Committee Meetings in order that there might be singleness of thought and policy. On the question of shortage of lire in the Lire Fund, MR. HODGETTS stated that this was due to the fact that the Agencies selling UFERA supplies had not been prompt in paying the money into the Lire Fund, and one of the functions of the Lire Fund Control Committee was to ensure that this money was paid in.

21. MR. LYNCH stated that the Price Committee was established with direct reference to the Lire Fund Control Committee, the two Committees to act on a co-operative basis. MR. LYNCH continued, saying that one of the main difficulties was that goods brought into the country by UFERA were not sold because the price was too high, and the chief function of the Price Committee was to see that these goods were distributed at prices which would command themselves to prospective purchasers.

22. MR. D'ALESSANDRO said that in his previous remarks he had only intended to stress the close relationship between the two Committees. MR. HODGETTS replied that this point did not come within the scope of the present meeting, and requested that MR. D'ALESSANDRO should submit a memorandum stating his views on this subject.

23. MR. MARCOLINI said that so far in discussing the employment of funds the 1945 figures were referred to. Under the 1945 plan, continued MR. MARCOLINI, goods to the value of 4½ billion lire had been imported, and the Government had allocated a corresponding sum, whether the goods were sold or given away free of charge. All the 4½ billion lire had already been committed as follows:

Approximately	{	1½ billion lire for the Health program	1	"	"	"	CASAS
		"	"	"	"	"	the anti-malaria campaign
		"	"	"	"	"	the anti-locust campaign
		"	"	"	"	"	the Peddrazione Consorzi Agrari
		"	"	"	"	"	various other items e.g. clothing, etc
							Total: about 4½ billion lire.

not sit on the Price Committee, he was represented by MR. ROEKINS, and the policy to be followed was discussed between the various representatives and approved by the Chief of Mission. MR. LYNCH, he added, was also on both Committees. He suggested that the Government representatives should hold discussions amongst themselves prior to the Committee Meetings in order that there might be singleness of thought and policy. On the question of shortage of lire in the Lire Fund, MR. HODGETTS stated that this was due to the fact that the Agencies selling UREKA supplies had not been prompt in paying the money into the Lire Fund, and one of the functions of the Lire Fund Control Committee was to ensure that this money was paid in.

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	1	" " " " " " " " " " " "
Total: about 4½ billion lire.		

- 5 -

The CASAS project, continued MR. MARCOLINI, had been allocated 1 billion lire, and this included between 150/170,000,000 Lit. for transport. It would be impossible, he said, to add further expense to that plan without examining the serious effect it would have upon the 1945 figures. On the 1946 Budget, he continued, provision had to be made for the subsidy to the Sardinia coal production, the subsidy for the price of bread, seed potatoes, etc. MR. MARCOLINI suggested that a general budget be submitted to include all these projects.

24. MR. HODGETTS stated that this was the purpose of the Lire Fund Control Committee, which had two specific functions:-

- a) to estimate the extent of the Lire Fund,
- b) to pass recommendations for the employment of the money.

25. MR. HODGETTS then reverted to the subject of CASAS, asking MR. SORIERI whether postponement of the decision regarding the vehicles would interfere with the progress of the CASAS program. MR. SORIERI replied that a delay of two weeks would not seriously impair the plan, and suggested that the matter should be further examined and a concrete plan put forward at the next meeting.

26. It was agreed that the request for additional fund for CASAS would be re-examined at the next meeting of the Committee.
(ACTION: BUREAU OF RELIEF SERVICES)

27. MR. MARCOLINI requested that the question of coal from Sardinia in relation to the subsidy to be paid, should be placed on the agenda for the following meeting. This was agreed.
(ACTION: SECRETARIAT)

IV. Charges by Federazione Consorzi Agrari regarding foodstuffs for UNRRA Camps and Welfare programs. (Documents No. 3 and 3 A)

28. MR. DELLA NEGRA stated that this question had been considered at the second meeting of the Lire Fund Control Committee and it was decided to make a special list of the expenses which were to be charges to the Camps and Welfare programs. He continued, saying that the goods imported by UNRRA were distributed free of charge, but flour and fats had to be purchased and it was therefore necessary to approve an allocation for this purpose. MR. DELLA NEGRA said that there was a clear budget of the commitments for the Camps and Welfare programs, and it would be necessary to approve an allocation of funds so that the Federazione Consorzi Agrari would not continue to withdraw some funds without consultation.

29. MR. DELLA NEGRA continued, saying that although it was agreed that these purchases were essential, no funds were granted for the purpose, and it had been the practice of the Federazione to buy

projects.

24. MR. HODGKINS stated that this was the purpose of the Lire Fund Control Committee, which had two specific functions:-

- a) To estimate the extent of the Lire Fund,
- b) to pass recommendations for the employment of the money.

25. MR. HODGKINS then reverted to the subject of CAsS, asking MR. SORIERI whether postponement of the decision regarding the vehicles would interfere with the progress of the CAsS program. MR. SORIERI replied that a delay of two weeks would not seriously impair the plan, and suggested that the matter should be further examined and a concrete plan put forward at the next meeting.

26. It was agreed that the request for additional fund for CAsS would be re-examined at the next meeting of the Committee.

(ACTION: BUREAU OF RELIEF SERVICES)

27. MR. MARCOLINI requested that the question of coal from Sardinia in relation to the subsidy to be paid, should be placed on the Agenda for the following meeting. This was agreed.

(ACTION: SECRETARIAT)

IV. Charges by Federazione Consorzi Agrari regarding foodstuffs for URMAs Camps and Welfare programs. (Documents No. 3 and 3 A)

28. MR. DELLA NEGRA stated that this question had been considered at the second meeting of the Lire Fund Control Committee and it was decided to make a special list of the expenses which were to be charges to the Camps and Welfare programs. He continued, saying that the goods imported by URMAs were distributed free of charge, but flour and fats had to be purchased and it was therefore necessary to approve an allocation for this purpose. MR. DELLA NEGRA said that there was a clear budget of the commitments for the Camps and Welfare programs, and it would be necessary to approve an allocation of funds so that the Federazione Consorzi Agrari would not continue to withhold some funds without consultation.

29. MR. DELLA NEGRA continued, saying that although it was agreed that these purchases were essential, no funds were granted for the purpose, and it had been the practice of the Federazione to buy

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- 6 -

flour and fats with the money obtained from proceeds of the sale of other goods. MR. DELLA NEGRA asked that this procedure should be regularized.

30. MR. HODGETTS stated that UNRA had in fact imported flour, and the question of whether that was used for the Welfare program should be investigated. MR. HODGETTS said there were several items on the expense side of the Balance Sheet which he considered should be investigated and suggested that a working group be instructed to examine these expenses. He added that he did not accept the facts as stated on the Balance Sheet.

31. It was agreed that a sub-committee be formed, the UNRA representatives being Mr. Hopkins, Mr. Travers, Col. Imlie and Mr. Landsberg, and for the Italian Government Eng. Sceda, Mr. Della Negra and Gen. Sarracino.

32. It was agreed that a Progress Report would be submitted to the next meeting of this Committee. (ACTION: UNRA & DELEGATION)

V. Report on the indebtedness of UNRA and Delegation to the Federazione Consorzi Agrari for distribution costs under the 1945 program. (Documents No. 4 and 4 A)

33. MR. DELLA NEGRA referred to Document No. 4 regarding the work of the Sub-Committee up to 21st June. The work, he said, continued to 24th June and the minutes had been distributed. It was not possible, said MR. DELLA NEGRA, to check all the figures because not all the documents were in Rome, but the Sub-Committee had decided to make the following recommendations:

- a) The Federazione Consorzi Agrari should submit a complete list of the expenses incurred for the 1945 program up to 1st August,
- b) the Treasury should be responsible for checking this list,
- c) the Federazione Consorzi Agrari should receive an advance amounting to 80% of the sum which will be indicated by the Federazione.

MR. DELLA NEGRA continued, suggesting that the minutes of the meeting of the Sub-Committee should be examined, and a decision made at the next meeting of the Live Fund Control Committee.

34. MR. HODGETTS asked whether this advance would be made without prejudice to any sums unduly paid, such as custom duties. MR. MARCONI stated that no custom duties had been charged on the goods brought in under the 1945 plan. MR. HODGETTS said there was the question of transportation charges, and the proposal should be made without prejudice to these. He enquired when it was proposed that

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-7-

this advance be made.

35. MR. MARCOLINI stated that the advance would be 80% of the Lit. 400,000,000 indicated by the Federazione Consorzi Agrari, and the whole figure would be subject to final settlement when the actual expenses up to 31st August were submitted by the Federazione. The advance, he stated, could be made at once, subject to the checking by the Treasury within two months.

Rec.N.2

It was agreed that an advance would be granted of 80% of the sum to be indicated by the Federazione for the expenses incurred up to 31st August 1946 in connection with the 1945 program. (ACTION: DELEGATION)

37. MR. HOPKINS stated that after 31st August the Federazione had agreed to try and submit their accounts within two months of expenditure, so that the final accounting should be not later than two months after 31st December this year. MR. DELLA NEGRA corroborated this statement, saying that the final accounting for 1946 would be made in February 1947.

VI. Statement on the bases of distribution costs of grain, flour, coffee, as calculated by the Federazione Consorzi Agrari.
(Documents No. 5 and 5 A)

38. MR. DELLA NEGRA stated that the list submitted by the Federazione was an analysis item by item, but in the case of transportation costs the evaluations may prove to be higher or lower than those stated. Before approval, he continued, the figures would have to be examined by UNRRA, the Delegation and ICE, separately. He enquired whether the Lire Fund Control Committee was the competent authority to approve these costs, or whether the matter should be referred to the Price Committee.

39. MR. HUGHES stated that this would be a matter for the Lire Fund Control Committee, since the cost had already been incurred. In the case of a new commodity, the Price Committee will fix the elements of distribution costs in the prices, but the Lire Fund Control Committee would be free to examine the distribution costs actually incurred. MR. HUGHES continued, saying that UNRRA wished to refer these figures to their technical experts for examination, and asked that this item be transferred to the agenda of the next and subsequent meetings. This was agreed. (ACTION: SECRETARIAT)

40. It was agreed that items 7, 8 & 9 should also be transferred to the agenda for the next meeting, and that in future the agenda should contain fewer items.

41. The meeting rose at 12:00 p.m.

Rec.N.2

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DISTRIBUTION:

All those present
 Chief of Mission (1)
 Industrial Adviser
 Legal Adviser
 Public Information
 Div. of Operational Analysis
 Bur. R & D (2)
 Bur. P & A (1)
 Bur. R. S. (1)
 Program Coord. - Sub Bur. of Supply Operations
 Price Office - Bureau R & D
 Gov't Liaison (2)
 Conference Secretariat (2)
 Registry (2)

Bur. R & D { 2 }
Bur. P & A { 1 }
Bur. R. S. { 1 }
Program Coord. - Sub Bur. of Supply Operations
Price Office - Bureau R & D
Gov't Liaison (2)
Conference Secretariat (2)
Registry (2)

70

H.2. SUMMARY OF THE MAIN ECONOMIC DEVELOPMENTS
IN ITALY DURING JULY, 1946

By the Division of Operations Analysis.

INTRODUCTION

1. The new Republic began its life at a time of internal and international uncertainty, both political and economic. The press had reflected a depression of public opinion resulting from the publication of the economic clauses in the draft of the Peace Treaty. The previous hope of a speeding up of economic rehabilitation in Italy by further assistance from the United Nations has been replaced by a feeling of considerable uncertainty regarding the future. This uncertainty results in hand to mouth remedies and stands in the way of the adoption of long term policies. Direction and a dynamic approach to the restoration of the country's economy will be lacking until the international situation is clearer.

2. Nevertheless, an advance can be recorded in July 1946, in four directions, and this has, to some extent, eased the general tension:

- (a) the working out, in agreement with UNRRA, of the economic plans for the 1946-47 financial year;
- (b) a closer definition of the economic and financial program generally agreed upon by the political parties in the Government. This has removed, for a time, the fear of an acceleration of inflation and of the adoption of a large scale plan of nationalization of industry;
- (c) the prospect of larger imports of coal and raw materials during the second half of 1946;
- (d) greater confidence in an international understanding of Italy's problems, which has resulted from the visit and statements made by Mr. Fiorenzo LaGuardia, Director General of UNRRA.

3. These stabilizing factors, although lacking long-term significance, have to some extent reanimated the financial market and given rise to some expectation of improved production and movement of goods.

4. These favorable expectations are now, however, offset by general labor unrest and a demand for improvement of real wages and of living conditions. There has been some friction between the Government and employers over the so-called "premium of the Republic" (a single payment of 3,000 lire to the heads of families and 1,500 lire to all others) which the Government had decided should be paid to the unemployed, soldiers and war veterans and to all employed labor (although on this point no agreement was reached with the employers, who are to pay the "premium").

UNFAVORABLE FACTORS

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 - (c) the prospect of larger imports of coal and raw materials during the second half of 1946;
 - (d) greater confidence in an international understanding of Italy's problems, which has resulted from the visit and statements made by Mr. Florio Laguardia, Director General of UNRRA.
3. These stabilizing factors, although lacking long-term significance, have to some extent reanimated the financial market and given rise to some expectation of improved production and movement of goods.
4. These favorable expectations are now, however, offset by general labor unrest and a demand for improvement of real wages and of living conditions. There has been some friction between the Government and employers over the so-called "premium of the Republic" (a single payment of 3,000 lire to the heads of families and 1,500 lire to all others) which the Government had decided should be paid to the unemployed, soldiers and war veterans and to all employed labor (although on this point no agreement was reached with the employers, who are to pay the "premium").

UNFAVORABLE FACTORS.

5. The factors that affected the Italian economic situation unfavorably in July, 1946, were:

- (a) the economic clauses in the draft of the Peace Treaty, which have been regarded as so harsh as to postpone Italy's economic recovery for many decades and to reduce the country to a state of inferiority and misery. It has been felt that lack of consideration has been given to Italy in the draft proposals in regard to:

- (1) heavy burden of reparations payments,

(ii) threatened loss of capital created in the national territories, (ceded and to be ceded to France and Yugoslavia) in the colonies and in foreign countries,

(iii) lack of compensation for the gold taken by the Germans; for the severe war destruction; for the expenses and destruction suffered since October 1945, in the joint war against Germany; and for the heavy outlay during the occupation by Allied forces;

(b) the absence of any definite statement regarding a loan from the United States;

(c) Labor's demand for increases in wages notwithstanding the decision of the Government to pay the workers the "premium of the Republic" and the retention of the ban on dismissals of workers by employers in industry (which was to have been removed at the end of July).

These demands, coupled with the uncertainty of the nature, the amount and the time of levying of the extraordinary property tax (which is included in the economic program of the new Government) have postponed further the plans for industrial rehabilitation and reorganization.

Thus, costs of production remain high and the liquid assets of industries are drying up. Some of these industries have had to receive Government assistance;

(d) the difficulties slowing up recovery of the export trade.

ELEMENTS OF GENERAL EVALUATION.

6. In assessing the economic position in July 1946, it is difficult, until the general situation clears, to sort out the movements likely to change substantially the general economic trend from those of short term significance only.

7. On the one hand there are facts and considerations which may justify any hypothesis of less confidence. In the line and of inflationary possibilities. Examples of these are the increasing rates of foreign currencies and gold on the free market; an increase in the price of stocks, in which there have been fairly heavy investments (also to be explained by the revaluation of assets by the companies); the increase in the circulation by 9,000 million lire during June (with a simultaneous decrease of 6,700 million lire in the credit of the Treasury current account with the Bank of Italy); the urge to increase nominal wages without a corresponding increase in productivity; the large State outlays to prevent increased bread prices and to pay for the "premium of the Republic"; the increase in State subsidies for public works; the large deficit in the Government budget without any substantial increase of revenue in sight. On the other hand there must be taken into account the relative stability of retail and wholesale prices; an increase of current deposits with banks; and the statements of the Treasury Secretary against resorting to new issues of paper currency, and on the possibilities of meeting cash requirements even if the financial market persists in preferring investments in private securities. The circulation

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- These demands, coupled with the uncertainty of the nature, the amount and the time of levying of the extraordinary property tax (which is included in the economic program of the new Government) have postponed further the plans for industrial rehabilitation and reorganization.
- Thus, costs of production remain high and the liquid assets of industries are drying up. Some of these industries have had to receive Government assistance;
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ELEMENTS OF UNCERTAIN EVALUATION.

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8. By and large, therefore, it will not be possible for a few months to give a more exact judgment on how the risk of a dangerous inflationary situation is taking shape.

FAVORABLE ELEMENTS.

9. Among the more favorable factors are the following:
- (a) the firm statement by the Treasury Secretary on

-3-

- (1) the decision not to increase currency circulation,
 (ii) certainty of meeting cash requirements with short-term Treasury Bonds,
 (iii) funding of the floating debt,
 (iv) the reaffirmation not to resort to currency conversion for fiscal purposes,
 (v) the possibility that in the next financial year the ordinary budget will be balanced.
- (b) good agricultural crops and substantial assessment of wheat. By the 29 July 1946, 1,440,000 tons of wheat had been assessed, which as at 31 July compares proportionately with 370,000 metric tons in 1945;
- (c) the improved availability of rationed foods and vegetables and fruit at not excessive prices, thus giving the workers more food within their purchasing power;
- (d) larger coal imports;
- (e) an expansion in bank credits to private enterprises (at the same time there is an increase in discounts on bank bills and advances by the Bank of Italy) and an increase in deposits with banks;
- (f) improved production and movement of goods.

CONCLUSION

10. In July 1946, Italian political and economic thinking has been disturbed by the terms of the Peace Treaty, though there is still a hope that the final decisions to be given by the United Nations will provide opportunities for rehabilitation of the country within a reasonable period. In the meantime, Italy's economic life drags along with no certain hope of an improved situation in the near future.

J.H. CORVIN.
 DIRECTOR DIVISION OF
 OPERATIONS ANALYSIS.

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DIRECTOR DIVISION OF
OPERATIONS ANALYSIS.

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Attachment H-3

MONTHLY REPORT OF THE DIVISION OF
INFORMATION FOR JULY 1946.INTRODUCTION.

1. Of outstanding importance for the UNRRA Italian Mission during the month of July was the visit of the Director General and his party 21-26 July.
2. The Information Division had special responsibilities in regard to many important portions of the program - such as the Press Conference held on 24 July, the official welcome at the Campidoglio followed by the reception of 2,000 children from UNRRA-aided schools, visits to Government officials, the meeting with the Constituent Assembly and various trips to inspect UNRRA operations. In addition the Information Division had direct responsibility for issuing press releases, texts of the Director General's speeches and for keeping the local and foreign press informed of the Director General's movements.
3. Next in importance certainly, was the Italian Government's action in increasing the bread ration, following which UNRRA took up with the International Emergency Food Council the problem of further wheat supplies.
4. Increase in the bread ration was the subject of Mr. Keeny's broadcast on 15 July and of an official statement of the Mission's attitude in "Economic Notes" on 19 July.
5. The Lira Fund has been explained at length in "Economic Notes".
6. The massing program in Italy has been of surprisingly good effect and the Information office has undertaken to show results in releases and in "Economic Notes."
7. The recently established Information Officers in the regional offices have shown increased activity during the past month, sending to the Rome central office press clippings and digests, as well as special articles and photographs, many of which have been forwarded to ENO and HQ. The work of these regional information officers should steadily increase. Their function in contacting and servicing the local press is vitally important.
8. UNRRA's exhibit in the Rome Fair has been prepared with great difficulty and expenditure of time in order to make this a convincing portrayal of UNRRA activities in Italy. Fuller details of this exhibit are given in paragraphs 41, 42 and 43.

PRESS; Foreign: Among the foreign correspondents contacted by the Division during the month were:

Mrs. Pierre Artigau - Agence France Presse;

Mr. Robert Conway - NY Daily News;

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PRESS; Foreign: Among the foreign correspondents contacted by the Division during the month were:

Mrs. Pierre Artigue - Agence France Presse;
 Mr. Robert Conway - NY Daily News;
 Mr. W. B. Courtney - Collier's;
 Mr. Robert Low - Time;
 Mr. Christopher Lumby - London Times;
 Mr. Riccardo Luzzatto - Reynolds News;
 Miss Vivien Mason - free-lance correspondent;
 Capt. Morang - MGM;
 Mr. R. Pietach - Life photographer;
 Mr. John McNight - Associated Press;
 Mr. S. Sydney Smith - London Daily Express;
 Mr. John Talbot - Reuters.

Local Press:

10. Major press emphasis during the month centered on the visit of the Director General, Mr. Fiorenzo LaGuardia. It is estimated that in Rome alone, from Monday

-2-

22 July when Mr. LaGuardia's arrival at Giampine airport on the previous day was publicized, to Friday 26 when his farewell message to the Italian people received wide publicity, a total of over 25,000 lines was devoted by the local press to the Director General's activities and to UNRRA work in general.

11) National appreciation of UNRRA's relief and rehabilitation work for Italy, well as Mr. LaGuardia's personal popularity were evidenced by the hundreds of newspaper reports and articles inspired by the visit.

12) Among the local press contacted were:-

Sig. Barca - 'Unita';
 Sig. Renzo Barbera - L'Anse;
 Sig. Aldo Bruti - Il Momento;
 Dr. Renato Caniglia - La Nuova Stampa - Turin;
 Dr. Cerutto - Il Corriere della Sera - Milan;
 Dr. A. Pecarile - Il Globo;
 Dr. Gacace - Agenzia Finanziaria Internazionale;
 Sig. Galimberti - L'Indipendente;
 Sig. F. Giampoli - Il Minuto;
 Sig. F. Grimaldi - SIDI newsagency;
 Sig. V. Giordano - Il Progresso;
 Sig. Francesco Leone - L'Orbis;
 Sig. Aldo Minestrini - L'Orbis;
 Sig. G. Meru' - Avanti;
 Sig. P. Puccio - Il Buon senso;
 Sig. Mayer - Beter Nachrichten;
 Mr. Jack Bagon - Rome Daily American;
 Mr. John McMillin - Rome Daily American.

Press Conferences:

13) On 24 July the Director General met representatives of the Press in the Conference Room at UNRRA Italian Mission Headquarters. (Text of statement attached) Among those present were:

Foreign

F. Ivarov - "Combat";
 Mr. R. Conway - New York Times;
 Mr. M. Moir - Daily Telegraph;
 Mr. Michael Stern - Fawcett Publications;
 Mr. Michael Stewart - British Embassy Press Attache;
 Mr. P. O'Brien - Associated Press;
 Mr. E. McGurn - Herald Tribune (NY);
 Representative of the US Embassy Press office;
 Miss Elizabeth McKenzie - New Statesman;
 Miss E. Borgh - Handels Tidningen;
 Mrs. Pierre Artigue - Agence France Presse;
 Mr. Seymour Korman - Chicago Tribune;
 Mr. R. Radfield - The Times;
 Mr. G. Sydney Smith - Daily Express.

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 Sig. Galinotti - L'Indipendente;
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 Representative of the US Embassy press office;
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 Miss E. Bergh - Handels Tidningen;
 Mrs. Pierre Artigue - Agence France Presse;
 Mr. Seymour Korman - Chicago Tribune;
 Mr. R. Hadfield - The Times;
 Mr. S. Sydney Smith - Daily Express;
 Mr. J. Talbot - Reuters;
 Mr. A. Corbin - NY Times.

Local:

Sig. D. De Ruggieris - Tribuna del Popolo;
 Sig. C. Galvo - Il Messaggero;
 Sig. P. Alatri - Italia Libera;
 Sig. A. Alessiani - Italia Libera;
 Sig. P. Idari - Giornale d'Italia;
 Sig. G. Puccio - Orbis;
 Signa M. Prati - SIDI;
 Sig. A. Faro - Espresso;
 Signa Laura Angelini - Capitale;

-3-

Sig. Inge - Patria;
 Sig. Renato Ponteri - Tribuna;
 Sig. U. Barzotti - El Sole;
 Sig. Luciano Basso - Unita;
 Sig. L. Piccioni - RAI;
 Sig. E. D'Amelio - Osservatore Romano;
 Sig. P. Luzzo - Quotidiano;
 Sig. Spovieri - Indipendente;
 Mr. D. A. Neely - Rome Daily American;
 Mr. John Mechlin - Rome Daily American.

RADIO:

14. On 15 July a radio talk in Italian over Radio Roma was given by the Chief of Mission on the increase of the bread ration and UNRRA's efforts to obtain the full allotment of one million tons of grain for shipment to Italy during the second half of 1946. Mr. Keeny stated that there are only two ways for Italy to obtain more grain - by amassing more of her own harvest and by securing more from the International Emergency Food Council. The more Italy can rely on her home production the less it will have to spend abroad on essential food. This was the third of a series of radio talks in Italian by Mr. Keeny.

15. On 24 July the Director General gave his weekly American broadcast from Rome. A translation of his talk was distributed to the Italian Press.

16. On 25 July the Director General broadcast over Rome radio to the Italian people. Copy of text is attached.

FILMS:

17. A preview of a news film showing the use of Camexine in Sar-
 dinia was given. Present were representatives of the Ministry of Agriculture and members of the UNRRA Italian Mission.

18. Various films were taken by Luce, MGM and others of the Direc-
 tor General's visit to Italy.

19. Some 50 officials of the UNRRA Italian Mission were shown the
 Luce films, "Humanity" and "Cassino".

20. The script is now being prepared for an UNRRA documentary film
 of UNRRA's activities in Italy.

RELEASES:

"Economic Notes" and "Note Economiche":

21. The demand for "Note Economiche" (Italian) is increasing
 throughout the country, with increased demand also for "Economic
 Notes" in English. The total distribution of these important
 publications is as follows:

14. On 15 July a radio talk in Italian over Radio Roma was given by the Chief of Mission on the increase of the bread ration and UNRRA's efforts to obtain the full allotment of one million tons of grain for shipment to Italy during the second half of 1946. Mr. Keeny stated that there are only two ways for Italy to obtain more grain - by increasing more of her own harvest and by securing more from the International Emergency Food Council. The more Italy can rely on her home production the less it will have to spend abroad on essential food. This was the third of a series of radio talks in Italian by Mr. Keeny.

15. On 24 July the Director General gave his weekly American broadcast from Rome. A translation of his talk was distributed to the Italian Press.

16. On 25 July the Director General broadcast over Rome radio to the Italian people. Copy of text is attached.

FILMS.

17. A preview of a news film showing the use of Camerax in Sardinia was given. Present were representatives of the Ministry of Agriculture and members of the UNRRA Italian Mission.

18. Various films were taken by Luce, MGM and others of the Director General's visit to Italy.

19. Some 50 officials of the UNRRA Italian Mission were shown the Luce films, "Humanity" and "Cassino".

20. The script is now being prepared for an UNRRA documentary film of UNRRA's activities in Italy.

RELEASES:

"Economic Notes" and "Note Economiche":

21. The demand for "Note Economiche" (Italian) is increasing throughout the country, with increased demand also for "Economic Notes" in English. The total distribution of these important publications, as of Issue No. 29 of 1 August, is English 2129 and Italian, 7236. It is recalled that when Economic Notes was first taken over by UNRRA Italian Mission from the Allied Commission on 15 February 1946, the first printing order was 1,200 English and 2,300 Italian.

22. Numerous articles from the articles describing the UNRRA Italian Mission's varied activities appear in many newspapers throughout Italy every week. The following articles appeared in this month's issues of Economic Notes:-

July 5 - Issue No. 25 - New Harvest (cassino) goes well; Industrial Rehabilitation; Coal outlook for July;

July 12 - Issue No. 26 - Lira Fund Aids Reconstruction; UNRRA Imports

-4-

in June; Bogus UNRRA Agents;
 July 19 - Issue No. 27 - UNRRA and New Bread Ration; Progress of
 UNRRA Welfare; Commodity Prices Confirmed;
 July 26 - Issue No. 28 - Mr. LaGuardia on Problems of 1946; Fuel
 for Fishing Craft; Better Coal Supplies;
 Wheat Amassing Progress; Movement of Ships.

23. Two portions of the Economic Survey have been distributed as
 supplements to our weekly Economic Notes, the facilities for distri-
 bution being afforded by the Information Division without any respon-
 sibility as to content.

24. The Daily Press Digest has been distributed daily throughout
 the UNRRA Rome Office and dispatched to Regional Offices in Italy.

25. Weekly Bulletin Nos. 23, 24, 25, 26 and 27 have been distri-
 buted to the UNRRA Italian Mission staff.

26. Releases issued by the Information Office on the visit of the
 Director General, the Bread Ration and the Rehabilitation Program
 have been widely publicized by the Italian press. The following
 releases have been distributed:

a) Releases to US, UK, and Italy:

26 July - LaGuardia Visits Sciuscia Boys;
 26 " - LaGuardia Says Goodbye;
 25 " - LaGuardia Italian Broadcast;
 24 " - LaGuardia Press Conference - Verbatim Report;
 24 " - Biographical on Fiorenzo LaGuardia;
 24 " - Director General's Party;
 24 " - UNRRA Shipments to Yugoslavia;
 24 " - LaGuardia's Visit to Sacco Workshop;
 22 " - Announcement LaGuardia Press Conference;
 20 " - Indian Tribes Help UNRRA;
 17 " - Italian Harvest and Prospects for Amassing;
 16 " - Radio Talk by UNRRA Chief of Mission;
 12 " - Chief of Mission's Statement on Bread Ration;
 11 " - Roundup on Supplies Arriving in June;
 10 " - Italian Ship Home with Argentine Grain;
 4 " - UNRRA's Industrial Rehabilitation Program in Italy;
 4 " - UNRRA Shoes for Sardinian Coal-Miners;
 3 " - UNRRA Cattle Arrive in Italy.

b) Italy only:

24 July - LaGuardia Weekly Broadcast to the US;
 24 " - LaGuardia at the Vatican;

c) In English only:

24 July - Summary of LaGuardia Press Conference;

d) To US and UK only:

the UNRRA Rome Office and dispatched to Regional Offices in Italy.

25. Weekly Bulletin Nos. 23, 24, 25, 26 and 27 have been distributed to the UNRRA Italian Mission staff.

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24 " - Biographical on Fiorello LaGuardia;
24 " - Director General's Party;
24 " - UNRRA Shipments to Yugoslavia;
24 " - LaGuardia's Visit to Shoe Workshop;
22 " - Announcement LaGuardia Press Conference;
20 " - Indian Tribes Help UNRRA;
17 " - Italian Harvest and Prospects for Amassing;
16 " - Radio Talk by UNRRA Chief of Mission;
12 " - Chief of Mission's Statement on Broad Ration;
11 " - Roundup of Supplies Arriving in June;
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4 " - UNRRA Shoes for Sardinian Coal-Miners;
3 " - UNRRA Cattle Arrive in Italy.

b) Italy only:

24 July - LaGuardia Weekly Broadcast to the US;
24 " - LaGuardia at the Vatican;

c) In English only:

24 July - Summary of LaGuardia Press Conference;

d) To US and UK only:

30 July - Argentine grain arrives in Italy (for South American press.)

PHOTOGRAPHS:

27. A series of especially heavy demands this month taxed the resources of the photographic section severely and affected the quantity of pictures available for distribution for the press. The total number of enlargements distributed, however, far exceeds that previously recorded monthly figure. Pictures were supplied as follows during the month of July:

785017

-6-

37. Before leaving Rome on Friday 26 July Mr. LaGuardia had an interview with the Minister of Agriculture on the amazing progress and paid a short visit to one of the Salesian Fathers' hostels in Rome for "Soluscia" (shepherd) boys.

38. Mrs. O'Brien visited Lenuvie, Cisterna and Bergamo. She also visited a pre-fabricated colony, a colony which has been opened recently for the trinity workers and the school of Notre Dame du Menar.

39. Mr. E. B. Hitchcock and Mrs. O'Brien with a staff photographer went to Naples, 30 July, for port pictures and on their return to Rome 31 July got photographs in the Allied Commission camp at Avessa of groups of 150-200 Chinese refugees awaiting shipment from Naples to their homeland. At 1200 photographs were also made of the reconstruction of ruined houses with UNRRA materials.

DISTINGUISHED VISITORS:

40.a) Mr. Fiorenzo H. LaGuardia, Director General of UNRRA.

Director General's party:

Commander Jackson - Robert Gillman Allen Jackson, CMO, OBE, the Senior Deputy Director General of UNRRA.

Mr. Nikolai Feenoy - Soviet representative to UNRRA Headquarters in Washington.

Col. C. Tyler Wood - Special Assistant to the Assistant Secretary of State, USA, US Acting Council member.

Major K. Younger - British Labor Member of Parliament; Chairman Central Committee for UNRRA Council for Europe; son of Lord Younger, a baronet.

Mr. Harold E. Causton - Assistant to the Director General UNRRA.

Mr. Joseph Bailey - Director Public Information Division, UNRRA Headquarters, Washington.

Mr. Adjutor Savard - UNRRA Information Officer, UNRRA Headquarters, Washington.

Mr. A. Ornstein - UNRRA Director General UNRRA.

Mr. Eric MacGillivray - UNRRA Director General.

Mr. Leon Feenoy - Secretary to Mr. Nikolai Feenoy.

Mr. F. Giardano - Personnel attendant to Director General

b) Mr. William Morrell - Associate Director of Public Information for Europe, HQ, Washington.

c) Mr. Thomas Spencer Cobb - International Film Foundation, INC.

d) Mr. W. B. Courtney - Collier's

e) Mr. Warren Corwin - Winner of Wendell Wilkie Award.

GENERAL:

785017

went to Naples, 30 July, for port pictures and on their return to Rome 31 July got photographs of the Allied Commission camp at Lversa of groups of 150 Chinese refugees awaiting shipment from Naples to their homeland. At 1900 photographs were also made of the reconstruction of ruined houses with UNRRA materials.

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Major K. Younger - British Labor Member of Parliament; Chairman Central Committee for UNRRA Council for Europe; son of Lord Younger, a baronet.

Mr. Harold E. Causton - Assistant to the Director General UNRRA.
Mr. Joseph Kelly - Director Public Information Division, UNRRA Headquarters, Washington.

Mr. Adjutor Savard-Bell - Information Officer, UNRRA Headquarters, Washington.

Mr. A. Grunstein - Chief of Director General UNRRA.

Mr. Eric McQuarrie - Chief of the Director General.

Mr. Leon Peonov - Secretary to Mr. Nikolai Peonov.

Mr. P. Giordano - Personal attendant to Director General

- b) Mr. William Marrell - Associate Director of Public Information for Europe, HQ, Washington.
- c) Mr. Thomas Spencer Cobb - International Film Foundation, INC.
- d) Mr. W. B. Courtney - Cellior's
- e) Mr. Norman Corwin - Winner of Wendell Wilkie Award.

GENERAL:

Mostra delle Attività Romane: (Exhibition of Roman Activities.)

41. UNRRA Italian Mission is participating in the Mostra delle Attività Romane, the first exhibition of its kind to be held in Rome since the war. The management of the Mostra offered UNRRA a pavilion which will house a specially prepared exhibit of the Italian Mission.

42. During July members of the Division have prepared the basic plan for the UNRRA participation in the Mostra to explain the UNRRA program to the Italian public -- including writing the basic text and planning the exhibit layout; securing designers and artists; making arrangements to get food UNRRA; from the Government and from private

Washington, ERO and press	475
UNRRA Divisions for illustrating reports	77
Director General (details of visit to Rome)	70
Regions for display and issue to local press	333
Display for Conference Room, Rome HQ	96
UNRRA Exhibit in Rome "Mostra" - murals, montages and display	109
Selected series 12" x 102 enlargements for display at Geneva Conference	101
Total	1261

FIELD TRIPS AND TOURS:

28. Mr. Hitchcock, Mr. Berry and Mr. Platzek of LIFE, went to Naples on 1 July for the purpose of covering the arrival of the shipment of 387 cattle for SS "Cyrus Field", and specifically to take photographs of the arrival of the LIFE cow "Connie" covered by the LIFE photographer.
29. On Monday 15 July Mr. Berry, Miss Guglielmo and Dr. R. E. Scott, Veterinarian of the Agricultural Rehabilitation Division, visited the town of San Pietro Infino to attend the ceremony of the handing over of the LIFE cow to the family receiving her. Messrs. Marcallo, McSweeney, Platzek and Ebersole took part in the proceedings.
30. Miss Guglielmo and Mr. Western took Mr. W. B. Courtney of Collier's to Civitavecchia to visit the port and to get some idea of the difficulties under which unloading is done. They also toured the Ital Cement factory where they discussed wages, prices etc. with the plant manager.
31. Mr. Boria also visited Genoa to take pictures of the port for Mr. Courtney's use in connection with his stories on UNRRA.
32. During the course of his brief stay in Rome, members of the Division accompanied the Director General over the UNRRA shoe-producing factory in the World's Fair Exhibition buildings, the bomb-damaged school of the Suore Poverelle di Bergamo and the Italian and non-Italian displaced persons camps at Cinecitta. They also visited Cisterna, where plans of the new houses to be built under the G.S.S. housing program were examined and the Director General saw houses built last year with UNRRA assistance under the experimental program.
33. On Tuesday 23 July the Director General was officially welcomed at the Campidoglio by the Sindaco of Rome, Prince Doria Pamphili. Immediately afterwards he attended a gathering of 2,000 children from UNRRA-aided schools in Rome.
34. Also on 23 July the Director General, on the invitation of the Constituent Assembly addressed a representative gathering of deputies in the Sala della Lupa at the Montecitorio Palace.
35. On the following day he flew to Milan.

28. Mr. Hitchcock, Mr. Berry and Mr. Plotzch of LIFE, went to Naples on 1 July for the purpose of covering the arrival of the shipment of 367 cattle per SS "Cyrus Field", and specifically to take photographs of the arrival of the LIFE cow "Connie" covered by the LIFE photographer.
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34. Also on 23 July the Director General, on the invitation of the Constituent Assembly addressed a representative gathering of deputies in the Sala della Lupa at the Montecitorio Palace.
35. On the following day he flew to Milan where he inspected industrial works operating on supplies provided by UNRRA, returning the same evening for a performance of AIDA at Rome's Terme di Caracalla.
36. On 25 July he flew to Palermo where, accompanied by the Regional Director, he called on the Deputy High Commissioner for Sicily and on the Prefect of Palermo. Also he was received by the Cardinal Archbishop of Palermo. Before flying back to Rome he visited a Day Surfer Colony near Palermo where he talked to the doctor and staff and to many of the 1,000 children who are catered for daily.

5394

785017

-6-

37. Before leaving Rome on Friday 26 July Mr. LaGuardia had an interview with the Minister of Agriculture on the pressing program and paid a short visit to one of the Salesian Fathers' hostels in Rome for "Soluscia" (shoeskin) boys.
38. Mrs. O'Brien visited Leneria, Cisterna and Borgo. She also visited a "pre-tribunal" colony, a colony which has been opened recently for the "exile" workers and the school of Notre Dame de Nazareth.
39. Mr. E. E. Hitchcock and Mrs. O'Brien with a staff photographer went to Naples, 30 July, for part pictures and on their return to Rome 31 July got photographs in the Allied Commission camp atversa of groups of 15-20 Chinese refugees awaiting shipment from Naples to their homeland. At Lord photographs were also made of the reconstruction of ruined houses with UNRRA materials.

DISTINGUISHED VISITORS:

- 40.c) Mr. Fiorenzo N. LaGuardia, Director General of UNRRA.

Director General's party:

- Commander Jackson - Robert Gillman Allen Jackson, CMC, OBE, the Senior Deputy Director General of UNRRA.
- Mr. Nikolai Pechov - Soviet representative to UNRRA Headquarters in Washington.
- Col. C. Tyler Wood - Special Assistant to the Assistant Secretary of State, USA, US Acting Council member.
- Major K. Younger - British Labor Member of Parliament; Chairman Central Committee for UNRRA Council for Europe; son of Lord Younger, a baronet.
- Mr. Harold E. Austin - Assistant to the Director General UNRRA.
- Mr. Joseph Lilly - Director Public Information Division, UNRRA Headquarters, Washington.
- Mr. Adjutor Savard - Information Officer, UNRRA Headquarters, Washington.
- Mr. A. Crumstein - Deputy Director General UNRRA.
- Mr. Eric MacQuarrie - Director General.
- Mr. Leon Pechov - Secretary to Mr. Nikolai Pechov.
- Mr. E. Giordano - Personal attendant to Director General
- b) Mr. William Morrell - Associate Director of Public Information for Europe, HQ, Washington.
- c) Mr. Thomas Spencer Cobb - International Film Foundation, INC.
- d) Mr. W. B. Courtney - Collier's
- e) Mr. Norman Corwin - Winner of Wendell Wilkie Award.

GENERAL:

Have 34 July get photographs and on their return to of groups of the 150 Chinese refugees awaiting shipment from Naples to their homeland. At 100 photographs were also made of the reconstruction of ruined houses with UNRRA materials.

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Mr. Harold E. Cauntin - Assistant to the Director General UNRRA.
Mr. Joseph Kelly - Director, Public Information Division, UNRRA Headquarters, Washington.

Mr. Adjutor Savard - Information Officer, UNRRA Headquarters, Washington.

Mr. A. Ornstein - Chief of Liaison General UNRRA.

Mr. Eric Ingber - Chief of the Liaison General.

Mr. Leon Feonov - Secretary to Mr. Nikolai Feonov.

Mr. E. Giordano - Personal attendant to Director General

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d) Mr. W. B. Courtney - Cellier's

e) Mr. Norman Corwin - Winner of Wendell Wilkie Award.

GENERAL:

Mostra delle Attività Romane: (Exhibition of Roman Activities.)

41. UNRRA Information Division is participating in the Mostra delle Attività Romane, the first exhibition of its kind to be held in Rome since the war. The management of the Mostra offered UNRRA a pavilion which will house a specially prepared exhibit of the Italian Mission.

42. During July members of the Division have prepared the basic plan for the UNRRA participation in the Mostra to explain the basic program to the Italian public -- including writing the basic text and planning the exhibit layout; securing designers and artists; making arrangements to get from UNRRA; from the Government and from private

65

43. The exhibition is due to open on 3 August at the Palazzo Clodio, Rome, and will continue until the end of the year.

44. A popular, pictorial, non-technical leaflet explaining the USSR Program in Italy for mass distribution in Italy and at the above-mentioned Mostra has been written and designed and preliminary distribution plans have been completed.

445. Preliminary arrangements for the printing and distribution to all parts of Italy of a pictographic poster explaining the UNRRA Program have been made.

46. Further discussions have been held with the Italian Delegation representatives on the inclusion of an UNRRA text on the final quarter Italian ration-cards.

47. The Director of Information in UNRRA Italian Mission, Mr. Brian Ashford Russell, returned 14 July from a trip to London where he discussed problems connected with the Division at the ERQ.

48. The following personnel have been taken on temporarily as assistant Public Relations officers for duty as attendants at the INERI Pavilion in the Monstradella Attivita Expo:-

49. As of 31 July the staff consisted of:-

B. Ashford Russell - Director of Information;
E. B. Hitchcock - Deputy Director;
R. A. E. Chomley - Writer;
John Western - Writer;
Reoul Berry - Observer-Photographer;
E. Guglielmo - Public Relations Officer;
Lila Glavin - Secretary

Leaflet:

44. A popular, pictorial, non-technical leaflet explaining the UNRRA Program in Italy for mass distribution in Italy and at the above-mentioned Mostra has been written and designed and preliminary distribution plans have been completed.

Poster:

45. Preliminary arrangements for the printing and distribution to all parts of Italy of a pictographic poster explaining the UNRRA Program have been made.

Ration-card statement:

46. Further discussions have been held with the Italian Delegation representatives on the inclusion of an UNRRA text on the final quarter Italian ration-cards.

STAFF:

47. The Director of Information in UNRRA Italian Mission, Mr. Brian Ashford Russell, returned 11 July from a trip to London where he discussed problems connected with the Division at the ERO.

48. The following personnel have been taken on temporarily as assistant Public Relations officers for duty as attendants at the UNRRA Pavilion in the Mostra delle Attività Romane:-

Miss A. Valdoni;
Sig. Leonarbo Labia;
Sig. Vittorio Roletini;
Signa. L. degli Uberti.

49. As of 31 July the staff consisted of:-

Class I:

B. Ashford Russell - Director of Information;
E. B. Hitchcock - Deputy Director;
E. A'S. Chmley - Writer;
John Western - Writer;
Raoul Berry - Observer-Photographer;
R. Guglielmo - Public Relations Officer;
Julia Girni - Secretary;
R. Boria - Photographer;
Mary Runnett - Secretary;
Nita Hook - Secretary;
Joyce Chmley - Secretary.

Class II:

E. Cerati - Writer;
C. Camagna - Writer-translator;
C. Ruggeri-Laderchi - Writer-translator;
L. Bonagnoli - Photographer;
L. Di Giorgio - Photo Lab. Assistant;
N. Zurra - Photo Lab. Assistant;
Jacqueline Stewart - Public Relations Assistant;

5398

-8-

Irma Hiltm - Secretary;
Marisa Pampel - Secretary;
Pelliccia Jurek - Typist;
Margherita Pampelini - Typist.

B. ASHARD RUSSELL
DIRECTOR OF INFORMATION.

Declassified E.O. 12356 Section 3.3/NND No. 785017

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64
Attachment H-3-e.UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION
ITALIAN MISSION

Issued by: DIVISION OF PUBLIC INFORMATION

FOR IMMEDIATE RELEASE

24 July, 1946

MR. LA GUARDIA'S PRESS CONFERENCE

At a Press Conference held at the Italy Mission's Headquarters in Rome to-day (24 July), the Director General of UNRRA, Mr. Fiorello LaGuardia, speaking in Italian, said:

"The food situation in Italy is no different from that of other countries. The better to understand it, one must take the world food situation into consideration. There is not enough food in the world fully to meet the needs of all nations, including my own. I do not mean that the situation is dangerous; I merely mean that we all must base our plans on this situation and be ready to make some sacrifices. Allotments are made without favour with the one object of being fair to all.

"Whoever says that those who are first on the market get all they want, or that those who pay higher prices get more does not tell the truth. Such things appear in some of the yellow Press in my own country, or in some misinformed papers in other countries.

"Let me explain. During the war, there was the Combined Food Board representative of Great Britain, the United States and Canada to control food supplies. After the war it continued to function, and UNRRA, as well as the various Nations had to make their applications for food allotments to this Committee. But, as the emergency situation has continued throughout the world, an International Food Council has now been created. Twenty-one nations belong to the International Council, Italy included. There is a Central Committee, and all nations, including my own, submit their food requirement to this international body.

"It is for the Council, then, to allot its share of what supplies are available in the world to each nation according to its needs and population.

"If this method is adhered to, I believe that no nation shall get more than its fair share in the future. But one must keep in mind that allocations, quotas, and so forth, refer to basic foods only, and that there are nations which possess other than basic foods - which

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"Whoever says that those who are first on the market get all they want, or that those who pay higher prices get more does not tell the truth. Such things appear in some of the yellow Press in my own country, or in some misinformed papers in other countries.

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"It is for the Council, then, to allot its share of what supplies are available in the world to each nation according to its needs and population.

"If this method is adhered to, I believe that no nation shall get more than its fair share in the future. But one must keep in mind that allocations, quotas, and so forth, refer to basic foods only, and that there are nations which possess other than basic foods - which make a difference. The United States, for example, have meat and other foods which are not on a world sharing basis. Through December 31, 1946 the allotments obtained by UNRRA for Italy will bring in food costing nothing to the Government. After December 31st allotments will continue but the goods will have to be paid for - and this will make a great difference indeed.

-2-

"Each nation's trade balance has to be scrutinized to ascertain what food imports possibilities exist. Italy; no doubt, will not have enough, and this causes much anxiety."

"At the URR's Council opening on August 5 at Geneva, I shall present a list of these nations' requirements which do not have the necessary credits to buy grain and other basic necessities. More than this I cannot do."

"I have been asked here, and also by some other Nations' representatives, whether URR's life can be prolonged. My answer is, yes, but it does not mean anything, because URR may go on living but we don't need life, we need money - and there is no money in sight after December 31, 1946. The money comes from those member-nations who have not been invaded and their contribution represents one per cent of their national income."

"I say, there will be no money because the nations have been contributing through their Legislature and you cannot get more money unless the Legislatures authorize it. In my own country I do not see any possibility of this happening, and therefore I say that it is useless to prolong URR's life unless the necessary money can be provided at the same time."

"Besides foodstuffs, URR also supplies raw materials and industrial and agricultural rehabilitation machinery. Italy, for example, has received 500,000 tons of coal per month; shipments were suspended during the miner's strike but they are being resumed and the whole of the monthly allotment will be shipped."

"Another very important fact is the world's scarcity of fertilizers, which seems due to last another 3 to 4 years. We have been buying fertilizers for Italy because Italy stands in very great need of them."

"I should not allude to this matter, but I cannot resist the temptation. I intend to send fertilizers to Italy, but I should like to see the large estates divided up in small allotments among the actual cultivators of the land. This is for the conservative papers - the others need take no notice."

"Well, I repeat that purchases will end in December and shipments will go on until we have goods to ship. We have shipped much cotton, as well as other raw materials which, I think, will be a great help to Italy."

"I am glad to see how intimate is the co-operation between URR's Italy Mission and the Italian Government. This co-operation has eased our task and has made its effects even more useful than was to be expected."

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"Another very important fact is the world's scarcity of fertilizers, which seems due to last another 3 to 4 years. We have been buying fertilizers for Italy because Italy stands in very great need of them.

"I should not allude to this matter, but I cannot resist the temptation. I intend to send fertilizers to Italy, but I should like to see the large estates divided up in small allotments among the actual cultivators of the land. This is for the conservative papers - the others need take no notice.

"Well, I repeat that purchases will end in December and shipments will go on until we have goods to ship. We have shipped much cotton, as well as other raw materials which, I think, will be a great help to Italy.

"I am glad to see how intimate is the co-operation between UNRRA's Italy Mission and the Italian Government. This co-operation has eased our task and has made its effects even more useful than was to be expected.

-3-

"Now and again we have been criticised and complaints have been made. We have made mistakes - and we have corrected them. We are not perfect. Italy had a perfect man during twenty years and after twenty years the people hanged him by the foot. As to the question of the rate of milling, my advice is, better have black bread than sour bread. There is not enough grain in the whole world to meet the 1947 need. According to present estimates it is not possible to say whether Italy will be able to keep to the present milling rate. Italy's situation mostly depends on what Italy will be able to do with her export goods, such as fruits and many other articles. It depends on the political situation in Europe and the world and on the peace treaty. One cannot make an estimate now. The fact, however, remains that even if exports will be possible there will be a deficit in 1947. Should there be no possibility of exporting, this would be a calamity - for it is vital for this poor Italy to know whether or not it will have to pay reparations and what exchanges of goods are to take place between European and non-European nations.

"Italy's destiny is in the hands of its people. The situation requires full co-operation, much patience - and work.

"Every nation has economic difficulties, we have them ourselves. Our country has the biggest national debt it has ever had. It does not believe that any other nation in history has ever had a debt of 222 billion dollars, and this also - isn't it? We have many economic difficulties and there is only one thing to be done after a world war which has cost so much in lives and property, and that is, the will to live together and co-operate. This alone can save the world.

"I hope that we shall not again have blocks of nations. Should this happen the prospects of peace will not be hopeful and we shall find ourselves in great danger.

"In America, too, we have a housing shortage. I have seen the very little which has been done so far in Italy, it is but a start. The program which is to begin in a few days is not sufficient. It should be ten times as big and it would still be inadequate. All this costs money but it is worth it. It is better to spend money now and provide the necessary dwellings rather than spend it when it will be too late. I hope I have made myself clear.

"The UNRRA Mission will last, perhaps in a reduced form, till the last shipment has been delivered.

"I want to appeal to the Italian people and government to continue to develop the medical services which UNRRA has initiated. There is much to be done in this direction.

"Now you can ask me questions and if any other idea comes to my mind I shall let you know.

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"The UNEFA Mission will last, perhaps in a reduced form, till the last shipment has been delivered.

"I want to appeal to the Italian people and government to continue to develop the medical services which UNEFA has initiated. There is much to be done in this direction.

"Now you can ask me questions and if any other idea comes to my mind I shall let you know.

-4-

Q. What do you think of the black market in Italy?

DIRECTOR GENERAL: It's just the same as in every other country, including yours.

Q. Have you been told that for your arrival and during your stay the black market was suspended?

D.G. Then, I suppose, I had better stay on. We too, had a black market and when I was Mayor I used the entire police corps to eliminate it or at least reduce it. But I should like to say this about the black market; only a thief or a ruffian operates the black market and only swine go to restaurants where the black market is carried on, and most of the swine in Rome are not Italian.

Q. It has been said that only foreigners eat with black market supplies. This is not true because it is necessary to buy on the black market in order to eat.

D.G. I am speaking of luxury places and not of essential establishments.

Q. Yesterday at Montecitorio you said that the Italian people were not responsible for Fascism.

D.G. I said they were not responsible for the war.

Q. The Italian Government has increased the bread ration. According to UNRRA, can this ration be maintained.

D.G. At the moment I don't know.

Q. Will UNRRA do something to help the Italian government maintain this increase.

D.G. All I can do is to maintain a fair share of supplies throughout the world.

Q. What do you think of the cession of territory to Yugoslavia?

D.G. They don't let me decide.

Q. And what do you think of the cession of territory to France?

D.G. Here too, they don't let me decide.

Q. What will happen to the lira fund when UNRRA closes down?

D.G. That fund is earmarked for specific purposes, health, education.

Q. What will it be worth?

D.G. I don't know - I am trying to find out. They are about two months

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-5-

Q. Will there be any sort of control or observation of the expenditures?

D.G. Oh yes, I think so.

Q. By what -- an international organization?

D.G. I think that there will be some arrangement made at the convention for the control of those funds. I should think some of them could go to housing under the general welfare clause.

Q. While we are on newspapers. Do you think the correspondents here and the press in America have been giving a satisfactory picture of Italy?

D.G. I don't think I am the right person to answer that question.

Q. Yes, I think you are.

D.G. I will tell you why -- I am prejudiced.

Q. (reference is made to a previous statement by Mr. LaGuardia)

D.G. I get that information from our own official records and figures -- not from the Press.

Q. Do you think the American Press is giving enough space to Italy?

D.G. Let us take foreign affairs first. I do not think so, with the exception of one or two papers. New York and other large cities. I think if they would devote more space to foreign affairs it would be very helpful.

Q. I realize that you are going to Yugoslavia from here. I have just returned from there and the complaint there is that the UNRRA mission is not able to get over to the Yugoslav people that the bulk of the supplies coming from America and Britain and also that they are brought in free. In fact, in some schools the children thought that the symbol UNRRA is the name of a town in Russia. It sounds ridiculous but is true. I wonder what you have in mind for them.

D.G. I will try to clarify it if I can.

Q. Does the bread ration in Britain mean that any additional grain will be set aside for supply to UNRRA?

D.G. No, Great Britain is acting very prudently, wisely and realistically and looking ahead at what is in the air, rather than taking a snack all at once.

Q. Would you say that Italy is acting realistically in putting the bread ration up at the same time?

D.G. I suppose they know what they are doing, having taken inventory -- at

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Q. From the impressions you get visiting other countries, do you think they are better off than Italy?

D.G. In the course of the day we may be able to give you comparative tables on grains and fats. In my opinion Austria is worse off than Italy but I do not believe that Italy is better off than other countries.

Q. Have you found any evidence of discrimination in the distribution of UNRRA supplies such as exists in Greece?

D.G. You assume they exist in Greece?

Q. I read your statement there.

D.G. I have not received any complaints at all of discrimination in Italy. We have received them of discrimination in other countries and we have examined every case and found they were always local, at a lower level of government, very much as what happened in our own country during the relief period and W.P.A. days.

Q. Has anything been done by the Greek government to prevent this?

D.G. Yes.

Q. I mean - to prevent this happening in the first place rather than trying to cure it later.

D.G. Well, of course you know how it is; it is very easy for a local official to transgress. Every case brought to our attention, which UNRRA brought to the attention of the Greek Government has been corrected. I had a committee of the E.A.U. in conference and they told me that themselves.

Q. Could you say that the black market such as you know it in Italy is an insignificant factor in spoiling the Italian economy - that it is insignificant against the help which UNRRA is giving Italy?

D.G. I wouldn't say that any black market is insignificant - I would say that it is wholly undesirable. It may be a boil on your neck or it may get right into your bloodstream, and I am a firm believer that there should be very drastic action taken to curb it, including our own country. That is why I am so forceful in getting a continuation of C.P.A. in our country, but let's not start controversy here in Rome where it can't do much good. that

Q. Do you think that Italians in north and south America could send something more than just parcels?

D.G. No, because all that is taken into consideration when making the shares. For example, if somebody sends twenty tons of grain this must be considered in arranging world distribution.

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Q. What do you think of the bathing buildings which are being erected on a large scale in every resort; these buildings only have a speculative value and do not improve the situation?

D.C. I agree with you entirely and you can say anything you like in my name about that system.

Q. Bathing establishments do not require cement or iron which are necessary for house building. Therefore it is no crime if something is built to enable people to go to the seaside and benefit their health.

D.C. Let us admit that only ^{timber} wood is required. This is as scarce as blondes in Africa. Labour is scarce and so is transport. The same thing happens in New York. I criticized it at home and I criticize it here. I don't like that sort of thing and when I don't like something I say so.

Q. Regarding raw materials that cannot be imported from the American market such as synthetic rubber, will UNRRA try to intensify purchases?

D.C. We have no funds. I believe that purchases have been made for Italy, where rubber is concerned, but as for building materials, we have none. We now have to step up house building for our veterans.

Q. Do you think a move will be made to introduce legislation to the various UNRRA subscription countries who continue subscriptions to UNRRA? I mean, will you or UNRRA or the U.S. make a move to have further legislation passed in congress to continue UNRRA?

D.C. I do not think that the question of continuance is an important one, but when will the funds be available. I don't see how it would be possible before the first quarter in 1947 and if you get an interruption there the whole thing is gone.

Q. Is the interruption inevitable now?

D.C. Yes. I think - let's see, the Canadian parliament is in session.

Comm. Jackson - The U.S. is the only one.

D.C. The United States is in Session - that right.

Comm. Jackson - It is a vital one.

D.C. Seventy per cent.

Q. What do you hear in Washington about the possibility of a loan to Italy?

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D.G. Do you mean a direct loan?

Q. Yes.

D.G. I haven't heard anything about that. I think they are negotiating a ~~one~~ ^{one} with the Export-Import Bank and the, of course, there is the International Bank for reconstruction which is now in process of formulation.

Q. The request was for 900,000,000 I think.

D.G. Dollars?

Q. Yes, and a while ago it was cut to 400,000,000 by the budget bureau.

D.G. A direct loan?

Q. Yes.

D.G. That should be very helpful, I should think, if the interest rate is low. Speaking of loans, I should like to add this; the International Bank for reconstruction may be a very helpful institution and do a great deal of good. But the interest rate is still too high. The system of securing foreign loans is not a good system; it amounts to setting up an international ~~man~~ shop.

Q. What institution will replace URBA?

D.G. I have no precise information. Perhaps an international body for assisting refugees.

Q. What will happen to the International Institute of Agriculture?

D.G. It will be absorbed by the Food and Agricultural Organization. I believe that we should have great hopes in the Organization. It is a very important thing we have achieved.

Q. Do you think Italy is getting all the URBA help that it needs?

D.G. No. No country is getting all the help that it needs. It is getting all the help that is possible under available resources.

Q. What percentage of help that it needs is it getting?

D.G. I don't know. It is getting a good share, but there is no limit to what a country needs.

Q. Do you think that the country is going to suffer when the URBA program ends?

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Q. Do you think that the country is going to suffer when the UNRRA program ends?

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D.G. Yes, I do.

- 9 -

Q. Is there any way of continuing that program?

D.C. Not unless we get funds.

Q. Can you get the funds from the American Congress?

D.C. That's right, and our Congress will not be in Session.

Q. Why aren't relief and medical services unified with the Red Cross?

D.C. It isn't worth it. The Red Cross is a private organization.

Q. Do you think that Italy will find it difficult to get petrol supplies?

D.C. Every thing depends on her output; petrol doesn't rain from the skies, it has to be imported.

Q. Will you always help us?

D.C. I will do what I can.

Q. This is not a question relating to UNRRA. I am asking only because there was some slight reference in your speech to parliament yesterday along international political lines. The Italian Press and the Italians in great numbers are saying that Trieste and other territorial divisions are in contradiction, direct or implied to promises, however big or small, made by yourself during the propaganda talks over the radio during the war and I wonder if you can say anything in explanation or clarification?

D.C. I wish I could; they are in contradiction.

Q. You said that drastic action should be taken against black markets everywhere. Now you said anything about that to the Prime Minister or Italians here? Do you think drastic action will be taken?

D.C. You will have to draw your own conclusions on what I said. You know my feelings in the matter.

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END

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Attachment 2

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION
ITALY MISSION

FOR IMMEDIATE RELEASE:

PUBLIC RELATIONS DIVISION

25 July, 1946

The following is the text of the speech broadcast by the Director

General of UNRRA, Fiorenzo LaGuardia, from Rome radio, yesterday, July 24, 1946:

"Good evening! This is friend LaGuardia speaking. For the first time I am privileged to speak direct to the Italian people and on Italian soil and... without risk of censure. I am very glad to have this opportunity, there are so many things I want to say. Unfortunately, time at the microphone is very limited, just as it is with us in America.

"I have found conditions in Italy better than I thought, but the problems are many and they really need the full co-operation of the Italian Government.

"I know you are interested to learn what UNRRA is doing. Well, we have tried to do as much as possible, but everything we can do will never be enough.

"UNRRA is an official agency of 45 governments and receives funds from the governments of those countries which have not been invaded. These funds represent one per cent of their national incomes. The object is to bring Italy, where it is needed, the quota destined for Italy is 425,000,000 dollars. So far 226,000,000 dollars have been delivered in the shape of goods, food, machinery and all the other commodities of which Italy had greatest need. UNRRA funds on 31 December 1946, but unfortunately needs will not end then. Nothing is known yet as to what will be done, but it is certain that Italy needs aid and success.

"I am very pleased to see the co-operation of the Italian Government in the delivery of grain to the masses. 1,200,000 tons of grain have been delivered to the masses by the peasants up to date. This is very satisfactory and I may add that it has made a considerable impression in the United States. But there is still much to be done, there is still 50 per cent of the grain to be delivered, particularly because Sicily, Piedmont and Lombardy show figures which are somewhat disappointing.

"I appeal to the peasants and I ask them to bring their wheat to the masses. They must think of the importance of their action in the eyes of other nations and especially of America and other countries which send grain to Italy. How can these countries be prepared to supply if they see Italian grain escape the masses? There is not enough grain in the world for 1946-1947 to meet all requirements, and therefore I appeal to everyone of you and ask you to co-operate for the good of your country.

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" At Milan today, I talked to many workmen and peasants and, judging from the questions I was asked, I think it is my duty to explain to you how UNRRA is functioning:

" UNRRA delivers all its supplies to the Italian Government free of charge, then the Government sells UNRRA supplies, but the proceeds of such sales go to a special fund. It is not UNRRA that takes this money. It is all for you, for the Italian people. I say, you, because the Italian people is the Government. This special fund can only be touched to finance welfare and essential services for the people.

" I was asked today: "Why do you not give free wheat to the people instead of free coal to the manufacturers?"

" I repeat: The Government sells the coal to the manufacturers and the proceeds of these sales go to the special fund.

" There is another point I must make clear before the whole world. Today, at the Press Conference, I was asked many questions about the black market. I say, that it is not right to talk of the black market for certain foods. The wheat which UNRRA gives to the Italian Government is sold not at a commercial price, but at a political price, that is to say, a price much lower than cost. The bread bought on the black market represents the price of flour on the free market, that is to say the real price of flour.

" There is a difference; in our country it is luxury articles which are on the black market. It is not right to give the world the impression that in Italy advantage is being taken of the high price of bread for speculation purposes. That is not true. I hope that the Government will take the necessary steps to establish adequate prices, both for wheat and for pasta.

" Another point I wish to mention, is the shortage of dwellings. I am told, and rightly, that many premises are occupied by Allied military authorities and by foreign governments. I should not say so, but I will, nevertheless: - the sooner the Allied forces leave Italy, the better - . I appeal to my government and to every government to return all requisitioned premises to Italy, because Italy urgently needs them. I hope that the representatives of foreign governments are listening to me. Anyhow, don't worry, my friends, if they are not listening to me this evening, they will listen to me later on.

" It is encouraging to see Italian workers, and I am happy to be able to say so, to you. At this moment, Italy has a great opportunity to show the world what she can do, because all the world is looking at her. Italy has now set up a new Government in a new world. A government cannot perform miracles. It is composed of men, and men are not miracle-workers. So, don't expect miracles. But I am certain that the Constituent Assembly will give you a good government and I am also certain that the power of government will remain in the hands

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" I repeat: The Government sells the coal to the manufacturers and the proceeds of these sales go to the special fund."

" There is another point I must make clear before the whole world. Today, at the Press Conference, I was asked many questions about the black market. I say, that it is not right to talk of the black market for certain foods. The wheat which UNRRA gives to the Italian Government is sold not at a commercial price, but at a political price, that is to say, a price much lower than cost. The bread bought on the black market represents the price of flour on the free market, that is to say the real price of flour."

" There is a difference; in our country it is luxury articles which are on the black market. It is not right to give the world the impression that in Italy advantage is being taken of the high price of bread for speculation purposes. That is not true. I hope that the Government will take the necessary steps to establish adequate prices, both for wheat and for pasta."

" Another point I wish to mention, is the shortage of dwellings. I am told, and rightly, that many premises are occupied by Allied military authorities and by foreign governments. I should not say so, but I will, nevertheless: - the sooner the Allied forces leave Italy, the better - . I appeal to my government and to every government to return all requisitioned premises to Italy, because Italy urgently needs them. I hope that the representatives of foreign governments are listening to me. Anyhow, don't worry, my friends, if they are not listening to me this evening, they will listen to me later on."

" It is encouraging to see Italian workers, and I am happy to be able to say so, to you. At this moment, Italy has a great opportunity to show the world what she can do, because all the world is looking at her. Italy has now set up a new Government in a new world. A government cannot perform miracles. It is composed of men, and men are not miracle-workers. So, don't expect miracles. But I am certain that the Constituent Assembly will give you a good government and I am also certain that the power of government will remain in the hands of the people. But let me repeat, once again; the Government cannot perform miracles and parliamentary speeches cannot fertilize the soil."

- 3 -

58

" A country's economy can be made to prosper only with the co-operation of the people. Italy has many advantages and the greatest is that it is inhabited by a hard working and artistic people. But it also has many disadvantages: it lacks coal, petrol and minerals, and all these deficiencies must be met by Italian industry and Italian workers. This means that manufacturers must be content with smaller profits and that workers must be prepared to work conscientiously. Only good-will on both sides can help Italy.

" I will not say that the situation is impossible, but I must tell you frankly that for some time yet, perhaps till 1947 or 1948, there will be difficulties.

" It is to be hoped that the sacrifices of the Italian people will be recognised at the Peace table and that it will be remembered that the Italian people did not want war, and if it did, it was certainly not war on the side of the Nazis. And the sooner we forget it, the better.

" And so I leave you this evening. I do not know when I can come back, but I assure you that my thoughts will not leave the Italian people. And I am certain that Italy will manage to revive as she has done before in history, and that she will resume her place among the great nations of the world.

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57

H-4. MONTHLY REPORT OF THE BUREAU OF REQUIREMENTS AND DISTRIBUTION
FOR JULY 1946

POST-UNRRA PLANNING

1. The visit of the Director General made it possible to bring to a head discussions and work on the Post-UNRRA period. The Bureau produced an estimated Italian Import Program for 1947, with an estimated balance of payments for the same year. This was revised and expanded according to suggestions by the Director General and the Senior Deputy Director General, and was placed in the Director General's hands for use at Geneva. In addition, this work spurred the Government to similar efforts on its own behalf. In a word, our story is that Italy can take care of her imports (through exports and loans) on the industrial side, but requires one more year of subsidy to prevent the 290-million-dollar food import program from becoming a first claim on foreign exchange which should be "plowed back" into the industrial economy.

FOOD BUDGET

2. The fact that the Food Division in Washington has been sending us what they happen to have rather than what we put on our program has thrown our whole supply budget rather out of kilter. We have sent off several long cables on this and in addition have taken the matter up with the Senior Deputy Director General, when he was here. Because of the large amounts of UNRRA materials that have been dumped on Italy, we are hard put to it to find sufficient funds in the food budget with which to buy wheat, the highest priority item. The intention is to take this matter up again at Geneva.

VISIT OF DIRECTOR GENERAL

3. In the course of his four-day visit to Italy, the Director General had an opportunity to see the actual results of the UNRRA supply program. A complete folder of basic information about requirements and distribution was prepared for the use of the Director General and members of his party; and representatives of the Bureau accompanied him on quick inspection trips to Milan and Sicily.

REORGANIZATION

4. A reorganization of the Bureau was accomplished, the initial change being the removal of the Program Coordination and Statistics Division from the Sub-Bureau of Supply Operations to the staff of the Office of the Deputy Chief of Mission for Requirements and Distribution, and the addition of the Surplus Property and Procurement Branch and the Price Office to that Division. The Supply Accounting Branch, however, will remain in the Sub-Bureau of Supply Operations.

PERSONNEL SHIFTS

5. In accordance with arrangements made some months ago, Mr. E. S. Lynch is leaving the Mission and is replaced as Chief of Sub-Bureau of Supply Operations by Mr. W. G. Peterson. At the same time, we are losing the services of Col. W. J. Lane, who was Director of the Allied Commission's

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5. In accordance with arrangements made some months ago, Mr. E. S. Lynch is leaving the Mission and is replaced as Chief of Sub-Bureau of Supply Operations by Mr. W. G. Peterson. At the same time, we are losing the services of Col. W. J. Legg, who was Director of the Allied Commission's Food Sub-Commission and transferred to the UNRRA Italian Mission in January 1946 as Chief of the Sub-Bureau of Relief Supply. His place has been taken by his Deputy, Col. J. Imrie, who has been Acting Chief of this Sub-Bureau during the two months Col. Legg has been in England on sick leave.

DISTRIBUTION OF IMPORTED SUPPLIES

6. An increased emphasis is being placed on speeding up the distribution of supplies as indicated by:

(a) The assignment of the Assistant Chief of Bureau to specific work on Regional and Distribution problems;

- 2 -

- (b) The organization of a Regional Liaison Branch in the Sub-Bureau of Relief Supply to coordinate the work of Regional Supply Officers who are responsible for watching and checking distribution of imported foodstuffs;
- (c) Issuance of instructions to regions on expansion of the distribution of agricultural supplies, and the preparation of similar instructions on food and industrial materials;
- (d) The arrival in Rome of the Distribution Control Unit of ERO to study distribution techniques and inspection on the ground.
- (e) The two-day conference at Naples of the recently-formed National Commission at which potential and actual spoilage and deterioration of foodstuffs was examined and disposal instructions were immediately given.

PRICING

7. During July three meetings of the now-flourishing Joint Price Committee were held. So far, prices have been established for 20 items through the issuance of five formal Price Decisions over the joint signatures of the Chief of Mission and the President of the Italian Delegation; and 10 more items are scheduled for action at the first meeting in August. Two Sub-Committees -- Agricultural and Medical -- have been set up, the first to study distribution costs of goods for which prices have been fixed, the second to study prices of penicillin and other medical supplies. The organization phase of this Committee is now over; there remains the more difficult (and more interesting) job of developing agreed standard criteria for the pricing of UNRRA imports.

SUPPLIES PROBLEMS

8. Two Bureau representatives are now in Paris for the purpose of inspecting and procuring the Italian Mission's share of the equipment of the Surprop stockpile and arranging for its delivery. This will consist mainly of the badly-needed cargo handling and warehouse equipment which is available.

FOOD AND AGRICULTURE

9. The collection of 1,440,000 tons of wheat from 1-29 July plus the arrivals of imported cereals of 190,315 metric tons through 27 July brought relief from the cereals crisis and created a stock sufficient to maintain existing ration scales for 103 days.

10. The question of consolidating national ration scales has been raised in the first of a series of joint conferences with representatives of the High Commissioner for Food. Further progress depends on additional knowledge of future supplies. In this connection, a recommendation has been sent to the Prime Minister to consolidate the Welfare Feeding Program with other ration scales after 31 August 1946.

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TEXTILE PROGRAM

11. Great progress has been made during the month on the textile program. Since it is impossible for various economic reasons to sell UNRRA cotton and wool to industry and export relief goods at low prices to come out the other end, the new Government has adopted our long-standing recommendation that the matter be handled and controlled by the Government throughout. The material will be processed "on account" and then distributed by the Government to special organizations -- about a third of it being distributed free. Within a few days, about 8,000 tons of cotton will begin to be processed, particularly into flannelette for the layette program, sheeting for hospitals and domestic use, and low-cost shirting and cotton dress material.

INDUSTRIAL REHABILITATION

-3-

12. A highlight on the industrial side was the Italy-wide strike of CIP (the Petroleum Distribution Organization) which commenced in Genoa on 15 July. The distribution of petroleum products was interrupted, although all except one of the incoming tankers were discharged. Action was taken immediately to impress the Italian Government with the need for prompt measures, and, after an unsuccessful attempt by them to persuade O.G.I.L., (Italian General Confederation of Labor and Industry) to call off the strike, an order was issued for Italian Military Control. Negotiations were again resumed and a settlement was reached on 20 July, which granted increases of pay to the strikers to be covered by small increases in the price of petrol, kerosene and gasoil, with which the Mission concurred.

13. The world shortage of rubber also caused some anxiety in the industry and it was feared that factories would be forced to close down in August. An additional allocation of 2,000 tons of synthetic rubber has now eased the situation.

14. With the new and stronger Minister of Industry and Commerce, the Industrial Sub-Commission structure is being strengthened and is proving (as we hoped it would) the backbone of the system for allocating UNRRA industrial imports.

DISTRIBUTION OF NON-UNRRA SUPPLIES

15. The distribution of supplies not imported by UNRRA (especially medical supplies imported by the Military last year and certain types of surplus property which have been turned over to the Italian Government) continues to be unsatisfactory. We took this matter up with the SMOG, who agreed with our recommendation that we should take active steps on this matter with the Government, even though they were not goods specifically imported by UNRRA.

TRANSPORTATION

16. Movement of UNRRA supplies was accomplished without undue difficulty in spite of idle wagons and their limited availability due to several local strikes, a general strike at Trieste, and competition with heavy military demands in the Naples area. Average daily loadings increased to an all-high from 4,750 to 5,600 wagons. A survey of the motor transport operations of the Italian Ministry of Transport has been completed.

17. Port receipts for July amounted slightly over 1,000,000 tons, exceeding June by about 450,000 tons. The congestion of the Port of Venice which occurred, due to the Trieste strike, has been handled, and the port is now clear.

RECORDS AND ACCOUNTING

18. An inspection of the supply records and documentation of the Italian Ministry of the Interior, Deputy Chief Inspector Supply Records and a Field

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RECORDS AND ACCOUNTING

18. An inspection of the supply records and documentation of the Italian Mission was made by the Deputy Chief Inspector Supply Records and a Field Inspector from IFO. A detailed study of supply accounting procedure and organization has been completed and a draft administrative order in clarification is in the process of being issued.

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19. The procedure for procurement and budgeting has been clarified as between Supply and Finance and Administration. The formula adopted is that the Finance and Administration budget takes all administrative supplies and all supplies for United Nations DP Camps, except that part of the food, clothing and medical supplies which has to be bought with foreign exchange. The supply budget, on the other hand, takes care of all material turned over to the Italian Government, plus food, clothing and medical supplies bought with foreign exchange for the United Nations. A procedure

has also been issued as to the handling of shifts between the supply budget and the Finance and Administration budget.

HARLAN CLEVELAND,
Deputy Chief of Mission and Chief,
Bureau of Requirements and Distribution.

Appendices:

Appendix A - Monthly Report, Pro. Coord. & Stat. Div.	
Appendix B - " " S/B of Relief Supply.	
Appendix C - " " S/B of Supply Operations.	
Appendix D - " " S/B of Industrial Rehabilitation.	

Declassified E.O. 12356 Section 3.3/NND No. 785017

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Appendices:

H-4a - Monthly Report, Pro. Coord. & Stat. Div.
H-4b - " " S/B of Relief Supply.
H-4c - " " S/B of Supply Operations.
H-4d - " " S/B of Industrial Rehabilitation.

Appendix H-4-1
MONTHLY REPORT OF THE PROGRAM COORDINATION SECTION
STATISTICS DIVISION

Program Coordination.

1. In collaboration with the Sub-Bureau, work has continued on the coordination of the final revisions of the Mission Import Program for 1946.
2. The revised Medical Import Program 1946 has been finalized and forwarded to Washington together with the X-Ray Import Program and the revised Medical and Sanitation Supply Budget.
3. For the information and guidance of the other interested Divisions, a summary is being prepared first, of Governmental regulations and payments in connection with the import export trade, and second, of the various commercial agreements into which Italy has entered with other countries.
4. The coordination of various commercial matters in connection with the Joint Advisory Committee for International Commerce has been carried out.
5. Work is in preparation on the establishment of a card-index system which will show in an accessible form the history, the amount programmed to date and the quantity arrived for each commodity on the program.

Statistics & Reporting.

6. Separation from the Commodity Accounting Branch has facilitated the work of the Statistics Branch in that statistics no longer have to be recorded in categories and units specified by commodity accounting procedure.
7. The Statistics Section completed its tabulation of all past shipments and arrivals, in terms of net metric tons so that it is now on a current basis and can supply comparisons of shipments with programmed quantities for any period. Prospective arrivals are tabulated on the basis of information regarding loadings and sailings and are periodically summarized. A ship-by-ship tabulation of all supplies arrived during the first six months of 1946 is nearing completion.
8. A statistical study is underway to determine more accurately than has been possible so far the development of Italian imports other than UNRRA or Italian Government imports (ITD) Italian Technical Delegation Expenditures.
9. The Reports Section has overcome most of the technical obstacles in the way of a quick and regular dissemination of pertinent statistics. A loose-leaf service of R & D statistics was initiated early in July and is now being sent out in over 100 copies for distribution inside UNRRA, to Italian Ministries, Allied embassies etc. The statistics furnished include tabulated data pertinent to the varied interests of the Bureau of R & D as well as indications as to sources of other data not supplied for general distribution.

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Pricing.

10. Among the newly assumed functions of the Division is ^{technical} secretariat of the Joint Price Committee (Price Office). The work of the Price Office in the past month has consisted in the establishment of a priority list of goods for which prices must be set, the coordination of pertinent technical material supplied by the Commodity Divisions, the arrangements for the actual meetings at which prices are discussed and agreed, and the follow-up connected with all the phases described above. As a result, three meetings were held, prices of 20 items were agreed upon, of which five have been signed by the Chief of the Mission and by the President of the Italian Delegation in the form of formal Price Decisions. Two.....

- 2 -

Sub-Committees, Agricultural and Medical, have been set up, the first to study distribution costs of goods for which prices have been fixed, the second to study prices of penicillin and other medical supplies.

Surplus and Miscellaneous Procurement.

11. The normal work was continued of maintaining liaison with the surplus authorities and disseminating information on availabilities to the operating divisions. Representatives of this and other divisions are engaged in choosing the equipment from the Paris Surplus stockpile to which the Italian Mission is entitled.

12. A complete tabulation was made of all surplus goods procured to date, and of those which have been handed over to the camps division. A certain amount of revision in these tables was necessary, as it has now been decided that "expendable" items shall be credited not to the Administrative but to the Supply Budget.

Special Studies

13. A study of the Post-UNRRA problem in Italy has been made. This contains special research studies showing an estimate of Italy's Balance of Payments for 1947, and an analysis, prepared in co-operation with the other sub-bureaux, of the import requirements for the main commodities for next year. It is understood that this would be presented to the Fifth Council Meeting in Geneva as an appendix to the report of the Director General, with whom it was discussed during his recent visit to Rome.

A study has almost been completed, describing all the agencies and their functions now engaged in the import operation for Italy.

VINCENT CROOK
Director

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VINCENT CHEVAL
Director

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Appendix H-178

54

MONTHLY REPORT OF SUB-BUREAU OF RELIEF SUPPLY FOR FOOD DIVISIONSUPPLY JULY 1946

1. The month brought relief from the cereal crisis that had been facing Italy in recent months. Arrivals of imported cereals to 27 July, in terms of wheat equivalent, amounted to 190,315 metric tons, with a further 15,107 tons signalled to arrive by 30 July. Of this total some 67,000 tons were on behalf of programs other than UNRRA. From 1-26 July a total of 993,914 tons of wheat was brought to the Aniasi. The cereal stock position as at 26 July shows sufficient to maintain Italy on existing ration scales for a period of 108 days.

2. Imports of miscellaneous foodstuffs other than cereals amounted to 29,460 tons, including 17,367 tons of sugar, 3,840 tons of wet salted codfish, 2,847 tons of fat cuts.

WELFARE

3. No final decision has yet been reached as to whether the Welfare Feeding Program will continue as such after 31 August 1946. Agreement, however, has been reached within the Mission as to:

- a) the desirability in existing circumstances of continuing some form of welfare assistance in kind after that date;
- b) the integration of the requirements for these assistance ration scales into the national distribution system under the control of the High Commissioner for Food; and
- c) the continued use of the Italian Delegation's Provincial Welfare Committees as 'certifying' authorities, and distribution agencies for the food after they have received the requisite quantities through the Provincial Food Office.

RATIONING

4. The first of the series of joint conferences with representatives of the High Commissioner for Food on the question of consolidating national ration scales, has been held. At this conference it soon became evident that little further progress on this matter could be made until more was known as to future supplies. At present the High Commissioner for Food is not in a position to state whether or not the Government will make available sufficient foreign credit to purchase foodstuffs abroad, and/or limit to purchase any uncontrolled foodstuffs on the home market. A decision was, however, taken that as soon as possible equalization as between North and South of existing scales must be agreed upon.

5. Material progress has been made towards the clearing up of the black spots in regard to spoiled and deteriorated foodstuffs. The

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5. Material progress has been made towards the clearing up of the black spots in regard to spoiled and deteriorated foodstuffs. The recently formed National Commission in a two days session at Naples made a complete examination of the accumulation of spoiled goods and foods in danger of deterioration, and issued instructions on the spot for immediate action for disposal. Genoa is scheduled as the next port to receive the attention of the Commission. Total quantity of spoiled ~~3,884~~ forms but a small proportion of total UNRRA imports.

REGIONAL LIAISON BRANCH

6. During July this Branch was set up specifically to coordinate the work at this HQ level of the Regional Supply Officers, who are being appointed for all Regions to watch and check the distribution of UNRRA imported foodstuffs.

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7. The bulk of the work during July was confined to the preparation of material for the instruction of Regional Supply Officers. Meetings were held with the Italian Government and agreement was reached on the activities of these Officers and the types of reports to be submitted by them.

MEDICAL

8. Packing and distribution for the Third General Distribution (445 tons) proceeds satisfactorily. To date 266 tons have been dispatched to Regions and distribution will be completed by 10 August 1946. In addition 62 tons of miscellaneous medical supplies have been distributed to Camps, UNRRA Programs and Italian Delegation. Six tons of atabrine have also been distributed.

9. The distribution of Hospital Units and Laboratories continues - 1 200-Bed Hospital, five 40-Bed Hospital Units and four Italian Laboratories have been shipped during the month comprising a total tonnage of 42½ tons. Units awaiting shipment in the warehouse are one 40-Bed Hospital Unit, four Italian Laboratories and eight No. 1 Laboratories.

10. Three complete X-Ray Units of a total tonnage of 4 tons have been shipped to Marche, Lombardia and Toscana.

11. 20,000 Vials of Penicillin were distributed during July.

12. The "Balkan medical stockpile" and Military surplus from Naples have been transferred and inventory is now taking place.

13. Little of the items required for the Sardinian Malaria Eradication Program have been received since the June report. Shipment has been arranged for 307 tons of LDF Emulsion and 4 outboard motor boats which arrived recently.

CONSUMER GOODS

ALBANIAN DIVERSION BRINDISI STOCKPILE

16. During July a further quantity of new clothing has been received from Great Britain and released to United Nations DP Camps. Latest information from Washington includes promise of shipment of the balance of new clothing from the small Albanian diversion. As a result, United Nations DPs preliminary declaration of surplus items remaining from the Brindisi stockpile acceptance will be modified and the revised surpluses will be made available to Italian DPs.

CLOTHING PROJECT

17. Real progress has been made on the development of an overall plan for the use of raw materials for textiles. It has been agreed tentatively that pending the receipt of all the necessary statistical data, a first quantity of 8,200 tons of cotton shall be put into manufacture. Priority will be given to flannelette for babies' layettes, sheeting for hospitals

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11. 20,000 Vials of Penicillin were distributed during July.

12. The "Balkan medical stockpile" and Military surplus from Naples have been transferred and inventory is now taking place.

13. Little of the items required for the Sardinian Malaria Eradication Program have been received since the June report. Shipment has been arranged for 307 tons of DDT Emulsion and 4 outboard motor boats which arrived recently.

CONSUMER GOODS

ALBANIAN DIVERSION BRINDISI STOCKPILE

16. During July a further quantity of new clothing has been received from Great Britain and released to United Nations DP Camps. Latest information from Washington includes promise of shipment of the balance of new clothing from the small Albanian diversion. As a result, United Nations DPs preliminary declaration of surplus items remaining from the Brindisi stockpile acceptance will be modified and the revised surpluses will be made available to Italian DPs.

CLOTHING PROJECT

17. Real progress has been made on the development of an overall plan for the use of raw materials for textiles. It has been agreed tentatively that pending the receipt of all the necessary statistical data, a first quantity of 8,200 tons of cotton shall be put into manufacture. Priority will be given to flannelette for babies' layettes, sheeting for hospitals and domestic use, shirting and cotton dress material. The necessary steps are being taken to obtain a preliminary allocation from the Lira Fund to finance this manufacture. Planning is based on the assumption that approximately one third of the total quantity of finished cotton goods will be distributed free and that the sale price of the remainder, while very low, will be sufficient to cover the manufacturing cost of the goods for free distribution.

BLANKETS FOR UNITED NATIONS DP CAMPS

18. AEC, Udine, have expressed their readiness in principle to exchange 60,000 wool blankets, a part of their surplus holdings, against raw cotton or wool. Details of the exchange are being worked out.

CM 6584

- 3 -

LAYETTE PROGRAM

19. Concrete proposals for the furnishing of over 300,000 blankets for the Layette Program have been submitted. The plan includes the re-cutting of almost all the good woollen blankets still held by IES (Istituto Commercio Estero - Foreign Trade Institute) in Government warehouses.

ANALYSIS DIVISION

20. The following studies and reports have been made during the month :

- (e) Notes on the black market in foodstuffs.
- (b) Monthly report on the rationing position and food cost in the principal Italian cities of over 300,000 inhabitants (June).
- (c) Study on meat and dairy products situation.
- (d) Statement on food position in Italy as of 1 June 1946.
- (e) Present ration scale and food position in Italy.
- (f) Forecast of the balance of trade for food, home produced fibers and means of agricultural production in 1947.

21. Analytical studies of the following have been carried out :

- (a) Distribution costs in connection with the fixing of prices for agricultural supplies.
- (b) The requirements for petroleum products for agriculture and fisheries.
- (c) Requirements of fertilizers for the fall of 1946 and the spring of 1947.
- (d) Revised requirements for farm machinery, seeds, and pesticides.

AGRICULTURE DIVISION

22. During the early part of the month, dry hot weather prevailed in North and Central Italy. Later, there were several storms with rain in the north and some wind and hail. There was less rain in Central Italy where the crops are beginning to show lack of moisture. In Southern Italy, the weather was generally dry with some rainfall in Abruzzi. Hail storms have damaged crops in some provinces.

23. The cutting of fall wheat is practically over except in the mountain zones. Threshing is continuing at a good pace and the delivery to the mass is progressing very well in most parts, especially in Emilia, Marche and Veneto. The harvesting is disappointing in Sicily and only fair in South Italy, Lombardy and Piemonte. The total amount of wheat reported collected up to 29 July is 1,440,000 tons.

24. The prospective crop of sugar beets and potatoes is excellent. Legumes have been widely damaged by aphids. Tomatoes and tobacco, especially in Puglia, show signs of moisture deficiency. On the whole, vines and fruit trees are in good condition. In some parts, olives have fallen

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25. About 17,631 tons of agricultural supplies and raw materials for agricultural supplies have reached Italian ports during July. In addition, 21 tons of sodium arsenite have been received and stockpiled in the UNRRA Mediterranean Reserve Pool of Insecticides in Naples.

- 4 -

26. Allocations of petrol for Fisheries have been largely increased. For the month of August the following allotments have been obtained: diesel oil - 77%, kerosene - 93%, and gasoline - 48% of maximum requirements. This will allow the fishermen to work from 16 to 18 days during August, and will be an appreciable increase in the total catch available for food.

27. Sardinia, Sicily and the South of Italy were visited through the month by Field Specialists in an endeavor to speed up threshing and harvesting of cereals, and to check the distribution of UNRRA supplies. Agricultural Machinery Field Officials supervised the assembly of combines in Foggia, Salerno, Grosseto and Piacenza, and are still giving instructions in assembly and maintenance. Visits were made by the Fisheries Specialist to coordinate the work being done in Piemonte for the improvement of mountain pastures and the reconstruction of mountain shelters.

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Acting Chief
Sub-Bureau of Relief Supply

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J. LERIE

Acting Chief

Sub-Bureau of Relief Supply

APPENDIX E-4-0

MONTHLY REPORT OF THE SUB-BUREAU
OF SUPPLY OPERATIONS FOR
JULY 1946

DIVISION OF INLAND TRANSPORT

1. There have been no major rail operational difficulties during July. The repairs to the Arnoldstein Bridge, near the Italo-Austrian border, necessitated by June storm damage, were completed by 14 July and the Udine-Villach line resumed operation on a restricted scale.
2. Limited wagon availability was the most critical element handicapping movement by rail during the month. Several factors combined to decrease availability and limit car distribution. Local strikes affecting various industrial organizations delayed off-loadings, the general strike at Trieste held loaded and empty wagons idle and the extended turn-around on traffic re-routed via Brenner during the first half of July had serious cumulative effects. In addition, average daily loadings increased from 1,735 wagons during June to 5,600 which is the highest average attained to date. However, with the exception of traffic moving out of the Naples-Bagnoli area, movement of UREKA supplies has been accomplished without undue difficulty. In the Naples area civil movement is forced to compete with a heavy program of military loadings and it has been necessary to request military authorities to modify their wagon demands to enable the Italian State Railway to meet port clearance commitments.

3. The survey of motor transport operations of truck pools under the control of the Italian Ministry of Transport has been completed. Data accumulated and analyzed covers operations for the first quarter and will be extended indefinitely to maintain up-to-date information on the overall road traffic situation. Investigation of utilization and non-operation indicates operational tonnage availability still exceeds requirements. Analysis of causes contributing to this condition is in process.

4. As the result of prevailing but to date unsubstantiated criticism of POL distribution and allocation, it has been considered advisable to undertake a comprehensive study of POL requirements by Regions based on the vehicle census, now complete, and requirements for essential supply movement. This should be finished during August.

DIVISION OF PORTS AND SHIPPING

5. The increased flow of supplies anticipated for the second half of the year is reflected in July receipts of slightly over 1,000,000 tons. This exceeds June figures by about 450,000 tons and represents acceptance and total or partial discharge of 151 vessels. Advance loading information for August arrivals which, in view

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DIVISION OF PORTS AND SHIPPING

5. The increased flow of supplies anticipated for the second half of the year is reflected in July receipts of slightly over 1,000,000 tons. This exceeds June figures by about 450,000 tons and represents acceptance and total or partial discharge of 151 vessels. Advance loading information indicates a continued upward trend for August arrivals which, in view of the heavy coal program of the US are expected to exceed one million tons.

6. A detailed survey of cargo handling and miscellaneous equipment requirements was completed for all west coast Italian and Sicilian ports and arrangements are being made with the Italian Government Agency receiving Allied Military supplies to release relevant holdings against priorities established in conjunction with the Ministry of Marine. In addition, a representative from this Division has been sent to Paris to inspect, procure and arrange for delivery of cargo handling and warehouse equipment available within the IWC, surplus allocation for Italy.

7. Substantial clearing of Naples warehouses was effected during July. Inventories were reduced by approximately 12,000 tons and out-loadings were maintained in excess of intake. This clearance has been materially

CM 6574

785017

- 2 -

assisted by action taken to insure adequate provision of rail wagons and proper movement priority. Genoa is badly over crowded with cotton which it has been impossible to move out of the port as fast as discharged. All available suitable space has been used in the port area and a large amount of cotton is now under tarpaulins on the docks and in lighters. Additional space at Savona has been obtained which will accommodate 19,000 bales and warehouse availability in the Milan area is being checked.

8. The general strike at Trieste necessitated the diversion of 11 ships, stemmed for Austria and Yugoslavia, to Venice and some congestion resulted. However all this cargo was handled for these Northern Missions without great difficulty during the strike period and Venice is now clear.

DIVISION OF LOCAL RESOURCES

9. July Intermission Trade shipments consisted of 300 tons of alfalfa seed and 12 sample fishing lamps to Greece and 200 tons of alfalfa seed to the Ukraine.

10. Negotiations in process:

- a) anti-snake serum for Albania
- b) carbon bisulphide for Austria, Albania and Yugoslavia
- c) 5 tons lotus corniculatus for Greece.

11. Negotiations in initial stages:

- a) 1,000 plow shares for the Dodecanese
- b) 200 - 300 tons alfalfa seed for unspecified destinations
- c) 8,000 tons sulphur for Czechoslovakia.

12. Negotiations under discussion:

- a) Exchange of 50,000 tons of Italian seed wheat for an equal quantity of milling wheat plus bonus to be agreed upon.
- b) Diesel spare parts for Albania
- c) Electrical equipment for the Dodecanese
- d) Exportation possibilities for surplus fruits and vegetables.

13. Several discussions have been held with the Division of Finance with regard to procedure for crediting the Italian Government in free funds for local procurements made for export to other Missions. It is hoped that with closer liaison between this Division and the Division of Finance payments will go through automatically as suppliers' invoices are received.

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14. The Surplus Procurement Branch was transferred from the Division of Local Resources to the Division of Program Coordination.

SUPPLY ACCOUNTING

15. A series of meetings were held with Mr. Cordey and Mr. Robertson, Deputy Chief Inspector Supply Records and Field Inspector, respectively, from ERO, in connection with a complete inspection of supply records and documentation of the Italian Mission. A detailed study has been completed covering existing procedure and status of records both as to general supply accounting organization and to specific problems reference shipping, POL,

- 3 -

Local and miscellaneous procurement and documentation backlog. Mr. Cordey agreed to attempt to obtain clarification in ERO reference outstanding problems affecting shipping and POI documentation and to support our request for the immediate recruitment of a Supply Records Officer.

16. The inspectors ruled that under ERO directives ultimate responsibility for all Supply Accounting rests with the Sub-Bureau of Supply Operations. Discussions are now underway to determine to what extent centralization of Italian Mission Supply Accounting functions is possible or advantageous and what personnel and procedures would be required.

17. Commodity Accounting Section has been redesignated "Supply Accounting Section" and will be withdrawn from the Division of Program Coordination and established as a staff office under Sub-Bureau of Supply Operations.

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

Declassified E.O. 12356 Section 3.3/NND No. 785017

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APPENDIX H-4-d

MONTHLY REPORT OF THE SUB-BUREAU OF
INDUSTRIAL REHABILITATION
FOR JULY 1945

1. The chief event of the month was the arrival of the Director General on 21 July. A dossier on industrial rehabilitation in Italy was prepared for his information and he also made a brief trip to Milan where he visited the Broda and Falck plants.

2. The latest figures available show that the production of iron and steel has increased since last reported; the figures concerned are as follows:

	<u>Pig Iron</u>			<u>Steel</u>		
	April	May	June	April	May	June
North Italy	9,515	15,634	18,937	67,113	75,915	74,376
Central & South Italy	-	-	-	14,587	19,746	20,153
	9,515	15,634	18,937	81,700	95,661	94,529

3. The production of Sardinian coal during June was 78,975 tons; the average production per day was 3,291 with a total average number of underground workers of 5,963, which gives an average production of 0.551 tons per man/day.

4. The production of lignite for the month was close to 180,000 tons. Lead production during June (latest available figure) was 952 tons and the production of zinc continued at a rate of 600 tons per month.

5. Much anxiety has been felt during the past six weeks in the rubber industry. The world situation of rubber availabilities is very tight particularly with regard to synthetic rubber and it was feared that the Italian factories would have to close down in August due to non arrivals. This Mission requested Washington that a constant percentage of synthetic to crude rubber should be maintained in all shipments so that factories would work to a constant percentage "mix" and thereby obtain maximum production. The general situation is now considerably eased as we have been informed that an allocation of 2,000 tons of synthetic rubber has been made to the Italian Delegation in Washington for shipment in equal quantities in July, August and September and that this allocation will not affect the LIRA program.

6. Revisions continue to be made in the Chemical Import Program, in which notably the quantity of colophony has been drastically reduced on account of the poor prospects of obtaining the associated fats and oils for soap manufacture.

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6. Revisions continue to be made in the Chemical Import Program, in which notably the quantity of colophony has been drastically reduced on account of the poor prospects of obtaining the associated fats and oils for soap manufacture.

7. Regarding superphosphate, energetic action taken last March has resulted in a continued high volume of delivery of phosphate rock from North Africa so that against a total program to date of 218,000 tons, 181,000 or 83%, have been supplied to the industry. Unfortunately, for various reasons nothing like a corresponding output of 75 - 80,000 tons of superphosphate monthly has been forthcoming, the actual figure being in the neighborhood of 40,000 tons.

8. The month of July has seen considerably increased activity in the food processing industries. Samples of the first shipment of 4,903 tons of copra are now being processed and various types of margarine are being made to decide which type will be generally produced. It is anticipated that full production will commence in September, the entire production

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- 2 -

being for food purposes with the by-products being put at the disposal of the High Commissioner for Food and the Ministry of Industry and Commerce.

9. It has been decided that a total of 60,000 tons of national sugar will go to industry; of this quantity 7,000 tons will be allocated to pharmaceutical and dietetic products, 5,000 tons for milk and 30,000 tons for jam and marmalades.

10. The distribution of petroleum products was interrupted during the month by a sudden strike of CIP Comitato Italiano Petroli - Italian Petrol Committee employees at Genoa on 15 July, which became effective over the whole country the following day. During the period of strike incoming tankers were discharged with the exception of the SS "Karsten Wang" with 100,000 barrels of Fuel Oil at Genoa where the strikers refused to handle the ship and this caused a heavy bill for demurrage.

11. The strikers did not interrupt deliveries to the Allied Armed Forces nor to the British and American Embassies, but all Italian and other categories of civilian consumers including UNRRA were unable to obtain supplies of POL.

12. Owing to the serious consequences which would follow a prolonged cessation of POL deliveries action was immediately taken to impress on the Italian Government the necessity for energetic and prompt measures to secure a settlement of the dispute and the return to work of all the strikers.

13. The Government after being unsuccessful in making the OGIL call off the strike issued an order placing all the petroleum installations under Italian Military control and calling, under penalty of fines and imprisonment for refusal, on all key personnel, to distribute POL to essential services and to UNRRA. The latter part of this order was effective in only some districts and it was not until Saturday morning, 20 July that UNRRA was able to obtain a small quantity of petrol.

14. After issuing this order the Government again took up negotiations with the strikers' representatives and an agreement was reached late on Saturday 20 July. This agreement provided for increases of pay to the strikers which will be passed on to the consumer through an increase in price of petrol of two lire per liter and of Kerosene and Gasoil of two lire per kilogram as from 1 August 1946.

Erano Luzzatto,
Chief, Sub-Bureau of
Industrial Rehabilitation.

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CM 6575

49
 11-5. MONTHLY REPORT OF THE BUREAU OF FINANCE AND ADMINISTRATION
 FOR JULY 1946

RELATIONSHIP WITH THE GOVERNMENT.

1. Following upon decisions reached at the Fifth meeting of the Joint UNRRA-Italian Government Lire Fund Control Committee on 10 and 12 July 1946, the recommendations set out in sub-paragraphs (a) to (c) below were made to the Chief of Mission and the President of the Italian Government Delegation for relations with UNRRA.

(a) That an additional amount of Lit. 1,481,150,000 be allotted to the High Commissioner for Public Health and Hygiene. This sum together with the Lit. 18,950,000 recommended on 28 June 1946 will constitute an advance of Lit. 1,500,000,000 against the budget of Lit. 3,968,500,000 in respect of their program of medical relief and rehabilitation. (A joint sub-committee is examining this budget in detail).

(b) That Lit. 23,041,000 be allotted to the C.A.S.A.S. (Comitato Amministrativo Soccorso di Sanzatteto- Administrative Committee to Aid the Homeless) rehousing program to cover the purchase of one car and 50 Jeeps plus spare parts, by the Italian Delegation for account of C.A.S.A.S. This amount is included in a C.A.S.A.S. supplementary transport budget dated 9 July 1946, totalling Lit. 167,066,000. It had been agreed at the Joint Committee meeting on 8 March 1946 that the purchase of transport for C.A.S.A.S. would be a dollar expense, so that the new recommendation represents a saving of dollars made possible by changed circumstances which have enabled the organization to meet this commitment of Lire.

(c) That Lit. 500,000,000 be allotted to the Ministry of the Treasury for subsidizing lignite, brown coal and Sardinian coal production over the period 1 March to 30 June 1946. This arose out of an earlier agreement between UNRRA and the Government to the effect that lignite and brown coal production would be subsidized over the period stated at the rate of Lit. 500 per ton while the subsidy for Sardinian coal would be Lit. 1,000 per ton. After 30 June a new investigation of production costs and prices of imported coal was to be carried out.

2. At the Sixth meeting of the Lire Fund Control Committee on 31 July the following recommendation was agreed:

(a) That an advance of Lit. 155,000,000 be made to the Federazione dei Consorzi Agrari (Federation of Agricultural Institutions) by them in connection with the "P" plan of the UNRRA Welfare program covering July and August 1946. The claim of the Federazione for Lit. 248,686,776 under the "P" and "Q" plans is being examined by the joint sub-committee formed for this purpose and a report to the Lire Fund Control Committee is expected in the near future.

3. The following Joint Sub-Committees were set up by the Lire Fund Control Committee, in addition to those previously referred to:

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(b) That Lit. 23,041,000 be allotted to the CASAS (Comitato Amministrativo Soccorso di Sanzetto) Administrative Committee to Aid the Homeless) rehousing program to cover the purchase of one car and 50 jeeps plus spare parts, by the Italian delegation for account of CASAS. This amount is included in a CASAS supplementary transport budget dated 9 July 1946, totalling Lit. 167,066,000. It had been agreed at the Joint Committee meeting on 8 March 1946 that the purchase of transport for CASAS would be a dollar expense, so that the new recommendation represents a saving of dollars made possible by changed circumstances which have enabled the organization to meet this commitment of Lire.

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3. The following Joint Sub-Committees were set up by the Lire Fund Control Committee, in addition to those previously referred to:

- (a) To examine the budget covering the allocation of the sum of Lit. 500,000,000 for the Sardinian Anti-Graze-hopper campaign.
- (b) To examine the budget amounting to Lit. 81,166,925 prepared by the Ministry of Post-War Assistance to cover the cost of manufacture of cotton products from the raw cotton imported by UNRRA.

4. A report was submitted by ICE (Istituto Commercio Estero- Foreign Trade Institute) on UNRRA commodities sold during May 1946 as follows:

785017

-2-

Sales Credits to Special Account

Grain	1,990,297,937	
Flour (Wheat)	75,607,830	
Flour (Rye)	38,897,291	
Codfish	102,136,800	1,000,000,000
Corn	1,512,541	
Cats	58,716,391	
Sugar	23,760,287	
Lard	1,243,223	
Raw Rubber	682,500	682,500

2,293,554,850 1,000,682,500

5. The difference between proceeds of sale of foodstuffs, Lit. 2,292,872,350, and the amount of Lit. 1,000,000,000 credited to the special account, has been retained by the Federazione Consorzi Agrari on account of distribution costs yet to be determined.

6. A further amount of Lit. 203,322,512 was credited by CIP (Comitato Italiano Petroli - Italian Petroleum Committee) to the amount of Lit. 300,000,000 already credited.

RELATIONSHIP WITH THE MILITARY AUTHORITIES.

7. From 31 July 1946 premises occupied by the administration under military requisition were derequisitioned. A conference was held on 9 July between the Director of Administrative Services, HQ 5 District Naples, 48 Clai s and Harlitz, representatives of the Italian Government Delegation and the Office of the Genio Militare, Naples. As a result instructions have been issued to the UGERA offices concerned, and to the Italian Government Delegation, for reacquiring premises derequisitioned by the Army for continued UGERA use. Stipulations for contracts to be entered into by the Italian Government for the use of messes for UGERA personnel in Venice, Florence, Naples, Genoa and Milan have been submitted to the Delegation. Preliminary action has been taken in connection with Displaced Persons Camps premises, which are to be transferred to UGERA by the Army as of 1 August 1946.

ORGANIZATIONAL CHANGES.

8. The Division of Program Coordination and Statistics has been transferred from the Sub-Bureau of Supply Operations to the Office of the Chief of the Bureau of Requirements and Distribution.

9. During the month the Chief of Mission's Office has been reorganized on the following lines:

(a) The Chief of Mission is now assisted by four Deputy Chiefs of Mission, the Chiefs of the Bureau of Requirements and

5. The difference between proceeds of sale of foodstuffs, Lit. 2,292,872,350, and the amount of Lit. 1,000,000,000 credited to the special account, has been retained by the Federazione Consorzi Agrari on account of distribution costs yet to be determined.

6. A further amount of Lit. 203,322,512 was credited by CIP (Comitato Italiano Petroli - Italian Petroleum Committee) to the amount of Lit. 300,000,000 already credited.

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7. From 31 July 1946 premises occupied by the Administration under military requisition were derequisitioned. A conference was held on 9 July between the Director of Administrative Services, HQ 5 District Naples, 48 Clai s and E. 11.23, representatives of the Italian Government Delegation and the Office of the Genio Militare, Naples. As a result instructions have been issued to the UNRRA offices concerned, and to the Italian Government Delegation, for reacquiring premises derequisitioned by the Army for continued UNRRA use. Stipulations for contracts to be entered into by the Italian Government for the use of messes for UNRRA personnel in Venice, Florence, Naples, Genoa and Milan have been submitted to the Delegation. Preliminary action has been taken in connection with Displaced Persons Camps premises, which are to be transferred to UNRRA by the Army as of 1 August 1946.

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8. The Division of Program Coordination and Statistics has been transferred from the Sub-Bureau of Supply Operations to the Office of the Chief of the Bureau of Requirements and Distribution.

9. During the month the Chief of Mission's Office has been reorganized on the following lines:

(a) The Chief of Mission is now assisted by four Deputy Chiefs of Mission - the Chiefs of the Bureau of Finance and Administration, Relief Services, Requirements and Distribution and the Industrial Adviser to the Chief of Mission.

(b) The Regional Directors are responsible to the Chief of Mission through the Mission Executive Officer, who will now deal with general matters concerning Regions, and with questions of general policy affecting regional operations.

(c) The Special Assistant for Protective Services is directly responsible to the Chief of Mission through the Mission Executive Officer.

-3-

(d) The office of Economic Analysis and Reports has been abolished, and in its place a Division of Operational Analysis has been reconstituted. The position of Economic Adviser has been merged with that of the Director of this Division, and he will report to the Chief of Mission direct. The Division consists of an Economic Analysis Branch and a Reports Branch.

PROBLEMS.

10. As stated in the last two monthly reports (May R-6, Para. 8., and June R-6, Para. 282), a discrepancy existed between ERO figures of Army pay and allowances, and the officer's statement given on his secondment to MARR. Clarification is still awaited.

11. Interpretation of Clause No. 551.2 of the Basic Field Manual is causing considerable confusion. Previously the policy has been that employees are entitled to a cash equivalent equivalent to, and in lieu of, the cost of repatriation. Instructions have now been received from ERO that this clause is being amended, and that no further similar action is to be taken pending clarification from Washington on the whole position.

12. Staff problems have arisen in connection with the supply of Foreign Exchange to terminated personnel, personnel proceeding outside the Mission on leave or on duty. In many cases Travelers' Cheques cannot be used.

13. The question of supplying cash to personnel on leave from other Missions is another problem. Visits have been received from members of other Missions, and although their pay books show credits, in view of the instructions promulgated in ERO Cable No. 1787, which laid down that salary withdrawals cannot be made in the country in which leave is taken, they were unable to draw any money whatsoever.

14. Various problems have arisen with regard to salary allotments, especially in the case of employees of other than American or British nationality. It is hoped that the Director of Accounts may be able to clear all the foregoing problems during his impending visit to the ERO.

MAJOR ACTIVITIES CURRENT AND PROPOSED.

15. During the month 48 traffic accidents were reported, involving 11 fatalities and giving rise to 10 claims against MARR. In addition to a number of cases of minor illness among Class II employees, 10 serious cases have been dealt with by the Instituto Casco Matante, which administers the State Sickness Insurance Scheme.

16. A reorganization of certain phases of the work of the Treasury Branch has taken place. The system of disbursement of cash at the MARR has been revised.

10. As stated in the last two monthly reports (May R-6, Para. 8, and June R-6, Para. 282), a discrepancy existed between ERB figures of Army pay and allowances, and the officer's statement given on his secondment to UGAR. Clarification is still awaited.
 11. Interpretation of Clause No. 551.2 of the Basic Field Manual is causing considerable confusion. Previously the policy has been that employees are entitled to a cash settlement equivalent to, and in lieu of, the cost of repatriation. Instructions have now been received from HQ that this clause is being amended, and that no further similar action is to be taken pending clarification from Washington on the whole position.
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- MAJOR ACTIVITIES CURRENT AND PROPOSED.
15. During the month 46 traffic accidents were reported, involving 14 fatalities and giving rise to 10 claims against UNRRA. In addition to a number of cases of minor illness among Class II employees, 10 serious cases have been dealt with by the Istituto Cassa Molattie, which administers the State Sickness Insurance Scheme.
 16. A reorganization of certain phases of the work of the Treasury Branch has taken place. The system of disbursement and collection of cash at the HQM. storages has been revised, and as a result the Audit Branch has been relieved of much of the detail work previously undertaken. A new Import Fund has been opened in anticipation of the taking over of Cimacitta Camp from the military on 1 August. This will be handled by a Representative of the Treasury Branch.
 17. Physical inventories of all non-expendable administrative property, including vehicles, to which the Administration retains title as of 30 June 1946 have been or are in process of being made. These will be submitted to Accounts Division for insertion of cost, and ultimate transmitted to HQ in accordance with technical Instruction No. 1 (General Series).
 18. During July the Quartermaster Branch issued approximately:

-4-

33, 206 Class I Staff Rations
 20, 421 Servants Rations
 59, 539 Class II Staff non-heavy Rations
 20, 418 Class II Staff heavy Rations
 8, 280 Processing Section's Factory Rations
 1, 400 Snack Bar Rations.

New Class I Staff ration scales were introduced during the month. They are now adjusted to provide for adults, children 2-8 and children 8-14.

19. The adjustment of Class I Staff Salaries, in accordance with ERO Administrative Order No. 8-180 and Circular Cable No. 25, has been completed. A check on the files of all Class I staff has been completed, and a record set up to cover FI, photograph, references, medical certificates, and also Army release papers and consent certificates where these apply.

20. The purchase of Jeeps for the URM-CASAS project mentioned in the June Report (H-6, Para. 26) has ceased, and it has been decided that CASAS will obtain the balance themselves. The Administration has made 37 Jeeps available to CASAS but 40 as stated in last month's report - and the remaining 53 will be acquired by CASAS direct. One hundred fifty-six load-carriers have been obtained from RAP sources for the URM-CASAS project, and they are all out in the field and working.

21. The Mission Conference Secretariat has covered 12 conferences during the month involving 47 secretary-hours of continuous reporting service to various ERO and Washington officials visiting the Mission, as well as to different sections within the Mission on relief assignments.

PERSONNEL STATISTICS.

22. As of 30 July 1946 the Mission Staff consisted of 567 Class I (regular) 3,334 Class II (locally employed) and 11 Class III (Voluntary Agency) employees -- a total of 4,042 persons. Of the Class I employees, 282 are British, 206 from the United States, 27 from South Africa, 13 Canadians, 8 Palestinians, 3 Australians, 2 Swiss, 1 Stateless, 3 New Zealanders, 3 Russians, 3 Indians, 2 French, and one each from El Salvador, Yugoslavia, Iceland and Iran. For division of staff by class, service and sex, and for breakdown of Class I personnel by grade, see Attachment H-9, Information Requested in Form MR-1.

20, 118 Class II Staff heavy Rations
8, 280 Processing Section's Factory Rations
1, 400 Snack Bar Rations.

New Class I Staff ration scales were introduced during the month. They are now adjusted to provide for adults, children 2-8 and children 8-14.

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20. The purchase of jeeps for the UMER-CAAS project mentioned in the June Report (R-6, Para. 26) has ceased, and it has been decided that CAAS will obtain the balance themselves. The administration has had 37 jeeps available to CAAS. Not 40 as stated in last month's report - and the remaining 3 will be acquired by CAAS direct. One hundred fifty-six load-carriers have been obtained from RAF sources for the UMER-CAAS project, and they are all out in the field and working.

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C. E. HODGETTS
DEPUTY CHIEF OF MISSION
CHIEF, BUREAU OF FINANCE
AND ADMINISTRATION.

SERVICES FOR JULY, 1946.

1. In addition to the developments reported in the Divisional Monthly Reports attached, there are several items of general interest, and several trends which appear to be reflected in more than one Divisional Report, which we think are worthy of special notice.

Welfare Division.

2. The Welfare Report attached indicates that the Division of Welfare and respective Ministries of the Italian Government are concerned with, and making plans for, the continuation of the welfare program after UNRRA terminates. It is also indicated that the Italian Delegation is proposing the establishment of a Central Ministry of Social Security and Relief, and the co-ordination into one Provincial Committee for Social Welfare of the ECA (Ente Comunale di Assistenza - Italian Communal Assistance Agency), Post-War Assistance and the present Provincial Committees of charity and relief. This Provincial Committee for Social Welfare would co-ordinate all the welfare services in the provinces, and would be responsible to the Ministry of Social Security and Relief. Whereas there is still no positive indication that such a Ministry will be established, the interest of the Delegation in future planning on broad general terms is encouraging.

3. In the field of Welfare, the Provincial Committees are extending their activities to the development of criteria for selection of relief recipients, methods of distribution of relief supplies and record keeping, and observing and reporting on relief distribution practices. From Milan comes word of the Provincial Committee and other interested groups developing a plan for a summer institute for social service problems and in service training of social agency personnel.

Health Division.

4. The Health Division reports provision from the Lire Fund of a continuing Health program in 1947, and active cooperation with the Italian Government for a future health program after UNRRA terminates. There are also indications that the Provincial Committees are no longer exclusively concerned with medical supplies and are concentrating, in the field of Health, on tuberculosis control, child and maternal hygiene, water supply, and other public health measures.

Displaced Persons Division.

5. In the field of displaced persons, the month of July marked a milestone with the signing of the UNRRA-SACRED (Supreme Allied Commander, Mediterranean Theater) Agreement, which defines UNRRA's responsibilities in connection with displaced persons eligible for UNRRA care. Also during the month, the first joint committee of UNRRA, the Italian Delegation and representatives of the Italian Government, held on July to consider problems affecting both

5389

respective Ministries of the Italian Government are concerned with, and making plans for, the continuation of the welfare program after UNRRA terminates. It is also indicated that the Italian Delegation is proposing the establishment of a Central Ministry of Social Security and Relief, and the co-ordination into one Provincial Committee for Social Welfare of the ECA (Ente Comunale di Assistenza - Italian Communal Assistance Agency), Post-War Assistance and the present Provincial Committees of charity and relief. This Provincial Committee for Social Welfare would co-ordinate all the welfare services in the provinces, and would be responsible to the Ministry of Social Security and Relief. Whereas there is still no positive indication that such a Ministry will be established, the interest of the Delegation in future planning on broad general terms is encouraging.

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5380

Displaced Persons Division.

5. In the field of displaced persons, the month of July marked a milestone with the signing of the UNRRA-SACRED (Supreme Allied Commander, Mediterranean Theater) Agreement, which defines UNRRA's responsibilities in connection with displaced persons eligible for UNRRA care. Also during the month, the first joint committee of UNRRA, the Italian Delegation and representatives of the Italian Government was held on 4 July to consider problems affecting both non-Italian persons in Italy, particularly those ineligible for UNRRA care, and the problems of Italian refugees. Tentative arrangements were made for the transfer of the Trading Bureau to the proper social agency designated by the Italian Government, and simultaneously, arrangements were made by the Health Division and Displaced Persons Division for the discontinuance of the UNRRA-operated Forlì Hospital in Northern Italy and the greater utilization of Italian medical facilities for the care of non-Italian displaced persons.

-2-

Special Projects Division6. CASAS (Comitato Amministrativo Soccorso di Senzatetto -
Administrative Committee to Aid the Homeless)

The construction of new houses planned by CASAS is in progress. The majority of contracts have been let, and legal difficulties pertaining to the requisition of land have been overcome. The major problem continues to be eventual ownership of CASAS property. The repair of damaged houses, however, is not progressing satisfactorily. First, repair work under the Italian War Damage Act limits assistance to the repair of houses which have suffered under Lit. 380,000 damage. Second, the general poverty of the Italian population in bombed-out areas prevents householders from participating in the 40% repair costs not assumed by the Government. Third, many homeless persons requiring housing are not householders and are therefore excluded from coverage under the "Anticipated Material" clause of the War Damage Act.

7. Clothing Processing

Active steps are being taken to form a coordinating Committee of UNRRA, the Italian Delegation and the Ministry of Post-War Assistance to consider the transfer of responsibility for processing to the Italian Government. A sub-committee of the Lire Fund Control Committee has been formed to consider the allocation of further lire funds for the manufacture of clothing through commercial channels sponsored by the Ministry of Post-War Assistance, and to develop concrete plans for future joint planning on these expenditures.

Voluntary Societies

8. During the month of July, arrangements were continued for the development of agreements with the Mennonite Service Unit. Similar agreements are planned for all Voluntary Societies associated with UNRRA. In this agreement with the Mennonite Service Unit, as in successive ones, care will be taken by the Bureau of Relief Services to emphasize the necessity of careful project planning on the part of the Voluntary Societies expecting to remain in Italy after UNRRA's termination.

ERC Study

9. During the month of July, a Progress Report was submitted (on 15 July) to ERC in accordance with the recommendations of the ERC Bureau of Relief Services Study conducted in May. Also, a brief report on medical services for displaced persons was prepared in cooperation with a representative from ERC. Material requested

problem continues to be eventual ownership of CASAS property. The repair of damaged houses, however, is not progressing satisfactorily. First, repair work under the Italian War Damage Act limits assistance to the repair of houses which have suffered under Lit. 380,000 damage. Second, the general poverty of the Italian population in bombed-out areas prevents householders from participating in the 40% repair costs not assumed by the Government. Third, many homeless persons requiring housing are not householders and are therefore excluded from coverage under the "Anticipated Material" clause of the War Damage Act.

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ERO Study.

9. During the month of July, a Progress Report was submitted (on 15 July) to ERO in accordance with the recommendations of the ERO Bureau of Relief Services Study conducted in May. Also, a brief report on medical services for displaced persons was prepared in cooperation with a representative from ERO. Material requested by ERO on resettlement information and occupational skills of displaced persons was submitted on schedule.

Helen Montgomery,
Acting Deputy Chief of Mission,
Bureau of Relief Services.

FOR JULY, 1946.

RELATIONS WITH ITALIAN GOVERNMENT.

Medical Supply Program.

1. The third general distribution of relief medical supplies consisting of approximately 446 tons, valued at \$ 561,930, was commenced during July. In all, 5,839 cases (266 tons) of medical supplies were distributed to 41 Provinces in Sicily and the Italian mainland. A total of approximately 3,860 cases (180 tons) remain to be distributed and will be dispatched from Rome to Provinces in Sardinia and Italy during the first week in August.

2. Special distributions of narcotic drugs, insulin and liver extract, mentioned in the June report (H-7-a Para. 3) and with a total value of \$ 21,427, were completed according to schedule during July.

3. One 200-bed hospital unit was delivered to the Civil Hospital, Dolo (Venezia). Five 40-bed hospital units were delivered to the following institutions:

Civil Hospital, Fidenza (Parma)
Civil Hospital, Palermo (Sicily)
Palazzo Adriano, Palermo
Sanatorium Serrai no Vulpitta, Trapani (Sicily)
Agrigento Civil Hospital, Licata (Sicily) x
Ospedale Isolamento, Trapani, (Sicily) x

Distribution of the remaining 21 40-bed hospital units and other hospital equipment such as furniture, surgical instruments and kitchenware, will be planned and executed during August. In addition, laboratory units were delivered to the Sicilian Provincial Laboratories of Messina, Catania and Caltanissetta.

4. A distribution plan for 95 UNRRA ambulances was approved in July. The ambulances will remain the property of the Italian Government, but will be assigned to Medici Provinciali (Provincial Health Officers) for use by specified hospitals and medical institutions in the Provinces. Distribution of these ambulances is delayed at present by a shortage of skilled mechanics for the necessary final inspection and adjustments prior to delivery.

5. During July, the Italian Government took title to medical supplies valued at \$ 1,955 and approximately 340 tons were received by the ICE (Istituto Commercio Estero - Foreign Trade Institute) on behalf of the Italian Government.

6. From inception of the program to 25 July, a total of 2,313,977.67 square meters of hospital linen had been dispatched for use in hospitals or health programs.

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Distribution of the remaining 21 40-bed hospital units and other hospital equipment such as furniture, surgical instruments and kitchenware, will be planned and executed during August. In addition, laboratory units were delivered to the Sicilian Provincial Laboratories of Messina, Catania and Caltanissetta.

4. A distribution plan for 95 UNEFA ambulances was approved in July. The ambulances will remain the property of the Italian Government, but will be assigned to Medici Provinciali (Provincial Health Officers) for use by specified hospitals and medical institutions in the Provinces. Distribution of these ambulances is delayed at present by a shortage of skilled mechanics for the necessary final inspection and adjustments prior to delivery.

5. During July, the Italian Government took title to medical supplies valued at \$ 1,958 and approximately 340 tons were received by the ICE (Istituto Commercio Estero - Foreign Trade Institute) on behalf of the Italian Government.

6. From inception of the program to 25 July, a total of 2,313,977.67 square meters of hospital linen had been dispatched for use in hospitals or health programs.

STATEMENT OF ACTIONS REQUESTED OF IRO.

7. No action requests were made to IRO during the month.

x These institutions to divide one 40-bed hospital unit.

-2-

IMMEDIATE WORK PROGRAM.

8. 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. 1-5 and 9-24 respectively).

MAJOR ACTIVITIES.Headquarters Staff.

9. Nursing Activities. - Twenty-seven Italian nurses selected for the UNRRA Nurse-Teacher-Training Program arrived in Rome on 31 July from all parts of Italy for final briefing prior to their departure for the United States on 4 August from Naples.

Medical Supply Activities.

10. During July, 20,000 vials of penicillin were distributed to 90 Provinces in Sicily, Sardinia and Italy. Penicillin is now arriving in increasing quantity and plans are being prepared for the clinical use of the drug on a more extensive scale. It is hoped that a number of diseases in which penicillin is therapeutically active will be added to the approved list of diseases for which the drug may now be used in Italy. This plan will require considerable forethought, as the number of approved clinics at which penicillin may be used will be greatly increased.

11. Reports have reached this Division which indicate that hospitals, sanatoria and other medical institutions throughout Italy, Sicily and Sardinia are now reasonably well supplied with expendable drugs. It is anticipated that within the next few weeks it will be possible for UNRRA drugs to be made available to additional medical institutions such as semi-Governmental organizations which deal with the ambulatory sick and other official medical services which perform a public service.

Epidemiology.

12. No cases of plague were reported during July, but two cases of typhus fever occurred at Castellammare, Sicily, of whom one died. During June, 40 cases of smallpox were reported from the Provinces of Bari, Salerno and Reggio Calabria.

13. Malaria Control. - The malaria control program for the Italian mainland, which started on 1 May, is expected to be completed by the end of July. Final figures are not yet available, but approximate figures for the northern area only are as follows:

Areas controlled ...	520 square miles
Population directly benefited...	175,000
Total persons treated	151,000

9. Nursing Activities. - Twenty-seven Italian nurses selected for the UNRRA Nurse-Teacher-Training Program arrived in Rome on 31 July from all parts of Italy for final briefing prior to their departure for the United States on 4 August from Naples.

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Epidemiology.

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13. Malaria Control. - The malaria control program for the Italian mainland, which started on 1 May, is expected to be completed by the end of July. Final figures are not yet available, but approximate figures for the northern area only are as follows:

Areas controlled ...	520 square miles
Population directly benefited...	175,000
Wall surface treated	153,000,000 square feet
No. of rooms treated	240,000
Materials used:	
DDT 100% ...	22 tons
Kerosene	120,000 gallons

45

it was necessary to make application for the appointment of an additional Class II Medical Officer, who will act as Assistant Staff Physician and as chief duty will be to undertake the work necessary for the proper functioning of the Compensation Plan.

21. Health Division : temporary attendance in Rome for the month of July is summarized below :

Type of Service	Class I & III	Class II	All Classes
Misc. attendances (nursing treatments, minor surgical interventions & claims)	136	507	643
Immunizations	-	-	33
First attendances (Dispensary and non)	138	350	488
Repeat attendances	143	300	443
Physical examinations	3	209	212
Deliveries	-	-	-
X-rays (UGRA film)	12	19	31
Laboratory tests	-	-	47
Major surgical operations	-	-	-
Dental treatments	-	-	352
First aid (Breda and non-UGRA patients)	-	-	401
TOTAL	432	1,385	2,650

Regional Staff

22. UGRA medical supplies are now reaching the Italian Provision in large quantities and in order that distribution to various institutions shall be carried out rapidly and accurately, the following measures will be adopted by this Division that Regional Medical Officers will be appointed to assist Regional Supply Officers will be chiefly concerned with the distribution of UGRA medical supplies, investigation and reports on the need for medical supplies and follow-up on the ultimate use. In some Regions, the Medical Supply Officer will be required to share with the Regional Medical Officer the responsibility for the medical care of UGRA staff.

785017

Class I Class II All Classes & III

Misc. attendances (nursing treatments, minor surgical operations, venipunctures & claims)	136	507	643
Immunizations	-	-	33
First attendances (Dispensary)	138	350	488
Repeat attendances	143	300	443
Physical examinations	3	209	212
Deliveries	-	-	-
X-rays (UNRA film)	12	19	31
Laboratory tests	-	-	47
Major surgical operations	-	-	-
Dental treatments	-	-	352
First aid (Broda and other patients)	-	-	401
TOTAL	432	1,385	2,650

Regional Staff

22. UNRA medical supplies are now reaching the Italian Provinces in large quantities and in order that distribution to the Italian Displaced Persons Camps be carried out rapidly and accurately, a Medical Officer should be appointed to assist Regional Medical Officer. Regional Medical Officers will be chiefly concerned with the distribution of UNRA medical supplies, investigation and reports on the need for medical supplies and follow-up on the ultimate use. In some Regions, the Medical Supply Officer will be required to share with the Regional Medical Officer the responsibility for the medical care of UNRA staff.

23. Southern Region. - During the month the Regional Medical Officer visited the Camps for Italian Displaced Persons, reports on which are being circulated among appropriate sections of the Mission.

24. Central Region. - The Regional Medical Officer for this Region reports that it is evident that the needs of the Provinces are changing rapidly, previously the need consisted of chiefly medical supplies, whereas now Medical Provincial are becoming more interested in problems connected with tuberculosis control, child health, hygiene, water supply, and other public health matters. It is now passing beyond the emergency phase of basic medical needs and being fulfilled with the use of surgical instruments, dressings, vehicles, etc. in addition to a few items such as hormones and vitamins.

-4-

it was necessary to make application for the appointment of an additional Class II Medical Officer, who will act as Assistant Staff Physician and whose chief duty will be to undertake the work necessary for the proper functioning of the Compensation Plan.

21. Health Division Dispensary attendance in Rome for the month of July is summarized below :

Type of Service	Class I & III	Class II	All Classes
Misc. attendances (nursing treatments, minor surgical interventions & claims)	136	507	643
Immunizations	-	-	33
First attendances (Dispensary and home)	138	350	488
Repeat attendances	143	300	443
Physical examinations	3	209	212
Deliveries	-	-	-
X-rays (UNRRA film)	12	19	31
Laboratory tests	-	-	47
Major surgical operations	-	-	-
Dental treatments	-	-	352
First aid (Breda and non-UNRRA patients)	-	-	401
TOTAL	432	1,385	2,650

Regional Staff.

22. UNRRA relief medical supplies are now reaching the Italian Provinces in large quantities and in order that distribution to receiving institutions shall be carried out rapidly and accurately, a recommendation has been made by this Division that Regional Medical Supply Officers should be appointed to assist Regional Medical Officers. Medical Supply Officers will be chiefly concerned with assisting Medici Provinciali in equitable and rapid distribution of UNRRA medical supplies, investigation and reports on the need for medical supplies and follow-up on the ultimate use. In some Regions, the Medical Supply Officer will be required to share with the Regional Medical Officer the responsibility for the medical care of UNRRA staff.

23. Southern Region. - During the month the Regional Medical Officer visited three Camps for Italian Displaced Persons, reports on which are being circulated among appropriate sections of the

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Misc. attendances (nursing treatments, minor surgical interventions & claims)	136	507	643
Immunizations	-	-	33
First attendances (Dispensary and home)	138	350	488
Repeat attendances	163	300	443
Physical examinations	3	209	212
Deliveries	-	-	-
X-rays (UNRRA film)	12	19	31
Laboratory tests	-	-	47
Major surgical operations	-	-	-
Dental treatments	-	-	352
First aid (Breda and non-UNRRA patients)	-	-	401
TOTAL	432	1,385	2,650

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23. Southern Region. - During the month the Regional Medical Officer visited three Camps for Italian Displaced Persons, reports on which are being circularized among appropriate sections of the Mission.

24. Central Region. - The Regional Medical Officer for this Region reports that it is evident that the needs of the Provinces are changing rapidly; i.e., previously the need consisted of chiefly medical supplies, whereas now Medici Provinciali are becoming more interested in the problems connected with tuberculosis control, child and maternal hygiene, water supply, and other public health matters. This shows that Italy is now passing beyond the emergency period and that her basic medical needs are being fulfilled with the exception of surgical instruments, dressings, vehicles, tires and gasoline, in addition to a few items such as hormones and radioactive substances.

44
-5-

MAJOR RESULTS AND PROBLEMS.

25. Re-employment of the Lira Fund.

The following sums have already been granted from the Lira Fund for health activities in Italy :

Manufacture of hospital linen from imported raw cotton	457,000,000 Lire
Sardinia malaria eradication	300,000,000 "

GENERAL HEALTH CONDITIONS IN ITALY.

26. The general health of the people in Italy remains satisfactory. With the exception of two cases of typhus fever in Sicily, no serious epidemic diseases have occurred during the month.

E.C. Bern,
Director of Health.

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43

H-6-b. MONTHLY REPORT OF THE WELFARE DIVISION

FOR JULY, 1946.

INTRODUCTION.

1. During July the major emphasis in the Division's work was on stimulating the Government to complete the formulation of plans for future welfare services and on a clarification of our relations with the Ministry of Post-War Assistance.

2. With respect to future welfare planning, the Government was encouraged to consider two facets of the question: (a) the desirable nature of a welfare program from September to December, the period of time when UNRRA would still be in Italy, and (b) the nature and scope of the program the Government wished to continue through 1947 after UNRRA had left Italy.

3. All the goals which we set for ourselves for the last month were not possible of accomplishment during July. Our accomplishments during July seem less tangible than those reported during previous months, but they represent steps taken toward the eventual achievement of our long term goals. Our major accomplishments were as follows:

- (a) The reaching of an agreement with the Government on the limits to be met by it in presenting its plans for future welfare activities.
- (b) The signing by the Ministry of Post-War Assistance of the instruction which represents the first step taken by that Ministry in its evacuation of Italian Displaced Persons Camps.
- (c) The settlement of the many problems arising in connection with the special feeding program in Carbonia.

FOOD AND CLOTHING DISTRIBUTION.

4. More complete and accurate statistical reports on the numbers of persons fed during May through the UNRRA supplementary feeding program (for needy children and nursing and expectant mothers) were received from the Italian Delegation Office during July. These reports show that 1,920,410 persons were fed under the UNRRA supplementary feeding program in May, 1,072,897 by cooked meals and 837,513 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).

5. All provinces have not as yet filed complete reports for June. Some of the reports received to date for June show a feeding of

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5. All provinces have not as yet filed complete reports for June. In complete reports received to date for June show a feeding of 1,787,580 during that month. This figure is lower than those reported for preceding months for two reasons (1) the incomplete returns and (2) the fact that no distribution took place during June in one province (Campobasso) and one comune (Carbonia) because of delays in the receipt of food.

6. The distribution of used clothing to *ministrati* (war sufferers), *profughi* (refugees) and bombed out persons continued during the month of July. When responsibility for clothing distribution was transferred to the Welfare Division on 1 May, agreement was reached with the Italian Delegation and the Ministry of Post-War Assistance that prior to the next distribution of clothing scheduled to

CR 6555

-2-

begin in September, revised rules of eligibility would be prepared. Proposed revisions in these rules which call for a distribution of clothing to needy children and women receiving services from established agencies, institutions, etc., as well as distribution to persons classified as refugees, were prepared by the Italian Delegation office early in July.

7. Despite the fact that these new rules of eligibility were formulated in a simple and clear fashion, and gave assurance that a more equitable distribution of clothing among needy persons would be accomplished, they were not approved by the Coordinating Committee on clothing distribution. Objection to the rules was presented by the Ministry of Post-War Assistance which felt that all used clothing brought into Italy should be transferred to that Ministry for the use of refugees. Further conferences on this question are being scheduled and it is hoped that by the end of the present month a satisfactory solution to this question will be found.

8. Most all of the summer colonies planned for needy children began operations during the month of July. As reported in our last report additional foods were made available for these summer colonies. In addition, supplies of soap were procured for the colonies and during August the Health Division disinfection teams will visit all of the colonies.

9. Welfare representatives in the field are beginning to report definite advantages accruing from the Mission policy to remove from the Welfare Division all responsibilities for observation and checking of supply problems. The presence in the field of representatives of the Bureau of Requirements and Distribution has freed the welfare workers to carry on their own special work, such as: advising on the selection of recipients, methods of distribution and record keeping, and observing and reporting on distribution practices. In addition, as a result of being relieved of supply activities, welfare officers are now able to give more time to encouraging the development of local social welfare activities.

10. During July a decision was reached to discontinue as of 31 August, the special feeding program in Carbonia. Since January, supplementary foods have been distributed free to all employees of the Mining Co. in Carbonia, not on the basis of need, but solely on the basis that they were employees of an essential industry. Inasmuch as special ration scales for essential industry are now in effect, there appeared to be no further justification for this special program. This decision does not however, preclude the provision of supplementary foods, on a basis of need, through whatever welfare plans are in effect in Carbonia.

ITALIAN DISPLACED PERSONS.

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ITALIAN DISPLACED PERSONS.

11. In this area of work, the most important event of the month was the signing by the Ministry of Post-War Assistance of a circular on the evacuation of refugee camps. In our last monthly report we reported that an impasse had been reached on securing approval of this circular which was prepared by the Ministry of Post-War Assistance representatives at the suggestion of UNRRA. The circular has not as yet been released, but it is expected that it will be sent to all camp commandants this week.

-3-

12. The instruction is considered to be a good one, and one which camp commandants should not have much difficulty in following. Not only are specific instructions with respect to evacuation given, but there are also presented in the instruction general principles in accordance with which the Ministry operates, and a statement of philosophy about the purpose and organization of camps. The instruction calls for the discharge from all camps, on the basis of no need, of persons earning sufficient money to support their families and themselves. Provision is made for the possibility of such persons continuing to live at the camps should they not be able to find lodging elsewhere, but it is made clear that they are not to receive any extra rations or services of the camps. The instruction also calls for the movement of those persons who necessarily must remain in camps to camps located in provinces where they resided before the war. The purpose of this measure is to move the refugees near their homes and to give them an opportunity to resume their former occupation in familiar surroundings. Another provision made in the instruction is that all refugees from Venezia Giulia, Dalmatia, Tunis and the Italian colonies are to be concentrated in a few special camps. The Ministry also proposes in this circular to provide a terminal grant of assistance for three months, as well as a grant of clothing to those refugees who leave camps and are repatriated to their countries of origin.

13. Each month since May when Welfare Division assumed responsibility for working with the Italian Government on its program for Italian Displaced Persons, Field Welfare Officers have been becoming more acquainted with the individual refugee camps. Reports received to date indicate that on the whole throughout the country, conditions in these camps are most unsatisfactory. The Division recognizes that the problem presented by this group of persons is one of major proportions about which it can do little until the Italian Government itself is in a position to launch larger rehousing, resettlement and employment programs. The camps are generally overcrowded, sanitary and health conditions are bad, and until the formulation of the evacuation order, little if anything was done by the Ministry of Post-War Assistance to identify the camp population and to weed out the ineligible.

14. In some areas in Italy, localities are making an effort to reach a satisfactory solution of some of the problems presented by these large concentrations of peoples in displaced persons camps. In Cagliari, Sardinia, a repair and rebuilding program of 183 flats for the more well-to-do sinistrati has been completed. In three localities of Cagliari 185 flats are in the process of completion, and the building of an additional 115 flats is being contemplated. In this area the Government has also made a grant

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15. In helping the Ministry of Post-War Assistance to attempt to identify some of its problems, and to begin steps toward the solution of them, the approach of the Welfare Division has been a multiple one. The first step taken, as has been reported, was the stimulation of the preparation of an order for identifying the camp population and repatriating those not eligible for camp care.

16. With respect to medical supplies for the camps, we have succeeded in interesting the medical supply officer of the Ministry

of Post-War Assistance to contact the High Commissioner of Public Health in an attempt to assure that assignments of medical supplies to Italian Displaced Persons camps be made to all provincial doctors, and similarly to assure that allocation of these supplies be made to the central office of the Ministry of Post-War Assistance so that it may provide supplementary supplies to those camps whose full needs are not met by original assignments.

17. We have also stimulated the Camps Division of the Ministry of Post-War Assistance to confer with the Ministry of Public Works in an attempt to assure that a number of the houses being repaired, or new houses being built, be set aside for present camp residents.

18. We are presently working with the Ministry of Post-War Assistance in the establishment of a repatriation office in that Ministry so that when it is possible to repatriate some of the present camp residents to the former African colonies and elsewhere, the preliminary preparation will already have been made.

19. We are also proposing that questions concerning Italian Displaced Persons camps be considered at the meeting of the Coordinating Committee which was originally established for the purpose of formulating policies with respect to clothing distribution.

20. Our plans also contemplate the calling of a meeting during August of the Delegation and Ministry of Post-War Assistance, so that all of the many facets of the problems presented by the Italian Displaced Persons program in Italy can be presented, and suggestions for solutions be received.

REACTIVATION OF SOCIAL SERVICES AND COORDINATION OF COMMUNITY ACTIVITIES FOR WELFARE PURPOSES.

21. In our last month's report we commented on proposals made by some of the provincial committees for future welfare plans in this country. During the month of July a proposal with respect to the unification of relief in Italy was presented by the Italian Delegation. This proposal is one which seems sound to the Mission and the problem now presented is that of the method to be used in bringing this proposal to the attention of the Constituent Assembly. The Delegation is presently considering the strategy to be used to accomplish this.

22. In its proposal, the Italian Delegation introduces as a basic concept for Italian relief, the idea that every citizen has a right to a minimum standard of living which is due him by his Government. Education, employment, old age pension and medical assistance are listed as the rights due every citizen. The proposal also points out that at present there exist in Italy too many

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REACTIVATION OF SOCIAL SERVICES AND COORDINATION OF COMMUNITY ACTIVITIES FOR REFUGEE POPULATIONS

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22. In its proposal, the Italian Delegation introduces as a basic concept for Italian relief, the idea that every citizen has a right to a minimum standard of living which is due him by his Government. Education, employment, old age pension and medical assistance are listed as the rights due every citizen. The proposal also points out that at present there exist in Italy too many independent and public welfare agencies which, due to the absence of a common policy, have functioned in a manner which has yielded poor and superficial results, because of overlapping, duplication and diffusion of effort.

23. For the solution of these proposals the Delegation proposes that a Central Ministry of Social Security and Relief be established which would have three main branches; one for insurance and accidents, one for public health services and one for social assistance. It is proposed that the latter coordinate plans for assistance to children through institutions, summer colonies and outdoor relief through ONMI (Opera Nazionale Maternita e Infanzia - National Maternal and Child Welfare Institute); and for assistance

-5-

to adults through ECA (Ente Comunità di Assistenza - Italian Communal Assistance Agency). The proposal also suggests that the provincial committees of charity and relief (which have not functioned in many provinces); the ECA; and Post-War Assistance be coordinated into one provincial committee for social assistance, which committee is to be responsible locally for the coordination of the welfare plans in the provinces. The proposal further calls for these provincial committees being responsible for the Ministry of Social Security and Relief.

24. Early during the month of July, the Italian Delegation very firmly indicated to UNRRA its desire to continue the present supplementary feeding program through December. A decision reached earlier during the summer called for continuance of this program through August at which time further plans were to be considered. When this request for continuation was received from the Italian Delegation, the Mission reopened its former question about embodying within the framework of the existing rationing organization the special ration for assistance purposes.

25. The proposals which the Mission made to the Delegation during July were essentially the same as those reported in our April monthly report. Generally, they are, that the Government make a firm decision with respect to these welfare programs which it itself wishes to continue through 1947, and, on the basis of this, make modifications in the present plan to begin in September. The major modification would be incorporating assistance ration scales in the general ration plan. The value that the Mission sees in the latter point is that if incorporated in the general ration plan, the Government would commit itself to a continuance of the program and the necessity for special instructions and special releases of food would be obviated. Agreement was reached with the Italian Delegation that during the month of August and preferably by 15 August, a firm decision would be reached on this proposal.

26. Several Provincial Committees indicated during the month of July an interest in developing a directory of social agencies so as to assure within the provinces complete information as to the services offered and functions of the different agencies existing in the community. The meetings of Provincial Committees last month for the purpose of considering a proper coordination of welfare services was largely responsible for this present interest in the development of a directory of agency functions.

27. In Milan, the Provincial Committee and other interested groups are presently working on a plan for a summer institute for social service problems. Plans call for the institute lasting three weeks during which time child welfare problems, general assistance problems, and future welfare services will be discussed. Individual welfare agencies will give their workers time to attend these institutes and to discuss problems in the welfare field will contribute

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28. A new school of social work - the National School for Social Assistance Workers - is being organized in Rome. This school is being sponsored by several of the National Insurance Institutes, by the Confederation of Italian Labor and Industry, and by the Italian Federation of Women in Arts, Professions and Business. One such school has already been started in Milan and plans call for the

-6-

opening of the Rome school in October 1946. A two years' course is contemplated and the curriculum has already been developed.

UNRRA FELLOWSHIPS.

29. Seven persons were recommended by Welfare Division for the receipt of UNRRA fellowships for study abroad. Of these seven, five were in the field of social work and two in the field of nutrition. Six of the candidates chose the United States for their training and one candidate chose England.

30. Two of the candidates will leave Italy on 27 July for the United States and one will leave on 1 September. Two others are now being processed. As yet, Washington has not finally approved the two candidates recommended for nutrition study.

RELATIONS WITH FOREIGN VOLUNTARY AGENCIES.

31. During July considerable time was devoted to the revision of our agreements with the Congregational Service Unit and the Mennonite Service Unit. The purpose of this was to formalize the relationships of these units to UNRRA and to the Italian Government so as to assure complete understanding of and agreement with respect to the specific projects undertaken by these groups.

32. The Mennonite Service Unit has begun its distribution of clothing to needy persons in the Walden Valley area of Turin province. The Congregational Unit has moved 35 families (209 individuals) from Naples caves into the new barracks being built for 500 of the cave inhabitants. Last March, the Italian Delegation appropriated five million lire for this cave project, and the Congregational Unit is currently reviewing its expenditures and estimating the cost of completing the project in an attempt to determine whether or not more funds will be required. When the five million lire was appropriated, it was assumed that that amount would cover the complete cost of the project, and it is not known at this time whether or not the Italian Delegation will be willing to consider a request for additional funds.

RELATIONS WITH THE GOVERNMENT.

33. Our relations with the Italian Delegation continue to be characterized by mutual respect and sincerity and integrity in working toward common objectives. The one weakness noticed in the Delegation's work is its tendency to work completely on its own, and its hesitancy in making contacts with established Government Ministries for a pooling of information and ideas about future programs. Generally, the initiative in getting representatives from other Ministries together with the Delegation, has to be taken

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34. Working relationships with some of the offices within the Ministry of Post-War Assistance have improved. The Ministry as a whole, however, does not appear to be well organized nor to have a clear conception of its function as outlined by Government decree. In addition, its understanding of UNRRA's work in Italy and our relationship to the Italian Government is vague and confused. Now that a new Minister has been appointed, our plans call for a meeting during August with him and his key personnel to review again UNRRA's work in Italy, our relations with the Italian Government, and the specifics of the Ministry's plans, for the purpose of reaching agreement as to the extent of UNRRA participation in these plans.

40
-7-

IMMEDIATE WORK PROGRAM.

35. Our major immediate objectives are:-

- (a) The completion of negotiations with the Italian Delegation on future program plans.
- (b) The reaching of an agreement with the Ministry of Post-War Assistance concerning its program and the type and degree of assistance it wishes from UNRRA.
- (c) The reaching of an agreement on revised rules of eligibility for the third clothing distribution to begin in September.
- (d) The completion of all travel arrangements for the persons chosen for UNRRA fellowships.

Phoebe Barnister,
Director, Welfare Division.

(b) The reaching of an agreement with the Ministry of Post-War Assistance concerning its program and the type and degree of assistance it wishes from UNRRA.

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Director, Welfare Division.

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Attachment H-6-bNUMBER OF PERSONS FED UNDER THE USRA SUPPLEMENTARY FEEDING PROGRAMIN MAY AND JUNE 1946.

P E R I O D	Reported fed by the Provinces		T O T A L
	By Coosmo Division	By the Nation	
May 1946	1,072,897	837,513	1,910,410
June 1946			1,782,500 (incomplete figures)

Prepared by Welfare Division - Statistical Section
(Figures supplied by Italian Delegation)

By Country (United Kingdom)		Subtotal	TOTAL
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FOR JULY 1946

Declassified E.O. 12356 Section 3.3/NND No. 785017

RELATIONSHIP WITH THE NATIONAL GOVERNMENT

1. Routine meetings concerning CASAS (Comitato Amministrativo Soccorso ai Senzatetto - Administrative Committee to Aid the Homeless) and the Processing Section continue to be held.

RELATIONSHIP WITH OTHER AGENCIES

2. There is nothing exceptional to report under this heading.

SUMMARY OF OPERATIONS

Processing Section

General

3. Although there has been a small increase in number of garments sorted and repaired and in new garments produced, the month has been only an average one from the point of view of work done. The chief difficulties to be contended with have been the shortage of electric power, the lower output of manual labor during the summer months and the failure of the firms contracted by the Italian Delegation for Relations with UNRRA to continue the improvement in distribution transport referred to last month. (H-7-c Para.4).

4. The number of workshops and warehouses has increased to 68, 9 new workshops having been started while 3 closed since the last report. These opened are in Bologna (2), Florence (2) and Grottaferrata (2) on new production - one at Ostia for repair, - one at Grottaferrata for shoe repair, and one at Palermo for sorting.

Used Clothing

5. The number of garments sorted during the month was 635,620
" " repaired " " 159,676

These figures show a continued increase over previous months. The number of garments sorted during May was 489,315 and during June 516,321, while the comparative figures for repaired garments was 77,268 and 125,349. This increase is due, partly to the newly organized sorting point at Palermo, and partly to the fact that, for the first time, enough bales have been received to enable the workshops in Naples and Florence to work to full capacity.

New Production

6. Comparative Production figures to date are as follows:

	May	June	July	Total
Number of items cut	167062	340921	311408	- 819391
" " garments made	74207	165449	251553	- 491209

785017

SUMMARY OF OPERATIONSProcessing SectionGeneral

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The reduction in the number of items cut is due to the failure of the Italian Delegation for Relations with URZA to deliver promptly the necessary sheeting. This recurrent bottleneck will, it is hoped, be overcome before our next report.

5372

Shoes

7. In comparison with the record output figure for last month, there has been a slight reduction during the period under review. This has chiefly been brought about by frequent lack of electricity, causing a complete standstill for several hours each day of the cutting and finishing machines. The monthly figures are as follows:

OM 6560

- 2 -

	May	June
No. of pairs sorted during month was	183,150	221,006
" " repaired "	80,460	88,101

The number sorted was made up as follows:

Men	112,883
Women	44,980
Children	25,277

The production of sandals from salvaged scrapleather in the Florence Workshop has grown to an output of 200 per day, and it is anticipated that this will be stepped up to 500 per day during the next two or three weeks.

Salvage

8. The output from the four salvage workshops has been slightly less. Comparative figures for the last three months are as follows:

	May	June	July
No. of pieces made	97,670	134,715	104,537

A total of 53,705 Kgs. of salvage was received.

9. As a higher percentage of the articles made have been jackets the cost per item was increased from 12.25 to 14.50 lire. In view of the fact that part of the cost of the salvage will be recovered from the sale of waste material, the whole scheme continues to be favorable from the financial point of view.

10. One of the salvage workshops has now been closed, and as the supply of salvage material will soon cease, it is planned to close a further two other workshops, leaving only that at Torre Annunziata which will continue as a repair shop.

Releases for Distribution

11. The following quantities of goods have been released from warehouses for distribution to Italian Displaced Persons, refugees and needy homeless persons.

	Clothing items	Clothing Units	Shoes	Bedding items
Month to 15 July 46	445,359	108,226	96,720	179
From commencement	3,384,465	923,589	722,981	27,121

In addition the following have been released to Camps Division for non-Italian Displaced Persons:

	Clothing items	Clothing units	Shoes	Bedding items
Month to 15 July 46	2,705	407	1,910	Nil
From commencement	212,794	43,124	42,297	2918

(Note: An adjustment of 1000 has been made in the figure for shoes supplied to Camps Division as a total of 36,907 was shown on the May '46 report whereas it should have read 35,907).

Other production Statistics.

12. Employees in Italian camps	943
" " Non-Italian camps	316
" " Religious Institutions	219
" " assisted outside camps	639
Skilled employees (generally on shoe repairs)	383
	74

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Administrative employees	74
	2,573

13. Number of workshops and warehouses 68

Repair and Construction Program.New Construction.

14. Twenty-two out of 24 competitions have been held in respect to the

- 3 -

contracts for the construction of 182 buildings, comprising 728 apartments. The remaining two competitions will be held during the coming week. Thirteen contracts, totalling Lire 180,615,561, have been approved by the Executive Committee, and in the case of nine of these the sites have been handed over to the contractors and work commenced.

Repair Works.

15. The repair work to date may be summarized as follows:

Devastated areas	No. of Communes assisted	No. of rooms repaired during month	Total date	Total persons during month	Building materials transported
Latina	5	545	2,436	3,891	3,190
Frosinone	29	299	3,167	8,352	2,554
Abruzzi	34	789	5,238	10,990	6,552
Porto S. Stefano	1	78	449	529	277
Apulia	21	720	4,065	7,526	2,703
Bologna	20	1,450	2,733	3,213	1,459
Ravenna	7	29	29	38	625
Totals	117	3,910	18,142	35,014	17,440

covers 6 weeks.

16. The considerable increase in the transport made available towards the end of the month (see para 12 below) is not reflected in the above figures, but should be apparent in next month's report.

Transport.

Vehicles.

17. The following vehicles have now been transferred to CASAS and are operating in the field:

Car	1	-
Jeeps	37	-
Motorcycles	9	-
6 cwt.	3	- 50 personnel vehicles
15 cwt.	32	-
20 cwt.	3	-
2 1/2 tonners	160	-

Devastated areas	No. of Communes during Assisted month	No. of rooms repaired total to date	Total persons	Building materials transported during month
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Jeeps	37	
Motorcycles	9	
6 wts.	3	
15 wts.	32	
30 wts.	3	
2 1/2 tonners	160	
3 tonners	175	
Brenthorn lorry	1	
Water tankers	2	- 375 tonnage vehicles

Total vehicles provided 423

5371

In addition 20 G.M.C.'s, 3 water trucks and 1 motorcycle are awaiting collection at the Breda Works, and Life Funds have been allocated for the purchase from ARAR (Atterda Rilevo Allocations Residuati - Italian Agency for the Purchase and Distribution of Allied Military Surpluses) stocks of 53 jeeps - 20 of which are now ready for collection in Leghorn.

18. In considering the total number of vehicles in operation it should

CM 6560

- 4 -

be noted that contractors engaged in new construction are providing their own transport. It was originally assumed that between 200 and 300 trucks would be used on new construction, but this later decision ensures that all the CASAS transport will now be concentrated on repair work.

Life Fund allocation

19. The Life Fund Control Committee has recommended a provisional allocation of Lire 167,066,000 to the program. The total allocation is based on current market prices, and will be reduced if more favorable prices are obtained (ARAR prices include a considerable and unreasonably large margin of profit and the Italian Delegation is attempting to obtain the material for a price as near cost as possible).

20. The Committee recommended the immediate expenditure of funds for the purchase of personnel vehicles and of spare parts to the value of 50% of the sum requested. Further approval, however, will have to be obtained for the expenditure of the further funds provisionally allocated.

21. In effect that means:

(a) the purchase of 200 trucks will be deferred until UNRRA has supplied the 800 now stated to be eventually available.

(b) the purchase of the 50% of the estimated requirements of spare parts (i.e. to the value of Lire 7,000,000); of 1,000 tires and 2,000 inner tubes and of Lire 10 million worth of garage equipment must first be approved by the Committee.

22. This arrangement is considered to be both logical and reasonable.

Spare Parts and Tires.

23. As usual, these are in short supply. This is a very serious problem, and threatens to become extremely so. Nevertheless at present the total of trucks kept idle by temporary spare parts shortages never exceeds 15% of the total fleet. If, however, more spare parts are not available soon in large quantities, the amount of idle tonnage will reach crippling proportions.

24. It is expected that a larger quantity of spare parts, sufficient, at any rate, to service the 160 G.M.C.'s will arrive from the USA at the beginning of August. Meanwhile CASAS should be able to go forward with the purchase of Lire 9,000,000 of spare parts from ARAR. If the USA shipment does arrive; and if the ARAR organization continues to improve, and spare parts will, in fact, be available from them, the future outlook on spares is not unhelpful.

Petrol.

25. Arrangements for the supply of POL have so far, with occasional exceptions, worked well.

Requirements of petrol for July was 465,000 liters; this monthly

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26. Requirements of petrol for July was 465,000 liters; this monthly requirement will steadily increase as more transport becomes available. Average vehicle consumption is 2.4 Km per liter and continues to improve.

Supply.

Clay Products.

27. The availability of clay products continues to be adequate and has not presented any serious problems in their provision for the present rate of repair. Lack of price control is resulting in wide discrepancies between one district and another.

- 5 -

28. For example the following price ranges have been experienced:

Solid bricks	4.16 Lire to	6.24 each
Hollow bricks	5. "	7.30 "
Marsigliese tiles	11. "	17. "
Coppi tiles	7. "	9.36 "

29. With the prospect of repair work being accelerated by three times the present rate, and the further demands for materials which will arise with the commencement of new constructions, it is evident that a far greater degree of control and co-ordination than prevails at present will become essential.

Timber.

30. This commodity is scarce and expensive, and the present system of purchasing is extravagant. Prices are being paid for small quantities of locally grown wood of inferior quality in excess of those of good quality seasoned timber obtained by bulk purchases.

Coal.

31. A provisional arrangement has been made with the Ministry of Industry and Commerce through the agency of the Coal Branch of UNRAA for the special allocation of solid fuel to be used in the production of clay products, cement and lime for the UNRAA/CASAS project. This represents a great advance in the CASAS coal situation, for never before could we obtain the Ministry's agreement to allocate coal to clay kilns, since it is contrary to their established practice. The arrangement as it stands at present is briefly as follows:

- (a) that so far as possible brick kilns will continue to adopt traditional means of producing clay products by using lignite.
- (b) that only in those cases where lignite is not readily available or only at expensive prices, will imported coal be allocated. As a result of a survey made by the Ministry of Industry and Commerce, it has been estimated that 20% of the total fuel requirements will need to be made up in imported coal and agreement has been given to the allocation of this amount.
- (c) that for the production of lime and cement appropriate grades of fuel ranging from anthracite to gas coke will be allocated for an amount necessary to produce the quantities required by CASAS.

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Director, Special Relief

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Director, Special Relief
Projects Division.

CM 6560

5370

H-6-c
MONTHLY REPORT OF THE
DISPLACED PERSONS DIVISION FOR JULY
1946

RELATIONSHIP WITH THE ITALIAN GOVERNMENT.

1. The first meeting of the Displaced Persons Committee was held on 4 July. This Committee has been constituted to serve as an advisory body to the Chief of UNRRA Italian Mission and the President of the Italian Government Delegation for Relations with UNRRA. The authority, composition and functions of this Committee are detailed in Attachment H-6-d (1) Displaced Persons Committee Terms of Reference.

2. In the course of this meeting the present position in regard to displaced persons was reviewed. The Italian Government representatives were particularly interested in the conditions for eligibility of displaced persons to UNRRA assistance. It was pointed out that UNRRA was authorized to offer assistance only to those displaced persons who qualify for such assistance under existing regulations, and that the recent Agreement between UNRRA and the Military Authorities provides for the transfer to UNRRA of responsibility for UNRRA-eligible displaced persons only. It was suggested that the complex problem of ineligible-displaced persons be reserved for separate discussions.

3. Further to this general problem, there has been an exchange of correspondence between the Minister of Foreign Affairs and the Chief of UNRRA Italian Mission, raising the important question of ultimate responsibility, presumably on the termination of UNRRA, for the care of those displaced persons who are covered by the UNRRA Charter (see Attachment H-6-d (1)).

RELATIONSHIP WITH THE MILITARY AUTHORITIES.

4. On 15 July 1946 the UNRRA-SACMED (Supreme Allied Commander, Mediterranean Theater) Agreement, relating to transfer of responsibility for displaced persons from SACMED to UNRRA, was signed in Rome by S.M. Keeny, Chief of the Italian Mission for UNRRA, and Major-General M.W. McLeod, Chief of Staff for SACMED (see Attachment H-6-d (11)); this Agreement becomes effective 1 August 1946. The several operating branches of Displaced Persons Division have, in the course of the month of July, made the necessary adjustments to assure continuing service in our Camps after 1 August, when military facilities will no longer be available to us.

5. Displaced Persons Division wishes to express its gratitude to the military authorities for their spirit of comprehension and helpfulness throughout the long period of negotiations. As indicated in the Agreement there still remains a broad area of common activities, and we look forward to continuing our present close co-operation.

6. A regular meeting of AFHQ, Displaced Persons and Repatriation Sub-Commission and UNRRA was held at UNRRA HQ, on 19 July.

2. (1) Displaced Persons Committee Terms of Reference.

In the course of this meeting the present position in regard to displaced persons was reviewed. The Italian Government representatives were particularly interested in the conditions for eligibility of displaced persons to UNRRA assistance. It was pointed out that UNRRA was authorized to offer assistance only to those displaced persons who qualify for such assistance under existing resolutions, and that the recent Agreement between UNRRA and the Military Authorities provides for the transfer to UNRRA of responsibility for UNRRA-eligible displaced persons only. It was suggested that the complex problem of ineligible-displaced persons be reserved for separate discussions.

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7. The present procedure, whereby UNRRA maintains the archives and statistics for displaced persons eligible for UNRRA care as well as non-eligible, was questioned and it was proposed that the present position be reviewed by the Sub-Commission and the UNRRA Records Section staff to arrive at a practical solution.

CM 6557

5369

8. Reference was made by UNRRA to the problem of unattached Polish children who, according to reports from the UNRRA Austrian Mission, have been brought into Italy for a limited period for "health reasons" and whose return to Austria is now being sought by the military authorities in Austria as well as the UNRRA Austrian Mission. A nominal roll of one group of such children and their reported locations in Italy has been submitted by UNRRA to the military authorities in Italy.

9. AFHQ representatives at this meeting advised that, although AFHQ reserves the right to deal with groups of repatriates to or through Italy, assistance in securing clearance or transportation for non-Italian displaced persons for areas under military control should be directed to the Movement Section of AO, Displaced Persons and Repatriation Sub-Commission.

RELATIONSHIP WITH MEMBER GOVERNMENTS AND OTHER GOVERNMENTS.

10. In connection with the directive from the Director-General regarding the desirability of the appointment by member governments of liaison officers to country Missions, Major Titov has been appointed by his Government as Representative of the Soviet Government to UNRRA in Italy on Repatriation. During the month of July, several meetings were held between Major Titov and UNRRA ERO and Italian Mission staff regarding displaced persons' problems affecting Soviet citizens. As a result of these meetings several points have now been clarified and the Displaced Persons Division has agreed on steps to expedite the identification and repatriation of Soviet citizens eligible for UNRRA care. Most of the persons, however, to whom Major Titov referred in these discussions are not now receiving UNRRA care, having proved to be ineligible for such care during the recent UNRRA survey of displaced persons' camps, and responsibility for them has now been turned over to the military authorities.

11. It was agreed that UNRRA, Displaced Persons Division, will bring together in one camp, presumably Cinecitta', all persons who appear to be Soviet citizens and who are covered by the UNRRA Charter (with the possible exception of Jewish persons living in organized communities). UNRRA representatives will, of course, have free access to the camp where its citizens are concentrated. Soviet citizens will be given full opportunities to correspond with their relatives and friends at home. Soviet newspapers, films and other material will continue to be distributed in all camps and reports that UNRRA personnel have hindered such distribution will be investigated. Reports that well-known collaborators are residing in our camps will be referred to the military authorities, who will be urged to take immediate action.

12. In connection with the movement through Italy of Greek displaced persons ex-Austria and ex-Germany, destined for repatriation to Greece, we have discovered that upon arrival at the Bari Transit Camp substantial numbers of these persons do not receive clearance for onward movement to Greece for German, Austrian and Hungarian born spouses. Others in this group, although cleared by the Greek authorities, are unwilling to be repatriated at this time although, when in Austria, they have declared themselves to be ready for repatriation.

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OM 6557

- 3 -

13. The Rumanian Repatriation Mission, headed by General Balosin, visited Italy in July, after having visited Germany, Austria, France, Switzerland and Belgium in connection with the repatriation of Rumanian Nationals. A meeting was arranged between General Balosin and his Staff and Staff of UNRRA Italian Mission. The UNRRA program, as it affects Rumanian Nationals eligible for UNRRA care, was discussed in some detail. It was explained that Rumanian displaced persons received UNRRA care only if able to establish that they had been deported or obliged to leave their home or places of former residence by action of the enemy or because of race, religion or activity in favor of the United Nations. Determination of eligibility is made on an individual basis after a careful examination of all available information. The General suggested that Rumanians eligible for UNRRA care and desiring repatriation be assembled in UNRRA camps for identification and registration on specified dates. This suggestion was accepted and, although the projected repatriation of the group is to be an AG responsibility UNRRA will offer all possible services in connection with those Rumanians eligible for UNRRA care. General Balosin provided the Displaced Persons staff with valuable information concerning conditions in Rumania affecting returning displaced persons, and it is planned to disseminate this information to all interested persons.

MAINTENANCE AND CARE OF DISPLACED PERSONS.

14. Procurement and Feeding. Supplies for which local purchase orders were placed during June are now arriving. Some difficulties, however, have been experienced in the procurement of blankets and PX rations. As for food - all Camps, with the exception of Lecce, now hold approximately one month's rations. Arrangements have been made with the Food Division of the Sub-Bureau of Relief Supplies to release two and a half months' food requirements for all Displaced Persons' establishments as from 1 August.

15. The most serious problem that faces this Division is the hold-up in approving the budget for the third quarter as it affects Class II positions. The positions which were approved by ERO fall so far short of the actual needs that further operation in our program on that basis would be virtually impossible. We are continuing on a minimum program pending ERO approval of a more adequate provision for Class II positions.

WELFARE BRANCH.

16. One of our major problems is that of coping with unauthorized Displaced persons' movements. We hope that some statement from a high level will soon be forthcoming that might ease the uncertainty that is gripping these people. Administratively our position is very awkward.

17. In addition to the basic Welfare program the following are some of the special activities in some of the Camps: a prominent American singer in Rome has agreed to give concerts in Camps and to hold auditions to discover musical talents. In the Camp of ... an Institute of Physical

...that Rumanian displaced persons received UNRPA care only if able to establish that they had been deported or obliged to leave their home or places of former residence by action of the enemy or because of race, religion or activity in favor of the United Nations. Determination of eligibility is made on an individual basis after a careful examination of all available information. The General suggested that Rumanians eligible for UNRPA care and desiring repatriation be assembled in UNRPA camps for identification and registration on specified dates. This suggestion was accepted and, although the projected repatriation of the group is to be an AC responsibility UNRPA will offer all possible services in connection with those Rumanians eligible for UNRPA care. General Balosin provided the Displaced Persons staff with valuable information concerning conditions in Rumania affecting returning displaced persons, and it is planned to disseminate this information to all interested persons.

MAINTENANCE AND CARE OF DISPLACED PERSONS.

14. Procurement and Feeding. Supplies for which local purchase orders were placed during June are now arriving. Some difficulties, however, have been experienced in the procurement of blankets and PX rations. As for food - all Camps, with the exception of Lecee, now hold approximately one month's rations. Arrangements have been made with the Food Division of the Sub-Bureau of Relief Supplies to release two and a half months' food requirements for all Displaced Persons' establishments as from 1 August.

15. The most serious problem that faces this Division is the hold-up in approving the budget for the third quarter as it affects Class II positions. The positions which were approved by ERO fall so far short of the actual needs that further operation in our program on that basis would be virtually impossible. We are continuing on a minimum program pending ERO approval of a more adequate provision for Class II positions.

WELFARE BRANCH.

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17. In addition to the basic Welfare program the following are some of the special activities in some of the Camps: - A prominent American singer in Rome has agreed to give concerts in Camps and to hold auditions to discover unknown talents. In the Lecee Group an Institute of Physical Education is planned. The Mobile Cinema Unit makes regular visits to all Camps showing English, American, Polish, Russian and Italian films. Information and recreational literature from Member Governments including US, UK, USSR, Poland and Yugoslavia is sent regularly to all Camps. The problem of sex education is being approached in the Lecee Group by the publication of a pamphlet prepared by the physician as well as through individual consultation.

18. Out of Camps Assistance. It is now apparent that the out-of-camps assistance case load, now at 8,500 for all of Italy, has reached rock bottom, unless repatriation and resettlement come more prominently into the picture.

- 4 -

MEDICAL BRANCH

19. The recommendations of the meeting convened as a result of the visit of Dr. Coigny, ERO representative, has resulted in several major changes. The most immediate is the closure of our Forli' hospital and the reassignment of its personnel and equipment to other areas.

20. It is also proposed to reduce the Southern Camp hospitals to the status of infirmaries, and increase the number of beds available for UNRRA at the Leuca hospital.

21. Our responsibilities in connection with Hachsharoth may need revision. A recent survey indicates that many premises used for Hachsharoth are in urgent need of adequate hygiene measures. At the moment we are limited to consulting with AJDC (American Joint Distribution Committee) medical services regarding these problems.

22. Dr. Coigny, after his recent visit to all UNRRA Camps, made the following observations on hygiene: Southern Camps - Fair; Northern Camps - Good; exempt for the Genoa Camp where the site is declared to be unsuitable.

REPATRIATION AND RECORDS BRANCH

23. During the period reported upon, the Repatriation and Occupational Survey, of displaced persons from 16 years of age eligible for UNRRA assistance whether in or out-of-camps, was completed. Over 19,000 forms were received at Mission HQ, and coded. Full analysis of the survey will be available in a special report now in process of preparation.

24. The Repatriation and Resettlement Information Bulletin was completed and copies have now been issued to all UNRRA Camps and Field Welfare Officers; amendments will be made as required.

25. In the course of the period under review - 16 June to 15 July - the following major group repatriation moves were completed: 240 Poles to Poland, 116 Greeks to Greece, three groups of Yugoslavs totalling 140 persons to Yugoslavia. During the same period approximately 200 displaced persons of 17 different nationalities were repatriated individually. Preparatory work in connection with movement of 60 Austrians to Austria and 36 Greeks to Czechoslovakia was completed during the period.

26. Regarding the repatriation movement of Poles the repatriates were accompanied to Poland by the Special Assistant to the Director of the Division who was offered opportunities to visit in Poland, reception centers, institutions for the care of returning unattended children and resettlement projects in various parts of Western Poland. The information gathered en route, as well as at destination, will prove useful to the Division in fulfilling its functions in connection with encouraging and facilitating repatriation.

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Louis Varrichione, Director
Displaced Persons Division.

Attachments: H-7-d (1) Displaced Persons Committee Terms of Reference
H-7-d (11) Correspondence between Minister of Foreign Affairs
and Chief UNRRA Italian Mission regarding non-Italian DPs.

H-7-d(111) UNRRA/SACRED Agreement.

35
Attachment H-6-d(1)DISPLACED PERSONS COMMITTEE
Document No. 1DISPLACED PERSONS COMMITTEETerms of Reference

1. The Displaced Persons Committee is an advisory body to the Chief of UNRRA Italian Mission and the President of the Italian Government Delegation for relations with UNRRA, to whom the decisions reached at the meetings will be submitted for final approval.
2. The Displaced Persons Committee will include, on the Italian side, representatives of the Ministry for Foreign Affairs, of the Ministry of the Interior, of the Ministry for Post-War Assistance, of the Ministry of Italian Africa, and of the Italian Government Delegation for Relations with UNRRA, and, on the UNRRA side, the Deputy Chief of Mission and Chief, Bureau of Relief Services, the Assistant Chief of Bureau of R.S., the Director of Displaced Persons Division, the Chief of Standards and Clothing Branch, a representative of the Office of the Chief of Mission, and their designated representatives as might be necessary.
3. The functions of the Committee are the following:
 - (a) To co-ordinate all activities and responsibilities of UNRRA and of the Italian Government as regards non-Italian displaced persons in Italian territory, eligible for UNRRA assistance, Italian displaced persons outside of Italian territory, and movement of Italian displaced persons to and from Italy, provided that the functions of the Committee do not supersede any of the direct responsibilities and functions of the Italian Ministries concerned and of the UNRRA Italian Mission.
 - (b) To advise on the programs of assistance, rehabilitation and repatriation of displaced persons.
 - (c) To make recommendations regarding any advisable provision with respect to the assistance and repatriation or transfer to other countries of non-Italian displaced persons ineligible for UNRRA assistance.
4. Mr. A.A. Sorieri, Deputy Chief of Mission and Chief, Bureau of R.S., is the Chairman of the Committee.
5. A representative of the UNRRA Italian Mission will be responsible for the 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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Attachment A-6-2 (12)

23 May 1946

To the Hon. Alcide De Gasperi,
President of the Council of Ministers,
Rome.

My dear Prime Minister,

For a considerable period the repatriation and care of non-Italian displaced persons in Italy has been the responsibility of the Allied Military Forces, and recently of the Displaced Persons and Repatriation Sub-Commission of the Allied Commission, which has been administering a certain number of camps and other installations for such persons in Italy. Since the beginning of 1946 UNRRA has been administering certain of such camps and other installations on behalf of the Supreme Allied Commander, Mediterranean Theater of Operations, and subject to military responsibility, in those cases in which the non-Italian displaced persons are eligible for UNRRA assistance.

Early in 1946 UNRRA was requested by the Supreme Allied Commander, Mediterranean Theater of Operations (SACMED), to take over maintenance and repatriation of non-Italian displaced persons in Italy eligible for UNRRA assistance. In agreement to this effect will be signed shortly between UNRRA and SACMED. The military period of responsibility for such displaced persons, during which UNRRA has been administering certain camps and other installations on behalf of the Supreme Allied Commander, Mediterranean Theater of Operations, and subject to military responsibility, will terminate on the date in which the agreement will become effective.

It is the intention of UNRRA to take over this obligation from the Supreme Allied Commander, Mediterranean Theater of Operations, in accordance with Article II of the Supplementary Agreement between UNRRA and the Italian Government entered into on 19 January 1946, by which UNRRA is authorized to administer relief services for eligible non-Italian displaced persons in Italy with the cooperation, if requested, of the Italian Government.

You will recall that in my letter to Mr. Montini of 15th January 1946 it was pointed out that imported supplies for non-Italian displaced persons, whether such are procured directly by UNRRA or through military channels, will be paid for out of the UNRRA financial allocation for the Italian program for 1946. Supplies procured in Italy for such persons will be paid for from the lire fund of the proceeds of sale of UNRRA supplies.

UNRRA recognizes the ultimate authority and responsibility of the Italian Government for the care, maintenance and repatriation of such displaced persons.

There are about 9,000 non-Italian displaced persons eligible for UNRRA assistance living in 10 camps in Italy. In addition there are 16,500 non-Italian displaced persons eligible for UNRRA assistance living outside of UNRRA camps. The number of non-Italian displaced persons ineligible for UNRRA assistance living in AD camps is about 10,000.

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A copy of the text of the draft Agreement between UNRRA and the Supreme Allied Commander, Mediterranean Theater of Operations, is attached.

I shall be happy if you will state your agreement with this letter, so far as the Agreement between UNRRA and the Supreme Allied Commander, Mediterranean Theater of Operations, affects the Italian Government, when problems concerning the Italian Government emerge as a result of the new situation. I am confident that they will be solved in the same spirit of good faith and loyal cooperation which has

always characterized the relations between UNRRA and the Italian Government.

Please accept the expression of my highest esteem,

Sincerely yours,

S. M. Keeny
Chief of Mission

THE MINISTER OF FOREIGN AFFAIRS

Rome, 5/7/46

To: Mr. S. M. Keeny,
Chief of UNRRA Italian Mission,
Rome.

Dear Mr. Keeny,

I have received your letter of May 23rd on the subject of non-Italian refugees residing in Italy, with proposed agreement between your Mission and the Allied Commission.

I wish to thank you very much for your kind participation in the proposed agreement.

In the letter addressed to me, I notice a phrase according to which "UNRRA holds the Italian Government responsible for the assistance, maintenance and repatriation of refugees".

This is news for us as no agreement has ever been concluded between the Italian Government and UNRRA or between the Italian Government and other Allied authorities, in which the Italian Government declared its willingness to assume such responsibility. I have gone over the text of the supplementary agreement dated 19 January 1946 between the Italian Government and UNRRA, and it does not seem to me that responsibility for refugees in Italy could be shifted completely to the Italian Government, as Art. 2 says that "according to resolution 57 and Articles 3 and 7 (b) of the first agreement, UNRRA will continue to assist non-Italian refugees with the cooperation of the Government, if requested".

Besides that, in your letter of 15 January addressed to Mr. Montini, you said that UNRRA would continue giving assistance to non-Italian refugees living in Italy, from appropriations on the Italian program, and even specified that assistance expenses in this connection would amount to about 10 million dollars to be deducted from funds set aside for assistance to Italy.

This are the limits of responsibilities assumed by the Italian Government. In this connection, however, I wish to call your kind attention to the fact that at the time these responsibilities were assumed, the refugee situation in Italy was very different from what it has become since. Then it was a question of assisting chiefly

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This are the limits of responsibilities assumed by the Italian Government. In this connection, however, I wish to call your kind attention to the fact that at the time these responsibilities were assumed, the refugee situation in Italy was very different from what it has become since. Then it was a question of assisting chiefly "displaced persons" who due to war events found themselves outside their country and who wanted to return there. While most of these have already been repatriated, a great number of persons have now reached Italy who do not want to return to their country of origin for political reasons. This is a very serious problem for Italy which for obvious reasons cannot assume the burden of maintaining these elements for an indefinite period of time nor is she willing to assume expenses to repatriate them and to move them somewhere else. In view of the status of the majority of the refugees who are now in Italy I appeal to you therefore to have them repatriated and provided for in

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-3-

other countries.

The Italian Government will be very pleased to cooperate with you in any measures you may take to alleviate the plight of the refugees while they remain on Italian soil.

Please accept the expression of my respects.

/s/ Alcide de Gasperi.

29 July 1946

The Hon. Alcide de Gasperi,
President of the Council of Ministers,
Rome.

My dear Mr. Prime Minister,

1. I have received your letter of 6 July 1946, devoted to the Agreement between UNRRA and the Supreme Allied Commander, Mediterranean Theater of Operations, relating to the transfer of responsibility from him to UNRRA for the care in Italy of non-Italian displaced persons eligible for UNRRA assistance.

2. Because of an error in translating into the Italian language the English text of my letter to you of 23 May, you have received a somewhat mistaken and unfortunate conception of this agreement. In my letter of 23 May I said in English that

"UNRRA recognizes the ultimate authority and responsibility of the Italian Government for the care, maintenance and repatriation of such displaced persons."

3. It was incorrect to have translated the English word "ultimate" as the Italian word "definitiva". The English text used by me was prepared in London, and has the connotation that UNRRA assumes the care of non-Italian displaced persons eligible for UNRRA assistance, in subordination to the authority and responsibility of the Italian state as a particular subject of international law under the conditions of a specific historical period. However, the word "ultimate" has the temporal connotation that at some future time the Italian Government, by virtue of its authority and control of the territory in which the non-Italian displaced persons have been maintained by UNRRA will acquire plenary legal power in regard to such displaced persons, similar to those which usually exist in regard to other aliens within a state territory.

4. You will note, therefore, that no fundamental immediate responsibility for the care of such non-Italian displaced persons eligible for UNRRA assistance has been imposed on the Italian Government.

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4. You will note, therefore, that no fundamental immediate responsibility for the care of such non-Italian displaced persons eligible for UNRRA assistance has been imposed on the Italian Government. The principal immediate responsibilities of the Italian Government toward UNRRA concerning displaced persons seem to be those set forth in Article II of the Supplementary Agreement, which as you say, provides "Relief services undertaken for the benefit of non-Italian displaced persons in Italy pursuant to Resolution 57 and to Articles III and VII (b) of the First Agreement will continue to be administered by UNRRA with the cooperation, if requested, of the Government."

However, you will recall that in my letter to Mr. Montagna of 19 January 1946, it was pointed out that immediate supplies of non-Italian displaced persons, whether such are procured directly

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by UNRRA or through military channels, will be paid for out of the UNRRA financial allocation for the Italian program for 1946. Supplies procured in Italy for such persons will be paid for from the Lire Fund of the proceeds of sale of UNRRA supplies.

5. Because the UNRRA program is based on the urgent needs of the Italian people for basic imported relief and rehabilitation supplies, I read with deep interest your statement of the attitude of the Italian Government toward displaced persons. You point out that at the time the Italian Government assumed responsibility for displaced persons, the refugee situation in Italy was very different from what it has become since. You say that at that time it was a question of assisting displaced persons who, "due to war events", found themselves outside their countries and who wanted to return." You say:

"While most of these have already been repatriated, a great number of persons have now reached Italy who do not want to return to their country of origin for political reasons. This is a very serious problem for Italy, which for obvious reasons cannot assume the burden of maintaining these elements for an indefinite period of time, nor is she willing to assume expenses to repatriate them, and to remove them somewhere else. In view of the status of the majority of the refugees who are now in Italy I appeal to you, therefore, to have them repatriated and provided for in other countries."

6. UNRRA itself makes a sharp distinction among displaced persons, more or less in accordance with the distinction drawn by you in the text quoted above. Although the eligibility of displaced persons for UNRRA care is exactly controlled by authoritative UNRRA texts, it might be ventured in summary that the non-Italian displaced persons eligible for UNRRA assistance are those who were displaced, to use your own words, "due to war events". These are the displaced persons to whom UNRRA gives assistance; and it is the basic policy of UNRRA under Resolution 92 to repatriate such persons as quickly as possible.

7. Therefore, non-Italian displaced persons ineligible for UNRRA assistance, are not the responsibility of UNRRA and remain the responsibility of the Allied armed forces. The maintenance and repatriation of such persons will remain the responsibility of the Allied armed forces or eventually of the Italian Government, in accordance with whatever relations may exist between the Allied armed forces and the Italian Government.

8. On 15 July the Agreement between UNRRA and the Supreme Allied Commander, Mediterranean Theater of Operations, referred to in my letter of 23 May was signed in Rome. This Agreement enters into effect on 1 August 1946. A copy of the text of the Agreement is enclosed.

9. I shall be happy if you will state your agreement with this letter so far as the Agreement between UNRRA and the Supreme Allied Commander, Mediterranean Theater of Operations, affects the Italian Government. As I have already said in my letter of 23 May, when problems concerning the Italian Government arose as a result of the entry

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Sincerely yours,

S. M. Keeny
Chief of Mission

E-6-1-(111) UNRRA SIGNED AGREEMENT RELATING TO
TRANSFER OF RESPONSIBILITY FOR DISPLACED
PERSONS FROM SACMED TO UNRRA.

AGREEMENT

WHEREAS,

The United Nations Relief and Rehabilitation Administration (hereinafter referred to as UNRRA), in agreement with the Supreme Allied Commander, Mediterranean Theatre of Operations (hereinafter referred to as SACMED) has undertaken to administer on his behalf and subject to military responsibility, certain camps and other installations in Italy for non-Italian displaced persons eligible for UNRRA assistance; and

WHEREAS,

SACMED now desires to terminate the period of military responsibility for such displaced persons; and

WHEREAS,

UNRRA, under Article II of the Agreement of 19 January 1946 between UNRRA and the Italian Government, supplementing their Agreement of 8 March 1945, is authorized to administer relief for such displaced persons in Italy;

UNRRA, represented by S.M. Keeny, Chief of Italian Mission, and SACMED have agreed as follows:-

ARTICLE I

PURPOSE

(1) The purpose of this Agreement is to establish the conditions under which SACMED transfers to UNRRA responsibility for the care, maintenance and repatriation of non-Italian displaced persons in Italy eligible for UNRRA assistance. From the time of the effective date of this Agreement this responsibility is transferred from SACMED to UNRRA and the military period for such displaced persons comes to an end. Such responsibility is accepted by UNRRA subject to the ultimate authority of the Italian Government.

(2) Nothing in this Agreement will be interpreted to impose on UNRRA obligations inconsistent with the UNRRA agreement of 9 November 1943 or with the Resolutions of the UNRRA Council or with the Agreements between UNRRA and the Italian Government of 8 March 1945 and of 19 January 1946.

ARTICLE II

DISPLACED PERSONS

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ARTICLE II

DISPLACED PERSONS

(1) The displaced persons for whom UNRRA assumes responsibility are:-

- (a) United Nations Nationals (other than United Nations Nationals for whom SACMED retains responsibility under special agreements);
- (b) Persons of undetermined nationality and stateless persons;
- (c) Enemy and ex-enemy nationals who have been obliged to leave their country or place of origin or former residence, or

- 2 -

have been deported therefrom, by action of the enemy, because of race, religion or activities in favour of the United Nations;

- (d) Any person or groups of persons to whom the provisions hereof may be extended by agreement between the parties.

Such displaced persons are hereinafter collectively referred to as "displaced persons".

(2) Subject to the provisions of (3), it will be the function of UNRRA to determine which displaced persons fall within the categories eligible for UNRRA assistance. At any time before or after the transfer of responsibility for displaced persons to UNRRA, SACMED will, on the request of UNRRA, assist in establishing the eligibility for UNRRA assistance of displaced persons. Persons shown at any time to be eligible for UNRRA assistance will be the responsibility of SACMED and will be removed by SACMED from UNRRA Camps and installations, provided that such persons were registered in displaced persons camps and installations on the effective date of this Agreement. However, this qualification does not apply in regard to persons subject to the provisions of (3).

(3) Both before and after the effective date of this Agreement SACMED retains exclusive responsibility to determine the persons who may be subject to detention in the custody of the military or civilian authorities of any of the United Nations on charges of having collaborated with the enemy or having committed other crimes against the interests or nationals of the United Nations, and to remove such persons from displaced persons camps and other installations. Persons determined by SACMED to be subject to such detention and removed by him from UNRRA camps and installations become ineligible for further UNRRA care whether or not they are detained in the custody of military or civilian authorities.

ARTICLE III

TRANSFER OF PROPERTY

(1) The transfer of camps and other installations by SACMED to UNRRA includes all movable and immovable property, including premises, stores and supplies, vehicles and other equipment surplus to military requirements as UNRRA, in its opinion requires. Military records, classified or otherwise, pertaining to non-Italian displaced persons in Italy, are transferred to UNRRA. Such records, including necessary enquiry and statistical services, will be maintained by UNRRA after the transfer. Moreover, UNRRA will be kept informed and given access to subsequent military documents, directives and information, including classified material, which are relevant to the responsibility assumed by UNRRA.

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- (2) Immovable property requisitioned by SACMED and required by UNRRA for displaced persons will be de-requisitioned by SACMED at the request of UNRRA. SACMED will co-operate with UNRRA and the Italian Government in the subsequent re-requisitioning of such immovable property for UNRRA, in order that the de-requisitioning and the requisitioning may take place simultaneously.
- (3) Responsibility for the reasonable care and use of United States or British military immovable property or movable property transferred on charge to UNRRA, will pass at the time receipts are signed by UNRRA. Such property will be listed separately and signed receipts turned over to SACMED. Ownership

- 3 -

and absolute risk. Unless for this property will pass to UNRRA only on the date that UNRRA elects the items it desires to purchase. Payment for property that UNRRA elects to purchase will be made by UNRRA in accordance with standard procedures for the procurement of military surpluses from the governments concerned. Purchase procedure will be initiated by UNRRA within 45 days of the submission to UNRRA of classification and prices of the items desired.

(4) Expendable supplies, such as rations, medical and sanitary supplies, found in the camps and other displaced persons installations taken over by UNRRA at the time of the effective date of this Agreement will be transferred to UNRRA without payment.

ARTICLE IV

PROVISION OF SUPPLIES

(1) SACMED, for administrative convenience, will continue to make rations available for Displaced Persons for whom UNRRA is responsible and for UNRRA personnel until the effective date of this Agreement. However, UNRRA will reimburse SACMED only for rations made available after such date. UNRRA will, at the election of SACMED, either reimburse SACMED in kind for rations made available after the effective date of this Agreement, or pay in sterling or dollars for such rations in accordance with such procedures as may be determined by SACMED. Such reimbursement will be made by UNRRA within thirty days after the submission of a statement concerning the rations supplied by SACMED. If the reimbursement is made in kind, UNRRA, within the limits of its resources, will furnish an approximate equivalent of the rations supplied by SACMED.

(2) SACMED also agrees that UNRRA will have right to purchase surplus military rations after the termination of SACMED's undertaking to supply rations.

(3) UNRRA assumes no financial responsibility for the care, maintenance and repatriation of displaced persons prior to the effective date of this Agreement.

ARTICLE V

TRANSPORTATION

(1) Effective from the date of this Agreement, arrangements for transportation of displaced persons for whom UNRRA is responsible will be made by UNRRA with the appropriate civilian transport authorities.

(2) Only where it is necessary to use military transport or military-controlled transport, will arrangements be made with the military transport authorities.

3353

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(2) Only where it is necessary to use military transport or military-controlled transport, will arrangements be made with the military transport authorities.

(3) No transportation charges will be borne by SACMED, except in respect of such displaced persons as remain a military responsibility.

- 4 -

ARTICLE VI

EFFECTIVE DATE

This Agreement becomes effective 1 August 1945.

FOR THE UNITED NATIONS RELIEF
AND REHABILITATION ADMINISTRATION:

(signed) S.H. Keeny

S.H. KEENY
CHIEF OF ITALIAN MISSION

FOR THE SUPREME ALLIED
COMMANDER, MEDITERRANEAN
THEATRE:

(signed) M.W.M. McLeod

M.W.M. McLEOD
MAJOR GENERAL
CHIEF OF STAFF.

Signed. Rome, 15th July 1946.

RS 6231 DP

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RS 6231 DP

Attachment H-7-a

MONTHLY REPORT OF THE REGIONAL DIRECTOR, SARDINIA REGION,FOR JULY 1946.INTRODUCTION

1. The struggle to maintain an even distribution of flour and to avert the necessity for another temporary reduction in the bread ration, as occurred last month, was the main concern of this Region during July. For, apart from having only five days' flour on hand on 1 July, the slowness of the amassing in its initial stages and the inadequate milling facilities contributed to a rather gloomy bread picture.

2. The arrival, however, on 15 July of the S.S. "John P. Poe" with 6500 tons of Argentine grain had an electrifying effect on the situation, and signalled the immediate increase in the bread ration to the authorized 250 grams. Meanwhile, 1,000 tons of flour were requested from the mainland to make up for the poor milling arrangements already referred to.

3. The third factor contributing to the more satisfactory position at the end of the month was that, although a poor start was made in the early days of the month due mainly to wet weather and lack of equipment, and in spite of the hostile attitude of the villagers in some sections of the island, nevertheless the amassing total for July was 29,000 tons.

4. In spite of numerous difficulties over the organization and control of the Summer Colonies, the plans of the previous months have now, almost without exception, been carried into effect; and dotted around the coast and high up in the mountains are to be found these centers full of boys and girls of all ages, to whose happiness UNRRA has been able to make no gratifying a contribution. An encouraging feature is the good type of personnel employed in these colonies - most of them being young teachers.

5. The Region was strengthened with the addition this month of an Agricultural Specialist and an Information Officer.

PUBLIC INFORMATION

6. This section came into being on the recruitment of an Information Officer and the first of a series of weekly articles on UNRRA's activities was published during the month. An article on UNRRA's work in Sardinia with illustrations was also published.

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SERVICES PROVIDED WITH UNDA RESOURCES

Health

a. Supplies

7. The second medical supply distribution has now been checked in all Provinces, revealing a few shortages and breakages. In Cagliari Province the Provincial Medical Officer is endeavouring to dispose of his ENDA (Ente Distribuzione Medicinale Alente) - Institution for the Distribution of Allied Medical Supplies) stocks on the theory that after a distribution of "free" UNDA drugs it will be impossible to get rid of the former for cash payment.

5362

-2-

Att. H-7-a

8. The distribution of cotton material (the plan for which has been amended in all Provinces to include hospitals and exclude the State-supported Sanatoria) is now taking place.
9. Requests were made to Headquarters during the month for equipment for the T.B. services of Sassari Province and for laboratory equipment for Is Mirrionis Hospital.

b. Staff Medical Care.

10. The appointment of a Class II Medical Supply Officer for the Region has been taken up with Headquarters and it is hoped the position will shortly be filled. It is intended to combine the care of Class I and Class II employees with the Medical Officer's Divisional duties. At present, with the departure of the Royal Air Force Medical Officer to Malta, there are no arrangements for the medical care of staff in this Region.

c. Anti-malaria Campaign

11. The Rockefeller Foundation continued their mosquito survey during this period and work in the Province of Sassari was completed.
12. Supplies for this Campaign were received notably 1,500 Hudson Sprayers as well as various types of tubing. Over 300 tons of DDT Emulsion are expected from Naples in the course of the coming week.

Welfare

13. The visit of a food Officer from Headquarters this month has helped to straighten out outstanding problems in the food distribution for the Supplementary Feeding Program. In particular great difficulties have been encountered in obtaining accurate statistical data in Carbonia, the coal-mining district. Arrangements are now in hand for supplies to be made available up to the conclusion of this special assistance program - August 31.

14. With this distribution running more smoothly, the Welfare staff have been able to devote more time to the general welfare organization in the Provinces. A major preoccupation has been to lead the Provincial Committees towards a stronger emphasis on centers of a permanent character, with the possible withdrawal of food from the purely improvised centers.

15. The shipment of the second distribution of clothing and shoes for Italian Displaced Persons arrived this month.

Coal

16. With all five recently-installed Shovel scrapers in operation, no holidays and the return of many of the harvesting miners, the coal production for July has gone up by leaps and bounds, and a total of

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COAL

16. With all five recently-installed WAPL scrapers in operation, no holidays and the return of many of the harvesting miners, the coal production for July has gone up by leaps and bounds, and a total of 55,514 tons was dug out of the pits. The average daily production was 3537 tons. There is a stockpile at S. antiocho of 22,000 tons - mostly sized coal.

17. A shipment of American bituminous coal - 8162 tons - arrived in the latter half of the month.

AGRICULTURE

a. Supplies

18. The newly-recruited Regional Agricultural Specialist has been in constant touch with the Agricultural Inspectorate and the local food authorities and several meetings have taken place. The needs of

-3-

Att. K-7-a

the three Provinces in the form of agricultural machinery, fertilizers, seeds etc. were examined and reports submitted to Headquarters.

b. Wheat sowing

19. The sowing, after a slow start, has picked up splendidly, thanks to the attractive price and the efforts of the Control Officials, who now have the use of 15 M.R. Jeeps.

20. The quantities sown during the same month of each of the years 1941 to 1945 were easily surpassed by this July's total of 137,010 quintals. In some places there was a shortage of working space.

c. Anti-grasshopper Campaign

21. Although these pests are now practically wiped out, a final stand was made on the outskirts of Cagliari City and the Royal Air Force Airport was temporarily rendered unserviceable by a short but heavy invasion on 6th June. Oil spraying from the air, however, soon cleared the field.

22. The M.R. vehicles on loan for this Campaign are now being returned and inspected in readiness for the anti-scarab campaign.

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5361

28
Document H - 7 - b.MONTHLY REPORT OF THE REGIONAL DIRECTORSICILY REGION, FOR JULYINTRODUCTIONPolitical Aspects

1. The month of July initiated the last half of our 1946 program. Certain anxiety has been shown on the part of the authorities as well as individual persons, resulting from the knowledge that IRRA will close at the end of the year. It apparently seems incredible to some that assistance can stop. It has been the effort of this office, and will continue to be, to throw all responsibilities onto the Italian authorities, so that when the time for our departure actually arrives, they will be in a position to carry on where we leave off. In some cases we have been successful, in others there is a marked looseness and lack of desire to take responsibility. Initiative does not abound. Too many persons are dyed-in-the-wool official administrators and do not attack with constructive criticism problems as they arise. However new blood has been injected into the administrative system, action has resulted. These examples are rare. One of the nine Prefects has exemplified this more or less modern trend, particularly in connection with the amassing. He has shown initiative and courage and has made the amassing problem his personal chore. This, I point out again, is unusual.

2. The normal reaction at the end of the first complete month of the new Republic is negative. There is little conversation as to whether this new form of Government will be able to do what the old Government had failed to do. Everyone appears to be waiting to see what will happen, referring always to the Government as something that did not belong to them, but was more or less imposed on them. It is not exactly understood whether the lack of cooperation on the part of the Sicilian grain producers in the amassing program is a reaction to the new Government, an expression of independence, or a mere display of selfishness.

Food - Visit of Director General

3. That the food situation in an agricultural country should be the most difficult to solve is anomalous. The increase of the bread ration from 200 to 250 grams per day had been anticipated by the Italian authorities as a sure-thing.

4. It had been hoped that no less than 40-45,000 tons of wheat would have been amassed at this date, but the Province of Palermo has been the most difficult of all Provinces, and it can be said that Palermo has not actually started the amassing of grain.

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5. The political aspects of emassing cannot be overlooked, nor can the fact that it is not Uncle's job to emass. Uncle's job was to assist the Italian Government in their emassing problem. Many real problems do exist: the police force is inadequate, the Ministry of Marine has provided no surveillance to hinder export, and benedict flourishes. These problems have been presented by the Italian Authorities to their various Ministries, but up to date no real action has been taken. An example of the situation is that in one of the more progressive provinces where the proper emassable grain is 25,000 tons, the Prefect now states that only 19,000 tons are emassable, and of this quantity 5,000 tons cannot even be touched, because a certain section of this Province is protected against the emassing of

-2-

brigands, Multiply this by nine provinces, some of which are less civilized, and one gains a well-defined picture of what the situation is.

6. The unanticipated pleasure of receiving the Director General, Mayor LaGuardia, was timely. He had the opportunity of seeing with his own eyes the gravity of the situation, and he did not hesitate to explain this to the highest Authorities on the Island. He pointed out clearly that it was not an UNRA problem and we were merely interested to help Italy build up her stock of grain, so that come 1947 she would not find her granaries empty and no grain for purchase available. The problem now remains one to be solved by the Italian Government. In terms of money, 100,000 tons of Sicilian grain represent some 10 million dollars, were they able to purchase it, and a lowering of their ration scale eventually, if they are not able to purchase it. It is hoped that the presence of Mr. LaGuardia here on the Island will have stimulated the Authorities into immediate action, and it is believed that this will be so, since the expression of personal friendliness toward Mr. LaGuardia was evidenced at every turn. The unexpected arrival of the Director General caused a kind of furore in the city and will not be soon forgotten. The press took up his arguments and presented them to the people as a whole. The pleasure with which my own office received Mayor LaGuardia and Mr. Keeny, who accompanied him, is not necessary to describe.

SERVICES PROVIDED WITH UNRA RESOURCES

Health

7. The state of health in Sicily is more or less satisfactory, according to documentation which, it must be admitted, is definitely incomplete. Statistics are meagre, and one cannot really judge by the reports from the "medici provinciali" (provincial medical officers). A small epidemic of typhoid fever occurred in Enna Province and the measles epidemic is subsiding. Malaria and typhoid show signs of seasonal increase. Supplies of penicillin, narcotics, insulin and liver extract were distributed during the month. Sheetings for hospitals was delivered to two provinces. A survey of the Island was completed by Col. Macdonald, Regional Medical Officer, in conjunction with Dr. Savoja, Italian Regional Health Officer and Dr. Resinicova, TB Specialist from Mission Headquarters, to determine the allocation of 40-Bed Hospital Units. The Regim Morghe-rita Hospital was opened in Messina on 1 July 1946, after UNRA delivered a 200-Bed Hospital Unit. This is a very important occasion in Messina Province and a ceremony will be held on 4 August 1946 by way of celebration.

Welfare

8. The Welfare Branch has concentrated its energy on the development of summer colonies for children. Some 100,000 children in Sicily are receiving UNRA rations in the summer colonies and many

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-3-

9. The care of Italian Displaced Persons has been transferred from the now-extinct Italian Displaced Persons Branch, and a new Regional Welfare Officer has taken over in the person of rs. Minerva.

10. An effort is being made by this office to establish an Italian Regional Office for the control and coordination of all assistance given by the Ministry of Post-War Assistance and Ministry of Africa. At the present time no such office exists and one Ministry does not know what the other is doing. The fact that regulations from the two Ministries are different causes unrest. Certain regulations for Italian Displaced Persons are untenable. Interventions have been given that once a refugee leaves a camp on his own account he automatically forfeits his right to return. This is obviously most unfair because it prevents initiative to obtain employment. Further, no provision has been made for the issue of free travel passes for business or compassionate reasons. Free passes are given only for the following reasons: a) transfer from one camp to another b) repatriation c) voluntary relinquishment of camp assistance.

Refugees who wish to collect their passports for repatriation or whatever other purpose, must pay their fare. All these problems have been taken up with the respective Ministries and it is hoped that the regulations will be changed. The need for extra camp space becomes daily more acute, as returning prisoners of war and displaced ex-military personnel join their families. Plans to open two to three camps, which were agreed upon by the Ministry of Post-War Assistance in conjunction with the Italian Delegation, appear at the moment to have come to a standstill. These are essentially Italian problems and UNRRA enters the situation in that it provides the food for children under 15 years of age and expectant and nursing mothers, and in certain instances has established processing workshops in, or near, the camps, thus utilizing refugee labor.

Special Relief Projects

11. We were fortunate in finding a suitable building for the processing workshop, next to the Municipio (Town Hall) in Termini Imerese. Seventy-five are at present employed and work had commenced as of 4 July 1946. Twelve hundred bales have already arrived and 2,200 are still expected from Genoa. The results are satisfactory and processed clothing is already being distributed to Venetian and Guelin refugees. It is expected that these workshops will continue to function at least four months. Approximately 1,000 pieces of clothing at present are being processed per day and it is hoped that this figure will increase.

Agriculture

12. The grasshopper plague has been completely wiped out in all Sicilian zones. Health conditions of animals are good, with the exception of cases of hoof and mouth disease, which are sporadic.

13. The grain situation is as discussed at the beginning of this re-

for Italian Displaced Persons are unalterable. Instructions have been given that once a refugee leaves a camp on his own account he automatically forfeits his right to return. This is obviously most unfair because it prevents initiative to obtain employment. Further, no provision has been made for the issue of free travel passes for business or compassionate reasons. Free passes are given only for the following reasons: a) transfer from one camp to another b) repatriation.

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Agriculture

12. The grasshopper plague has been completely wiped out in all Sicilian zones. Health conditions of animals are good, with the exception of cases of hoof and mouth disease, which are sporadic.

13. The grain situation is as discussed at the beginning of this report. *JJG*

Ports and Shipping

14. Very satisfactory relations continue to exist with all concerned in the discharge and reception of UNRRA goods in the Sicilian ports. The monthly imports for the month of July have increased over the past few months; it is pleasing to note that the imports have once again returned to normal and it is hoped that this situation will be maintained for the future. Discharged in Sicilian ports during the month of July:

-4-

Grain . 29,239 tons

Coal . 24,571 tons

15. During the month of July importation of UNRA goods into Sicily has been effected generally by vessels sailing under commercial Charter-Party terms. In general, the terms indicated that the tonnage to be discharged over and above the amounts indicated in the Charter-Party is to be at the expense of the charterer, namely UNRA. In that the dispatch money to be earned has either been nil or less than the cost of discharging over and above the normal rate, it has been decided to discharge the vessels at the rate indicated in the Charter-Parties. The daily discharge rate has been correspondingly lower for the month of July for this reason. It may be noted that no demurrage was incurred on the ships discharging during this month. (Note by Mission Headquarters Shipping Division: The above procedure is in accordance with Port Instructions in cases where the overcharge would pay more than the labor required.)

16. A fair amount of progress in the repair of ports and their facilities can be reported. The construction of a mechanical apparatus for the unloading of coal in the Port of Palermo is in progress and in a few months will be completed. The addition of this piece of machinery will be of material aid to the port and a more efficient discharge will be effected.

17. It is urgently requested that the surplus material made available by the termination of the war in this theater be made available to the agencies requesting such material. The material requested will be of great advantage to the ports and will aid materially in their rehabilitation.

18. The supply of rail cars available in Sicily still remains far below the demand. The Italian State Railways have stated that a good portion of the cars have been used to transport goods to Northern Italy and have not been returned to Sicily. A separate report has been made to Mission Headquarters for the purpose of rectifying the situation.

C. B. MOSES
REGIONAL DIRECTOR
SICILY REGION

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C. B. MOSES
REGIONAL DIRECTOR
SICILY REGION

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Attachment - 7-0

MONTHLY REPORT OF THE REGIONAL DIRECTORSOUTHERN REGION, FOR JULY, 1946.INTRODUCTION

1. The main features during the month of July have been wheat amassing, launching of the industrial rehabilitation and agricultural specialists, assisting former Colonies, inspecting and advising Italian Displaced Persons Camps.
2. Supplementary feeding is going smoothly, and there have been comparatively few crises in this connection. Some anxiety was caused through the, fortunately short-lived, Petrol Distributors' Strike which again revealed how dependent we are upon road transport and our lack of fuel reserves.

BUREAU OF REQUIREMENTS AND DISTRIBUTION

3. The Southern Industrial Sub-Commission, composed of Italian Experts, was formed at the end of June in Naples and has conferred, together with members of Southern Region HQ. It does not operate to full efficiency yet for the reason that the Sub-Commission has no up-to-date information on the present condition of industrial plants and potential productive capacity, with the exception of a few factories in Campania. Our Regional Representative has pressed the Sub-Commission to obtain such information quickly through the Provincial Chambers of Commerce, Industry and Agriculture, UPIC (Unione Provinciale Industrie e Commercio - Provincial Union of Industry and Commerce), and industrial reports.
4. Tomato canning is one of the principal industries in Southern Italy. There is a bumper harvest this year and the tin plate allocation for canning is anxiously awaited. There are, in fact, lying in Naples Warehouses 192 tons which local manufacturers are eyeing covetously. An early decision on this is being pressed because tomato processing cannot be postponed later than 1 September.
5. The War Industrial plants of Alfa Romeo at Poggioredda and Ansaldo at Pozzuoli are badly needing raw materials and some direction for peace-time production.

AGRICULTURE6. Wheat Amassing

The amassing figures are, to date, satisfactory. In some Provinces results have exceeded expectations. In others they have been disappointing but the disappointing Provinces were not expected to amass much. Our amassing information is, of necessity, about seven days in arrears and we find that the Southern Region has amassed, up to 24 July, nearly 900,000 quintals.

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7. The most disappointing Provinces are in Campania. Campania was expected to produce a total of 180,000 quintals by the end of July but so far has succeeded in amassing 77,000 quintals only up to approximately 25 July. Most of the wheat farming in Campania is in the hands of small holders who are difficult to control.

General Crops

8. It has been an extremely dry season and the spring and summer sowings have suffered from lack of water, particularly beans and maize. The hemp crop should be fair although in Caserta Province it

OM 6566

-2- Att. H-7-7

Flowered particularly ~~tomato~~ production is quite good. Vines are in fine condition and a splendid vintage is expected. Olive crop and fruits are promising.

9. There seems to be some hitch at the moment in the distribution of fertilizers, which is being investigated. This is unfortunate as farmers are needing these at present, and an item such as sodium nitrate is likely to spoil in store.

TRANSPORTATION

10. There is no appreciable change in the transportation situation as described in the report for the month of June. (Attachment K-8-c, Para. 7-3).

HEALTH

11. The standard of health in the Region has not deteriorated during July. There have been no outstanding epidemics. There has been the usual seasonal increase in typhoid. Malaria has decreased. The Regional Medical Officer has been busy visiting hospitals and displaced persons camps and, in respect of hospitals, has been able to report some marked improvement in conditions, particularly equipment and supplies, plus improvement in administration and direction.

12. A further distribution of ambulances is imminent in 11 Provinces.

13. Representations have been made to Mission HQ for an Assistant Regional Medical Officer for duties as outlined in the Regional Monthly Report for June. It is hoped to obtain a qualified Italian Medical Officer for these duties.

14. Plans are in hand to provide a Medical Dispensary in the Regional HQ Offices for the use of all UNRRA employees in Naples and a smaller Dispensary in Bari. This has formed the subject of some correspondence during the month with Mission HQ.

WELFARE

15. The supplementary feeding program continues smoothly.

Summer Colonies.

16. These are well under way but are not up to expectations, in spite of the hard work of Provincial Secretaries and volunteer groups. Provincial Committees need funds and clear direction on food rations. There is a lack of entertainment and organized recreation. In consequence the youngsters sit around far too long with nothing to do.

Displaced Persons Camps

17. Camps have been visited by the Regional Director and Regional Medical Officer, as well as by the Welfare Officers and those visits have formed the subject of reports to Mission HQ. Conditions vary.

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Displaced Persons Camps

17. Camps have been visited by the Regional Director and Regional Medical Officer as well as by the Welfare Officers and these visits have formed the subject of reports to Mission HQ. Conditions vary considerably; for example, Salerno Camp is a happy community while conditions at Aversa camp are lamentable. These variations seem to be the direct result of local enterprise, or lack of it, and it seems that the Ministry of Post-War Assistance is content to leave it at that.

18. One of the outstanding needs is good-sized, well-equipped workshops where various industries, such as carpentry, shoemaking, tailoring, fish-net making and the like can be fostered. Adults, particularly men, have nothing to do, and it is evident from their demeanor that they are bored and listless. Children need recreational facilities, games equipment, and room in which to play. It seems clear that, regrettably, these Camps are to

-3- Att. H-7-0

be a long-term, just which makes it all the more desirable to aim at self-supporting communities in which craftsmen and those willing to learn some useful trade can become useful members of Society again.

19. Unfortunately personnel allocations to camps have resulted in there being practically no space for the enterprises described above and, before anything can be done, it is evident that each camp must be considerably reduced in number of inmates and fresh sites taken up.

Caves Project

20. The new huted camp is gradually filling up and one cave has been completely evacuated. A school has been opened - an unusual school - with ages of pupils ranging from three to 20 years of age! It is hoped to open a Dispensary attached to the school in a few days.

General

21. We still find that the main hindrance to Welfare Projects generally is reluctance of the Delegation to place funds and transport at the disposal of Provincial Committees.

INFORMATION

22. Efforts are being made to find a suitable assistant Information Officer to cover the Southern Provinces of the Region from Bari Office.

23. There has been some hold-up locally in the distribution of the valuable pamphlet "Economic Notes" which has now been adjusted.

ADMINISTRATION

24. Owing to the embargo placed by EAO upon the appointment of any further Class I employees, we are being faced with a difficult situation. It is found that Senior Administrative appointments are, in this Region, most difficult to fill suitably with Class II employees. An increasing volume of Class I travellers through Headquarters entails a good understanding with Travel Agencies operated by the Allies. Receipt, custody and issue of rations and NAZI supplies, bar supervision and bar accounts are duties which it is difficult to impose upon individuals who are denied the enjoyment of the items for which they are responsible.

25. Hitherto premises occupied by the Southern Region have been obtained from the military, either American or British, because there was nothing else suitable. Under War Office instructions, such premises are due for military derequisition with effect from 1 August. These premises include the staff and transient Hotel, all offices and warehouses.

26. The growing number of travellers through Naples has necessitated our negotiating for the balance of available accommodation in the Hotel. When completed there will be available approximately

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26. The growing number of travellers through Naples has necessitated our negotiating for the balance of available accommodation in the Santa Lucia Hotel. When completed there will be available approximately 90 beds which it is hoped will cater adequately for the Italian and neighbouring missions.

27. With regard to Bari Sub-Headquarters, the derequisitioning of the Imperiale Hotel by the Military Authorities in which accommodation was available to UNRAA travellers, may create a difficult accommodation problem but fortunately there are a few vacant beds in the HMess which may be sufficient for the average traffic flow.

Naples, 2 July, 1946.

C. RANSOM-ABBOTT
Regional Director

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CENTRAL REGION, FOR JULY 1946.

INTRODUCTION.

1. The Regional activity was highlighted by a visit of the Director General and members of his staff from 21 July to 26 July.
2. Insofar as Regional activities were concerned, the program of Tuesday, 23 July covered more or less matters pertaining to the Rome Region, particularly in the city of Rome and environs. The first item on the program was an official call by Mr. La Guardia on the Mayor of Rome at the Campidoglio. After the formal ceremonies were completed, he was greeted by some 2,000 children in the Pincio Gardens. These children are being fed under the UNRRA Program under the direction of the Rome Provincial Committee. Mr. La Guardia received a souvenir volume of photos and childrens' thanks for the UNRRA Program. Calls were made at the school "Poverelle di Bergamo" and the Camp of Displaced Persons at Cinecitta.

PROTECTIVE SERVICES & SECURITY.

3. Though the matter of security has been under consideration and study by the Bureau of Requirements & Distribution, Mission Headquarters, no report has yet been rendered concerning the approval or disapproval of a supervisory service on the inland transport of UNRRA supplies.

BUREAU OF REQUIREMENTS & DISTRIBUTION.

4. On the question of distribution of UNRRA supplies, it is essential that all other sources of supply in Italy be utilized to the end and that the UNRRA contribution may function as contemplated, i.e., a complement to the existing supply sources of the nation. Italy has always had a limited amount of indigenous supplies. In addition to these not too plentiful supplies, she has received additional supplies through various sales or contributions by Allied Governments. The Italian Government has also purchased war surplus materials. Therefore this second category should be utilized to the fullest extent. UNRRA in its regional survey intended to supplement these two sources of supply and of necessity contemplated the full function and contribution of these two needful avenues.

5. UNRRA is interested in observing the operation of the indigenous resources program insofar as it is check and jowl with the UNRRA undertaking. We should be in a position by the end of next month to witness how successful the Italian Government's effort has been with regard to the largest factor in this category, namely, the wheat harvest. The lamentable part of the Italian Program is the distribution of war surplus items, particularly through the State agencies of ARAR (Azienda Rifornimento Alimentare Residui) - Italian Agency for the purchase and distribution of Allied Military Sur-

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6. ASAR was formed for the purpose of purchasing war surplus items and distributing the same into the Italian industrial or agricultural economy. This program begged soon to such an extent that distribution was impeded mainly through the establishment of a high price level which was prohibitive to the Italian consumer. It is a known fact that a large portion of the items purchased by ASAR has been lying idle in warehouses and depots throughout Italy where many still remain undelivered and undistributed.

OM 6533

-2-

7. The program of ENDIMEA can similarly be criticized with respect to medical products. Following the receipt of tremendous medical supplies from Allied sources, this Agency has followed a pattern of retardation of distribution. In May 1946 a conference took place with representatives present for the Allied Commission, the U.S. Embassy and UNRRA concerning "Accumulation of Supplies for Italian Relief". Recently this Agency, in response to pressure from UNRRA and other sources, has eased the distribution of medical supplies to hospitals and needy cases.

8. The purpose of mentioning both ARAR and ENDIMEA in this report is to give a clear picture of the lack of cooperation thus far on the part of these Agencies in making distribution which is vital to the economic effort. Even though there has been slight improvement in the picture recently, the price structure level is far removed from assisting the UNRRA Program. It has been observed that UNRRA should not concern itself with supplies which are not of UNRRA origin. This is a fallacy, if indeed UNRRA assumed that these Agencies would function with all other contributing factors in the vital economic picture. If UNRRA took into account the vast medical stores which ENDIMEA had and followed a source of action not to import items already on hand in Italy, it can certainly be stated that UNRRA expected distribution of these supplies in conjunction with those which UNRRA was supplementing. The striking result is that today in Italy ENDIMEA has on hand sufficient aspirin from Allied sources to take care of normal Italian needs for two-and-a-half to three years. On the other hand, the needy Italian workman, who finds it necessary to purchase this article, finds himself confronted with the necessity of paying over 100 lire for a tube of aspirin, which in many instances represents one half of one day's pay for an Italian workman. If the UNRRA contribution to the industrial rehabilitation is to be a fact, price levels must be tackled with more force and reality. (See also Para. 15 of Attachment H-4).

AGRICULTURE.

9. Extensive inspections have been made in the Region by the Agricultural specialist concerning fertilizers, agricultural machinery and seeds.

10. The Amassi Program has been proceeding in fairly good order with one exception - in the area of North Abruzzi where a political question concerning share-cropper rights has arisen. This evidently is being solved so that for the time being it can be said that the Amassi Program is going ahead favorably.

11. With respect to agricultural machinery, it seems that the South is in vital need of more machinery and equipment, while apparently the North is faced with a slight surplus. In addition to the loss of livestock which farms throughout Italy in general suffered during the German occupation, Central and North Italy have by far suffered the most on property damage occasioned by the war. Some steps should be taken to ameliorate this condition forthwith in view of the fact that ploughing should be tackled in the months of August and September.

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FOOD DISTRIBUTION.

12. Inspectors have gone through the Region making investigations of warehouses and submitting constructive suggestions for the preservation of supplies as well as the movement of perishable supplies.

OM 6533

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WELFARE.

13. The Summer Colonies Program is proceeding favorably and much good will has been built up for UNRRA in this work.

HEALTH.

14. The distribution of medical supplies has not been as great as during the previous two months. However, on the third consignment of UNRRA trucks, it is expected that major needs will be taken care of. No epidemic conditions have occurred throughout the Region.

SUB-OFFICE, ASOOLI PICOLO.

15. As mentioned in the last monthly report, the Sub-Office in Ancona has now been closed and a sub-regional office has been established at Ascoli Piceno, coordinating activities more centrally on the other side of the Apennine Range.

Peter C. Borre,
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Attachment H-7-(e).

EXTRACTS FROM THEMONTHLY REPORT OF THE REGIONAL DIRECTOR, EMILIA AND TUSCANY REGION FORJULY 1946.INTRODUCTION.

1. The Regional Director's visit to the provinces of Apuania, Grosseto, Arezzo and Bologna closed his economic survey of the 17 provinces of Emilia and Tuscany region.

2. Two new processing ventures of Special Relief Projects have begun to show results in the manufacture of underclothing and sandals. UNRRA assistance this month in repairing war-damaged houses is gathering momentum with 2,397 rooms repaired in 79 communes. Welfare is now prepared to take over new duties of clothing distribution and Italian displaced persons camps welfare work. General health continues to improve with no serious problems except the recurring one of tuberculosis. Health Section has won its point in having medical supplies issued to hospitals without pre-payment. Displaced persons stresses the need for supplementary food distribution to non-Italian refugees outside of camps.

3. Ports and Shipping reports that Leghorn and Piccino took in six UNRRA ships this month, somewhat improving conditions among port workers. Agriculture says the sowing campaign is giving outstanding results in Emilia where Ravenna, Ferrara and Modena have exceeded their target and Bologna and Forlì will soon reach it. Other crop production forecasts are good, especially in sugar beets and fruit. German fishermen complain they could only fish 10 days this month because of low fuel allocations. Food Section reports that its distribution check is keeping provincial officials on their toes. The bread ration increase was preceded by sporadic unauthorized increases in many provinces. Following vigorous police drives against illegal possession of rationed goods, black marketers are finding life less pleasant. Industry Section says that food processing is looking up because of excellent crops, but our iron, mechanical and textile industries persist in doldrums because of lack of fuel, markets and capital.

4. Finance and Administration have given us a new billet in Florence, a new garage in Bologna, new messes for local staff in Florence, an increased and consolidated financial accounting system, but report little hope of bringing transportation up to allotted strength.

PUBLIC INFORMATION SECTION.

5. Information on the activities and scope of UNRRA aid to Italy continues to pour forth from the regional information office. A weekly survey of the regional press covering news of UNRRA and the general economy goes out to 450 selected Italian regional officials in Italian and to 300 Allied officials in English. Official UNRRA releases from Rome are selected, mimeographed and sent out to the 450 Italian officials in Italian. The distribution of the valued Economic Notes has reached the total of 1,300 in Italian.

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RELIEF SERVICES BRANCH.

SPECIAL RELIEF PROJECTS SECTION.

6. (Processing). The processing of used clothing which arrives from overseas in mixed bales has increased considerably during the past month and is now quite an industry in itself. Our Florence and Bologna workshops provide employment for several hundred people, mostly displaced persons, homeless and other needy categories. In Florence coats and shoes are being processed in our shoe repair shop by about 65 displaced persons under the direction of a skilled cobbler.

7. Processing statistics for the past month are as follows:

- 2 -

	Florence	Bologna	Total
Bales opened	604	738	1,342
Garments sorted	105,466	129,144	234,610
Garments repaired	27,663	20,890	48,553
Bales repacked	623	717	1,340
Shoes sorted	42,704	---	42,704
Shoes repaired	23,405	---	23,405

All these figures show an increase over the previous month.

8. Two new processing ventures have begun to show results, the manufacture of underclothing and of sandals. Under-garment production figures for the past month are:

	Florence	Bologna	Total
Garments out cut	61,600	40,502	102,102
Garments made up	3,480	6,966	10,446

Sandals are being manufactured in Florence from old army boots, which are being taken completely to pieces. The material is then cut to suitable shapes and made up anew as sandals. Thus far 2,000 pairs of sandals have been produced in this way.

9. (Local Crafts). Early in the month the head of the Rome Processing Section visited Florence, and, together with the regional director, the regional processing officer and the industrial rehabilitation officer, attended a meeting with the local Artisans Association to discuss ways in which INRAA could help in the rehabilitation of local crafts. The results of this meeting are now under consideration in Rome.

10. (INRAA-CASAS). The program of assistance in repairing war-damaged houses is gathering momentum in both Emilia and Tuscany and figures from all districts show an increase over last month.

11. With the transfer of responsibilities from INRAA to the newly-established Italian administration of CASAS, INRAA voluntary society workers are now free to spend more time in the communes seeking out needy cases who should be having CASAS assistance and making sure that CASAS help is in fact reaching those people for whom it is intended.

12. The newly-opened Faenza office has helped repair 29 rooms thus far. Both Faenza and Bologna offices report that requests for assistance greatly exceed their capacity to meet them.

13. The biggest problem facing CASAS at the moment is that many people cannot afford to repair their houses, even if the State grants them materials free in advance, because they have not sufficient money in hand to pay for the skilled labor necessary.

14. The statistics for repair works for the past month are:

	Tuscany	Emilia	Total
Rooms repaired	313	1,473	2,397
		1,502	2,546

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14. The statistics for repair work for the past month are:

	Tuscany	Emilia	Total
Rooms repaired	918	1,479	2,397
Persons rehoused	254	1,692	2,646
Tons of material carried	2,513	1,708	4,221
Villages assisted	44	35	79

WELFARE SECTION.

15. (Food Distribution). Figures reported by provincial secretaries for July food distribution show the following totals:

July	Hot Meals	Dry Food	Total
Bologna	9,243	30,894	40,137
Forli'	5,900	17,126	23,026
Ferrara	6,359	11,941	18,300
Modena	4,429	18,151	22,580
Parma	1,496	47,918	49,414
Piacenza	3,153	5,501	8,654
Ravenna	12,953	3,323	16,276
Reggio Emilia	3,390	8,490	11,880
Apulia	10,449	4,330	14,779
Arezzo	8,810	5,930	14,740
Florence	21,967	12,798	34,765
Grosseto	6,411	1,657	8,075
Livorno	9,428	1,992	11,420
Lucca	10,115	4,556	14,671
Pisa	10,355	3,620	13,975
Pistoia	5,559	2,667	8,226
Siena	9,758	3,910	13,668
TOTALS	139,714	185,453	325,167

16. The situation has materially improved since the inauguration of the system of direct deliveries to "SEFRA" (Provincial Rationing Office) and the increased control by the Regional Requirements & Distribution branch. Supplementary rations for the summer colonies have been slow in arriving but provincial secretaries have made great efforts to borrow the necessary amounts in order that the opening of colonies should not be unduly postponed.

17. (Clothing Distribution). A great deal of work in clothing distribution to Italian Displaced Persons has been done this month. The visits to the Ministry of Post-War Assistance representatives and commences to survey the position have confirmed our opinion that (in Tuscany at least) former distributions were carried out with little system and scarcely any control. Everywhere we had reports of dissatisfaction and often of actual disturbances. In most provinces, the first distributions under the new scheme will begin late in August or early September. Conditions in Emilia are very much better than in Tuscany, as two (MBA) officials of the Displaced Persons section have been working the district for some time.

18. (Italian DP Camps). All six camps in Tuscany have been visited. In Emilia, transport difficulties have delayed completion of the survey which is still in progress. Numbers of Italian displaced persons are as follows: (approx.) Apulia-930; Arezzo-500; Florence-2,400; Lucca-1,200; Reggio Emilia-480. A large new camp in two sections is to be opened in Marina di Massa on 29 July covering some 2,300 persons. Two others (Florence and Lucca) are expected to open shortly for about 1,000 and 2,500, respectively. Nearly all these refugees are from Venezia Giulia.

19. There are at least 24 camps in Emilia. Many of these are small groups and, if premises can be found, might well be assembled into larger units. Italian refugees in Emilia total:

Bologna-(18 camps) 5,015; Ferrara-200; Forli'-998; Modena-147; Parma-

5352

Lucca	10,115	4,536	14,710
Pisa	10,365	3,620	13,985
Pistoia	5,559	2,657	8,236
Siena	9,758	3,910	13,668
TOTALS	139,714	185,453	325,167

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Bologna-(18 camps) 5,015; Ferrara-200; Forlì-998; Modena-147; Parma-123; Piacenza-550.

20. (Summer Colonies). Provincial secretaries are to be congratulated on the results of their work to get summer colonies and daily holiday parties started by the middle of July. The approximate numbers of colonies for the Region are as follows:

Tuscany:	50 resident colonies	236 daily colonies
Emilia:	40 resident colonies	53 daily colonies

Special mention should be made of Reggio Emilia, Forlì and Modena where all colonies are now opened. Many of the colonies have already had a visit of inspection. Bearing in mind the difficulties which have had to be overcome, most are surprisingly well-organized.

21. (Relations with Italian Government). Both the Italian Delegation

- 4 -

representatives have visited the region this month and have attended the monthly discussion meetings of provincial secretaries.

HEALTH SECTION.

22. (General). General health in the region continues to improve with no serious problems except the recurring one of tuberculosis. Among the difficulties encountered in dealing with tuberculosis are increased incidence especially among "educi" (war veterans and ex-prisoners of war) and "profughi" (displaced persons), shortage of normal accommodation because of war damage and lack of essential equipment and drugs.

23. The anti-mosquito campaign with DDT in the Po Valley and estuary region has been very efficiently carried out by 10 teams in Ferrara and Ravenna. At the close of this campaign before the end of the month, general disinfection of all hospitals and other public institutions is to begin. After this, a supply of DDT will be furnished to carry on the work under local arrangements.

24. (Distribution). With the exception of a few articles not urgently required, all items of the first and second general distribution of medical supplies have been taken up by the hospitals. In addition, during July a distribution of much-needed narcotics, liver extract and insulin has been made. Linen supplies to all provinces in the three widely manufactured is now almost complete. The material is excellent and should tide the hospitals over until normal Italian production and prices are reached.

25. A clear statement from the High Commissariat for Hygiene and Public Health on payment policy was demanded and all provincial health officers are now prepared to issue supplies without pre-payment from needy institutions, although not all these institutions are aware of their rights.

26. Much larger third and fourth general distributions are expected, the third to begin towards the end of this month. It is essential that a scheme be evolved spreading our supplies down to the level of the communes. Basic supplies must reach the "ambulatori" (out-patient departments) of the "medici condotti" (communal medical officers) and the offices of other district sanitary officials not based on hospitals. Again the extreme difficulty of detailed distribution down to the innumerable communes of each province by the under-staffed provincial health officer must be stressed. A possible solution to this problem might be a special temporary increase of staff and the cooperation of other Government workers in their distribution to communes.

DISPLACED PERSONS.

27. (Assistance). The present total caseload of out-of-camp assistance in the region is 1,661 people. In Tuscany, 196 persons are being cared for in "Hochsharoth" (Jewish vocational training centers) and 474 are being assisted outside of camps. In Emilia, the figures are 589 in "Hochsharoth" and 402 outside. During the month, 830 authorizations were issued for general medical care to displaced persons, an increase of 30% over last month. A new "Hochsharoth" for 74 orphans at Campo Lecciano 73 (Leghorn) is receiving the usual UNRRA assistance.

28. (Health). The general level of health is unsatisfactory, obviously due to under-nourishment of people living outside of congregate-care centers. It is more imperative than ever that supplementary food be made

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28. (Health). The general level of health is unsatisfactory, obviously due to under-nourishment of people living outside of congested-care centers. It is more imperative than ever that supplementary food be made available to people outside of camps. A diptheria epidemic among babies in the Villa Alinari "Hochshara" was nipped in the bud following energetic measures taken by this office.

REQUIREMENTS AND DISTRIBUTION BRANCH

STATISTICS AND REPORTS SECTION.

29. (General Economy). Looking back over the economic survey tour of our 17 provinces, we find conditions varying according to the economic organization of each province. However, certain basic conditions are true of the whole region: lack of capital for reconstruction, severe unemployment, lack of basic industrial materials (especially coal), insufficiency of transportation facilities and lack of basic agricultural materials

- 5 -

(machinery, fertilizers and seeds). Private enterprise is wary of financing needed reconstruction because of the cloudy economic and political future. State programs of public works have not as yet affected general economic conditions.

30. (Unemployment). There is widespread unemployment in the region. The attached table (see Appendix "A") shows a total of 122,049 unemployed in Tuscany and 156,995 in Emilia.

31. (Unemployed War Veterans). One of the most serious phases of the unemployment problem is the case of War Veterans. The situation in Bologna and Florence is typical. In Bologna, although 1,521 of these men have been employed in the last six months, there are still 4,151 registered. In Florence, only 639 were placed in the last six months and 8,817 are still on the rolls. Their rehabilitation is most difficult. Although prefects have ruled that firms should employ a certain quota of veterans, results are negligible, since most of the firms had already complied spontaneously. Comparatively few are fit to work because of lack of experience, having been mobilized at an early age. Many of them are now physically unfit as a result of privations suffered during the war. The situation in Florence is serious. Over 1,000 reported in tubercular condition are not yet being treated in hospitals.

PORTS & SHIPPING SECTION.

32. (Shipping). Five ships unladen in Leghorn and one in Piombino. Both ports are in a position to stand a greater flow of ships. Reconstruction work is going on steadily in Leghorn and in a few months two berths will be completed with rail sidings.

33. A strike halted work in Leghorn port for almost two days but the stevedores made up lost time by working faster on the following days.

34. (Warehouses). The inadequate and limited Leghorn warehouses are being used to full advantage. However, an inventory of stocks showed that some imported foods had been lying idle since last year. These items are: 124 tons of skimmed milk powder; 36 tons of dried vegetables; 7 tons of salt; 85 tons of sugar; 17 tons of egg powder and 3 tons of mackerel. The "Federconsorzi" (Government Warehouse Agencies) have an apparent tendency to move new stock before old. If this tendency is eliminated, allocations not yet fulfilled from Leghorn will dispose of all the milk, dried vegetables, mackerel and sugar. The rest of the food is unpalatable to Italian consumers, besides being priced rather high.

AGRICULTURE.

35. (General). Continued sunny weather has helped the progress of wheat harvesting considerably. Humidity in newly-harvested wheat is steadily dropping to the normal 14%. Stinking smut is found considerably in Siena and Grosseto provinces.

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36. Other production is very good. Corn (maize) crops are especially promising in the Emilia and Tuscan plains and also, this year, in the poorer hilly districts. The sugar beet forecast for Emilia is 900,000 tons which may furnish some 90,000 tons of desperately-needed sugar. Fodder, especially alfalfa, promises a good cut in August.

37. Harvest liaison work carried out during the month by UNRRA agricultural personnel reveals the main problems of the amassing campaign. Stricter control of flour mills is essential. Black market wheat must of necessity be channelled through these mills. At present, only small mills are checked by "UPSEA" (Provincial Agricultural Statistics Office) agents, but, due to technical difficulties, no inspection is being made of industrial mills. Another problem is the limited capacity of "Consorzi Agrari" (Provincial Agricultural Warehousing Agency) stores. Sometimes the "Consorzi Agrari", in an excessive spirit of economy, are

785017

- 6 -

reluctant to rent emergency warehouses to house the great flow of grain. It has proved fatal for the amassing campaign to tell producers arriving to turn in their wheat to come back later. Local magistrates and courts of law would also contribute greatly to the campaign if speedier action against violation of the amassing regulations were taken, thus giving agricultural officials much-needed support.

38. On the whole, however, the efficiency of the Italian amassing agencies is satisfactory in this region, as indicated by the excellent amassing results to date and the number of transgressors who have been apprehended.

39. Arrival of supplies was limited to 18 Albion cutters and 4,000 quintals of ammonium nitrate for Tuscany. This fertilizer is still blocked at the warehouses pending establishment of sale price. Thus, although wheat for summer-irrigated cultivation, it will have to be used next fall.

40. (Fisheries). Fishing along the Tyrrhenian coast of the region reflects the serious straits of the industry nationally. Fishermen complain generally of the scarcity of fuel assigned for fishing and the high price of fishing gear and material. According to their calculation, fuel allotted for July is sufficient for 10 days fishing. Much former A.C. fishing material has been lying in the Leghorn warehouses for six months, because the prices established by the Government are higher in some instances than those of the free market. Eighty tons of fish were reported by the two Leghorn cooperatives and 106 tons by Viareggio.

FOOD SECTION.

41. (Distribution). The checking of food distribution in the region is now in full swing. Our statistical office keeps a constant check on the basic 10-day returns of the provincial "Consorzio Agrario". We have found that approximately 10% of these returns are incorrect. Immediate contact is made with the provincial office and figures are corrected.

42. It has been found that certain imported food items in powdered form (eggs, milk, soup) are moving extremely slowly. There seem to be two reasons: first, the items are not palatable to the average Italian and second, prices are set too high, making it preferable to buy fresh products.

43. The regional stock situation in these items for the month of June is:

Commodity in tons	Stock in hand at 1 June 1946	Distributed During month	Balance at 30 June 1946
Powdered milk	1,569.16	462.13	1,107.03
Evaporated milk	3,192.60	599.90	2,592.70
Powdered soup	5,220.43	656.87	4,563.56

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Powdered soup	5,220.43	656.87	4,563.56
Powdered eggs	329.49	3.48	326.01

This slow distribution might be eliminated by publicity on the value and proper use of these special foods, by their use in the manufacture of bread and pasta and by their distribution at lower prices to particularly needy categories.

44. (Bread Ration). On 6 July, news spread like wildfire that the prefect of Milan had arbitrarily increased the ration from 200 grams to 300 grams daily. Meetings were held all over the region to urge our prefects to follow suit. The huge initial flow of wheat into provincial warehouses at the beginning of the amassing campaign brought great illusions in its wake. Reggio Emilia, Florence, Siena and Arezzo increased the ration to 250 grams. Piacenza, Parma and Modena went further and raised it to 300 grams. The other prefects held firm, awaiting orders from the Government. On 12 July, following a news report

- 7 -

that the Government had ordered a general increase to 250 grams, all the provinces in the region stabilized the ration at that figure.

45. (Black Market). Special mention must be made of the war which is being waged by Italian officials in this region on the black market in food. All of the Italian police forces and officials, (Carabinieri, flying squads, tax police, statistical officials, road police, rail police, economic police, city constables) and volunteer citizen committees are mobilized in the formation of road-blocks to halt illegal transportation, investigation of mills and threshers to check illegal possession of grain and control of prices in shops. Threshing licenses have been revoked, mills have been shut down, amassing violators have been arrested, shops have been closed, black marketers have been fined or jailed for violations of food control laws. The wheat and flour seized in Emilia alone are roughly equivalent to 750,000 rations of bread. The sugar seized in Emilia would furnish 83,500 monthly rations of 200 grams each.

INDUSTRY.

46. (Distribution). Supervision of the distribution of imported industrial raw materials has been hampered by two factors:

a) the influence of the recently-created Rome Industrial Sub-Commission has not been felt very greatly as yet in Tuscany, and (b) many firms in Emilia appear unwilling to disclose their production status.

47. General industrial rehabilitation appears reassuring only in food processing, and to some extent in State-subsidized public works, both of which are necessarily short-termed projects.

48. Especially good prospects for sugar beet, tomato, fruit, milk and cheese production will have favorable repercussions in industry as well as export. However, this assumes sufficient and timely allocations of coal, POL, tinplate and sugar.

49. There is a sound desire that processed food products find some outlet abroad. This would secure free foreign currency for Italian imports of essential raw materials when UNRA's import program is terminated. Regional iron, mechanical and textile industries are in persistent doldrums because of shortages in fuel, and especially because of limited markets and lack of capital. With the exception of pyrites and petroleum, all mining industries are experiencing difficulty in finding outlets. Lignite, marbles and iron ores are also held up by the irregularity and frequent non-existence of rail transport.

50. (Local Fuel). Industries agree in principle that consumption of imported coal should be kept to a minimum when locally-produced fuels (lignite, methane, etc.) are available; in practice however, very few firms conform to the vigorous campaign in favor of national fuel.

51. The campaign to increase consumption of regional production of methane constitutes an industrial problem. This natural gas, which

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51. The campaign to increase consumption of regional production of methane constitutes an industrial problem. This natural gas, which is found chiefly in the Po Valley and in the Tusco-Emilian Apennines, is exploited industrially by more than 60 mining companies. Three pipelines conduct the gas from the points of production to the consumption centers; (a) Rovigo-Ferrara to Padua-Verona; (b) Piacenza-Parma to Milan; (c) Pietramala (Florentine Apennines) to Florence. Daily output is again at about 100,000 cubic meters (one cubic meter of methane equals one liter of petrol or almost two kilos of coal). Its use in place of costly imported coal in the present emergency is recommended.

52. The Tuscan methane output fortunately is being entirely taken up by the market, although the Societa' Idrocarburi Nazionali (National Hydro-carbon Society) is producing only about half the daily capacity of 22,000 cubic meters of its Pietramala-Florence pipeline. However, in Emilia there is an over-production which could be eliminated by the construction of a new pipeline from Ferrara to Bologna, for which

-8-

Allied materials have been requested.

53. (Sugar Industry). Requirements and distribution of coal for sugar factories in Emilia and Tuscany are:

Coal Requirements Forecast	Allocation made	Distribution effected to 23 July	Difference	Fuel oil allocated
Emilia 90,000	72,930	54,812	-18,118	15,200
Tuscany 5,000	1,900	1,467	- 433	--
Total 95,000	74,830	56,279	-18,551	15,200

Thus, a good proportion of the coal which the sugar industry estimated as its requirement has been allocated, but 18,551 tons of the reduced allocation are still to be delivered to this essential industry. It is urgent that the coal arrive in time, for in this case coal means sugar, essential for the basic ration and the important food-processing industries.

VEHICLE CONTROL AND MAINTENANCE SECTION.

54. Transportation in the region has not yet been brought up to its allotted strength, despite continual promises from headquarters. Operations are hampered as a consequence. Regional strength, inadequate for the job to be done, is; one Fiat sedan, four Chevrolet command cars, 21 jeeps and nine trucks.

ADMINISTRATIVE SERVICES SECTION.

55. Personnel strength this month is:

	Class I	Class II	Class III
Florence	13	54 monthly	36 daily
Bologna	6	41	29
Faenza	1	1	1
Leghorn	-	2	1
Carrara and Lucca	1	5	3
Total	21	103	69

17

Total 210

56. 4 Class I billet in Florence is now located at the Anglican American Hotel. In Bologna military billet and mess privileges have been extended to the end of this month, but as yet no alternative accommodation has been found.

57. Two Class II messes, one for heavy workers and one for office workers, have been opened in Florence and Bologna is planning a similar mess.

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Total 95,000 74,830 56,279 18,551 15,200
 Thus, a good proportion of the coal which the sugar industry estimated as its requirement has been allocated, but 18,551 tons of the reduced allocation are still to be delivered to this essential industry. It is urgent that the coal arrive in time, for in this case coal means sugar, essential for the basic ration and the important food-processing industries.

VEHICLE CONTROL AND MAINTENANCE SECTION.

54. Transportation in the region has not yet been brought up to its allotted strength, despite continual promises from headquarters. Operations are hampered as a consequence. Regional strength, inadequate for the job to be done, is: one Fiat sedan, four Chevrolet command cars, 21 jeeps and nine trucks.

ADMINISTRATIVE SERVICES SECTION.

55. Personnel strength this month is:

	Class I	Class II	Class III
Florence	13	54 monthly	36 daily
Bologna	6	41	29
Parma	1	1	-
Leghorn	-	2	1
Carrara and Lucca	1	5	3
Total	21	103	69

Total 210

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57. Two Class II messes, one for heavy workers and one for office workers, have been opened in Florence and Bologna is planning a similar mess.

A.L. ELLISON
 REGIONAL DIRECTOR
 EMILIA AND TUSCANY
 REGION.

OM 6523

UNEMPLOYMENT IN EMILIA AND TOSCANA REGION (JUNE 1946)
(Figures from Provincial Labour Offices)

	AGRICULTURE		INDUSTRY		COMMERCE		VARIOUS		TOTAL	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	
FIRENZE	52	-	105	18,150	316	7,610	223	1,946	40	27,758
LIVORNO	294	-	25	8,036	115	4,309	29	3,885	201	16,521
PISA	347	+	105	5,903	412	1,703	154	2,379	200	10,332
LUCCA	1,537	+	149	14,618	731	2,208	182	5,520	452	23,883
PISTOLA	638	+	79	4,513	166	1,626	9	3,547	196	10,344
APUANIA	524	-	4	11,759	148	2,742	71	6,588	31	21,613
AREZZO	289	-	29	5,449	435	669	9	552	31	6,959
SIENA	291	-	131	987	181	683	92	1,127	220	3,088
GROSSETO	249	+	114	702	139	369	172	428	89	1,748
TOTAL	4,221	+	153	70,117	1,411	21,919	663	25,972	556	122,249
MODENA	5,535	-10,537	7,896	1,790	498	24	1,946	36	14,976	-12
BOLOGNA	12,851	-7,644	19,617	200	1,981	57	4,568	74	39,015	-
REGGIO E.	4,707	-2,050	7,876	995	591	30	999	6	14,163	-
PARMA	1,115	-1,282	6,284	281	683	17	978	37	8,335	-
PIACENZA	955	-71	6,537	123	232	27	1,693	281	11,742	-4
PARMA	31,211	-23,522	16,015	613	706	11	1,385	26	52,301	-12
RAVENNA	1,568	-2,714	563	277	214	55	771	45	3,088	-
FERRARA	1,235	-2	6,858	50	505	6	1,236	53	12,275	-4
TOTAL	32,212	-54,058	70,190	3,105	5,691	89	12,603	290	155,546	-5

(1) Total unemployment in June 1946

(2) Increase or decrease of unemployment in June compared with May 1946

UNEMPLOYMENT IN EMILIA AND TOSCANA REGION (JUNE 1946)
(Figures from Provincial Labour Offices)

Appendix "A"

AGRICULTURE		INDUSTRY		COMMERCE		VARIOUS		TOTAL		REMARKS					
(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)						
2	-	105	18,150	+	316	7,610	+	223	1,946	+	40	27,758	+	474	Unemployment figures for Tuscany are almost unchanged, but show a slight increase in Industry. Tuscany farms being small, no extra help is employed for the harvest.
4	-	25	8,036	+	115	4,309	-	29	3,885	-	201	16,524	-	140	
7	+	105	5,903	+	412	1,703	+	154	2,379	+	200	10,332	+	871	
7	+	149	14,618	+	731	2,208	+	182	5,520	+	452	23,883	+	1,514	
8	+	79	4,513	+	166	1,626	-	9	3,547	+	196	10,344	+	432	
4	-	4	11,769	+	148	2,742	+	71	6,588	+	31	21,613	+	246	
9	-	29	5,449	-	435	669	-	9	552	-	31	6,959	-	504	
1	-	131	987	-	181	683	-	92	1,127	-	220	3,088	-	624	
9	+	114	702	+	139	369	+	172	428	+	89	1,748	+	514	
1	+	153	70,117	+	1,411	21,919	+	663	25,972	+	556	122,249	+	2,783	TOTAL PERCENT INCREASE 2.33%
5	-	10,537	7,896	-	1,790	498	+	24	1,046	-	36	11,975	-	12,330	Decrease is accounted for by employment of laborers on the large Emilia farms during the harvest. This is seasonal work and will not affect post-harvest figures. Harvest also accounts for the decrease in unemployment in industry, which is largely food-processing in Emilia.
1	-	7,844	19,617	-	206	1,981	+	57	4,566	+	74	39,015	-	7,510	
1	-	8,090	7,876	-	995	591	+	30	999	+	6	14,163	-	9,046	
1	-	1,282	6,484	+	231	663	+	4	575	+	37	5,435	-	55	
1	-	71	8,655	+	125	242	+	27	1,393	+	231	11,742	+	386	
1	-	23,522	16,915	-	613	756	+	11	1,365	+	25	52,301	-	23,120	
1	-	2,714	555	-	271	213	-	55	79	-	35	3,062	-	3,065	
1	+	2	6,058	+	56	503	-	9	1,248	-	53	12,275	+	35	
1	-	54,065	78,190	-	3,105	5,491	+	69	12,803	+	290	158,506	-	57,065	TOTAL PERCENT DECREASE 26.6%
employment in June 1926															
or decrease of unemployment in June compared with May 1926															

employment in June 1946

or decrease of unemployment in June compared with May 1946

203

INCREASE OF FOOD COSTS IN EMILIA REGION SINCE AUGUST 1945

(Based on normal diet for each member of average family of

MONTH	FERRARA	PARMA	MODENA	FORLI'	RAVENNA	REGGIO E.	BOLOGNA	PIA
AUGUST 1945	11,298.30	11,759.10	11,996.40	12,081.00	11,959.80	12,222.00	15,888.40	15,8
SEPTEMBER 1945	13,868.40	12,970.20	15,362.10	14,423.10	14,652.90	14,742.90	17,276.10	18,2
OCTOBER 1945	15,752.70	14,615.10	17,460.90	15,285.90	15,606.00	16,565.70	18,109.50	19,1
NOVEMBER 1945	14,454.60	16,958.10	13,601.70	17,333.40	19,455.60	18,568.50	20,472.30	17,8
DECEMBER 1945	16,119.00	15,885.00	15,586.80	18,983.40	19,499.40	16,653.50	19,012.10	19,0
JANUARY 1946	17,180.10	16,657.50	16,509.00	17,197.20	18,402.90	18,486.60	18,651.30	20,1
FEBRUARY 1946	16,146.30	16,642.50	16,309.50	17,644.50	18,275.10	17,687.50	17,342.70	20,8
MARCH 1946	16,357.50	17,059.20	18,081.00	18,128.70	19,557.30	17,859.30	19,081.50	20,8
APRIL 1946	18,318.30	18,215.10	19,716.60	18,773.70	19,584.00	20,609.70	19,465.90	21,2
MAY 1946	18,649.40	19,710.00	19,348.20	17,720.70	17,812.50	20,305.50	20,665.20	21,0
JUNE 1946	17,093.40	18,928.20	17,898.00	17,656.50	16,784.00	20,800.50	20,317.30	21,7
Aver. Provincial Costs during year	16,751.63	16,309.09	16,533.65	16,838.91	17,416.40	17,649.24	18,754.80	19,63

Average Regional Food Expenditure in 1945 - 1946 - Lit. 17,360.89

(Statistics by Regional Labor

INCREASE OF FOOD COSTS IN EMILIA REGION SINCE AUGUST 1945

Appendix "B"

(Based on normal diet for each member of average family of five)

	PARMA	MODENA	FORLÌ	RAVENNA	REGGIO E.	BOLOGNA	PIACENZA	Average Regional Costs by month
.30	11,759.10	11,996.40	12,081.00	11,959.80	12,222.00	15,888.40	15,809.40	12,876.80
.40	12,970.20	15,362.10	14,423.10	14,652.90	14,742.90	17,276.10	18,230.70	15,190.80
.70	14,615.10	17,460.90	15,285.90	15,606.00	16,565.70	18,109.50	19,154.10	16,568.73
.60	16,958.10	13,601.70	17,333.40	19,455.60	18,568.50	20,472.30	17,879.10	17,340.41
.00	15,885.00	15,586.80	18,983.40	19,499.40	16,653.50	19,012.10	19,023.30	17,604.06
.10	16,657.50	15,509.00	17,197.20	18,402.90	18,486.60	18,651.30	20,106.30	17,398.86
.30	16,642.50	16,309.50	17,644.50	18,275.10	17,887.50	17,342.70	20,898.60	17,643.34
.50	17,059.20	18,081.00	18,128.70	19,557.30	17,859.30	19,081.50	20,845.50	18,371.25
.30	18,215.10	19,716.60	18,773.70	19,594.00	20,009.70	19,465.90	21,232.80	19,417.01
.40	19,710.00	19,348.20	17,720.70	17,812.50	20,305.50	20,665.20	21,079.50	19,161.37
.40	18,928.20	17,898.00	17,656.50	16,764.00	20,800.50	20,317.30	21,719.10	18,897.18
.63	16,309.09	16,533.65	16,838.91	17,415.10	17,649.24	18,754.80	19,634.40	17,360.89

Average Regional Food Expenditure in 1945 - 1946 - Lit. 17,360.89

(Statistics by Regional Labor Office - Bologna)

Appendix "C"

as of 22 July 1946

AMASSING CAMPION 1946

EMILY

Progress of 1946 Armassing Campaign
in relation to forecast
anticipated by Italian Authorities.

FD 14/2

RD 14/E		as of 22 July 1946	
AMASSING CAMPAIGN 1946		EMILIA	
Progress of 1946 Amassing Campaign in relation to forecast anticipated by Italian Authorities.			
1,000,000	1,000,000		
575,000			
550,000			
925,000			
900,000			
875,000			
85,000			
925,000			
800,000			
775,000			
750,000			
725,000			
700,000			
675,000			
650,000			
625,000			
600,000			
575,000			
550,000			
525,000			
500,000			
475,000			
450,000			
425,000			
400,000			
375,000			
350,000			
325,000			
300,000	300,000		
275,000			
250,000			

Appendix "D"

as of 22 July 1946

MASSING CAMPAIGN 1946

T O S C A N A

Progress of 1946 Amassing Campaign
in relation to forecast
anticipated by Italian Authorities.

[illegible]

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9455

QAL 6538

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Attachment H-7-f.

MONTHLY REPORT OF THE REGIONAL DIRECTOR.

LIGURIA & PIEMONTE REGION, FOR JULY 1946.

INTRODUCTION.

1. The month has not been marked with any outstanding incidents except for the CIP (Comitato Italiano Petroli - Italian Petroleum Committee) and the hotel strikes. The actual stoppage of issue of petrol did not affect UNREA to any great extent, as arrangements had previously been made. The discharging of bulk supply from the S.S. " Carpet Wang" was a bit tricky, but after interviews with the Prefect, CIP, and an address to the workers, the ship was discharged.
2. Allied Commission, Liguria, have received orders to close shop and are in the throes of winding up and returning requisitioned property, etc. We would like to put on record our thanks to AC and Lt.Col. Turner Coles for the help and cooperation they have always extended to UNREA.
3. On the 10 July 1946, the bread ration in nine of the 11 Provinces of the Region was raised by order of the Prefects from 200 grams to 250 grams per day.

PUBLIC INFORMATION.

4. The amount of UNREA shipping in Genoa and Savona during July has been a record, and information have made full use of it. Interest stories and photographs have been published about several of the ships, and the public have been kept well up to date about UNREA activities.
5. Mr. Demitri Baric, photographer from Rome Headquarters, spent several days in the Region, and every facility was extended to him.
6. The mailing list for "Economic Notes" continues to increase. The supplement, "Survey of Italy's Economy" has been well received, and most favorable comments have reached the Regional Office.
7. Throughout the month Radio Genoa have relayed national and local press releases on UNREA activities.

AGRICULTURE.

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INTRODUCTION.

1. The month has not been marked with any outstanding incidents except for the CIP (Comitato Italiano Petroli - Italian Petroleum Committee) and the hotel strike. The actual stoppage of issue of petrol did not affect UNRRA to any great extent, as arrangements had previously been made. The discharging of bulk supply from the S.S. " Carpet King" was a bit tricky, but after interviews with the Prefect, CIP, and an address to the workers, the ship was discharged.
2. Allied Commission, Liguria, have received orders to close shop and are in the throes of winding up and returning requisitioned property, etc. We would like to put on record our thanks to AG and Lt. Col. Turner Coles for the help and cooperation they have always extended to UNRRA.
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7. Throughout the month Radio Genoa have relayed national and local press releases on UNRRA activities.

AGRICULTURE.

8. During the month the weather has been mainly fine, with occasional heavy storms. On Sunday 21 July 1946 a very heavy hail storm passed over the upper Scrivia and Trebbia valleys. These are the most important potato and chestnut districts of the Provinces of Genoa. Farmers of this zone say that crops are almost totally lost. Director Professor Allegri of the local Ministry of Agriculture is making a report which will be forwarded to Headquarters.

AMASSING.

9. The Amassing Program, both in Liguria and Piemonte, has been disturbed and held up by sporadic bad weather. An overall picture of the amount of grain to be amassed should be available by mid-August, should no further deterioration in weather conditions occur. The present figures of grain amassed are very much in excess of those of last year at the same period, but very much less than those of a

-2-

good year, such as 1943. A very rough estimate of amassable grain in the two regions is, Liguria 1,024 metric tons, Piemonte 96,274 metric tons, of which Liguria has amassd approximately 77 metric tons and Piemonte 16,500 metric tons by mid-July.

10. The coal received from UREKA sources is now arriving in the Provinces, and is being issued to owners of threshing machines which operate by coal. A careful check is being kept on this by Provinces.

11. Agricultural Officials in all Provinces are appreciative of the interest UREKA is taking in the Amassing Program, and all seem anxious to make it a success.

Fertilizers.

12. Fertilizers have been closely checked during the month and a full report forwarded to Headquarters. Distribution has been carried out efficiently. July's forwarding for the Region of 2050 quintals of basic slag is now reaching the farmers.

FISHERIES.

13. The two outstanding problems with regard to Fisheries are:-

(a) Scarcity of fuel allotted for fishing.

(b) High prices of fishing gear and materials.

14. The issue of fuel to individual boats is so small that it allows for only 10 days' fishing in one month. Every type of fishing gear except manilla and coconut twines can be found in the open market. The prices, however, are so high that they are out of all proportion to the catches landed.

15. In Genoa and Leghorn the ex-AC fishing equipment is still lying in warehouses. This Office has received orders from Headquarters Rome to assist and help the FARP (Fondazione Assistenza e Riformamenti per la Pesca - Corporation of Assistance and Supply for Fisheries) in the distribution, but up to date no instructions have been received nor have the FARP a representative in Genoa.

(Note by Headquarters Division of Agriculture, Forestry and Fisheries: The ex-AC fishing equipment is the property of the Italian Government who have not yet fixed sale-prices which would be competitive on the open market. UREKA is urging the Government to determine such prices so that distribution may be effected.)

WEAFARE.

16. The Summer Colonies and clothing have claimed most of our at-

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WELFARE.

16. The Summer Colonies and clothing have claimed most of our attention since the last report. As was anticipated there was a delay in opening some of the Colonies and the usual last minute scramble for equipment and transportation. It is felt that many Colonies were opened prematurely, as workmen were still repairing camp premises. Shelters on the beaches had not been prepared and in some few cases no food had arrived. These conditions were found in Colonies in Savona which came from the Turin, Milan, Bergamo, and Bolzano areas.

17. Some of the difficulty about food was the result of new ration scales arriving after the children had left their home provinces with school lunch rations only. Upon arriving at the Colony Province they learned of the new supplementary ration scale for Colonies, and then began negotiations to have the additional food provided by the

-3-

Province in which the camp was located. Even when advised to issue this food by the Delegation the Consorzio Agrario refused to do so without orders from their own Federazioni.

18. During the visits to Colonies we were saddened by the lack of program and by the disinterest or lack of skill on the part of the camp leaders. The entire program seems to be going in the water, coming out for refreshment, sitting under the shelter, then going in the water again. At no time was there seen any game being played, any story being told, or even any encouragement being given to bored children to build sandcastles.

19. In the Region there are 221 day camps with a population of 27,071 and 81 permanent camps with a population of 11,209.

Italian Displaced Persons Clothing.

20. Reports have been forwarded to Rome regarding the condition of clothing which has been very poor. The Processing Section expert has reported the clothing in Turin to be average. It can be stated (with feeling) that "average" to our minds is much too low. In one of the Provinces the worst of the clothing has been repaired and laundered and the result is very satisfactory, and it is felt that if more care were taken in sorting and packing before distribution a higher standard could be achieved.

(Note by Headquarters Special Projects Division, Processing Section: A representative of this Section has been sent to Turin to look into the state of this consignment of clothing).

21. In general there has been a marked lowering of morale among the Provincial Secretaries, who have felt greatly harassed by new ration scales, clothing problems, and colonies springing up like mushrooms all round them. Our Field Staff have worked very closely with them through this crisis and by their combined efforts the situation is now under control.

Major Activities.

22. During the past month the "Criminology Research Group of Liguria" held a meeting in Genoa. This Group is interested in establishing suitable institutions for the rehabilitation of juvenile delinquents. At the meeting reference was made to an "inter-ministry institution" in Rome called "Ente per la Protezione del Fanciullo" (Society for the Protection of Children), and it was suggested that the Liguria Group could pattern itself on this new "ente".

23. Before the war a training ship called "Garibaldi" moored in

coming out for refreshment, sitting under the shelter, then going in the water again. At no time was there seen any game being played, any story being told, or even any encouragement being given to bored children to build sandcastles.

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23. Before the war a training ship called "Garaventa" moored in Genoa harbor was used as a training ship for delinquent boys, but unfortunately the "Garaventa" was sunk during the war. Through the efforts of the "Criminology Research Group" another ship may be found, to be used as a boys' training ship.

24. The Boys' Center at Pannatone, Genoa, opened for 100 boys on 15 July 1946, and is proving a great success. We have had reports of hungry street boys eating seven plates of minestra, and of a hastily organized football team winning from an established team in the City, the latter event definitely gave Pannatone standing in the boys' world of Genoa.

DISPLACED PERSONS.

25. Liguria is assisting - 527 cases.
637 persons.

Piemonte is assisting - 249 cases.
979 persons.

Since the last report 26 persons have been referred to camp. During the month this Division has started its clothing distribution which is proceeding slowly, owing to the fact that many of the displaced persons are living considerable distances away from the distribution center.

26. On 6 July 1946, two cases of extremely high fever occurred at the Vocational Training Camp, Genoa, and for fear of complications they were taken to the Celestia Hospital. The following day information was received from the Hospital that these cases presented a probability of 90% typhoid. Blood tests were taken and after a lapse of two days were found to be absolutely negative. However, during this time another 33 persons were sent to Hospital for the same reason. Anti-typhoid injections were given immediately to the remainder of the camp. The exact cause of the above-mentioned fever has not been established and it is thought that it was caused by food or mosquito bites. All the above-mentioned patients have recovered.

SECURITY.

27. The following monthly figures for arrests of people illegally entering the Port Area indicate the increasing vigilance of the Port Police:-

March	38.
April	53.
May	86.
June	398.

Two small motor boats are now being used by the Port Police, and a further two boats will be in operation shortly. Information has been received that during August a further 100 Police Agents will be allotted to the Port for security. The overall picture is one of general improvement of Port security with every indication that it will continue to improve.

28. During the month there has been a case of impersonation of an UNRA employee pretending to be employed in the UNRA Regional Office, Genoa. The Police have the case in hand, and warnings about impersonations of UNRA personnel have appeared in all local papers. Orders have been issued for these warnings to be repeated weekly.

29. With the increase of coal ships entering Genoa, and the necessity of backpiling coal in the Port, steps have been taken to increase guards. A meeting was held on 22 July 1946, with the head

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June	398.

Two small motor boats are now being used by the Port Police, and a further two boats will be in operation shortly. Information has been received that during August a further 100 Police Agents will be allotted to the Port for security. The overall picture is one of general improvement of Port security with every indication that it will continue to improve.

28. During the month there has been a case of impersonation of an UNRA employee pretending to be employed in the UNRA Regional Office, Genoa. The Police have the case in hand, and warnings about impersonations of UNRA personnel have appeared in all local papers. Orders have been issued for these warnings to be repeated weekly.

29. With the increase of coal ships entering Genoa, and the necessity of bunkering coal in the Port, steps have been taken to increase guards. A meeting was held on 22 July 1946, with the head of the Consorzio Carboni (Coal Distributors), and arrangements were made for the Consorzio to hire 16 guards carrying out a round-the-clock guard commencing 24 July 1946. It is hoped and confidently expected that these guards in conjunction with the regular Police will stop coal pilferage in the Port.

30. During the month contacts were made with the Questore (Police Chief) of Verocelli, Novara, and Aosta, and with the Director of Consorzio Agrario Provinciale at Turin, Verocelli, Novara, and Aosta. In all towns it was found that adequate steps were being taken to safeguard UNRA supplies and all Police Chiefs expressed their willingness to give the maximum cooperation to this Office.

-5-

HEALTH

31. ENDIMEA, (Ente Distribuzione Medicinale Alcate - Institute for the Distribution of Allied Medical Supplies).

A full report on the ENDIMEA, Genoa, has been forwarded to the Health Division, Headquarters Rome. Many distribution and pay difficulties have been cleared up and lists of goods are now being forwarded to Provincial Medical Officers, Hospitals, Institutions, etc.

URSEA Medical Supplies.

32. Distribution has been completed in the Province of Liguria. In Piemonte distribution is still being carried out. It has been found that the URSEA Program of medical distribution has been badly misrepresented and the true picture has not reached all concerned. Meetings are being held in the various Provinces with Provincial Medical Officers and Directors of Hospitals to clear this matter up.

Penicillin.

33. Two hundred and thirty-three cases of penicillin were received from the steamer S.S. "Roden Bennett" for the Medical Officer of Genoa. Two hundred phials which had been brought ashore by one of the crew of a ship in dock were recovered by the South African Military Police, and have been handed over to the Medico Provinciale of Genoa.

Summer Colonies.

34. The medical care of Summer Colonies is being investigated, as at present there seems to be some misunderstanding as to who is really responsible for the medical supplies.

FINANCE AND ADMINISTRATION.

35. The personnel strength of the Region is as follows:-

10 Class I: 8 in Genoa,
2 in Turin.

69 Class II: 53 in Genoa (32 monthly - 21 daily)
16 in Turin (11 monthly - 5 daily)

1 Class III: in Turin.

36. Four resignations of Class II staff have been received this month due to higher permanent positions having been offered to them by private firms.

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37. Owing to the addition of the Requirements and Distribution Division, office space has become insufficient and negotiations are taking place to acquire further accommodation.

REQUIREMENTS AND DISTRIBUTION.

5343

38. The Regional Requirements and Distribution Office was initiated on 15 July 1946, on which date Major Evans, the Requirements and Distribution Officer, arrived. Since 15 July applicants to fill the positions of Industrial Specialists have been selected, and we are waiting for Mr. Luzzatto (Chief, Sub-Bureau of Industrial Rehabilitation) to interview and finally approve the several candidates we have available.

-6-

39. Other activities have included the contacting of Provincial Chambers of Commerce, visits to North Italy Industrial Rehabilitation Office, and the coordination of other Divisions in the Regional Office to obtain the maximum of information on supply problems.

PORTS - GENOA AND SAVONA

40. During the first 25 days of the month 48 ships carrying UNRRA cargo have put into the Ports; Genoa (31), Savona (17), the bulk of the merchandise being coal. A record was reached on 25 July 1946, when 22 vessels with UNRRA supplies were lying in the two Ports.

41. The main problem at the moment is warehousing. The continuous arrival of cotton both for UNRRA and commercial use has filled the two big warehouses at Alessandria and Pozzuolo Formigiano. On 25 July 1946, 44 out of 130 barges in the harbor were acting as warehouses. This is a bad practice as the quick discharging of vessels in many cases depends on the number of barges available. Every effort is being made by this Office in cooperation with the Organizations concerned in order to arrange new warehousing space outside the Port.

42. Food stuff in the Darsena (National warehouse on the Port) amounts to approximately 20,000 tons and is on the increase, as at present there are other cargoes under discharge. A definite delay has been noticed in the distribution of soup, carrots, tomatoes, potatoes, cabbage, which are occupying space for approximately 8500 tons. The movement of these goods to provincial warehouses would greatly relieve the position.

(Note by Headquarters Division of Food: No allocations of carrots, tomatoes, potatoes or cabbage have yet been made. These foodstuffs are dehydrated and are being held in reserve for the winter when fresh vegetables will be scarce. With regard to the soup this will be distributed during August and September in accordance with the Welfare program which is in preparation).

RELATIONS WITH THE ITALIAN GOVERNMENT AND OTHER AGENCIES

43. Our increased shipping in the Port has brought forth greater cooperation among the Government Organizations handling UNRRA merchandise and the various shipping agents.

44. Cordial and solid working arrangements exist between ourselves and all Italian Government Departments in the Region.

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Leo Keonigsbert,
Regional Director,
Liguria & Piemonte Region.

Atte sent E-7-g.

MONTHLY REPORT OF THE REGIONAL DIRECTOR, LOMBARDIA REGION FORJULY 1946Economic SituationSocial and Labor

1. Unemployment is steadily rising in Lombardy according to latest available data. As of June 30 the total number of unemployed in the region was approximately 310,000 out of a population of about 6,200,000, as compared with 303,200 unemployed in May, 214,840 in January, and 116,191 in October, 1945. All provinces reflected this increase in unemployment except the agricultural province of Mantova, which showed a decrease from 20,607 in January to 15,508 in June. Part of the rise in unemployment reflects real added unemployment among Italian workers, the causes for which are attributed to: (a) continued lack of raw materials and (b) lack of domestic markets for the finished products, due again, in major part, to the still sadly-lacking purchasing power of the masses of the Italian people. Current estimates show that the average employee in the city of Milan earns approximately Lit. 12,500 per month and has to spend about Lit. 30,000 for basic necessities. In part, however, the unemployment figures reflect a very considerable increase in the numbers of refugees in this region. (A complete study of wages and cost of living is in preparation).

2. The month of July was featured by a series of important strikes, the causes of which were generally of an economic nature, though in some cases there are traces of political motives. Work stoppages have occurred almost everywhere in the region, in the agricultural as well as industrial sectors. Demonstrations which took place in Brescia were of a particularly serious and sometimes violent character. Similar events were reported from Mantova and from Suzara. In Milan city unemployed reduced their feelings on the Quattrore and striking waiters raided several public eating houses. The insistent demands of the workers in the various categories, who are exercising their right to organize and strike after 20 years of suppression by Fascism, are in most cases standard wage-and-hour strikes, but in some instances include more far-reaching objectives. On the whole the prospects for industrial peace at the end of July are not too promising.

Industry

3. The shortages of coal and raw materials still seriously handicap all efforts towards more satisfactory industrial rehabilitation. It is unquestionable that the situation would be infinitely worse were it not for INRA's contribution in coal and raw materials. The metallurgical industries seem to be in the worst position, while the textile industry appears to be, momentarily at least, in the most favorable. All cotton mills are working actively, although the weaving mills are still working insufficiently to absorb the number of available textile workers. The reason for the slack in the weaving section is the reluctance of the spinners to supply the weavers with ... and more profitable to export. There have been fewer labor ... among textile workers and ... to small towns and

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Agriculture

4. Crops - It now appears that the wheat yield is below expectations in the provinces below the Alpine arch due to lack of fertilizers last year and early this year, and to excessive rains in May and June. This unexpected lack has been surprising and disappointing both to farmers and to provincial inspectors of agriculture. Wheat production in this region is not expected to exceed 55,000 tons, which will, of course,

- 2 -

affect the amasi. Corn (maize), both first and second crops, on the other hand, are splendid and better than anticipated. Throughout the region the quantity and quality of the corn now ripening is better than has been observed in many years. Much of this is attributed to the results obtained with the soda and especially the ammonium nitrates used on this crop. Production is expected to exceed the originally-estimated 500,000 tons considerably.

5. Thanks to the favorable weather and the fertilizers sugar beets have developed very well and are now nearly ready for ripening. Sugar factories will open early in August and there is real hope that production will be sufficient to break excessively high prices now prevalent in the black market for sugar and to provide at least the elementary needs of industries which depend upon sugar.

6. Amasi - The marketing of wheat which showed rapid progress from 20 June to 10 July due to the government premiums has shown a tendency to slump, especially in Milan and Pavia provinces in spite of the last premium being extended to the end of July. In these provinces farmers are now beginning rice culture and hay collection and it is hoped that in spite of black market offers from Milan, Genoa, and Switzerland, the authorities are taking a firm stand against the defaulters and bringing about improvements in the near future.

7. Distribution of imported nitrates has continued right through the month for the corn, sugar beet, and vegetable crops. Of the arrivals by mid-July however, 81 tons of ammonium nitrates remained unsold, as the new price had not been fixed in Rome, which hampered crop developments. A special high spot in the agricultural situation is the excellent result of the silkworm campaign which should insure satisfactory production of silk in the next few months, for which there is so great a demand, both in Italy and abroad.

Bread Rationing

8. By the beginning of July, by more or less arbitrary decrees of the Prefects or of the SERAL offices in the nine provinces, the individual bread ration was increased to 300 grams per day on an 80% extraction basis. USRA's intervention with the Italian Government and the determined action taken by the latter has resulted in the reestablishment of 250 grams per day in all provinces except Brescia, where it still stands at 300 grams. Undoubtedly because of lack of understanding of the need for reestablishing the lower ration there was a considerable public reaction against the reduction. In Milan city the Caproni workers staged a one-day strike on 9 July as a protest against the cut. In Brescia the local paper, "Il Giornale di Brescia", 21 July, rather vaguely hints at "discontent among the masses", describing the problem of bread rationing in terms of undisguised animosity, using such phrases as "the USRA forebears no doubt have reasons of their own for continuing to inter-

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9. Although the black market is still rampant, the campaign against it has been intensified and throughout the nine provinces is showing a certain measure of success. Police action has been stepped up in the confiscation of grain, flour, sugar, and other foodstuffs, and the UMRA Regional Protective Office has given and received much greater cooperation than before from police agencies. (For details see report on protective services below).

WelfareAccomplishments

10. During July 158,830 needy mothers and children were assisted in Lombardia. Additional rations have been requested by various communes and institutes in the provinces.
11. The problem of organizing summer colonies was considerably clarified at a meeting of all provincial secretaries by the Italian Delegation in Milan on 3 July.

12. Preliminary plans have been made for the nutrition conference and the Welfare Division cooperated with the Ministry of Post-War Assistance, the Italian Delegation, and other agencies in formulating plans for an institute.

Problems

13. The major problem during the month was the arrival of additional displaced persons from Venezia Giulia, particularly with respect to housing. The Ministry of Post-War Assistance, in cooperation with the Welfare Division, has made every effort to obtain large buildings, unused factories and army barracks, for these displaced persons without interfering with the industrial and communal needs of the provinces in which they are located. Lombardia is responsible for the care of an additional 10,000 refugees and thus far places have been found for only 5,000. The Welfare Division has rendered assistance, making the necessary contacts with Town Majors, and other Allied personnel are providing transport, and giving consultation service.

Public HealthGeneral Situation

14. The health situation is generally satisfactory in the field of contagious diseases, although there is far more enteric than would ever be tolerated in Britain or the USA. In addition, there has recently been a fair number of anterior poliomyelitis, infantile paralysis, especially in the eastern provinces of Lombardy, and one case of cerebrospinal meningitis in Bergamo. The city of Mantova must definitely be regarded as a malarial zone; since the beginning of March there have been some 20 cases of benign tertian infection there. In some provinces scabies is a very real problem, especially in certain districts.

Accomplishments

15. Increased speed and efficiency in the distribution of INRAA medicinals by the Medici Provinciali (Provincial Medical Officers). The Regional Medical Officer reports that the medicinals of the second distribution have, with a few minor exceptions, reached the hospitals for which they were intended. Penicillin is coming in regularly every month and a recent allocation of insulin, liver extract, and

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Accomplishments

15. Increased speed and efficiency in the distribution of IMRAA medicinals by the Medici Provinciali (Provincial Medical Officers). The Regional Medical Officer reports that the medicinals of the second distribution have, with a few minor exceptions, reached the hospitals for which they were intended. Penicillin is coming in regularly every month and a recent allocation of insulin, liver extract, and thyroid extract is at present being distributed to the provincial centers. Narcotics are also arriving and are being distributed according to the plan drawn up by the High Commissioner for Hygiene and Public Health. As was foreseen, this plan was inadequate, since it did not include many important institutions. The Medici Provinciali have submitted to the Regional Medical Officer a revised list of hospitals for the next distribution of narcotics and this has been forwarded to Mission H.Q.

16. Improved distribution of IMRAA (Ente Distribuzione Medicinali Alieati - Institute for the Distribution of Allied Medical Supplies) supplies. These long-awaited supplies have at last begun to reach the

- 4 -

provinces and in some cases have already been distributed, ENDREX X-ray films have also arrived and are being collected by the Medici Provinciali in the depot in Milan.

17. Continued distribution of hospital sheets, pillow cases, and towels. Because of the priority given to other regions of Italy many provinces of this region and the neighboring northern regions have received either nothing or only a small part of their quota. Only the province of Como in this region has so far received its quota. With the acceleration that is now expected as the result of the special efforts made by this regional office and the Italian Delegation to get the cotton goods out of the factories more quickly than has been the case, it is expected that the hospitals of this region, too, will receive the very much-needed shipments of hospital cotton goods.

18. Visits to the hospitals of the provinces - The Regional Medical Officer has continued his work in following up the distribution of UNRRA needs to the hospitals. No irregularities were detected except one case involving the illegal sale by the pharmacist of a hospital of UNRRA medicinals to the public. This was detected by the Medico Provinciale, who has sequestered all the material, referred the matter to the Prefect and instituted an inquiry. In addition the case has been referred to the Regional Protective Service Officer.

19. Benzyl Benzoate was distributed to the provinces of Bergamo and Pavia.

20. DDT was distributed to San Vittore prison, to the Comune of Milan, and to UNRRA staff.

21. Arrangements for lectures on venereal disease. Medici Provinciali have been circularized by the High Commissioner for Hygiene and Public Health to collaborate with Allied medical authorities in an attempt to reduce the incidence of venereal disease. The Regional Staff Medical Officer, Dr. A.A. Kaluzny, is preparing a series of lectures to be delivered in association with Medici Provinciali, to groups of factory workers, young men's clubs, and the like.

22. Recommendations were made that iodized table salt be made available to the province of Sondrio, where goiter is endemic.

Problems

23. Medical care of UNRRA staff - The Regional Medical Officer has included in his report to Mission HQ the problems involved in adequate medical care for the regional UNRRA staff. Initial steps have been taken and care is now being provided by the Staff Medical Officer to our employees, but further directions are needed from Mission HQ in order to provide ordinary minimal care.

24. More beds are needed for the treatment of T.B.

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Protective Service

Accomplishments:

26. The battle against the black market, corrupt practices and criminal activities in relation to UNRRA supplies was continued effectively by the Regional Protective Office during July. As each month passes the work of the Protective Office increases in scope and volume but notable progress is being made in getting more cooperation and effective action from the Italian police authorities. Below is a summary of cases completed and pending during the month. (Cases newly reported at the end of the

- 5 -

month are not listed).

(a) Black market operations involved the sale by Consorzio Agrario officials of UNRRA fertilizer. Further investigation corroborates data received from confessions and provides added information. Report has been sent to Mission HQ.

(b) Special investigation was made with respect to smuggling of sugar from Switzerland and involving the use of false UNRRA permits. This investigation led to the sequestration of over 100 quintals of sugar which was turned over to SEPRAL. Complete report has been sent to Mission HQ.

(c) Further progress was made in the arrest of bandits who stole large quantities of cotton goods at FURTER Cotton Mills, including 3,000 meters of UNRRA sheeting. This is a notable case of cooperation between Protective Service and Italian police authorities.

(d) Persons were arrested in possession of false UNRRA documents.

(e) Investigation resulted in the arrest of the principal of an elementary school in Milan for having sold UNRRA sardines.

(f) UNRRA sheeting was stolen from the HONNEGAR Cotton Mills at Bergamo. Investigation is still being carried out by agents of the Italian police.

(g) An UNRRA driver was dismissed and arrested for theft and sale of petrol.

(h) An UNRRA vehicle was stolen with clear complicity of driver, who has fled and is being sought by Italian police authorities.

(i) Investigation of misappropriation of UNRRA food at the Comune Castiglione d'Adda was carried out.

(j) Several other investigations involve alleged irregularities on the part of Italian Government or UNRRA personnel.

Information Section

Accomplishments:

27. Preparations were made on short notice and with changing instructions for the publicity side of Mr. La Guardia's visit. Notices to the press were limited to the mere statement that the Director General would be in Milan. At the request of Mission HQ, Information Office photographers were provided to accompany Mr. La Guardia on his visit to the factories and notes were made of his speeches and comments and the public reaction thereto. A full report on these arrangements has been sent to Mission HQ, Information Division. A special dispatch

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28. Usual activities have included review of all local newspapers, press cuttings, compilation of daily press digests in English and Italian, distribution of Economic Notes, exchange of information with representatives of British and American information officers.

29. Mr. Harlan Cleveland was sent press cuttings regarding his visit here, 26 June.

30. The weekly review was compiled.

31. Special bulletin on fishing and pig iron industries was prepared.

Special Problems

32. The order unfreezing appointments for the R and D functions of this region has opened the way to get personnel for these functions but action is still awaited from Rome on specific individuals.

33. The visit of Major Scott-Brown gave us the opportunity to discuss with him several important agricultural food problems. Questions among the problems in the food field at the present time are:

(a) The very serious situation arising from the lack of tin cans for canning the now ripening tomato crop was discussed by the Regional Director, Major Scott-Brown, and Eng. Lucetti, of the North Italy Industrial Office. On the basis of this discussion certain recommendations were taken to Rome by Major Scott-Brown.

(b) This regional office now has a complete table of dried foods on hand in Lombardia region. Although the situation is probably not as bad as in some other regions, we are very much concerned with the amount of dried milk and powdered eggs which are rotting away in warehouses which could have been long since distributed usefully. This was the subject of a report to be made by Major Scott-Brown.

34. The accumulation in warehouses of hospital cotton goods called to our attention by Mission HQ, is being resolved by a special effort to get more cars from the Italian railways for the delivery of the goods. As this report is written satisfactory results have already been achieved in diminishing the over-large stockpile.

A.L. RAFFA,
U.N.R.R.A.,
Regional Director,
Lombardia,

Attachment H-7-b.

MONTHLY REPORT OF THE REGIONAL DIRECTOR.

VENETO REGION FOR JULY, 1946.

INTRODUCTION.

1. The heavy responsibilities of local government administration, most of which are borne by the Prefects, have been well illustrated in this Region during the past three months.

2. In May the preparations for the General elections diverted the attention of local officials away from questions of rehabilitation.

3. After the elections in early June their thoughts were brought back to the more mundane but equally important matter of a critical food shortage. The new wheat crop arrived just in time.

4. Now in July every province has had its demonstrations for more food, more wages and for a shorter working week. The demonstrators in the main were appeased by promises of an increased ration (in many cases grossly in excess of what the central government could be expected to agree to) and by promises of reconstruction schemes to boost employment and working conditions.

5. At present the Prefects are preoccupied with matters arising out of the petrol strike which has not, so far, affected UNRA Veneto Region as the strikers, as a special concession, are handling POL to keep us working.

6. The Prefect of Venice is perhaps more concerned about the strike of hotel workers which has hit the city at the height of its busiest season since 1939. Some visitors have felt the city, others have stayed on to do their own chores and are feeding at small restaurants.

7. On the whole, however, the region of Venice is fortunate in that it may be regarded as well-to-do when compared with most other regions. The bumper wheat crop, the spaciousness of the summering, the opening of summer camps for poor children and a heavy traffic of holiday makers to its resorts creates an impression of normality.

8. The restlessness of Later however casts a shadow.

9. Targets for July were :

(a) C.I.S.I.S. scheme. Minister AG has agreed to send an official to Veneto Region to study the situation and make recommendations, particularly in regard to loan of transport.

(b) Technical Schools for training unemployed.

Provincial reports now completed but too late for circulation.

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3. After the elections in early June their thoughts were brought back to the more mundane but equally important matter of a critical food shortage. The new wheat crop arrived just in time.
4. Now in July every province has had its demonstrations for more food, more wages and for a shorter working week. The demonstrators in the main were appeased by promises of an increased ration (in many cases grossly in excess of what the central Government could be expected to agree to) and by promises of reconstruction schemes to boost employment and working conditions.
5. At present the Prefects are preoccupied with matters arising out of the petrol strike which has not, so far, affected UNRRA Venice Region as the strikers, as a special concession, are handling POL to keep us working.
6. The Prefect of Venice is perhaps more concerned about the strike of hotel workers which has hit the city at the height of its busiest season since 1939. Some visitors have felt the city, others have stayed on to do their own chores and are feeding at small restaurants.
7. On the whole, however, the region of Venice is fortunate in that it may be regarded as well-tended when compared with most other regions. The bumper wheat crop, the success of the amassing, the opening of summer camps for poor children and a heavy traffic of holiday makers to its resorts creates an impression of normality.
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 - (a) C.I.S.A.S. scheme. Mission HQ has agreed to send an official to Veneto Region to study the situation and make recommendations, particularly in regard to loan of transport.
 - (b) Technical Schools for training unemployed.
Provincial reports now completed but too late for circulation and submission in July.
 - (c) Scheme for unification of assistance. 5334
No progress to report.
 - (d) Non-distribution of surplus clothing lying in port warehouse.
Prospects of an early clearance.
 - (e) Administrative work on stockpile distribution of UNRRA supplies. Completed.

-2-

10. Targets for August will be :

- (a) Further action on CASAS scheme.
- (b) Coordination and submission of reports on technical training for unemployed.
- (c) To watch progress of grain crossing.
- (d) To take all possible action to help check black market deals in grain and transportation of same across the Adriatic.
- (e) To make inspection of areas treated by DDT under the Anti-malarial scheme.

SERVICES PROVIDED WITH UNRRA RESOURCES.

Health.

11. The general health situation in all 10 provinces of Venice Region is good.

12. Out-break of POLIO MYELITIS (infantile paralysis) occurred in certain provinces but immediate measures were taken to segregate the cases and the outbreak now shows a tendency to diminish.

13. The province of Venice is the first to produce Malaria figures since the anti-malarial campaign commenced in this region. The June report shows a considerable decrease in malaric cases in the areas treated by UNRRA with DDT.

14. Six UNRRA ambulances have been allocated to this region under the revised distribution plan. Their value cannot be over-estimated but many more are required before the really poor people in isolated communities can be assured of even a minimum service.

15. After a long period of improvisation and borrowing of equipment necessitated by war damage and looting, the Dolo Hospital in the province of Venice has taken delivery of a 200-bed hospital unit supplied by UNRRA. The arrival of this unit with the consequent re-opening of all the wards of the hospital was marked by an official reception at which the principal officials of the province made speeches eulogizing the work and generosity of UNRRA. In addition a memorial tablet has been erected in the entrance hall of the hospital as a permanent record of appreciation.

Welfare.

16. Summer Colonies have obtained more attention than any other Welfare subject during the past month. In Venice Region we have 75 permanent Colonies already in operation caring for 10,102 children and a further 123 daily Colonies which 21,875 children attend. Most of these children have been taken from the streets or from squalid surroundings. Their needings to clean buildings and an ordered

- (d) To take all possible action to help check black market deals in grain and transportation of same across the Adriatic.
- (e) To make inspection of areas treated by DDT under the anti-malarial scheme.

SERVICES PROVIDED WITH UNRRA RESOURCES.

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Welfare.

16. Summer Colonies have claimed more attention than any other welfare subject during the past month. In Venice Region we have 75 permanent Colonies already in operation caring for 10,182 children and a further 123 daily Colonies which 21,875 children attend. Most of these children have been taken from the streets or from squalid surroundings. Their reactions to clean buildings and an ordered life in beautiful parts of the country is adequate repayment for the tremendous amount of work which has gone into the scheme. UNRRA's new ration scale for these Colonies is a generous concession which will allow a small part of the Government's money allocation to be spent on extras.
17. Nine of the 10 provinces have now completed their plan for distribution of clothing and, in the provinces of Bolzano and Trento, actual distribution has been made. The remaining eight provinces are awaiting receipt of the balance of their allocation.

-3-

Supply and Distribution.

18. Agriculture - Early in July it was apparent that the harvest would yield even more than the most optimistic had estimated.
19. The next anxiety was whether the farmers would cooperate with the government's plan for a full crossing.
20. The results so far achieved in this region are highly satisfactory. In one province the quota as fixed by the Compartmental Inspector of Agriculture has been exceeded. Five other provinces have crossed between 73% and 93% of their quota. One province has turned in 57% of its target figure and the remaining three provinces are down the list due to the mountainous nature of the districts and lateness of the crops.
21. It is difficult to judge the extent of illegal export of grain across the Adriatic sea to the Dalmatian coast but it is feared to be heavy.
22. The network of small rivers and canals just south of Chioggia on the East Coast together with the small number of police available to patrol the area operate in favor of the "black marketers".
23. Our hopes of exporting surplus fruit to Austria in exchange for much-wanted timber received a set back. Austria is flirting with others in regard to her timber and will only deal with us on a long term credit basis. That is not so good but it does not close the door to further negotiations.
24. Fisheries - There is no material change in this industry. Catches continue to be good but not good enough to force down the high prices in the face of a heavy demand.
25. An increase in fuel allocation to this region in July for fishing craft is a move in the right direction.
26. Coal - July discharge figures for coal at the port show a sharp decrease on those for June. Following an order of the Director of State Railways to freeze supply of wagons for movement of a listed category of goods, in which coal is included, we are faced with a wagon shortage. We are assured that this situation will be adjusted in the next few days.
27. Spot checks have been made on various consumers and as a result recommendations have been made to reduce some of the allocations.

Ports.

28. Diversion of shipping from Trieste has greatly increased activity in the Port of Venice. Our resources were strained by the sudden and, to a certain extent, unexpected, arrival of 80,000 tons

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27. Spot checks have been made on various consumers and as a result recommendations have been made to reduce some of the allocations.

Ports.

28. Diversion of shipping from Trieste has greatly increased activity in the Port of Venice. Our resources were strained by the sudden and, to a certain extent, unexpected, arrival of 80,000 tons of cargo in two weeks but the job was completed with little loss of time.

29. On 3 July S.S. "Pittsburgh Lee" carrying 8,000 tons of grain to Venice struck a small floating mine about 30 miles away but was able to make port. Damage to cargo by fuel oil and sea water amounted to about 700 tons, of which 500 tons were suitable for industrial purposes and 200 tons were a dead loss.

CM 6568

Protective Services.

30. The increase in port activity in Venice has created a corresponding increase in the work of this branch.

31. Petty pilfering is always difficult to control but when ships crew, stevedores, Italian police and occasionally, it is alleged, Allied military police are in collaboration the problem becomes almost insuperable.

32. Arrests have been made and investigations are still proceeding in regard to 4,000 Kilos of stolen sugar which was recovered at Treviso. The RIF police were "tipped off" by an Italian informer and they acted quickly in recovering these goods which are valued at a little over Lit. three and a half million on the black market.

J.L. Jones,
Regional Director,
Veneto Region.

Appendices:

- Appendix A. Cost of Living Family of 5 - June 1946 v. 1938 - Venice
" B. List of Selected Prices 25 July - Venice.
" C. Unemployment Figures - Regional - 31 June 1946.

APPENDIX "A"

ESTIMATE OF COST OF LIVING WHICH COULD BE INCURRED BY A FAMILY OF 5

IF THEY HAD THE MEANS - JUNE 1946 V. 1938 -

VENICE (1938-100)

MONTHS	Food	Clothing	Rent	Fuel & lighting	General expenses
Year 1938 (monthly average expenditure)	100	100	100	100	100
January 1946	3483	3386	102	970	2234
February "	3184	3155	143	908	1957
March "	3394	2904	143	951	2240
April "	3742	2916	143	934	2241
May "	2220	2971	143	920	2177
June "	3243	2823	143	925	2294

These are provincial figures of the Central Statistical Institute, Rome.

The official index basis on intake of 1,700 calories per head per day for food for the Venice Region are as follows:

	1946		1946
January	3,656	April	3,812
February	3,446	May	3,335
March	3,477	June	3,401

No central official indices have been published for clothing, rent, fuel and lighting etc.

MONTHS	Food	Clothing	Rent	Fuel & lighting	General expenses
Year 1938 (monthly average expenditure)	100	100	100	100	100
January 1946	3483	3386	102	970	2234
February "	3184	3155	143	908	1957
March "	3394	2904	143	951	2240
April "	3742	2916	143	934	2241
May "	2220	2971	143	920	2177
June "	3243	2823	143	925	2294

These are provincial figures of the Central Statistical Institute, Rome.

The official index basis on intake of 1,700 calories per head per day for food for the Venice Region are as follows:

	1946	1946
January	3,656	April 3,842
February	3,446	May 3,335
March	3,477	June 3,404

No central official indices have been published for clothing, rent, fuel and lighting etc.

A DDIX "B"

MONTHLY REPORT JULY 1946

LIST OF SELECTED PRICES - 25 JULY - VENICE

Foodstuff Cigarettes	Legal Price		Price Free Market quoted	
	June	July	June	July
1. Bread	24.---	25.---	120.40	.
2. Pasta	---	28.---	121.65	.
3. Rice	35.50	35.50	121.65	.
4. Wheat Flour	---	---	83.35	.
5. Maize Flour	16.---	15.50	72.50	.
6. Dry Vegetables:				
Beans	---	---	139.---	139.---
Peas	---	---	90.---	90.---
Potatoes	---	---	24.70	.
7. Sugar	144.50	160.---	745.---	750.---
8. Jam	---	---	260.---	206.---
9. Wine	---	---	71.65	.
10. Olive oil	---	250.---	508.65	.
11. Butter	---	---	585.---	.
12. Lard	---	120.---	425.---	.
13. Salt	25.---	20.---	17.15	20.---
14. Stock-fish	---	---	406.65	.
15. Soap	---	---	375.---	.
16. Pears	---	---	---	35.---
17. Tomatoes	---	---	59.75	10.---
18. Onions	---	---	9.35	9.35
19. Peaches	---	---	35.15	40.---
20. Meat:				
Beef (Bones)	---	---	273.35	.
Pork (Bones)	---	---	385.---	.
21. Fish:				
Eel	---	---	273.75	.
Mullet	---	---	257.15	.
Sardine	---	---	200.---	.
Cuttle-fish	---	---	110.---	.
22. Go.	---	---	153.35	.
23. Scombr	---	---	145.---	.
24. Milk	---	---	34.---	34.---
25. Eggs	---	---	16.10	.
Cigarettes:				
10 Ital Nazionale	30.---	30.---	40/45	45.---
20 Ital Serraglio	150.---	150.---	150.---	150.---
20 American	---	---	200/200	200/200
20 English	---	---	150/200	150/200
26. Coffee beans				
toasted	---	---	1000/1100	1000.---
27. Coffee beans raw	---	---	800.---	800.---

1. Bread	24.---	25.---	129.40	.
2. Pasta	---	28.---	121.65	.
3. Rice	35.50	35.50	121.65	.
4. Wheat Flour	---	---	83.35	.
5. Maize Flour	16.---	15.50	72.30	.
6. Dry Vegetables:				
Beans	---	---	139.---	139.---
Peas	---	---	90.---	90.---
Potatoes	---	---	24.70	.
Sugar	144.50	160.---	745.---	750.---
Jam	---	---	260.---	206.---
Wine	---	---	71.35	.
11. Olive oil	---	250.---	503.05	.
12. Butter	---	---	585.---	.
13. Lard	---	120.---	425.---	.
14. Salt	25.---	20.---	17.15	20.---
15. Stock-fish	---	---	466.55	.
16. Scap	---	---	375.---	.
17. Pears	---	---	---	35.---
18. Tomatoes	---	---	59.75	10.---
19. Onions	---	---	9.35	9.35
20. Peaches	---	---	55.15	40.---
21. Meat:				
Beef (Bones)	---	---	275.35	.
Pork (Bones)	---	---	365.---	.
22. Fish:				
Eel	---	---	275.75	.
Mullet	---	---	257.15	.
Sardine	---	---	200.---	.
Cuttle-fish	---	---	110.---	.
Gb.	---	---	138.35	.
Scombr	---	---	145.---	.
23. Milk	---	---	34.---	34.---
24. Eggs	---	---	16.10	.
25. Cigarettes:				
10 Ital Nazionale	30.---	30.---	40/45	45.---
20 Ital Serraglio	150.---	150.---	150.---	150.---
20 American	---	---	200/220	200/220
20 English	---	---	150/200	150/200
26. Coffee beans				
toasted	---	---	1000/1100	1000.---
27. Coffee beans raw	---	---	800.---	800.---

(*) Prices not yet received by this office.

OX #605

APPENDIX "C"

UNEMPLOYMENT FIGURES REGIONAL - 30 JUNE 1946
 (Limited to persons inscribed in the Provincial Employment Office)
 (and therefore not representative of total unemployment)

Provinces	Agriculture		Industry		Commerce		Varia		JUN
	MF	F	MF	F	MF	F	MF	F	
1	2	3	4	5	6	7	8	9	10
1. BELLUNO	741	80	11799	315	801	398	724	259	14
2. BOLZANO	24	2	1357	76	857	532	877	453	3
3. PADOVA	4440	1127	17925	2939	1781	399	1851	517	25
4. ROVIGO	863	237	6773	869	435	74	1766	277	98
5. TRENTO	1167	106	6595	1047	1425	680	4601	523	13
6. TREVISO	1630	70	25466	4885	2175	225	1519	348	30
7. UDINE	1726	125	45951	1682	3376	300	2991	978	54
8. VENEZIA	958	42	19678	2663	2052	699	4733	1878	27
9. VERONA	1270	192	12634	3078	1265	222	2365	1091	17
10. VICENZA	2729	596	27586	7999	2040	392	4344	1518	30
REGIONAL TOTAL	15548	2677	175764	25353	16207	3921	25771	7872	233

APPENDIX "C"

UNEMPLOYMENT FIGURES REGIONAL - 30 JUNE 1946
 (Limited to persons inscribed in the Provincial Employment Office)
 (and therefore not representative of total unemployment)

Agriculture		Industry		Commerce		Varia		Total Amount	
MF	F	MF	F	MF	F	MF	F	JUNE	MAY
2	3	4	5	6	7	8	9	10	11
741	80	11799	315	801	398	724	259	14065	14344
24	2	1357	78	857	532	877	453	3115	2795
4440	1127	17925	2939	1781	399	1851	547	25997	24894
863	237	6773	869	435	74	1766	277	9837	14305
1167	106	6595	1047	1425	680	4601	523	13788	12130
1630	70	25466	4685	2175	225	1519	348	30790	30245
1726	125	45951	1682	3376	300	2991	978	54044	55477
958	42	19678	2663	2052	699	4733	1878	27421	25582
1270	192	12634	3078	1265	222	2365	1091	17534	17603
2729	696	27586	7909	2040	392	4314	1518	36699	36566
15548	2677	175764	25353	16207	3921	25771	7872	233290	253941

785017

REPORT UNIT - ITALIAN MISSION H-3 FORM S-50

Month

Code	Commodity Group	Acquisitions	Issues	
			It. Govt.	Field Operations
1		2	5	6
000	Grains, Cereals & Preparations	200,346	200,112	234
010	Animal Feeds	4,500	4,500	
020	Meats & Meat Products	972	961	11
040	Fish, Shellfish & Products	8,022	8,000	22
050	Eggs & Dairy Products	1,209	1,168	41
060	Vegetables Fruits	2,951	2,933	18
070	Sugar & Products	25,413	25,387	26
080	Soap, Oils & Fats	12,860	12,846	14
090	Miscellaneous Foods,	354	354	
110	Finished Garments	5	5	
160	Basic Leather Materials	116	116	
170	Hides	189	189	
180	Unmanufactured Fibres	3,990	3,990	
200	Medical Supplies & Equipment	399	399	
450	Motor Vehicles	24	24	
610	Seeds & Plants	270	270	
620	Fertilizers	3,152	3,152	
630	Pesticides & Chemicals	102	102	
650 670	Agricultural Machinery	341	341	
740	Rubber Products	49	49	
790	Misc. End Products	78	78	
810	Solid Fuels	473,486	473,486	
910	Crude Products	15,005	15,005	
920	Wood & Paper Materials	151	151	
930	Chemicals	2,443	2,443	
940	Iron & Alloys	2,189	2,189	
990	Misc. Raw Materials	2,203	2,203	
		760,819	760,453	366

REPORT UNIT - ITALIAN MISSION H-2 FORM S-50

Month July 1946

Commodity Group	Acquisitions	Issues	
		It. Govt.	Field Operations
1	3	5	6
ls & Preparations	200,346	200,112	234
Products	4,500	4,500	
ish & Products	972	961	11
Products	8,022	8,000	22
ruits	1,209	1,168	41
ucts	2,951	2,933	18
Pata	25,413	25,387	26
n Foods,	12,860	12,846	14
ments	354	354	
r Materials	5	5	
	116	116	
ed Fibres	189	189	
lies & Equipment	3,990	3,990	
es	399	399	
ts	24	24	
	270	270	
Chemicals	3,152	3,152	
Machinery	102	102	
ts	341	341	
ducts	49	49	
	78	78	
	473,486	473,486	
	15,005	15,005	
Materials	151	151	
	2,443	2,443	
	2,189	2,189	
rials	2,203	2,203	
	760,819	760,453	366

5334

2
2 - 3 INFORMATION REQUESTED UNDER FORM M.S.R. 1.

UNRRA

Country, Italy
Month covered by
report, July 1946A. 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 UNRRA 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.

Commodity ClassLong Tons.

0	1,249,912
1	49,901
2	4,110
3	57
4	275
5	150
6	39,019
7	368
8	1,975,416
9	<u>32,395</u>
	3,351,603
	=====

2. Stocks on hand in Government's control not yet released to above agencies for distribution:

785017

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 UNRRA 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 enterprise for further processing: Nil
- (c) To non-profit voluntary agencies (list) Nil
- (d) To cooperative distributions: Nil
- (e) To Governmental distribution agencies (list) Instituto Comercio Astero.

Commodity Class	Long Tons.
0	1,249,912
1	49,901
2	4,110
3	57
4	275
5	150
6	39,019
7	363
8	1,975,416
9	<u>32,392</u>
	3,351,603
	=====

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): 3,351,603 Long Tons.

4. Equipment (not included in Item 4.a) leased by Government from UNRRA, total to date: 5333 Nil.

785017

-2- Att. H-9

4.0.(1) Supplies distributed by Government to 31 May for which proceeds were received 1,871,451 metric tons. This figure included sales of 143,313 tons of P.O.L. during February and March, 1946. Further P.O.L. sales have yet to be established.

(2) Approximate balance of supplies excluding P.O.L. handed over to Italian Government to 31 May, 1946 for which no proceeds have been received. Some of these supplies have already been distributed and it is anticipated that proceeds in respect of all will be received in due course.

395,232 metric tons

(3) Proceeds received by Italian Government in respect of sales under 4.0.(1) 10,379,243,892 Liro

B. USE OF PROCEEDS FROM UNEFA SUPPLIES (TOTAL TO DATE)

1. Proceeds of Sale of Supplies under 4.4.c(1) 10,379,243,892 Liro
P.O.L. (150,000,000 Lire per month 1 April to 31 July, 1946 on account of Sales until actual determination)
Coal (on account of sales June 1946)

600,000,000 "
909,655,525 "
11,888,939,417 "

Less: Retained by Federazione Consorzi on account of distribution costs to be determined 1,668,527,617

Customs duties on P.O.L. February and March reimbursable to Lire Fund Retained by C.I.P. on account of distribution costs for P.O.L. during February and March, 1946 yet to be determined 631,155,220

1,214,068,693

Distribution costs of seed potatoes 119,590,600

Quota for equalising unified prices of imported seed potatoes 111,672,815

3,744,014,945

Balance paid in to Special Proceeds of Sale Account

5,114,924,472

2. Amounts expended out of Proceeds under B.1 above UNEFA Administrative Expenses

1,500,000,000

Balance remaining for

395,232 metric tons

excluding P.O.L. handed over to Italian Government to 31 May, 1946 for which no proceeds have been received. 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 A.c.(1) 10,379,243,892 Lire

B. USE OF PROCEEDS FROM UNRA SUPPLIES (TOTAL TO DATE)

1. Proceeds of Sale of Supplies under A.4.c(1) 10,379,243,892 Lire
P.O.L. (150,000,000 Lire per month 1 April to 31 July, 1946 on account of Sales until actual determination)
Coal (on account of Sales June 1946)

600,000,000 "
909,695,525 "
11,888,939,417 "

Less: Retained by Federazione Consorzi on account of distribution costs to be determined 1,668,527,617

Customs duties on P.O.L.

February and March reimbursementable to Lire Fund 631,155,220

Retained by C.I.F. on account of distribution costs for P.O.L. during February and March, 1946

yet to be determined 1,214,068,693

Distribution costs of seed potatoes 119,590,600

Quota for equalising unified prices of imported seed potatoes 111,672,815

Balance paid in to Special Proceeds of Sale Account 3,744,014,945

8,114,924,472 "

2. Amounts expended out of Proceeds under B.1 above

UNRA Administrative Expenses 1,500,000,000 "

Balance remaining for appropriation 6,644,924,472 "

Recommended and approved appropriations not yet paid over 586,850,000

Recommended appropriations awaiting approval of Joint Presidents expected by August 40, 1946. 1,067,066,000

-3-

Att. i

C. REGISTRATION, REHABILITATION AND CARE OF DISPLACED PERSONS

Items C-1 through C-5 are covered in Attachment H-6-d(iv), and are therefore omitted from Attachment H-9, in accordance with London's Cable No. 1186.

Note: Statistics in Items C-6 through C-11 are for the period 16 June to 20 July, 1946, inclusive, and cover all ten camps in which medical care was an UNRRA responsibility during the period (Bari No. 1 Transit Camp, Cino Citta Camp, and the Lecce and Milan Camp Groups).

6. Total number of patient days in UNRRA-operated hospitals: 7,208
7. Total number of clinic visits to UNRRA-operated clinics: 12,024
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: 21.
(10 camp clinics, 9 camp hospitals and 2 central hospitals).
9. Number serving these hospitals and clinics at end of period under review: A. Doctors: 24, B. Nurses: 49
10. Total number of immunizations under UNRRA direction during the period: 10391
11. Total number of child health examinations under UNRRA direction during the period: 841

D. PERSONNEL OF MISSION AS OF 31 JULY, 1946.

	CLASS I	CLASS II	CLASS III (Vol. As.)
1. Classification of employees on payroll at end of month by service:			
a. Displaced Persons	56	255	51
b. Health	10	28	-
c. Welfare	12	9	6
d. Agricultural Rehabilitation	16	23	-
e. Industrial Rehabilitation	34	79	-
f. Requirements & Supply (excluding Divs. of Inland Trst., Indust. Rehab. & Agr. Rehab.)	88	130	-
g. Inland Transport (Bur. of A. & D.)	5	8	-
h. Camps Operations	94	478	-
i. Finance & Administration (except Divs. of Personnel & Vehicle Control & Maintenance)	85	469	-
j. Personnel	10	38	-
k. Vehicle Control and Maintenance	15	813	-
l. Office of Chief of Mission (excluding Information Division)	19	113	-
m. Information Division	11	11	-
n. Regional Staff	112	880	54

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6. Total number of patient days in UNRA-operated hospitals: 7,203
7. Total number of clinic visits to UNRA-operated clinics: 12,024
8. Number of UNRA-operated camps or other UNRA-operated institutions in which services reported in Items C-6 and C-7 were provided during the period: 24.
(10 camp clinics, 9 camp hospitals and 2 central hospitals).
9. Number serving those hospitals and clinics at end of period under review: 24, B. Nurses: 49
10. Total number of immunizations under UNRA direction during the period: 10394
11. Total number of child health examinations under UNRA direction during the period: 841

D. PERSONNEL OF MISSION AS OF 31 JULY, 1946.

1. Classification of employees on pay-roll at end of month by service:	CLASS I	CLASS II	CLASS III (Vol. & S.)
a. Displaced Persons	56	255	51
b. Health	10	28	-
c. Welfare	12	9	6
d. Agricultural Rehabilitation	16	23	-
e. Industrial Rehabilitation	34	79	-
f. Requirements & Supply (excluding Divs. of Inland Trapt., Indust. Rehab. & Agr. Rehab.)	88	130	-
g. Inland Transport (Bur. of A. & D.)	5	8	-
h. Camps Operations	94	478	-
i. Finance & Administration (except Divs. of Personnel & Vehicle Control & Maintenance)	85	469	-
j. Personnel	10	38	-
k. Vehicle Control and Maintenance	15	813	-
l. Office of Chief of Mission (excluding Information Division)	19	113	-
m. Information Division	11	11	-
n. Regional Staff	112	880	54
TOTAL:	567	3,334	111
			5332

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-4-

Att. H-9

D. 2. Nationalities of Class I Employees as of July 31, 1946.

American	206
Australian	3
British	282
Canadian	13
Denish	3
Egyptian	1
French	2
Greek	1
Iceland	1
Indian	3
Haitian	1
Iranian	1
New Zealand	3
Palestinian	8
Polish	2
Russian	3
El Salvadore	1
South African	27
Stateless	3
Swiss	2
Yugo-Slav	1
Total	<u>567</u>

D. 3. Employment of Personnel as of 31 July, 1946 by Sex

Sex	CLASS I	CLASS II	CLASS III
Male	369	2,481	74
Female	198	853	57
	<u>567</u>	<u>3,334</u>	<u>111</u>

D. 4. Employment of Class I Personnel as of 31 July, 1946 by Grade

Grade 1	-	1	Grade 6	-	52	Grade 11	-	46
" 2	-	1	" 7	-	74	" 12	-	32
" 3	-	1	" 8	-	83	" 13	-	10
" 4	-	58	" 9	-	86	" 14	-	4
" 5	-	45	" 10	-	71	" 15	-	-

D.3. Employment of Personnel as of 31 July, 1946 by Sex

Sex	CLASS I	CLASS II	CLASS III
Male	369	2,481	74
Female	198	853	37
	567	3,334	111

D.4. Employment of Class I Personnel as of 31 July, 1946 by Grade

Grade	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	45	58	98	10	32	45	74	83	86	71	52	12	13	14	15

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