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UNRRA, ITALY, MONTHLY REPORTS
AUG. 1945 – JULY 1946

UNITED NATIO RELIEF AND REHABILITATION ADMI STRATION

ITALIAN MISSION

Chief of Mission's Narrative Report for the Month of AUG 1946

July 1946

CONTENTS.

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. KEENEY,
Chief of Italian Mission.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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S. M. KENNY,
Chief of Italian Mission.

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Italy (All Divisions, Camps and Regional Offices).
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Declassified E.O. 12356 Section 3.3/NND No. 782015

CHIEF OF MISSION'S NARRATIVE REPORT FOR THE MONTH OF

JULY, 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 amassing 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,

Declassified E.O. 12356 Section 3.3/NND No. 782015

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4276

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. LaGuardia's time was spent seeing people and UNRRA 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

several devastated towns, and managed a trip to Milan to look into UNRRA 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 UNRRA, and one as "Amico" LaGuardia. 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 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 UNRRA 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.

6. The grain outlook to the next harvest is thus bad. This Mission

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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. How UNRRA and the Government can extricate themselves from this situation is a matter for some very serious work in the coming weeks.

CM 6617

Declassified E.O. 12356 Section 3.3/NND No. 782015

COAL

7. The position regarding imports of coal appears to be impro-ving. 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 Gammexene and air transport, and London, which helped us out when action had to be immediate. A word of credit also goes to our Division of Vehicle Control and Maintenance for getting 150 trucks into position quickly, and to General Pinna, 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, tinplate, 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 18 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 Amassing Program.

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

Declassified E.O. 12356 Section 3.3/NND No. 795015

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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.

4275

(d) To assist in accelerating the CASAS (Comitato Amministrativo Soccorso di 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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

(e) To bring the work of the Price and Lire Fund Control Committees up to date.

Proceeding satisfactorily.

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

Done.

(g) To review the organization of Relief Services in the light of the ERO study.

In progress.

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

Begun, and will be accelerated with aid of visiting team from ERO.

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

Done.

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

In progress.

TARGETS FOR AUGUST.

12. (a) 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.

Declassified E.O. 12356 Section 3.3/NND No. 796015

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

(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 swinging 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 maint-

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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.

1274

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 Bracci, of the Action Party, has been replaced by the Christian Democrat Campilli. The Christian Democrat Cronchi, 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 Lire 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 Agrari (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-c).

23. The Price Committee held three meetings during the month of July. (The minutes are Attachments H-1-a, H-1-b and H-1-c). 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 Lire Fund.

24. The Price Committee works in close collaboration with the Lire 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 Lire 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-6-d-(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. 2 a) provides for the transfer to UNRRA of responsibility for

Declassified E.O. 12356 Section 3.3/NND No. 796015

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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. Keeny, Chief of the Italian Mission for UNRRA and Major General H.W. McLeod, Chief of Staff for SACMED. (See Attachment H-6-d-(iii)). The Agreement is effective as of 1 August 1946.

D. SUPPLY AND DISTRIBUTION.

Requirements.

29. The amassing 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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, 2,847 tons of fat oils.

30. In Sardinia, with five recently-installed UNRRA scrapers in operation, no holidays and the return of many of the harvesting miners, 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 lire 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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.

CM 3617

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 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.

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 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.

40. 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 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.

Declassified E.O. 12356 Section 3.3/NND No. 799015

ments 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 HQ to study distribution techniques and inspection on the ground.

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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 POL to essential services and UNRRA. It was not until 20 July that UNRRA Rome was able to obtain a small quantity of petrol, although in some districts the order became effective sooner.

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.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 Tuscana.

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 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.

48. AMG 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 woollen blankets still held by ICE (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 18,9377 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 ammasi is progressing very well in most parts, especially in Emilia, Marche and Veneto. The amassing is dis-

Declassified E.O. 12356 Section 3.3/NND No. 782015

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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 Puglie, show signs of moisture deficiency. On the whole, wines 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 gasolene - 48% of maximum requirements. This will allow the fishermen to

Declassified E.O. 12356 Section 3.3/NND No. 783015

work from 16 to 18 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 Communale 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 practises. 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 Forli Hospital in Northern Italy and the greater utilization of Italian medical facilities for the care of non-Italian displaced persons.

Declassified E.O. 12356 Section 3.3/NND No. 759012

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.

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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 Lire Fund Control Committee has been formed to consider the allocation of further lire

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 time 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.

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-(i).).

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 Commune of Carbonia 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 cut 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 bombed-out persons. In addition, during the same

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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, 2,705 clothing items, 407 clothing units, and 1,910 shoes were released to Camps Division for non-Italian Displaced Persons.

4271

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.

67. In Genoa 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 first lured to the Don Bosco institution by the noonday 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.

CM 6617

Declassified E.O. 12356 Section 3.3/NND No. 759015

68. In LaSpezia 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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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CR 6617

Declassified E.O. 12356 Section 3.3/NND No. 782015

NON-ITALIAN DISPLACED PERSONS

Registration, 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, 113 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 Czechoslavakia was completed during the period.

74. Until recently AFHQ had issued travel orders for the repatriation of non-Italian displaced persons, but this practise 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 ERO 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 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). 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 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

Declassified E.O. 12356 Section 3.3/NND No. 780015

Czechoslavakia was completed during the period.

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77. A meeting was arranged between General Balosim of the Rumanian Repatriation Mission and his staff and the staff of the UNRRA 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 an AC responsibility, UNRRA will offer all possible services in connection with those Rumanians eligible for UNRRA care.

4270

Declassified E.O. 12356 Section 3.3/NND No. 789015

Maintenance and care

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 H-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 Forli 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 Hachshoroth may need revision. A recent survey indicates that many premises used for the Hachshoroth 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 those 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.

HEALTH

Major 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 [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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.

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 disinfestation 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

conference between the sanitary engineers of this Division and the Italian authorities it was agreed to use 20 tons of 100% DDT 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 Sondalo Sanatorium, which is expected to open in August with 1,500 beds for the accomodation of refugees and returning prisoners of war. The unfinished sanitorium of the Ospedali 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 UNRRA Tuberculosis Consultant visited the UNRRA 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 UNRRA 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 sanitorium at Sondalo.

RESUME 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.

F. 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 21 - 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 UNRRA-aided schools, visits to Government officials, the meeting with the Constituent Assembly and various trips to inspect UNRRA

Declassified E.O. 12356 Section 3.3/NND No. 789015

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96. Major press interest during the month centered on the visit of the Director General. It is estimated that in Rome alone, from Monday 22 July, when Mr. LaGuardia's arrival at Ciampino 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.

97. 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. "Economic Notes" also carried major articles on the wheat crossing and the Lire Fund. The demand for "Economic Notes" both in English and Italian increases.

Declassified E.O. 12356 Section 3.3/NND No. 789015

98. 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.

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 Wendell Wilkie Award, visited the Mission during the month.

G. 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 Bureaux 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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, 3,334 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 Persons 361; Health 38; 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 1; Camps 572; Finance and Administration (excluding Personnel and Vehicle Maintenance and Control) 554; Personnel 48; Vehicle Control and Maintenance 828; 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-

Declassified E.O. 12356 Section 3.3/NND No. 789015

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

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 proceeding 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.

Declassified E.O. 12356 Section 3.3/NND No. 782015

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Declassified E.O. 12356 Section 3.3/NND No. 789015

H. LIST OF ATTACHMENTS.

H-1. Monthly Report of the Special Assistant to the Chief of Mission For Government Liaison.

H-1-a. Minutes of 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 Lire Fund Control Committee.
H-1-e. Minutes of Displaced Persons Committee.
H-1-f. Minutes of the Fourth Meeting of Lire Fund Control Committ

H-2. Brief Summary of the Main Economic Developments in Italy during July 1946.

H-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 9 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. LaGuardia'sPress Conference, 24 July 1946.
H-3-f. Translation of Mr. LaGuardia'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, Prime Minister, on the subject of non-Italian refugees in Italy.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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.
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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-SACMED agreement relating to transfer of responsibility for Displaced Persons from SACMED 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.

Declassified E.O. 12356 Section 3.3/NND No. 785615

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. 782015

Declassified E.O. 12356 Section 3.3/NND No. 785015

CSI 6617

Declassified E.O. 12356 Section 3.3/NND No. 785015

29 July 1946.

Dear Mr. Keeny:

Thank you for your letter of 27 July, reference PC/400.D, listing Italy's import requirements and balance of payments for 1947.

While on a separate subject, may I take this opportunity to commend the agricultural supplement to your last weekly issue of "Economic Notes". However, I felt there was an unfair implication with respect to the price paid for wheat last year which was stated as "too low". There were two factors which determined the price -- one, the price being paid to U.S. farmers for wheat; the other, the low price paid by the Fascist republican government in the North before its liberation.

While I do not want to go into a detailed analysis of these factors, I would point out that the increase in price in 1946 is not greatly out of line with the value of the lire which is now less than half last year's value in all international transactions, nor with the rise in wages which has occurred in the past year. UNRRA itself, I am informed, has increased wages recently, ranging from 30 to 50 percent, and the wages in general industry, I am informed, have increased in 1946 alone some 35 percent.

Mr. Cleveland will recall the protests made by many Italian officials that the price of wheat which was authorized in the North (between two and three times the price paid by the Fascist republican government just before the liberation) after the North was liberated was far too high and would have an inflationary effect.

In any case, I assume that the article in question did not mean to imply that the present prices for wheat should have been paid last year.

Very truly yours,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Mr. S. M. Keeny,
Chief of Mission,
UNRRA Italian Mission,
Rome.

1266

Declassified E.O. 12356 Section 3.3/NND No. 795015

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ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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Mr. S. M. Keeny,
Chief of Mission,
UNRRA Italian Mission,
Rome.

Declassified E.O. 12356 Section 3.3/NND No. 785015

JUL 29 1946 A-7096

UNITED NATIONS
RELIEF AND REHABILITATION ADMINISTRATION
ITALIAN MISSION

Ref. No. PC/400.D

27 July, 1946.

Dear Admiral Stone,

1. I am sending you herewith a copy of a study of Italy's estimated import requirements and balance of payments for 1947.

2. This study was presented to the Director-General, and I understand it will be used as an Appendix to his Report to the Fifth Council meeting of UNRRA to be held in Geneva at the beginning of August.

3. This document has also been passed to the Italian Government, so that they should have information on the UNRRA point of view, as it is understood that the Government is preparing a document for possible presentation to the Council, illustrating its estimates of the import requirements and balance payments for 1947.

Sincerely yours,

S. M. Keeny
CHIEF OF MISSION

Enclosure

Rear Admiral Ellery W. Stone,
Chief Commissioner,
Headquarters, Allied Commission,
ROME.

acknowledged 29/7/46

4264

ATTACHMENT H-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 H-4, Para. 7).

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 Italians' 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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. 1263

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.

CM 6561

Declassified E.O. 12356 Section 3.3/NND No. 759015

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.

The Price Committee works in close collaboration with the Lire Fund [illegible] of UNRRA and the Government

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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 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.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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-Locust 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.

B. AGREEMENTS NEGOTIATED OR IN PROGRESS

Agreement between UNRRA and SACMED

18. The Agreement between UNRRA and SACMED 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 SACMED, 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 ERO, 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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P. Contini
SPECIAL ASSISTANT TO
THE CHIEF OF MISSION

1262

Attachments:

H-1-a - Price Committee meeting of 2nd July, 1946.
H-1-b - " " " "16th July, 1946
H-1-c - " " " "30th July, 1946
H-1-d - Lire Fund Committee meeting of July 10th and 12th, 1946
H-1-e - Displaced Persons Meeting of 4th July, 1946.

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Declassified E.O. 12356 Section 3.3/NND No. 786015

alt - H-1-a

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. Menzione	" " "
V. Marcolini	Ministry of the Treasury
A. Foffano	" " " "
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.

Declassified E.O. 12356 Section 3.3/NND No. 78-5015

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
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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.

1361

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Declassified E.O. 12356 Section 3.3/NND No. 785015

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. 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

Declassified E.O. 12356 Section 3.3/NND No. 798205

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. 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 Avv. Montini

1260

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 constrast 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.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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) iii 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

CM 5938

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 believedhe 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 custom 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

Declassified E.O. 12356 Section 3.3/NND No. 782015

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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.

4259

CM 5938

Declassified E.O. 12356 Section 3.3/NND No. 789015

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. IMRIE 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. <u>Review of prices of UNRRA imported commodities already agreed between the Italian Government and UNRRA.</u>

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

taken into consideration.

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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. KEENY'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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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. SULLAM 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.

Rec.No.6 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 amassments at the 2250/2500 price. However, the question of the price for UNRRA imported wheat should be submitted to the Price Committee.

Declassified E.O. 12356 Section 3.3/NND No. 782015

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44. MR. CLEVELAND said that wheat is now being paid at the amassments 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 amassments 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 31st would continue to be sold at 900 lire.

CM 5938

1258

Declassified E.O. 12356 Section 3.3/NND No. 789015

47. MR. CLEVELAND answered that no formal agreement had been reached on the price of UNRRA 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

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. Consorzi warehouse.

49. MR. FOGLIETTI and MR. MARCOLINI pointed out that the domestic price for plows is 70,000 lire and that accordingly the price for UNRRA 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 added 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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. Genserzi warehouse.

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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 added 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 aftef the establishment by the Inter-Ministerial Committee on Prices of the price for ammonium nitrates of national production.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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. VERDIRAME 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
C o M
Industrial Advisor
Legal Adviser
Div. Quantitative Analysis
Gov't Liaison (2)
Conference Secretariat (2)
Registry (2)

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

CM 5938

1257

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

PRESENT FOR ITALIAN GOVERNMENT:

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

AGENDA

I. Approval of minutes of First, Second and Third meetings

II. Items for price fixing:
(a) penicillin
(b) medical supplies

Declassified E.O. 12356 Section 3.3/NND No. 782015

V.B. Sullam	Chief Analyst, Sub-Bur. Relief Supply, Bur. R & D
F. Verdirame	Price Specialist, Bur. R & D
G. Cardani	Division of Agriculture, Bur. R & D
P. Contini	Special Ass't to Chief of Mission
G.M. Hopkins	Financial Adviser (Lire Fund) to C.F.A.
E.C. Benn	Health Division, Bureau of R.S.
G.M. Frizelle	Health Division, Bureau of R.S.
G. Miegge	Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

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

4256

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.

VI. Any other business.

CM 6375

Declassified E.O. 12356 Section 3.3/NND No. 782015

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)
forage seed corn (out of the Agenda) (Documents No. 20 and 20 A)
e) wheat (Documents No. 21 and 21 A).

a) 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.

Declassified E.O. 12356 Section 3.3/NND No. 782015

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)
forage seed corn (out of the Agenda) (Documents No. 20 and 20 A)
e) wheat (Documents No. 21 and 21 A).
a) Penicillin (Documents No. 15 and 15 A, 16 and 16 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. BENN 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. BENN agreed to the percentage of 25% to be distributed free, as suggested by MR. BERGAMI.

4255

11. MR. CLEVELAND asked for MR. BENN's opinion on having the 75% paying consumers charged also for the 25% non paying.

Declassified E.O. 12356 Section 3.3/NND No. 782015

12. MR. BENN 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. SULLAM 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. BENN stressed the importance of the availability of this commodity 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 import-

Declassified E.O. 12356 Section 3.3/NND No. 782015

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. BENN stressed the importance of the availability of this commodity 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.

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N.S. 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.

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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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. Benn, Morgan, Hopkins, Verdirame

ITALIAN GOVERNMENT: Messrs. Foglietti, Solimena, Menzione, 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.

Declassified E.O. 12356 Section 3.3/NND No. 786015

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:

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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 supplies was borne by the Government. 4253

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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

34. MR. FOFFANO asked whether the discussion referred to the 1945 import program, on 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. FOFFANO 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. FOFFANO 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. SCRIVEN who stated that the price of

Declassified E.O. 12356 Section 3.3/NND No. 789015

any charge at present, a price should be determined as a basis for future payments.

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(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. 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. 1252

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 21 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,

Declassified E.O. 12356 Section 3.3/NND No. 782015

having in mind the estimated price in October 1946, on the assumption that UNRRA'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 up 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: UNRRA: 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. SULAM pointed out that this item is used for the production of "calciocienamide" which is essential for rice cultivation, therefore being seasonably urgent.

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Declassified E.O. 12356 Section 3.3/NND No. 759015

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

N. 10 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 and asked the Committee if the proposed figure of 45,000 lire (the price of the domestic product) could be agreed upon.

N. 1 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: UNRRA: BUREAU R & D)

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Declassified E.O. 12356 Section 3.3/NND No. 759015

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

59. MR. FESTA CARPANILE 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. TOGLIETTI said that, although he considered excessive the landed cost ($ 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.

ec.N.12 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 accrual to the Lire Fund. (ACTION: UNRRA: BUREAU R & D)

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

63. MR. FONFANO 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 seperately, he added.

65. MR. D'ALESSANDRO 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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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)

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67. MR. CLEVELAND called on MR. SULLAM 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)

4250

69. MR. SULLAM expressed his appreciation for the helpful work done on this matter by MR. PIETROMARCHI of the Italian Delegation.

Declassified E.O. 12356 Section 3.3/NND No. 789015

IV. Report by Italian 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. PANZANARO 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 price 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 UNRRA 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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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 UNRRA goods in the warehouses.

80. MR. FOGLIETTI 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,

4249

Declassified E.O. 12356 Section 3.3/NND No. 782015

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 UNRRA nitrates should be confined to warehouses.

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

85. MR. CLEVELAND replied that there was no alternative for UNRRA 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.3 - reading - "The price decisions reached..."
was amended to read - "Price agreements reached..."

Para.5 - a) reading - "The price to the first consumer..."
was amended to read - "The sale price..."

Para.5 - 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)

Declassified E.O. 12356 Sec. 3.3/NND No. 782015

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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 pubblicizing and enforcing the prices established by the Committee. This plan will be presented at the next meeting of the Price Committee. (ACTION: ITALIAN GOVERNMENT)

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b) At MR. CONTINI'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)

6375

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 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 - Mr. Leigh Hunt

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Declassified E.O. 12356 Section 3.3/NND No. 785015

Declassified E.O. 12356 Section 3.3/NND No. 785015

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UNRRA Italian Mission
Central Secretariat

PRICE COMMITTEE

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

PRESENT FOR UNRRA:

H. Cleveland	Deputy Chief of Mission & Chief, Bureau R & D
J. Imrie	Ass't Chief, Sub-Bur. R. Supply -Bureau R & D
W.G. Peterson	Sub-Bureau of Supply Operations
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'Ayala Valva	Sub-Bureau of Industrial Rehabilitation
P. Contini	Spec. Ass't to Chief of Mission
E.C. Benn	Health Division - Bureau R.S.
L.D. Orpen	Office of Fin.Adviser, Lire Fund,Bureau F & A
E.G. Laperna	Bureau of F & A
G.Miegge	Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

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

A G E N D A

I. Approval of Minutes of 4th Meeting.

Declassified E.O. 12356 Section 3.3/NND No. 789015

E.C. Benn	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:

L. D'Alessandro	Director General, Italian Delegation
G. Menzione	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. Foffano	" " " "
A. Foglietti	Interministerial Committee on Prices
R. De Lieto Vollan	Ministry of Foreign Trade.

A G E N D A

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

4246

IV. Report from Medical Sub-Committee on

a) penicillih
b) medicines

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Declassified E.O. 12356 Section 3.3/NND No. 782015

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) colophony
d) composition soling
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.

Declassified E.O. 12356 Section 3.3/NND No. 782015

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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Declassified E.O. 12356 Section 3.3/NND No. 78201/5

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 [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 789015

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)

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 UNRRA prices be published in the "Official Gazette", in order to make them legally binding.

CM 6507

Declassified E.O. 12356 Section 3.3/NND No. 785015

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, UNRRA)

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 on 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 MR. PENN to report recommendations of the

Declassified E.O. 12356 Section 3.3/NND No. 785015

d) Reaper attachments
e) Forage pea seed
f) Vetch seed
g) Forage seed corn

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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 on 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. 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:

235 lire per 100,000-Unit vial
450 lire per 200,000-Unit vial

4213

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

Declassified E.O. 12356 Section 3.3/NND No. 782015

tendency to buy more quantities of Penicillin than necessary.

18. DR. BENN 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.

Rec. No.14 19. After some discussion it was agreed that the price of Penicillin be fixed at Lire 255 per 100,000-Unit vial and Lire 450 per 200,000-Unit vial.

b) Medical supplies.

20. DR. BENN suggested that the approval of the proposals of the Sub-Committee on medical supplies, be postponed until MR. HOPKINS 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. [illegible] and himself, that the proceeds of sale of medical supplies imported by UNRRA, should go to the Treasury and not to [illegible] Fund, inasmuch as the Treasury had already allocated 5 billion lire for the 1945 program.

21. It was agreed that DR.BENN'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. BENN 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. [illegible] The points

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 Lire Fund, inasmuch as the Treasury had already allocated 5 billion lire for the 1945 program.

21. It was agreed that DR.BENN'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. BENN 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.

"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.

Declassified E.O. 12356 Section 3.3/NND No. 785015

"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. PANZANARO 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 ANAR (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 ANAR. 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 UNRRA 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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

31. Mr. Cleveland asked for observations and corrections.

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 UNRRA 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.

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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 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)

4241

a) Petroleum coke. (Document No. 16 & 16 A)

37. 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.

CM 6507

Declassified E.O. 12356 Section 3.3/NND No. 789015

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. 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.

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

Declassified E.O. 12356 Section 3.3/NND No. 789015

No. 16 will be [illegible]
UNRRA's Agricultural Division and the Ministry of Agriculture.

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

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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 submitted at next meeting. 4210

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).

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

CM 6507

Declassified E.O. 12356 Section 3.3/NND No. 789615

51. MR. FOGLIETTI 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)

d) 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 abd 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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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)

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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.

4239

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.

CM 6/07

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 SIMONE 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 food, as compared with other products used in animal feed mixtures.

67. MR. DARIE 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.

Rec. No.19 69. It was agreed that the price for cotton seed cake will be Lire 1,000 per quintal.

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

a) Wheat binders
b) Reaper attachments

70. MR. CLEVELAND

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 SIMONE 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. EMRIE 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.

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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.

72. It was therefore agreed to postpone the discussion of this item.

4238

IX. Any other business.

7. POL Prices.

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

Declassified E.O. 12356 Section 3.3/NND No. 739015

Gasoil 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. Ass't to C o M (2)
Conference 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.

Declassified E.O. 12356 Section 3.3/NND No. 782015

1946.

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

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Div.Operational Analysis
Bur. R & D (2)
Bur. F & A (2)
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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.

1237

CM 6507

Declassified E.O. 12356 Section 3.3/NND No. 785015

H-1-d

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

PRESENT FOR ITALIAN GOVERNMENT:

Mr. D'Alessandro	Italian Government Delegation
Mr. Scheda	" " "
Mr. Marcolini	Ministry of the Treasury
Mr. Galano	" " " " (only for meet.of 12 July)
Mr. Solimena	High Commissariat for P.Health & Hygiene
Mr. Ferrari	" " " " " " " " (only for meet.of 12 July)
Mr. Fragapane	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 [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 789015

Mr. Liegge — Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

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

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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.

CM 6264

12296

Declassified E.O. 12356 Section 3.3/NND No. 782015

UNRRA 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.Sarracino" 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. 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)

Declassified E.O. 12356 Section 3.3/NND No. 785015

3. MR. D'ALESSANDRO pointed out that in para 31, "Gen.Sarracino" 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".
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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)

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..." 235
(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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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: UNRRA 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 UNRRA, or their representatives, will examine the budget and expenditures of the Anti-Grasshopper Campaign.
(ACTION: UNRRA 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. SOLDENA, 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 3½ billion Lire, whereas the Agenda gave the figure as 1½ billion Lire, and he asked for an explanation of the discrepancy.

Declassified E.O. 12356 Section 3.3/NND No. 782015

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

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20. MR. HODGETTS said that the Document which had just been put before him showed a figure of over 3½ billion Lire, whereas the Agenda gave the figure as 1½ 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 3½ billion Lire, while the 1½ 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 Anti-Malaria Campaign for Sardinia and 18½ million Lire for transport for provincial doctors. Of the 500 million, 100 million had been approved by the Joint Committee. The 18½ 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.

Declassified E.O. 12356 Section 3.3/NND No. 782015

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. Benn and Mr. Hopkins for UNRRA, 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. KEENY 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. BENN 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. HODGETTS 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

recommend to Mr. [illegible] 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.

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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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Rec.N.3 33. It was then agreed that:

a) On the basis of the plan presented (Documents 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.

b) The Sub-Committee established under para 24 will examine and control the expenditure of the 1½ billion Lire allocated to the High Commissariat, and will also examine and make recommendations with respect to the general plan presented

Declassified E.O. 12356 Section 3.3/NND No. 789015

by the High Commissariat. (ACTION: UNRRA)

34. 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 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.

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 those 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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 which should be appropriated immediately was 23,041,000 Lire for (a), (b) and 50% of (f).

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.

Declassified E.O. 12356 Section 3.3/NND No. 799015

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 those 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 4th, 1946

Declassified E.O. 12356 Section 3.3/NND No. 789015

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47. MR. SCRIERI 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. 1233

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. SCRIERI replied that the price indicated was ARAR's quotation.

Declassified E.O. 12356 Section 3.3/NND No. 795015

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

52. It was then agreed that:

Rec.N.4

a) The Lire Funds Control Committee recommends that the sum of Lire 23,041,000 be allocated to the Delegation for the purchase of one Fiat car, 90 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 CASAS; 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 sympathises 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.7 and 7 A, up to L. 167,066,000.

53. MR. SORIERI said that his understanding was that, within the limits of Lire 167,066,000, CASAS 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 for the Ministry of Post-War Assistance Program. (Documents No. 9 & 9 A, 10 & 10 A)

55. MR. FRAGAPANE 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.

Declassified E.O. 12356 Section 3.3/NND No. 785015

(Items a), b) and 50% of f) of Documents No.7 and 7 A) which will be turned over to CASAS; 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 sympathises 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./ and 7 A, up to L. 167,066,000.

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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 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 cottonn 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

were higher than the costs sustained by the Processing Section for the same kind of work, and for that reason, MR. SCRIERI 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. SCRIERI 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 BANNISTER, to MR. KEENY. 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 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.

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. SCRIERI 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. Nadzo, Fisher, and Hopkins, to represent UNRRA;

Declassified E.O. 12356 Section 3.3/NND No. 759015

ing to which had the [illegible] 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. KEENY. 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.

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64. MR. SCRIERI 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. Nadzo, 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.

4232

67. MR. HODGETTS proposed the following terms of reference:

(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 processing;

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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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

69. MR. HODGETTS 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. FRAGAPANE would convene the meetings of the Sub-Committee.

V. Progress report on charges by the Federazione Consorzi Agrari for UNRRA Camps 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. HODGETTS' 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 600 million Lire already paid, CIP paid 47,167,438.50 Lire for February, 156,156,073.75 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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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71. At MR. HODGETTS' 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 600 million Lire already paid, CIP paid 47,167,438.50 Lire for February, 156,156,073.75 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. HODGETTS 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 subagency of ICE, MR. SCHEDA continued; coal was handed over directly to the Gruppi Regionali Commercianti Carboni Fossili (Regional Groups of Fossil Coal Traders), Associazione Generale Commercio Carboni Fossili (General Association for Trade of Fossil Coal) and to the

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 Sub-Committee 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 POL, 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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 UNRRA and another from the Government be appointed to report and make recommendations to the Committee at its next meeting.

4231

89. MR. HODGETTS said this matter concerned the Bureau of R & D as well as the Bureau of F & A. MR. HOPKINS 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. BRUNO LUZZATTO or his representative.

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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 met 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, FOGLIETTI 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 UNRRA 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 CARBOSARDA 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 34,999,845 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

Declassified E.O. 12356 Section 3.3/NND No. 759015

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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 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 Attivita' Romane, and it had been suggested that UNRRA should have a pavillion 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. KEENY accordingly.

108. The meeting rose at 10.50 a.m.

DISTRIBUTION:

All those present
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Industrial Advis
Legal Adviser
Public Information
Div. of Operational Analysis
Bur. R & D (2)
Bur. F & A
Bur. R.S.

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Price Office - Bureau R & D
Gov't Liaison (2)
Conference Secretariat (2)
Registry (2)

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Declassified E.O. 12356 Section 3.3/NND No. 789015

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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. Fragapane	Ministry of Post War Assistance
Mr. Scrini	" " " " "
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.

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Mr. Martini	Ministry of Foreign Affairs
Mr. Pinto	" " " "
Mr. Fragapane	Ministry of Post War Assistance
Mr. Sorini	" " " " "
Mr. Flores	Director General, Italian Government Delegation
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4229

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Declassified E.O. 12356 Section 3.3/NND No. 785015

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. MIEGGE. 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

Declassified E.O. 12356 Section 3.3/NND No. 759015

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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 place of residence was abroad and were at present unable to return. 1228

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-

Declassified E.O. 12356 Section 3.3/NND No. 789015

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. HORWITZ, 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 responsibilites 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

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a) To co-ordinate all activities and responsibilites 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 not 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 responsibilites 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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. SCRIERI 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. SCRIERI 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. <u>A review of the non-Italian Displaced Persons' problems and developments to date.</u>

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,

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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 very complex and should be discussed separately. 4227

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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 , Cinecitta', 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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.

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.

OM 6134

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 Was 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 were 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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 Africa, and UNRRA enter the picture merely to facilitate the movement of persons returning. However, at the present time the British Military Authorities communicated only with UNRRA.

4226

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).

CM 6134

Declassified E.O. 12356 Section 3.3/NND No. 789615

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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.

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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 encoutered 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:-

August 1945	115	Italian	children	to	Tripolitania	
October "	265	"	"	"	"	
January 1946	373	"	"	"	"	
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

OM 6134

Declassified E.O. 12356 Section 3.3/NND No. 799015

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. 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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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.

4225

50. MR. SORINI 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 accomodate 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.

OM 6134

Declassified E.O. 12356 Section 3.3/NND No. 789015

DISTRIBUTION:

All those present
C o M
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
Government Liaison (2)
Conference Secretariat (2)
Registry (2)

Declassified E.O. 12356 Section 3.3/NND No. 785015

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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 responsibilites 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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.

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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.

1224

OM 6134

Declassified E.O. 12356 Section 3.3/NND No. 789015

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.

Declassified E.O. 12356 Section 3.3/NND No. 795015

Declassified E.O. 12356 Section 3.3/NND No. 785015

OM 6134

Attachment H-1-f

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	Deputy Chief of Mission & Chief, Bur.F & A
G. Hopkins	Financial Adviser (Lire Fund) to C.F.A.
L. Travers	Senior Finance Officer, Office of Fin.Adv.
P. Contini	Spec. Ass't to C o M for Gov't Liaison
A.A. Sorieri	Deputy Chief of Mission & Chief, Bur.R.S.
E.C. Benn	Director of Division of Health
G.M. Frizelle	Division of Health
E.S. Lynch	Chief of Sub-Bureau of Supply Operations
H.H. Landsberg	Division of Program Coord.& Statistics
G. Miegge	Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

[illegible]		Deputy Chief of Mission & Chief, Bur.R.S.
E.C. Benn		Director of Division of Health
G.M. Prizelle		Division of Health
E.S. Lynch		Chief of Sub-Bureau of Supply Operations
H.H. Landsberg		Division of Program Coord.& Statistics
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V. Scheda	" " "
V. Marcolini	Ministry of the Treasury
G. Solimena	High Commissariat for Public Health & Hygiene
M. Fracca	I.C.E.
Borgianni	I.C.E.

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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 bases 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.

1223

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Declassified E.O. 12356 Section 3.3/NND No. 782015

UNRRA Italian Mission

MINUTES OF THE FOURTH 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 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 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. 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 [illegible] of the Italian Government to supply transport-

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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 Inspectors, involving an approximate expenditure of Lit. 18,850,000.

4222

5886

Declassified E.O. 12356 Section 3.3/NND No. 785015

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. SOLIMENA 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. DR. BENN 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 CASAS for transport. (Document No. 2 and 2a)

12. MR. SCRIERI referred to Document No. 2, concerning the purchase through UNRRA of transport for the CASAS programme 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. SCRIERI proposed that the purchase of transport should be made through the Lire Fund, in order to save dollar and sterling

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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 CASAS project.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 CASAS Committee and had limited the cost of the project to 1 billion lire. UNRRA 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 CASAS program on loan from the Government. MR. SORIERI 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 CASAS 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 CASAS be postponed to a later meeting.

19. MR. D'ALESSANDRO continued, stating that there was a difference

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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 -

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 UNRRA 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 UNRRA 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 commend 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:

(1½ billion lire for the Health program

Declassified E.O. 12356 Section 3.3/NND No. 789015

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Approximately
- 1½ billion lire for the Health program
- 1 " " " CASAS
- " " " the anti-Malaria campaign
- " " " the anti-Locust campaign
- " " " the Federazione Consorzi Agrari
- " " " various other items e.g. clothing, etc

Total: about 4½ billion lire.

CM 5886

Declassified E.O. 12356 Section 3.3/NND No. 789015

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 UNRRA 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 UNRRA representatives being Mr. Hopkins, Mr. Travers, Col. Imrie and Mr. Landsberg, and for the Italian Government Eng.Scheda, 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: UNRRA & DELEGATION)

V. Report on the indebtedness of UNRRA 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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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 Lire 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. MARCOLINI 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

CM 5886

Declassified E.O. 12356 Section 3.3/NND No. 789015

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. BELLA 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, codfish, as calculated by the Federazione Consorzi Agrari. (Documents No. 5 and 5 A)

38. MR. BELLA 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. HODGETTS 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 price, but the Lire Fund Control Committee would be free to examine the distribution costs actually incurred. MR. HODGETTS 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)

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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.

4219

CM 5886

Declassified E.O. 12356 Section 3.3/NND No. 792015

- 8 -

DISTRIBUTION:

All those present
Chief of Mission (1)
Industrial Adviser
Legal Adviser
Public Information
Div. of Operational Analysis
Bur. R & D (2)
Bur. F & 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)

Declassified E.O. 12356 Section 3.3/NND No. 786015

Declassified E.O. 12356 Section 3.3/NND No. 785015

Registry (2)

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H.2. BRIEF 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 has 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 restitution 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. Fiorello 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)

Declassified E.O. 12356 Section 3.3/NND No. 799015

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(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;

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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").

4218

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:

(i) heavy burden of reparations payments, ./.

CM 6576

Declassified E.O. 12356 Section 3.3/NND No. 785015

(ii) threatened loss of capital invested in the ceded 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 1944, 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 UNCERTAIN 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 lira 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 8,700 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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8. By and large, therefore, it will not be possible for a few months to give a more exact judgment on how the flow of a dangerous inflationary situation is taking shape.

FAVORABLE ELEMENTS.

9. Among the more favorable factors are the following:

(a) the firm statements by the Treasury Secretary on

CM 6576

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Declassified E.O. 12356 Section 3.3/NND No. 789015

(i) 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 amassment of wheat. By the 29 July 1946, 1,440,000 tons of wheat had been amassed, 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.

Declassified E.O. 12356 Section 3.3/NND No. 782015

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J.H. GORVEN,
DIRECTOR DIVISION OF
OPERATIONS ANALYSIS.

4217

CM 6576

Declassified E.O. 12356 Section 3.3/NND No. 780015

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 ERO 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 convin-

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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 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 McKnight - Associated Press;
Mr. S. Sydney Smith - London Daily Express;
Mr. John Talbot - Reuters.

4216

Local Press:

10. Major press emphasis during the month centered on the visit of the Director General, Mr. Fiorello LaGuardia.
It is estimated that in Rome alone, from Monday

CM 6511

Declassified E.O. 12356 Section 3.3/NND No. 785015

22 July when Mr. LaGuardia's arrival at Ciampino 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'Ansa;
Sig. Aldo Bruti - Il Momento;
Dr. Renato Caniglia - La Nuova Stampa - Turin;
Dr. Ceretto - Il Corriere della Sera - Milan;
Dr. A. Focarile - Il Globo;
Dr. Gacace - Agenzia Finanziaria Internazionale;
Sig. Galimberti - L'Indipendente;
Sig. F. Giampoli - Il Minuto;
Sif. F. Grimaldi - SIDI newsagency;
Sig. V. Giordano - Il Progresso;
Sig. Francesco Leone - L'Orbis;
Sig. Aldo Minestrini - L'Orbis;
Sig. G. Mareu' - Avanti;
Sig. P. Puccio - Il Buonsenso;
Sig. Mayer - Bater Nachrichten;
Mr. Jack Begon - Rome Daily American;
Mr. John Mechlin - 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. Ivanov - "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. F. O'Brien - Associated Press;
Mr. B. McGurn - Herald Tribune (NY);

Declassified E.O. 12356 Section 3.3/NND No. 785015

Sig. Gelimberti - L'Indipendente;
Sig. F. Giampoli - Il Minuto;
Sif. F. Grimaldi - SIDI newsagency;
Sig. V. Giordano - Il Progresso;
Sig. Francesco Leone - L'Orbis;
Sig. Aldo Minestrini - L'Orbis;
Sig. G. Mareu' - Avanti;
Sig. P. Puccio - Il Buonsenso;
Sig. Mayer - Beter Nachrichten;
Mr. Jack Begon - Rome Daily American;
Mr. John MacMin - 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. Ivanov - "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. F. O'Brien - Associated Press;
Mr. B. McGurn - Herald Tribune (NY);
Representative of the US Embassy press office;
Miss Elizabeth McKenzie - New Statesman;
Miss E. Bergh - Handels Tidningen;
Mrs. Pierre Artigue - Agence Franco 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 Ruggeris - Tribuna del Popolo;
Sig. C. Calvo - Il Messagero;
Sig. P. Alatri - Italia Libera;
Sig. A. Alesieni - Italia Libera;
Sig. P. Idari - Giornale d'Italia;
Sig. G. Puccio - Orbis;
Signa M. Frati - SIDI;
Sig. A. Fano - Espresso;
Signa Laura Angelini - Capitale;

CM 6511

Declassified E.O. 12356 Section 3.3/NND No. 782015

Sig. Ingrao - Patria;
Sig. Renato Ponteri - Tribuna;
Sig. U. Barsotti - Il Sole;
Sig. Luciano Barca - Unita;
Sig. L. Piccioni - D.C.I;
Sig. E. Buonaiuto - Osservatore Romano;
Sig. P. Bonomo - Quotidiano;
Sig. Spovieri - Indipendente;
Mr. D. A. Hotly - 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 Roma radio to the Italian people. Copy of text is attached.

FILMS.

17. A preview of a news film showing the use of Gammexine 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, "Humanita'" and "Cassino".

20. The script is now being prepared for an UNRRA documentary film of UNRRA's activities in Italy.

RELEASES:

Declassified E.O. 12356 Section 3.3/NND No. 782015

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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, 7256. 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 excerpts 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 Amassing goes well; Industrial Rehabilitation; Coal outlook for July;
July 12 - Issue No. 26 - Lira Fund Aids Reconstruction; UNRRA Imports

CM6511

4215

Declassified E.O. 12356 Section 3.3/NND No. 785015

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; Coal 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 distribution being afforded by the Information Division without any responsibility 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 distributed 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 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 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:

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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:

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 effected the quantity of pictures available for distribution for the press. The total number of enlargements distributed, however, far exceeds any previously recorded monthly figure. Pictures were supplied as follows during the month of July:

Declassified E.O. 12356 Section 3.3/NND No. 782015

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 "Museum" - 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. Pietzch of LIFE, went to Naples on 1 July for the purpose of covering the arrival of the shipment of 387 cattle per 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 Infine to attend the ceremony of the handing over of the LIFE cow to the family receiving her. Messrs. Marcello, McSweeny, Pietzch 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-processing factory in the World's Fair Exhibition buildings, the bomb-damaged school of the Opera Ismaelite di Beneficenza and the Italian and non-Italian displaced persons camps at Cinecittà. They also visited Ciampino, where plans of the new houses to be built under the C.A.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 wel-

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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.

4214

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 Summer Colony near Palermo where he talked to the doctor and staff and to many of the 1,000 children who are catered for daily.

CM 6511

Declassified E.O. 12356 Section 3.3/NND No. 782015

37. Before leaving Rome on Friday 26 July Mr. LaGuardia had an interview with the Minister of Agriculture on the amassing progress and paid a short visit to one of the Salesian Fathers' hostels in Rome for "Sciuscia" (shoeshine) boys.

38. Mrs. O'Brien visited Lanuvio, Cisterna and Bergamo. She also visited a pre-tubercular colony, a colony which has been opened recently for the tramway workers and the school of Notre Dame de Namur.

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 Aversa of groups of the 400 Chinese refugees awaiting shipment from Naples to their homeland. At Ipri photographs were also made of the reconstruction of ruined houses with UNRRA materials.

DISTINGUISHED VISITORS:

40.a) Mr. Fiorello H. LaGuardia, Director General of UNRRA.

Director General's party:

Commander Jackson - Robert Gillman Allen Jackson, CMG, OBE, the Senior Deputy Director General of UNRRA.
Mr. Nikolai Feonov -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 barrister.
Mr. Harold E. Caustin - Assistant to the Director General UNRRA.
Mr. Joseph Lilly - Director Public Information Division, UNRRA Headquarters, Washington.
Mr. Adjutor Savard-Public Information Officer, UNRRA Headquarters, Washington.
Mr. A. Ornstein - Aide to Director General UNRRA.
Mr. Eric LaGuardia-Son of the Director General.
Mr. Leon Feonov -Secretary to Mr. Nikolai Feronov.
Mr. F. Giordano -Personal attendant to Director General

b) Mr. [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 782015

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Mr. Harold E. Caustin - Assistant to the Director General UNRRA.
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Mr. Adjutor Savard - Public Information Officer, UNRRA Headquarters, Washington.
Mr. A. Ornstein - Aide to Director General UNRRA.
Mr. Eric LaGuardia - Son of the Director General.
Mr. Leon Feonov - Secretary to Mr. Nikolai Feronov.
Mr. F. 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:

Mostra delle Attivita Romane: (Exhibition of Roman Activities.)

41. UNRRA Italian Mission is participating in the Mostra delle Attivita 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 from UNRRA, from the Government and from private

Declassified E.O. 12356 Section 3.3/NND No. 782015

industrial warehouses samples of UNRRA imports for display; securing and training attendants for duty at the pavilion as public relations officers. Plus all the technical, legal, publicity etc. arrangements were made with officials of the Mostra, the Mission and the Italian Delegation. Mr. John Western of the Information Division has had charge of all details for the Mostra.

43. The exhibition is due to open on 8 August at the Piazzale Clodio, Rome, and will continue until the end of the year.

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 Attivita Romane:-

Miss A. Valdoni;
Sig. Leonardo Labia;
Sig. Vittorio Polettini;
Signa. A. degli Uberti.

49. As of 31 July the staff consisted of:-

Class I:

Declassified E.O. 12356 Section 3.3/NND No. 785015

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Sig. Vittorio Polettini;
Signa. A. degli Uberti.

49. As of 31 July the staff consisted of:-

Class I:
B. Ashford Russell - Director of Information;
E. B. Hitchcock - Deputy Director;
R. d'B. Chomley - Writer;
John Western - Writer;
Raoul Berry - Observer-Photographer;
R. Guglielmo - Public Relations Officer;
Julia Giromi - Secretary;
R. Boria - Photographer;
Mary Runnett - Secretary;
Nita Hock - Secretary;
Joyce Chomley - Secretary.

Class II:
E. Canali - Writer;
C. Camagna - Writer-translator;
C. Ruggeri-Laderchi - Writer-translator;
L. Romagnoli - Photographer;
L. Di Giorgio - Photo Lab. Assistant;
N. Zurra - Photo Lab. Assistant;
Jacqueline Stewart - Public Relations Assistant;

4213

Declassified E.O. 12356 Section 3.3/NND No. 789015

Irma Hilton - Secretary;
Marisa Pompei - Secretary;
Felicita Jurlaro - Typist;
Margherita Francolini - Typist.

B. ASHFORD RUSSELL
DIRECTOR OF INFORMATION.

Declassified E.O. 12356 Section 3.3/NND No. 789015

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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. LAGUARDIA'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 Internation 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.

Declassified E.O. 12356 Section 3.3/NND No. 786015

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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 fo 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.

CI 5335 PI

Declassified E.O. 12356 Section 3.3/NND No. 782015

"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 UNRRA 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 UNRRA's life can be prolonged. My answer is, yes, but it does not mean anything, because UNRRA 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 UNRRA's life unless the necessary money can be provided at the same time.

"Besides foodstuffs, UNRRA 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 upin 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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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" 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.

CM 6335 PI

Declassified E.O. 12356 Section 3.3/NND No. 785015

"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 feet. 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 do not b. believe that any other nation in history has ever had a debt of 222 billion dollars, and .... this also - isn't hay. 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.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 do not [illegible] believe that any other nation in history has ever had a debt of 222 billion dollars, and .... this also - isn't hay. 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."

M 6335 PI

4211

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 Italians.

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?

Declassified E.O. 12356 Section 3.3/NND No. 782015

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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 behind. I am going to ask Mr. Keeny as soon as he has figures for any definite period to make those public.

CM 6335 PI

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 would 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 fanciful 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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 least I hope so.

4210

GI 633: FI

Declassified E.O. 12356 Section 3.3/NND No. 785015

Q. From the impressions you got 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 F.A.O. 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 cure it, including our own country. That is why I am so forceful in getting a continuation of O.P.A. in our country, but let's not start controversy here in [illegible] that

Declassified E.O. 12356 Section 3.3/NND No. 786015

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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.

GM 6335 PI

Declassified E.O. 12356 Section 3.3/NND No. 785015

Q. What do you think of the bathing buildings which are being erected on a large scale in every resort; those buildings only have a speculative value and do not improve the situation?

D.G. 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.G. Let us admit that only timber 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 criticise 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.G. 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.G. 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.G. Yes. I think - lets see, the Canadian parliament is in session.

Comm. Jackson - The U.S. is the only one.

D.G. The United States is in Session - that right.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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Comm. Jackson - The U.S. is the only one.

D.G. The United States is in Session - that right.

Comm. Jackson - It is a vital one.

D.G. Seventy per cent.

Q. What do you hear in Washington about the possibility of a loan to Italy ?

CM 6335 RI.

4209

Declassified E.O. 12356 Section 3.3/NND No. 782015

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 sm 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.C. 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 pawn shop

Q. What institution will replace UNRRA.?

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 UNRRA 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.?

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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 UNRRA progra ends ?

D.G. Yes, I do.

CM 5505 PI

Declassified E.O. 12356 Section 3.3/NND No. 785015

Q. Is there any way of continuing that program ?

D.G. Not unless we get funds.

Q. Can you get the funds from the American Congress ?

D.G. 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.G. 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.G. Ever, thing depends on her budget; petrol doesn't rain from the skies, it has to be imported.

Q. Will you always help us ?

D.G. 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 ample, 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.G. I wish I could; they <u>are</u> in contradiction.

Q. You said that drastic action should be taken against black markets everywhere. Have you said anything about that to the Prime Minister or Italians here. ? Do you think drastic action will be taken ?

D.G. You will have to draw your own conclusions on what I said. You know my feelings in the matter.

EC:MR

END

Declassified E.O. 12356 Section 3.3/NND No. 789015

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EC:MR END

CM 6335 PI

4208

Declassified E.O. 12356 Section 3.3/NND No. 785015

Attachment H-3-f.

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, Fiorello 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 48 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 help 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 ends 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 succour.

" I am very pleased to see the co-operation of the Italian Government in the delivery of grain to the ammassi. 1,250,000 tons of grain have been delivered to the ammasso 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

us in America.

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" I appeal to the peasants and I ask them to bring their wheat to the ammassi. 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 ammasso? 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.

4207

CM 6338 PI

Declassified E.O. 12356 Section 3.3/NND No. 785015

" 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 thewhole 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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" 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 parlamentary speeches cannot fertilize the soil.

CM 6338 PI

Declassified E.O. 12356 Section 3.3/NND No. 782015

" 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.

" Good evening, friends.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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CM 6338 PI

4206

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 BY 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

becoming a first claim on foreign exchange which should be "plowed back" into the industrial economy.

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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 BY 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. 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. Iurio, who has been Acting Chief of this Sub-Bureau during the two months Col. Legg has been in England on sick leave.

1205

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;

Declassified E.O. 12356 Section 3.3/NND No. 789015

(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 whatching and checking distribution of imported foodstuffs;

(a) 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.

SURPLUS PROPERTY

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 108 days.

Declassified E.O. 12356 Section 3.3/NND No. 787015

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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 108 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.

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 expect 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.

CM 6567

Declassified E.O. 12356 Section 3.3/NND No. 789015

12. A highlight on the industrial side was the Italy-wide strike of CIP (the Petroleum Distribution Organization employees) 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 C.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 SDDG, 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 4,735 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

Declassified E.O. 12356 Section 3.3/NND No. 782015

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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 Mission was made by the Deputy Chief Inspector Supply Records and a Field Inspector from ERO. 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.

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 DP's. A procedure

Declassified E.O. 12356 Section 3.3/NND No. 785015

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:

H-4-a - Monthly Report, Pro. Coord. & Stat. Div.
H-4-b - " " S/B of Relief Supply.
H-4-c - " " S/B of Supply Operations.
H-4-d - " " S/B of Industrial Rehabilitation.

Declassified E.O. 12356 Section 3.3/NND No. 785015

Declassified E.O. 12356 Section 3.3/NND No. 785015

CK 6571

Ltr. dtd. Dec. 3, 1945, from Secretary of State, re:
" " S/B of Relief Supply.
" " S/B of Supply Operations.
" " S/B of Industrial Rehabilitation.

Enclosures:
1 - Draft
2 - Draft
3 - Draft

Appendix 4-a.

MONTHLY REPORT OF THE PROGRAM COORDINATION STATISTICS DIVISION

Program Coordination.

1. In collaboration with the Sub-Bureaux, 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 dis-

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4203

Pricing.

10. Among the newly assumed functions of the Division is the 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.....

Declassified E.O. 12356 Section 3.3/NND No. 785615

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 Surprop 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 CHECCHI
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Declassified E.O. 12356 Section 3.3/NND No. 782015

Appendix H-hrb&

MONTHLY REPORT OF SUB-BUREAU OF RELIEF SUPPLY FOR FOOD DIVISION

SUPPLY 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 that UNRRA. From 1-26 July a total of 993,914 tons of wheat was brought to the Amassi. 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 evi nt 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 lire to purchase any uncontrolled foodstuffs on the home market. A decision was, however, taken that as soon as

Declassified E.O. 12356 Section 3.3/NND No. 789015

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5. Material progress has been made towards the clearing up of t 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 goods 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 goods forms but a small proportion of total UNRRA imports.

1202

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.

CM 6564

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 (446 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 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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. AMG, 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 6564

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 ICE(Istituto Commercio Estero - Foreign Trade Institute) in Government warehouses.

ANALYSIS DIVISION

20. The following studies and reports have been made during the month :

(a) 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

Declassified E.O. 12356 Section 3.3/NND No. 782015

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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 ammassi is progressing very well in most parts, especially in Emilia, Marche and Veneto. The amassing 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.

24. The prospective crop of sugar beets and potatoes is excellent. Legumes have been widely damaged by aphids. Tomatoes and tobacco, especially in Puglie, 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.

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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.

CM 6564

Declassified E.O. 12356 Section 3.3/NND No. 799015

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 gasolene - 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 amassing of cereals, and to check the distribution of UNRRA supplies. Agricultural Machinery Field Officials supervized the assembly of combines in Foggia, Salerno, Grossete 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.

J. IMRIE
Acting Chief
Sub-Bureau of Relief Supply

Declassified E.O. 12356 Section 3.3/NND No. 786015

mountain pastures and the reconstruction of mountain shelters.

J. LARIS
Acting Chief
Sub-Bureau of Relief Supply

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Declassified E.O. 12356 Section 3.3/NND No. 782015

APPENDIX H-4-c

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 Arnoldsteen 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-round on traffic re-routed via Brenner during the first half of July had serious cumulative effects. In addition, average daily loadings increased from 4,735 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 UNRRA 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.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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-round on traffic re-routed via Brenner during the first half of July had serious cumulative effects. In addition, average daily loadings increased from 4,735 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 UNRRA 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 indicates a continued upward trend for August arrivals which, in view of the heavy coal program ex 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 surplus 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 MTO, 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 accomodate 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 Yogoslavia, 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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.

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,

Declassified E.O. 12356 Section 3.3/NND No. 789015

local and miscellaneous procurement and documentation backlog. Mr. Cordey agreed to attempt to obtain clarification in ERO reference outstanding problems affecting shipping and POL 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. 782015

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

4199

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 Breda 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:

	Pig Iron			Steel		
	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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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 margarines 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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Declassified E.O. 12356 Section 3.3/NND No. 798015

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 "Marston 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 CGIL 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 Rome 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 Kerozene and Gasoil of two lire per kilogram as from 1 August 1946.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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Bruno Luzzatto,
Chief, Sub-Bureau of
Industrial Rehabilitation.

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Declassified E.O. 12356 Section 3.3/NND No. 763015

H-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. 18,850,000 recommended on 28 June 1946 will constitute an advance of Lit. 1,500,000,000 against the budget of Lit. 3,368,500,000 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 CASAS (Comitato Amministrative Soccorso di Senzatetto- 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.

(c) That Lit. 500,000,000 be allotted to the Ministry of the Treasury for subsidising 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 Institutes) 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. 249,686,776 under the "F" and "O" plans is being examined by the joint sub-committee formed for

Declassified E.O. 12356 Section 3.3/NND No. 785015

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.

(c) That Lit. 500,000,000 be allotted to the Ministry of the Treasury for subsidising 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.

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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:

4197

(a) To examine the budget covering the allocation of the sum of Lit. 500,000,000 for the Sardinian Anti-Grasshopper 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:

Declassified E.O. 12356 Section 3.3/NND No. 789015

	Sales	Credited to Special Account
Grain	1,990,997,937	
Flour (Wheat)	75,607,880	
Flour (Rye)	58,897,291	
Codfish	102,156,800	1,000,000,000
Corn	1,512,541	
Oats	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 Class and Wirings, 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.

ORGANIZATIONAL CHANGES.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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 Bureaux 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.

CM 6628

Declassified E.O. 12356 Section 3.3/NND No. 789015

(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 H-6, Para. 8., and June H-6, Para. 102), a discrepancy existsbetween ERO figures of Army pay and allowances, and the officer's statement given on his secondment to UNRRA. 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 hav e 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 Travellers' 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 43 traffic accidents were reported, involving 11 fatalities and giving rise to 10 claims against UNRRA. In addition to a number of cases of minor illness among Class II

Declassified E.O. 12356 Section 3.3/NND No. 759015

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 48 traffic accidents were reported, involving 11 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 Malattie, which administers the State Sickness Insurance Scheme.

16. A reorganisation of certain phases of the work of the Treasury Branch has taken place. The system of disbursement and collection of cash at the UNRRA garages has been revised, and as a result the Audit Branch has been relieved of much of the detail work previously undertaken. A new Imprest Fund has been opened in anticipation of the taking over of Cinecitta Camp from the military on 1 August. This will be handled by a Representative of the Treasury Branch.

4196

17. Physical inventories of all non-expendible 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 transmittal to ERO in accordance with Technical Instruction No. 1 (General Series).

18. During July the Quartermaster Branch issued approximately:

Declassified E.O. 12356 Section 3.3/NND No. 782015

53, 206 Class I Staff Rations
20, 421 Servants Rations
59, 539 Class II Staff non-heavy Rations
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.

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 PI, photograph, references, medical certificates, and also Army release papers and secondment certificates where these apply.

20. The purchase of jeeps for the UNRRA-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 not 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 RAF sources for the UNRRA-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 47½ 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 31 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 4,012 persons. Of the Class I employees, 202 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, 5 Indians, 2 French, and one each from El Salvador, Yugoslavia, Iceland and

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 PI, photograph, references, medical certificates, and also Army release papers and secondment certificates where these apply.

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C. E. HODGETTS
DEPUTY CHIEF OF MISSION
CHIEF, BUREAU OF FINANCE
AND ADMINISTRATION.

CM 6628

Declassified E.O. 12356 Section 3.3/NND No. 745015

H-6. MONTHLY REPORT OF THE BUREAU OF RELIEF 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 Communale 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.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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Displaced Persons Division.

5. In the field of displaced persons, the month of July marked a milestone with the signing of the UNRRA-SACMED (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 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 Forli Hospital in Northern Italy and the greater utilization of Italian medical facilities for the care of non-Italian displaced persons.

4195

CM 6513

Declassified E.O. 12356 Section 3.3/NND No. 785015

Special Projects Division,

6. 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. 360,000 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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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.

CM 6513

Declassified E.O. 12356 Section 3.3/NND No. 785015

H-6-a. MONTHLY REPORT OF THE HEALTH DIVISION

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.

From Rome, July the Italian Government took title to medical supplies

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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.

4194

STATEMENT OF ACTIONS REQUESTED OF ERO.

7. No action requests were made to ERC during the month.

x These institutions to divide one 40-bed hospital unit.

CM 6528

Declassified E.O. 12356 Section 3.3/NND No. 782015

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 pari-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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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

CM 6528

Declassified E.O. 12356 Section 3.3/NND No. 785015

14. Disinfestation. - The scheme for the Nation-wide disinfestation of hospitals, orphanages, institutions and jails is rapidly assuming final form. It is hoped that by 1 September engineers and equipment will be on site and operations will be ready to start. However, the main difficulties at present are (1) failure of Medici Provinciali to send in requested information, and (2) the non-availability of kerosene in various Provinces. In a conference between the sanitary engineers of this Division and the Italian authorities it was agreed to use 20 tons of 100% DDT and 500 sprayers for this program.

Tuberculosis.

15. 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.

16. The following X-ray units were installed by UNRRA technicians during July :

Civil Hospital, Bibbiena (Siena)
Tuberculosis Sanatorium Sondalo (Sondrio)
Sanatorium Villa Guerrini, Pesaro

Only one additional unit remains to be delivered to the Civil Hospital at Minturno, which will complete the assignment of the 14 X-ray units imported into Italy by UNRRA.

17. The High Commissioner for Hygiene and Public Health has allocated the sum of 250 million lire for the Sondalo 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 Ospedali 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.

18. The UNRRA Tuberculosis Consultant visited the UNRRA 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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Staff Medical Care.

1193

19. Reports have been received from the Regional Medical Officers on the provision of medical treatment for Regional Class I and III staff. These reports have been correlated and recommendations are being made to the Mission for the provision of adequate medical care of an approved standard to be available for all UNRRA foreign staff in Italy.

20. Due to the commencement of the Mission's supplementary Compensation Plan for Class II employees on 1 July, it has become apparent that an additional work load is being carried by the Staff of the Headquarters Dispensary in Rome. It is necessary to perform preliminary medical examinations before persons can benefit under the plan and to obtain accurate certifications of claimants' sickness or injury. In order to handle this increased volume of work,

Declassified E.O. 12356 Section 3.3/NND No. 789015

it was necessary to make application for the appointment of an additional Class II Medical Officer, who will act as Assistant Staff Physician and chose 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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 radio-opaque substances.

CM 6528

Declassified E.O. 12356 Section 3.3/NND No. 782015

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. Benn,
Director of Health.

Declassified E.O. 12356 Section 3.3/NND No. 782015

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4192

CM6528

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 time 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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(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 1,910,410 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 last month's report - Para. 4 of H-7-b and Attachment H-7-b-(i).

1191

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 commune (Carbonia) because of delays in the receipt of food.

6. The distribution of used clothing to sinistrati (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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 disinfestation 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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.

CM 6555

Declassified E.O. 12356 Section 3.3/NND No. 782015

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 communes 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 ineligibles.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 communes 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 ineligibles.

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 towards 200 "case minime", or small houses for poor people to be let at a very low rate. It is in these houses that the Sindaco intends to settle the present population of the two camps of the city.

4190

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

Declassified E.O. 12356 Section 3.3/NND No. 782015

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.

REACTIVIATION OF SOCIAL SERVICES AND COORDINATION OF COMMUNITY ACTIVITY 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 [illegible] account for Italian relief, the idea that every citizen has [illegible] which is due him by his

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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

Declassified E.O. 12356 Section 3.3/NND No. 789015

to adults through ECA (Ente Commmale 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 those 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 incoroprated 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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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 Italian leaders in the welfare field will contribute their time for conducting the institute. A financial plan for the cost of the institute has been drawn up totalling 4,364,000 lire. Of this amount, one million lire has been subscribed by industrialists in Milan and the Provincial Committee is requesting that the Italian Delegation contribute the rest of the money.

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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 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.

RELATIONS WITH THE GOVERNMENT.

33. Our relations with the Italian Delegation continue to be

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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 by UNRRA.

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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 Bannister,
Director, Welfare Division.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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Director, Welfare Division.

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Declassified E.O. 12356 Section 3.3/NND No. 785015

Attachment H-6-b

NUMBER OF PERSONS FED UNDER THE UNRRA SUPPLEMENTARY FEEDING PROGRAM

IN MAY AND JUNE 1946.

PERIOD	Reported fed by the Provinces		
	By Cooked Meals	By Raw Distribution	TOTAL
May 1946	1,072,897	837,513	1,910,410
June 1946			1,782,580 (incomplete figures)

Prepared by Welfare Division - Statistical Section

(Figures supplied by Italian Delegation)

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Declassified E.O. 12356 Section 3.3/NND No. 789015

H-6-(c) . NTHLY REPORT OF THE SPECIAL REL . PROJECTS DIVISION

FOR JULY 1946

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. Thos 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 489,915 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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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Used Clothing

5. The number of garments sorted during the month was 635,620
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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

The reduction in the number of items cut is due to the failure of the Italian Delegation for Relations with UNRRA to deliver promptly the necessary sheeting. This recurrent bottleneck will, it is hoped, be overcome before our next report.

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:

Declassified E.O. 12356 Section 3.3/NND No. 785015

	May	June
No. of pairs sorted during month was 183,150	(154,908	221,006)
" " " repaired " " " 80,460	(69,995	88,101)

The number sorted was made up as follows:

Men	112,893
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	104,337

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	449,359	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	42,287	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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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Other production Statistics.

12.	Employees in Italian camps	943
	" " Non-Italian camps	315
	" " Religious Institutions	219
	" assisted outside camps	639
	Skilled employees (generally on shoe repairs)	383
	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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 180,618,561, 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 to date	Total persons	Building materi transported during month
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	929	277
Apuania	21	720	4,085	7,626	2,783
Bologna	20	1,450	2,738	3,218	1,459
Ravenna	7	29	29	38	625
Totals	117	3,910	18,142	35,044	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:

Declassified E.O. 12356 Section 3.3/NND No. 785015

Porto S. Stefano	1	78	449	929	277
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Transport.

Vehicles.

17. The following vehicles have now been transferred to CASAS and are operating in the field:

Car	1	
Jeeps	37	
Motorcycles	9	
8 cwts.	3	- 50 personnel vehicles
15 cwts.	32	
30 cwts.	3	
2½ tonners	160	
3 tonners	175	
Breakdown lorry	1	
Water tankers	2	- 376 tonnage vehicles
Total vehicles provided	423	

In addition 20 G.M.C.'s, 3 water trucks and 1 motorcycle are awaiting collection at the Breda Works, and Lire Funds have been allocated for the purchase from ARAR (Azienda Rilievo Alienazione 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

be noted that contractors engaged on 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.

Lire Fund allocation

19. The Lire 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 60% 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 unhopeful.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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Petrol.

25. Arrangements for the supply of POL have so far, with occasional exceptions, worked well.

26. Requirements of petrol for July was 465,000 liters; this monthly requirement will steadly 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 as between one district and another.

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Declassified E.O. 12356 Section 3.3/NND No. 782015

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 UNRRA for the special allocation of solid fuel to be used in the production of clay products, cement and lime for the UNRRA/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.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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(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.

Guido Nadzo,
Director, Special Relief
Projects Division.

4185

CM 6560

Declassified E.O. 12356 Section 3.3/NND No. 785015

H-6-d. 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 (i) 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 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 inaligible-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 (ii)).

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 (iii)); 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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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.

7. The present procedure, whereby UNRRA maintains the archives and statistics for displaced persons eligible for UNRRA care as well as non-eligibles, 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 AC, 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). USSR 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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. 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 in Italy for transit and repatriation only. We are now carrying on discussions with the several parties involved, with a view to the early voluntary repatriation of a maximum number and the removal from UNRRA care of any residual group of ineligibles.

CM 6557

Declassified E.O. 12356 Section 3.3/NND No. 759015

13. The Rumanian Repatriation Mission, headed by General Balosim, 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 AC responsibility UNRRA will offer all possible services in connection with those Rumanians eligible for UNRRA care. General Balosim 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

in connection with those Rumanians eligible for UNRRA care. General Balosim 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.

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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 unknown talents. In the Lecce 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. 1183
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 Lecce 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.

6557

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 Hachscharoth may need revision. A recent survey indicates that many premises used for Hachscharoth 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; except 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, 118 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 Czechs 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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 afforded 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.

Louis Varrichione, Director
Displaced Persons Division.

Attachments : H-7-d (i) Displaced Persons Committee Terms of Reference
H-7-d (ii) Correspondence between Minister of Foreign Affairs and Chief UNRRA Italian Mission regarding non-Italian DPs.
H-7-d(iii) UNRRA/SAUMED Agreement.

CM 6557

Declassified E.O. 12356 Section 3.3/NND No. 789015

Attachment E-6-d(i)

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 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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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.

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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.

4182

CM 6134

Declassified E.O. 12356 Section 3.3/NND No. 785015

Attachment H- 6- d (ii)

To the Hon. Alcide De Gasperi,
President of the Council of Ministers,
Rome.

23 May 1946

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 from the Supreme Allied Commander, Mediterranean Theater, the care, maintenance and repatriation of non-Italian displaced persons in Italy eligible for UNRRA assistance. An 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 Avv. 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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 remaining in AC camps is about 10,000.

4181

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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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, 6/7/46

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 Avv. 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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/ 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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. 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 Count Sforza of 15 January 1946, it was pointed out that supplies for non-Italian displaced persons, whether such are procured directly

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Declassified E.O. 12356 Section 3.3/NND No. 789015

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 [illegible] signed in Rome. This Agreement enters into

Declassified E.O. 12356 Section 3.3/NND No. 785015

to their country or origin for political reasons. This is a 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."

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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 emerge as a result of the entry into effect of the Agreement between UNRRA and the Supreme Allied Commander, Mediterranean Theater of Operations, I am confident that they will be solved in the same spirit of good faith and of loyal cooperation which has characterized the relations between UNRRA and the Italian Government. Please accept the expression of my highest esteem.

Sincerely yours,

G. M. Keeny
Chief of Mission

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Declassified E.O. 12356 Section 3.3/NND No. 785015

H-6-d-(iii) UNRRA SACMED AGREEMENT RELATING TO TRANSFER OF RESPONSIBILITY FOR DISPLACED PERSONS FROM SACMED TO UNRRA.

A G R E E M E N T

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 authorised 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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(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

(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); 4179

(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

Declassified E.O. 12356 Section 3.3/NND No. 782015

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

such persons were registered in displaced persons camps and other installations on the effective date of this Agreement. However, this qualification does not apply in regard to persons subject to the provisions of (3).

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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 re-quisitioning 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

Declassified E.O. 12356 Section 3.3/NND No. 782015

and absolute risk of loss 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

(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.

(3) No transportation charges will be borne by SACMED, except in respect of such displaced persons as remain a military responsibility.

4178

RS 6231 DP

Declassified E.O. 12356 Section 3.3/NND No. 789015

ARTICLE VI

EFFECTIVE DATE

This Agreement becomes effective 1 August 1946.

FOR THE UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION:

(signed) S.M. Keeny

S.M. 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

Declassified E.O. 12356 Section 3.3/NND No. 782015

S.M. KENT
CHIEF OF ITALIAN MISSION

M.W.M.McLEOD
MAJOR GENERAL
CHIEF OF STAFF.

Signed. Rome, 15th July 1946.

RS 6231 DP

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 8500 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 so gratifying a contribution. An encouraging feature is the good type of personnel employed in these colonies - most of them keen young teachers.

5. The Region was strengthened with the addition this month of an Agricultural Specialist and an Information Officer.

PUBLIC INFORMATION

Declassified E.O. 12356 Section 3.3/NND No. 782015

2. The arrival, however, on 15 July of the S.S. "John P. Poe" with 8500 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.

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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 keen 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.

SERVICES PROVIDED WITH UNRRA RESOURCES

4177

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 ENDIMEA (Ente Distribuzione Medicinale Alleate - Institution for the Distribution of Allied Medical Supplies) stocks on the theory that after a distribution of "free" UNRRA drugs it will be impossible to get rid of the former for cash payment.

Declassified E.O. 12356 Section 3.3/NND No. 789015

8. The distribution of cotton material (the plan for which has been amended in all Provinces to include hospitals and exclude the State-supported Sanitoria) 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.

Declassified E.O. 12356 Sec. 3.3/NND No. 789015

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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 UNRRA 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 95,214 tons was dug out of the pits. The average daily production was 3537 tons. There is a stockpile at S. Antioco 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

Declassified E.O. 12356 Section 3.3/NND No. 789015

the three Provinces in the form of Agricultural machinery, fertilisers, seeds etc. were examined and reports submitted to Headquarters.

b. Wheat amassing

19. The amassing, 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 UNRRA jeeps.

20. The quantities amassed during the same month of each of the years 1941 to 1943 were easily surpassed by this July's total of 137,610 quintals. In some places there was a shortage of warehousing 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 the runway. Oil spraying from the air, however, soon cleared the field.

22. The UNRRA vehicles on loan for this Campaign are now being returned and inspected in readiness for the anti-malaria campaign.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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Declassified E.O. 12356 Section 3.3/NND No. 785015

Attachment H - 7 - b.

MONTHLY REPORT OF THE REGIONAL DIRECTOR

SICILY REGION, FOR JULY

INTRODUCTION

Political 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 UNRRA 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 civil administrators and do not attack with constructive criticism problems as they arise. Wherever 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 90% 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 more 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 cure-all.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 civil administrators and do not attack with constructive criticism problems as they arise. Wherever 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.

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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 cure-all.

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.

5. The political aspects of amassing cannot be overlooked, nor can the fact that it is not UNRRA's job to amass. UNRRA's job was to assist the Italian Government in their amassing problem. Many real problems do exist: the police force is inadequate, the Ministry of Marine has provided no surveillance to hinder export, and banditry 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 amassable grain is 25,000 tons, the Prefect now states that only 19,000 tons are amassable, and of this quantity 5,000 tons cannot even be touched, because a certain section of this Province is protected against the amassing by

4175

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Declassified E.O. 12356 Section 3.3/NND No. 789015

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 graveness 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 UNRRA problem and we were merely interested to help Italy build up her stock of grain, so that come 1947 she would not find her graneries 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 UNRRA 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 anathema, 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. Sheeting 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 Regina Margherita Hospital was opened in Messina on 1 July 1946, after UNRRA 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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 UNRRA rations in the summer colonies and many of them are dressed in clothing made from sacks which we managed to scrounge from the Consorsi Agrari (Federation of Agricultural Institutes). Tribute was paid to UNRRA by Padre Gliozzo, Administrator of the Pontificia Commissione, Sicily, for the possibility UNRRA gave by way of supplying these rations to open some 200 colonies now existent, and he pointed out that without this UNRRA food none of the camps could have been inaugurated. Normally children have one month's benefit from these summer colonies, which are in the main day-schools, and in most instances three shifts will be possible, i.e. July, August and September, and in certain places up to the end of October.

GI 6573

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 Mrs. Munera.

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. 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
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 Venezia-Giulia 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 Sic

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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.

Ports and Shipping

4174

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:

Declassified E.O. 12356 Section 3.3/NND No. 789015

Grain : 29,239 tons Coal : 24,571 tons

15. During the month of July importation of UNRRA goods into Sicily has been effected generally by vessels sailing under commercial Charter-Party terms. In general, the terms indicate 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 UNRRA. 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 proceedure 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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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Attachment H-7-c

MONTHLY REPORT OF THE REGIONAL DIRECTOR

SOUTHERN REGION, FOR JULY, 1946.

INTRODUCTION

1. The main features during the month of July have been wheat omassing, launching of the industrial rehabilitation and agricultural specialists, assisting Summer 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 Industria 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 Pomigliana and Ansaldo at Pozzuoli are badly needing raw materials and some direction for peace-time production.

AGRICULTURE

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AGRICULTURE

6. 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 arrear and we find that the Southern Region has amassed, up to 24 July, nearly 900,000 quintals.

4173

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

Declassified E.O. 12356 Section 3.3/NND No. 789015

flowered prematurely. Tomato production is quite g[illegible] 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 H-8-c, Para. 7-8).

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 seasonable increase in typhoid. Smallpox 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.

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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

Declassified E.O. 12356 Section 3.3/NND No. 785015

be a long-term project 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 hutted 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 Welfere 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 ERO 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 NAAFI 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

Declassified E.O. 12356 Section 3.3/NND No. 782015

Projects generally in reference to the delegation of press power and transport at the disposal of Provincial Committees.

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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 negociating 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.

4172

27. With regard to Bari Sub-Headquarters, the derequisitioning of the Imperiale Hotel by the Military Authorities in which accommodation was available to UNRRA travellers, may create a difficult accommodation problem but fortunately there are a few vacant beds in the HQMess which may be sufficient for the average traffic flow.

C. HANSON-ABBOTT
Regional Director

Naples, 2 July, 1946.

CM 6566

Declassified E.O. 12356 Section 3.3/NND No. 789015

H-7-d. MONTHLY REPORT OF THE REGIONAL DIRECTOR,

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 environments. 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 Piracoteca 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 cheek and jowl with the UNRRA

Declassified E.O. 12356 Section 3.3/NND No. 789015

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5. UNRRA is interested in observing the operation of the indigenous resources program inasfar as it is cheek 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 Rilievo Alienazione Residuati - Italian Agency for the Purchase and Distribution of Allied Military Surpluses) and EDMEA (Ente Distribuzione Medicinale Alleate - Institute for the Distribution of Allied Medical Supplies).

4171

6. ARAR was formed for the purpose of purchasing war surplus items and distributing the same into the Italian industrial or agricultural economy. This program bogged down 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 ARAR has been lying idle in warehouses and depots throughout Italy where many still remain undelivered and undistributed.

CM 6533

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 respresentatives 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.

Declassified E.O. 12356 Section 3.3/NND No. 782015

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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, otherwise it will be too late.

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.

CM 6533

Declassified E.O. 12356 Section 3.3/NND No. 782015

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, ASCOLI PICENO.

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,
Regional Director,
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Declassified E.O. 12356 Sec. 3.3/NND No. 789015

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4170

CM 6533

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Attachment H-7-(e).

EXTRACTS FROM THE

MONTHLY REPORT OF THE REGIONAL DIRECTOR, EMILIA AND TUSCANY REGION FOR JULY 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 Piombino took in six UNRRA ships this month, somewhat improving conditions among port workers. Agriculture says the amassing campaign is giving outstanding results in Emilia where Ravenna, Ferrara and Modena have exceeded their target and Bologna and Forli' will soon reach it. Other crop production forecasts are good, especially in sugar beets and fruit. Tyrrhenian 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 marketeers 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.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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 and 300 in English.

1169

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 boots 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:

Declassified E.O. 12356 Section 3.3/NND No. 782015

	Florence	Bologna	Total
Bales opened	804	796	1,602
Garments sorted	105,466	129,144	234,610
Garments repaired	27,653	20,890	48,543
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 cut out	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 UNRRA could help in the rehabilitation of local crafts. The results of this meeting are now under consideration in Rome.

10. (UNRRA-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 UNRRA to the newly-established Italian administration of CASAS, UNRRA 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.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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	918	1,479	2,397
Persons rehoused	954	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 secretariats for July food distribution show the following totals:

Declassified E.O. 12356 Section 3.3/NND No. 785015

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	3,163	5,501	8,664
Ravenna	12,953	3,923	16,876
ReggioEmilia	3,399	8,490	11,889
Apuania	10,449	4,330	14,779
Arezzo	8,810	5,930	14,740
Florence	21,867	12,798	34,665
Grosseto	6,411	1,667	8,078
Livorno	9,428	1,992	11,420
Lucca	10,115	4,595	14,710
Pisa	10,365	3,620	13,985
Pistoia	5,569	2,667	8,236
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 "SEPRAL" (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 communes 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 UNRRA 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.) Apuania-930; Arezzo-600; Florence-2,400; Lucca-1,200; Rosignano-529; Piombino-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. Near-

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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: 1768

Bologna-(18 camps) 5,015; Ferrara-200; Forli'-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, Forli' 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

Declassified E.O. 12356 Section 3.3/NND No. 782015

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 "reduci" (war veterans and ex-prisoners of war) and "profughi" (displaced persons), shortage of normal accomodation 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 disinfestation 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 widths 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 commmes 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 "Hachsharoth" (Jewish vocational training centers) and 474 are

Declassified E.O. 12356 Section 3.3/NND No. 782015

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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 available to people outside of camps. A diphteria epidemic among babies in the Villa Almanzi "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

Declassified E.O. 12356 Section 3.3/NND No. 789015

(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 156,996 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 unloaded 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.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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AGRICULTURE.

35. (General). Continued sunny weather has helped the progress of wheat harvesting considerably. Humidity in newly-harvested wheat is steadly dropping to the normal 14%. Stinking smut is found considerably in Siena and Grossetc provinces. 4167

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 warehouse pending establishment of sale price. Thus, although meant 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 alletted 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.

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Declassified E.O. 12356 Section 3.3/NND No. 782015

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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	3,182.60	599.90	2,582.70
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 5 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

Declassified E.O. 12356 Section 3.3/NND No. 782015

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 violaters have been arrested, shops have been closed, black marketeers 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 UNRRA'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. Lignites, marbles and iron ores are also held up by the irregularity and frequent non-existence of rail transport.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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 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

1166

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 "	9
Faenza	1	1 "	- "	-
Leghorn	-	2 "	1 "	-
Carrara and Lucca	1	5 "	3 "	8
Total	21	103	69	17

Total 210

Declassified E.O. 12356 Section 3.3/NND No. 785015

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Total	21	103	69		17

Total 210

56. A Class I billet in Florence is now located at the Anglo-American Hotel. In Bologna military billet and mess privileges have been extended to the end of this month, but as yet no alternative accomodation 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.

A.L.ELLISON
REGIONAL DIRECTOR
EMILIA AND TUSCANY
REGION.

CM 6523

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UNEMPLOYMENT IN EMILIA AND TOSCANA REGION (JUNE 1946
(Figures from Provincial Labour Offices)

	AGRICULTURE			INDUSTRY			COMMERCE			VARIOUS			
	(1)		(2)	(1)		(2)	(1)		(2)	(1)		(2)	
FIRENZE	52	-	105	18,150	+	316	7,610	+	223	1,946	+	40	2
LIVORNO	294	-	25	8,036	+	115	4,309	-	29	3,885	-	201	1
PISA	347	+	105	5,903	+	412	1,703	+	154	2,379	+	200	1
LUCCA	1,537	+	149	14,618	+	731	2,208	+	182	5,520	+	452	2
PISTOIA	638	+	79	4,513	+	166	1,626	-	9	3,547	+	196	1
APUANIA	524	-	4	11,759	+	148	2,742	+	71	6,588	+	31	2
AREZZO	289	-	29	5,449	-	435	669	-	9	552	-	31	
SIENA	291	-	131	987	-	181	683	-	92	1,127	-	220	
GROSSETO	249	+	114	702	+	139	369	+	172	428	+	89	
TOTAL	4,221	+	153	70,117	+	1,411	21,919	+	663	25,972	+	550	12
MODENA	5,535	-10,537		7,896	-	1,790	498	+	24	1,046	-	36	1
BOLOGNA	18,851	- 7,844		19,617	-	206	1,981	+	57	4,566	+	71	3
REGGIO E.	4,707	- 8,090		7,876	-	555	591	+	30	989	+	6	1
PARMA	1,115	- 1,282		6,484	+	281	603	+	41	973	+	37	
PIACENZA	958	- 71		8,853	+	123	232	+	27	1,693	+	231	1
FERRARA	34,211	-25,522		16,015	-	643	706	+	11	1,369	+	26	3
RAVENNA	1,566	- 2,714		585	-	271	214	-	55	721	-	15	
FORLI'	1,265	+ 25		8,258	+	96	906	-	91	1,246	-	53	1
TOTAL	82,212	-54,035		76,190	-	3,405	5,951	+	89	12,603	+	255	16

(1) Total unemployment in June 1946
(2) Increase or decrease of unemployment in June compared with May 1946

Declassified E.O. 12356 Section 3.3/NND No. 785015

UNEMPLOYMENT IN EMILIA AND TOSCANA REGION (JUNE 1946)
(Figures from Provincial Labour Offices)

Appendix "A"

DUSTRY (2)	COMMERCE (1)		COMMERCE (2)	VARIOUS (1)		VARIOUS (2)	TOTAL (1)		TOTAL (2)	REMARKS
0	+ 316	7,610	+ 223	1,946	+ 40	27,758	+ 474			
6	+ 115	4,309	- 29	3,885	- 201	16,524	- 140			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.
3	+ 412	1,703	+ 154	2,379	+ 200	10,332	+ 871			
8	+ 731	2,208	+ 182	5,520	+ 452	23,883	+ 1,514			
8	+ 166	1,626	- 9	3,547	+ 196	10,344	+ 432			
9	+ 148	2,742	+ 71	6,588	+ 31	21,613	+ 246			
9	- 435	669	- 9	552	- 31	6,959	- 504			
7	- 181	683	- 92	1,127	- 220	3,088	- 624			
2	+ 139	369	+ 172	428	+ 89	1,748	+ 514			
7	+ 1,411	21,919	+ 663	25,972	+ 556	122,249	+ 2,783			TOTAL PERCENT INCREASE 2.33%
6	- 1,790	498	+ 24	1,046	- 36	14,975	- 12,339			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.
7	- 206	1,981	+ 57	4,586	+ 71	30,015	- 7,91			
6	- 995	591	+ 30	989	+ 6	14,163	- 9,04			
4	+ 261	863	+ 4	973	+ 37	9,435	- 30			
9	+ 123	232	+ 27	1,693	+ 231	11,742	+ 36			
5	- 643	708	+ 11	1,369	+ 20	82,301	- 14,17			
5	- 271	214	- 55	721	- 45	3,086	- 3,05			
8	+ 96	908	- 91	1,248	- 53	12,279	+ 33			
0	- 3,405	5,991	+ 69	12,653	+ 255	165,995	- 57,08			TOTAL PERCENT DECREASE 26.6%

1946
employment in June compared with May 1946

84 6535

INCREASE OF FOOD COSTS IN EMILIA REGION SINCE AUGUST 1945

Appendix "B"

(Based on normal diet for each member of average family of five)

MODENA	FORLI'	RAVENNA	REGGIO E.	BOLOGNA	PIACENZA	Average Regional Costs by month
11,996.40	12,081.00	11,959.80	12,222.00	15,888.40	15,809.40	12,870.80
15,362.10	14,423.10	14,652.90	14,742.90	17,276.10	18,230.70	15,190.80
17,460.90	15,285.90	15,606.00	16,565.70	18,109.50	19,154.10	16,568.73
13,601.70	17,333.40	19,455.60	18,568.50	20,472.30	17,879.10	17,340.41
16,586.80	18,983.40	19,499.40	16,693.50	19,012.10	19,023.30	17,604.06
16,509.00	17,197.20	18,402.90	18,486.60	18,651.30	20,106.30	17,898.86
16,309.50	17,644.50	18,275.10	17,887.50	17,342.70	20,898.60	17,643.34
18,081.00	18,128.70	19,557.30	17,859.30	19,081.50	20,845.50	18,371.25
19,716.60	18,773.70	19,584.00	20,009.70	19,485.90	21,232.80	19,417.01
19,348.20	17,720.70	17,812.50	20,305.50	20,665.20	21,079.50	19,161.37
17,898.00	17,656.50	16,764.00	20,800.50	20,317.80	21,719.10	18,897.18
18,533.65	16,838.91	17,415.40	17,649.24	18,754.80	19,634.40	17,360.89

Regional Food Expenditure in 1945 - 1946 - Lit. 17,360.89

(Statistics by Regional Labor Office - Bologna)

CM 6538

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INCREASE OF FOOD COSTS IN EMILIA REGION SINCE

(Based on normal diet for each member of average

MONTH		FERRARA	PARMA	MODENA	FORLI'	RAVENNA	REGGIO E.	BOL
AUGUST	1945	11,298.30	11,759.10	11,996.40	12,081.00	11,959.80	12,222.00	15,88
SEPTEMBER	1945	13,868.40	12,970.20	15,362.10	14,423.10	14,652.90	14,742.90	17,27
OCTOBER	1945	15,752.70	14,615.10	17,460.90	15,285.90	15,606.00	16,565.70	18,10
NOVEMBER	1945	14,454.60	16,958.10	13,601.70	17,333.40	19,455.60	18,568.50	20,47
DECEMBER	1945	16,149.00	15,885.00	15,586.80	18,983.40	19,499.40	16,693.50	19,07
JANUARY	1946	17,180.10	16,657.50	16,509.00	17,197.20	18,402.90	18,486.60	18,69
FEBRUARY	1946	16,146.30	16,642.50	16,309.50	17,644.50	18,275.10	17,887.50	17,34
MARCH	1946	16,357.50	17,059.20	18,081.00	18,128.70	19,557.30	17,859.30	19,04
APRIL	1946	18,318.30	18,215.10	19,716.60	18,773.70	19,584.00	20,009.70	19,49
MAY	1946	16,649.40	19,710.00	19,348.20	17,720.70	17,812.50	20,306.50	20,60
JUNE	1946	17,093.40	18,928.20	17,898.00	17,656.50	16,764.00	20,800.50	20,30
Aver.Provincial Costs during year		15,751.63	16,309.09	16,533.65	16,838.91	17,415.40	17,649.24	18,7

Average Regional Food Expenditure in 1945 - 1946 - Lit. 17,360.

(Statistics by

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INCREASE OF FOOD COSTS IN EMILIA REGION SINCE AUGUST 1945

Appendix "B"

(Based on normal diet for each member of average family of five)

MODENA	FORLI'	RAVENNA	REGGIO E.	BOLOGNA	PIACENZA	Average Regional Costs by month
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Regional Food Expenditure in 1945 - 1946 - Lit. 17,360.89

(Statistics by Regional Labor Office - Bologna)

CM 6538

Appendix "C"

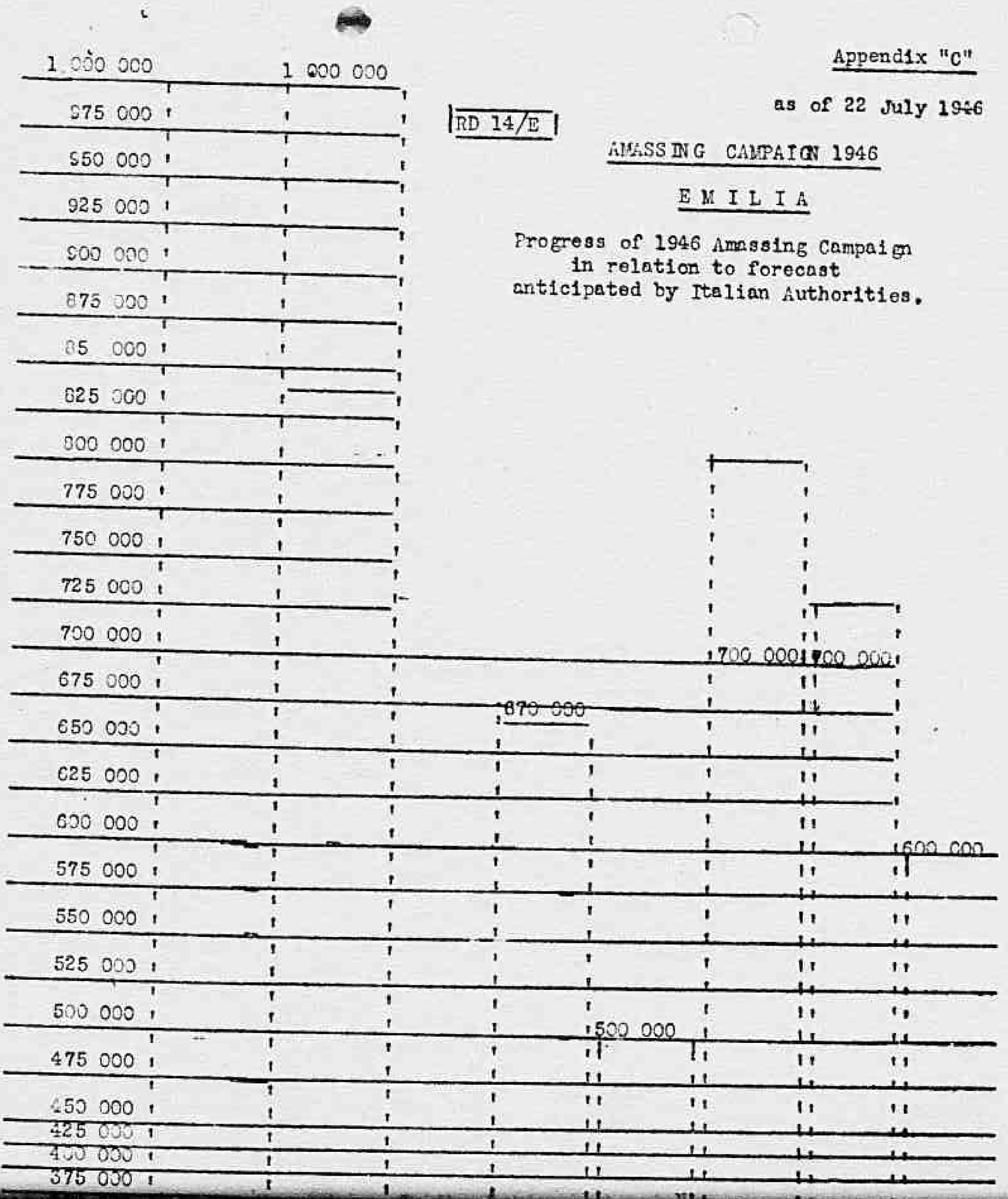
as of 22 July 1946

RD 14/E

AMASSING CAMPAIGN 1946

E M I L I A

Progress of 1946 Amassing Campaign
in relation to forecast
anticipated by Italian Authorities.



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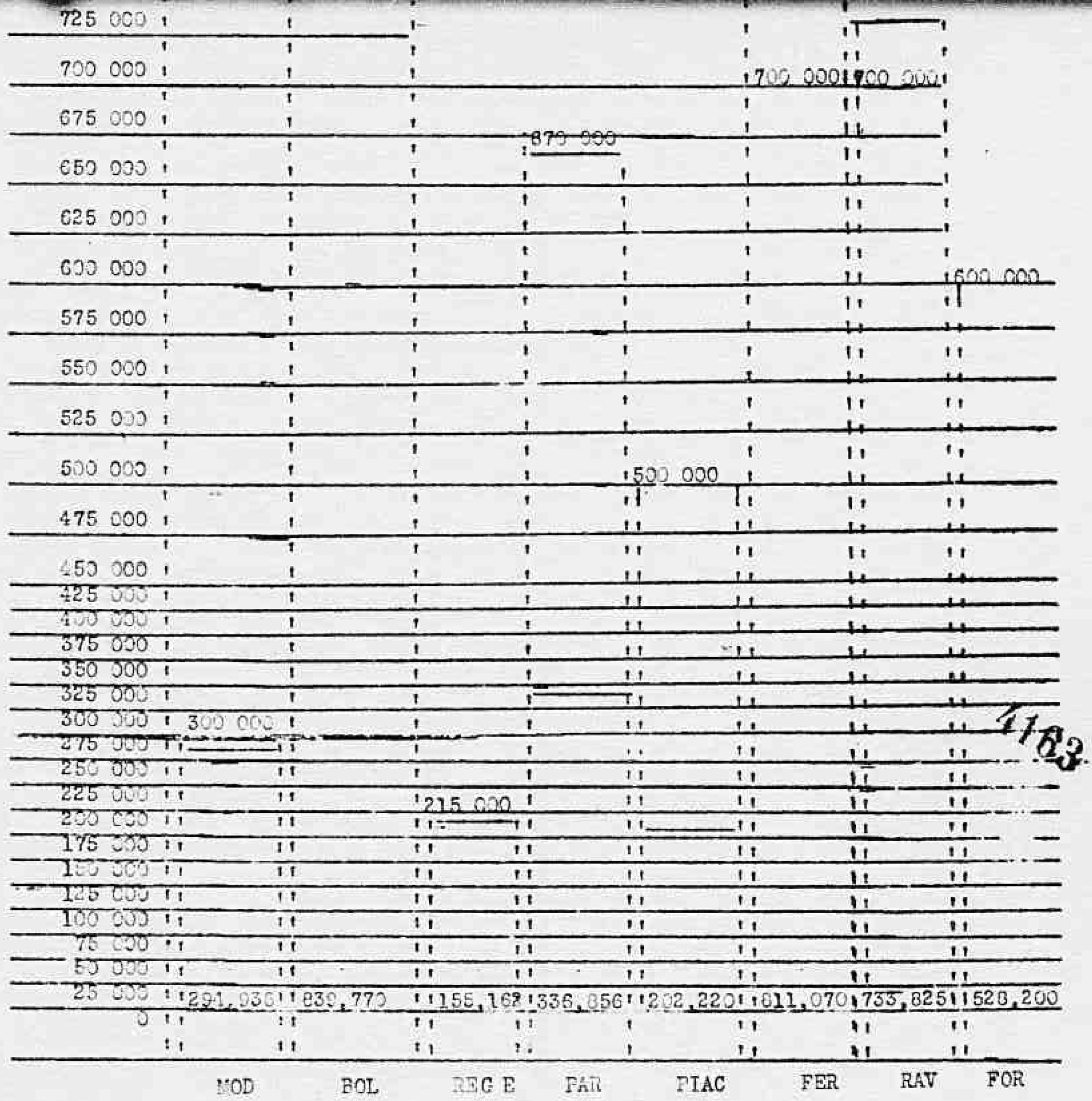


1163

Declassified E.O. 12356 Section 3.3/NND No. 782015

Appendix "D"

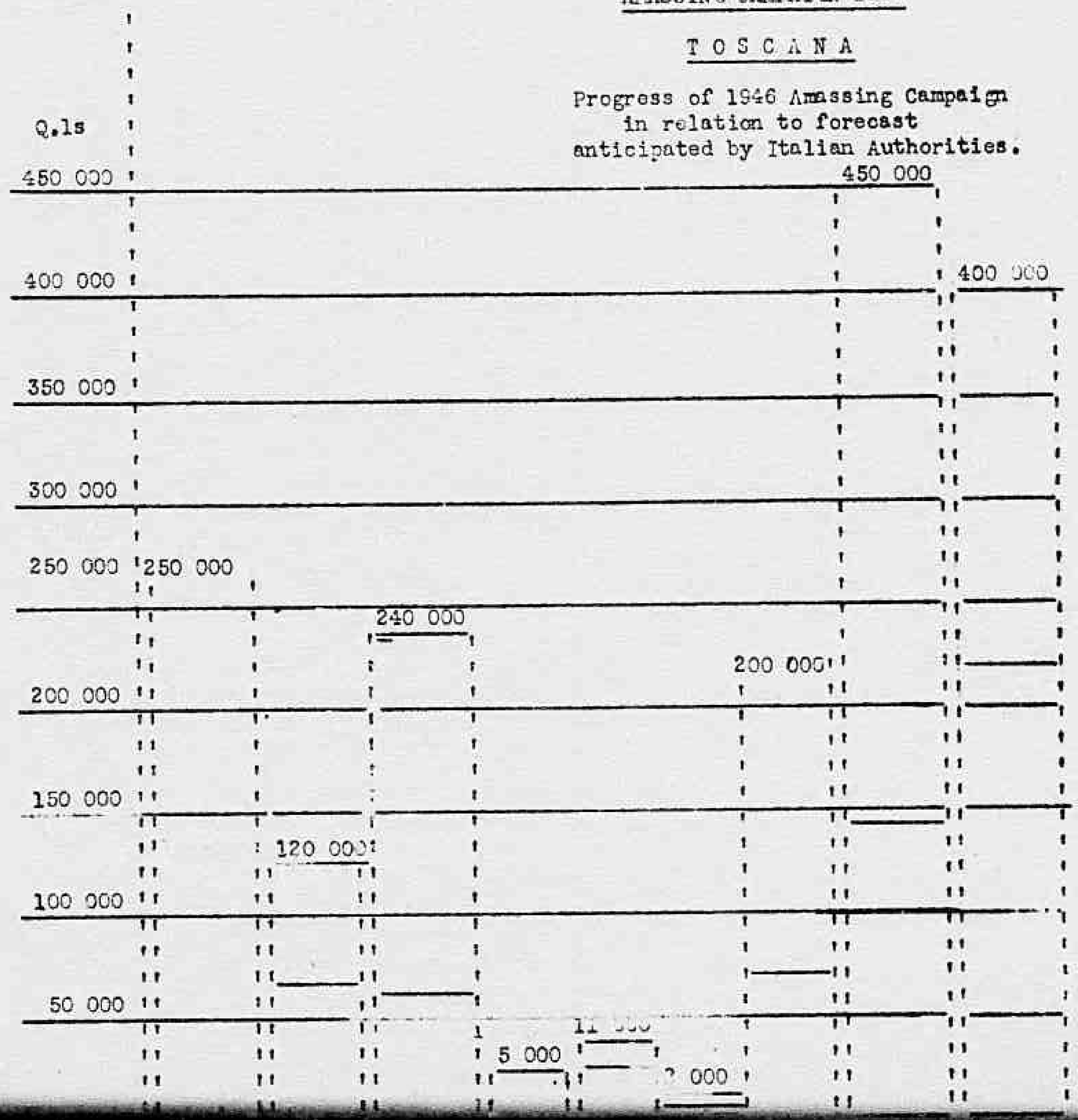
as of 22 July 1946

RD 14/T

AMASSING CAMPAIGN 1946

T O S C A N A

Progress of 1946 Amassing Campaign
in relation to forecast
anticipated by Italian Authorities.



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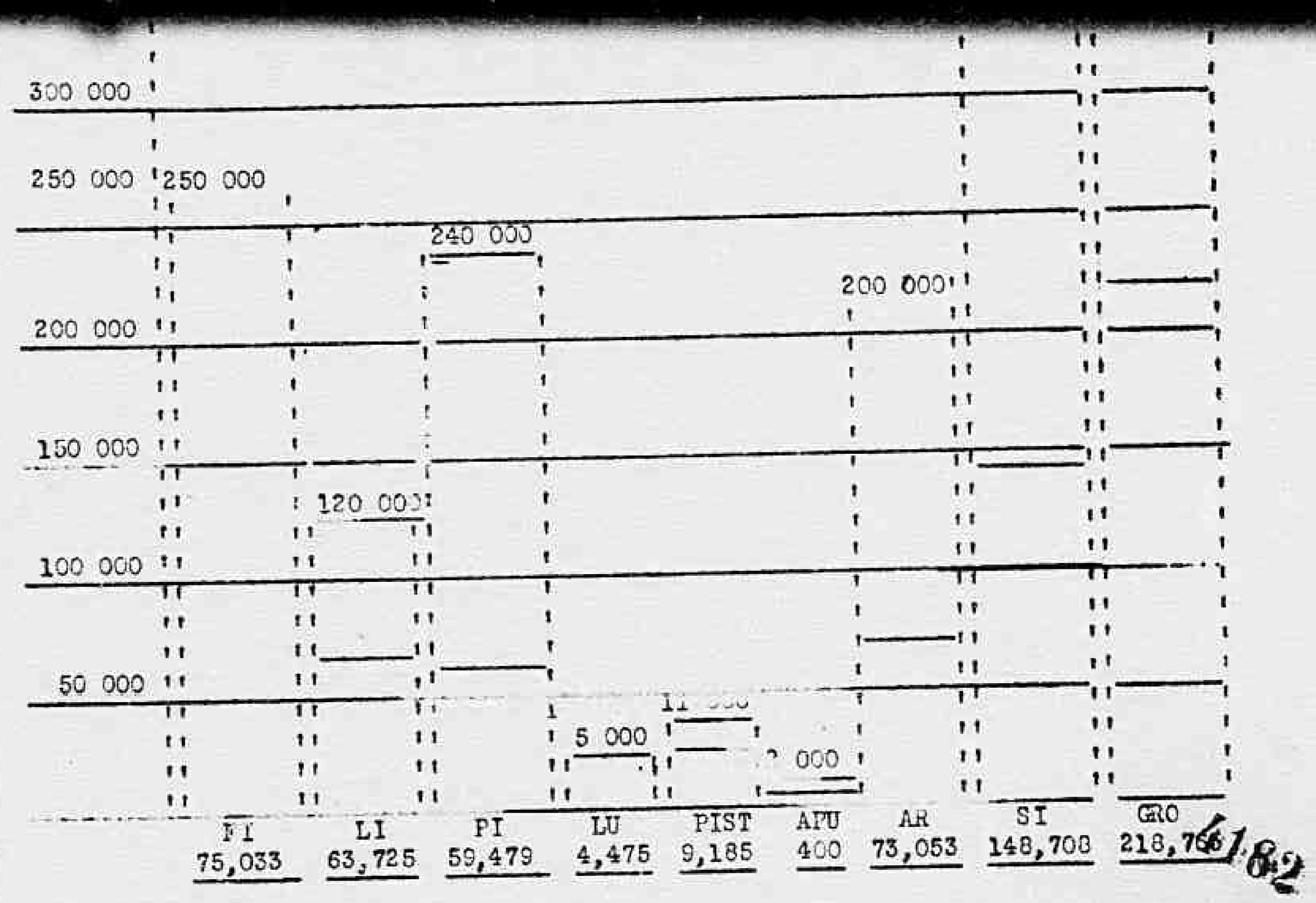

CM 6538

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 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 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 UNRRA.

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 UNRRA 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 UNRRA activities.

5. Mr. Demitri Boria, 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.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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7. Throughout the month Radio Genoa have relayed national and local press releases on UNRRA activities. 4161

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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 amassed approximately 77 metric tons and Piemonte 16,500 metric tons by mid-July.

10. The coal received from UNRRA 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 UNRRA 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 cocoanut 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 Rifornimenti 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.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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(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. UNRRA is urging the Government to determine such prices so that distribution may be effected.)

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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 Federazione.

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 dry 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

Declassified E.O. 12356 Section 3.3/NND No. 782015

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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".

1180

23. Before the war a training ship called "Caraventa" moored in Genoa harbor was used as a training ship for delinquent boys, but unfortunately the "Caraventa" 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 Pammatone, 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 Pammatone standing in the boys' world of Genoa.

DISPLACED PERSONS.

25. Liguria is assisting - 527 cases.
637 persons.

Declassified E.O. 12356 Section 3.3/NND No. 782015

Piemonte is assisting - 849 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 Celesia 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.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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28. During the month there has been a case of impersonation of an UNRRA employee pretending to be employed in the UNRRA Regional Office, Genoa. The Police have the case in hand, and warnings about impersonations of UNRRA 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 of the Consorzio Carbone (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 Vercelli, Novara, and Aosta, and with the Director of Consorzio Agrario Provinciale at Turin, Vercelli, Novara, and Aosta. In all towns it was found that adequate steps were being taken to safeguard UNRRA supplies and all Police Chiefs expressed their willingness to give the maximum cooperation to this Office.

Declassified E.O. 12356 Section 3.3/NND No. 782015

HEALTH.

31. ENDIMEA. (Ente Distribuzione Medicinale Alleate - 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.

UNRRA 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 UNRRA 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. " Readen 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)

Declassified E.O. 12356 Section 3.3/NND No. 785015

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10 Class I: 8 in Genoa.
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16 in Turin (11 monthly - 5 daily)

1 Class III: in Turin.

4159

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.

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.

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.

CM 6493

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 Formigano. On 25 July 1946, 44 out of 170 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.

Declassified E.O. 12356 Section 3.3/NND No. 799015

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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 arrangments exist between ourselves and all Italian Government Departments in the Region.

Leo Keonigsbert,
Regional Director,
Liguria & Piemonte Region.

CM 6493

Declassified E.O. 12356 Section 3.3/NND No. 785015

Attachment H-7-g.

MONTHLY REPORT OF THE REGIONAL DIRECTOR, LOMBARDIA REGION FOR

JULY 1946

Economic Situation

Social and Labor

1. Unemployment is steadily rising in Lombardia 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 15,505 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 Suzzara. In Milan city unemployed reduci vented their feelings on the Questore 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 hinder

Declassified E.O. 12356 Section 3.3/NND No. 789015

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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 UNRRA'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 yarn which they find more profitable to export. There have been fewer labor disputes among textile workers and those that have occurred have been confined to small groups and were not of great significance.

4158

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,

Declassified E.O. 12356 Section 3.3/NND No. 789015

affect the amassi. 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. Amassi - The amassing 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 SEIRAL offices in the nine provinces, the individual bread ration was increased to 300 grams per day on an 80% extraction basis. UNRRA'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 8 July as a protest against the cut. In Brescia the local

Declassified E.O. 12356 Section 3.3/NND No. 785015

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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 UNRRA Regional Protective Office has given and received much greater cooperation than before from police agencies. (For details see report on protective services below).

Declassified E.O. 12356 Section 3.3/NND No. 789015

Welfare

Accomplishments

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 those 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 Health

General 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 90 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 UNRRA

Declassified E.O. 12356 Section 3.3/NND No. 785015

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Accomplishments

15. Increased speed and efficiency in the distribution of UNRRA 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. 1157

16. Improved distribution of ENDIMEA (Ente Distribuzione Medicinali Alleati - Institute for the Distribution of Allied Medical Supplies) supplies. These long-awaited supplies have at last begun to reach the

Declassified E.O. 12356 Section 3.3/NND No. 789015

provinces and in so[illegible] cases have already been distri[illegible]ed. ENDIMEA 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 Commune 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 [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 785015

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24. More beds are needed for the treatment of T.B.

25. X-ray and laboratory equipment is needed for several hospitals.

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 Officer 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 complete and pending during the month. (Cases newly reported at the end of the

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 Commune 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, LaGuardia'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 [illegible] photographers were provided to accompany Mr. LaGuardia on his

Declassified E.O. 12356 Section 3.3/NND No. 789015

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4156

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, 28 June.

30. The weekly review was compiled.

31. Special bulletin on fishing and pig iron industries was prepared.

CM 6585

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 Ing. Luotti, 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.

CM 6585

Declassified E.O. 12356 Section 3.3/NND No. 785015

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.

CA 6585

Declassified E.O. 12356 Section 3.3/NND No. 785015

Attachment H-7-h.

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 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-to-do 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.

8. The restlessness of Labor however casts a shadow.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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.

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8. The restlessness of Labor however casts a shadow.

9. Targets for July were :

(a) CASAS 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 coordination and submission in July.

(c) Scheme for unification of assistance.

No progress to report.

(d) Non-distribution of surplus clothing lying in port warehouse.

Prospects of an early clearance.

(e) Administrative order for checking distribution of UNRRA supplies. Completed.

1155

Declassified E.O. 12356 Section 3.3/NND No. 782015

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 amassing.

(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 POLIOMYELITIS (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 malaria 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 communes 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 principle 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.

Declassified E.O. 12356 Section 3.3/NND No. 787015

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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 10,102 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 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.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 amassing.

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 amassed between 75% 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 Chiogga on the East Coast together with the small number of police available to patrol the area operate in favor of the "black marketeers".

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 creidt basis. That is not soo 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 divert 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 alloca-

Declassified E.O. 12356 Section 3.3/NND No. 788615

across the Adriatic sea to the Dalmatian coast but it is feared to be heavy.

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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.

4154

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. "Fitzhugh 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 6588

Declassified E.O. 12356 Section 3.3/NND No. 785015

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 RAF 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.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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" B. List of Selected Prices 25 July - Venice.
" C. Unemployment Figures - Regional - 31 June 1946.

CM 6588

Declassified E.O. 12356 Section 3.3/NND No. 789015

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 "	3220	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.

Declassified E.O. 12356 Section 3.3/NND No. 799015

Average Expenditure					
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 "	3220	2971	143	920	2177
June "	3243	2823	143	925	2294

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1946		1946	
January	3,656	April	3,842
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March	3,477	June	3,404

No central official indices have been published for clothing, rent, fuel and lighting etc.

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Declassified E.O. 12356 Section 3.3/NND No. 785615

PENDIX "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.--	129.40	*
2.	Pasta	--	28.--	121.65	*
3.	Rice	35.50	35.50	121.65	*
4.	Wheat Flour	--	--	83.35	*
5.	Maize Flour	16.--	13.50	72.90	*
6.	Dry Vegetables:				
	Beans	--	--	139.--	139.--
	Peas	--	--	90.--	90.--
7.	Potatoes	--	--	24.70	*
8.	Sugar	144.50	160.--	745.--	750.--
9.	Jam	--	--	260.--	206.--
10.	Wine	--	--	71.85	*
11.	Olive oil	--	250.--	506.65	*
12.	Butter	--	--	585.--	*
13.	Lard	--	120.--	425.--	*
14.	Salt	25.--	20.--	17.15	20.--
15.	Stock-fish	--	--	466.65	*
16.	Soap	--	--	375.--	*
17.	Pears	--	--	--	35.--
18.	Tomatoes	--	--	39.75	10.--
19.	Onions	--	--	9.35	9.35
20.	Peaches	--	--	35.45	40.--
21.	Meat:				
	Beef (Bones)	--	--	273.35	*
	Pork (Bones)	--	--	365.--	*
22.	Fish:				
	Eel	--	--	273.75	*
	Mullet	--	--	257.15	*
	Sardine	--	--	200.--	*
	Cuttle-fish	--	--	110.--	*
	Go'	--	--	138.35	*
	Scombri	--	--	145.--	*
23.	Milk	--	--	34.--	34.--
24.	Eggs	--	--	16.10	*
25.	Cigarettes:				
	10 Ital Nazionali	30.--	30.--	40/45	45.--
	20 Ital Serraglio	150.--	150.--	150.--	150.--

Declassified E.O. 12356 Section 3.3/NND No. 789015

8.	Sugar	144,50	160.--	745.--	750.--
9.	Jam	--	--	260.--	206.--
10.	Wine	--	--	71.85	*
11.	Olive oil	--	250.--	506.65	*
12.	Butter	--	--	585.--	*
13.	Lard	--	120.--	425.--	*
14.	Salt	25.--	20.--	17.15	20.--
15.	Stock-fish	--	--	406.65	*
16.	Soap	--	--	375.--	*
17.	Pears	--	--	--	35.--
18.	Tomatoes	--	--	39.75	10.--
19.	Onions	--	--	9.35	9.35
20.	Peaches	--	--	35.15	40.--
21.	Meat:				
	Beef (Bones)	--	--	273.35	*
	Pork (Bones)	--	--	365.--	*
22.	Fish:				
	Eel	--	--	273.75	*
	Mullet	--	--	257.15	*
	Sardine	--	--	200.--	*
	Cuttle-fish	--	--	110.--	*
	Go'	--	--	138.35	*
	Scombri	--	--	145.--	*
23.	Milk	--	--	34.--	34.--
24.	Eggs	--	--	16.10	*
25.	Cigarettes:				
	10 Ital Nazionali	30.--	30.--	40/45	45.--
	20 Ital Serraglio	150.--	150.--	150.--	150.--
	20 American	--	--	200/220	200/220
	20 English	--	--	180/200	180/200
26.	Coffee beans toasted	--	--	1000/1100	1000.--
27.	Coffee beans raw	--	--	800.--	800.--

(*) Prices not yet received by this office.

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1152

Declassified E.O. 12356 Section 3.3/NND No. 785015

Declassified E.O. 12356 Section 3.3/NND No. 789015

APPENDIX "

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		Var
	MF	F	MF	F	MF	F	MF
1	2	3	4	5	6	7	8
1. BELLUNO	741	80	11799	315	801	398	724
2. BOLZANO	24	2	1357	76	857	532	877
3. PADOVA	4440	1127	17925	2939	1781	399	1851
4. ROVIGO	863	237	6773	869	435	74	1766
5. TRENTO	1167	106	6595	1047	1425	680	4601
6. TREVISO	1630	70	25466	4685	2175	225	1519
7. UDINE	1726	125	45951	1682	3376	300	2991
8. VENEZIA	958	42	19678	2663	2052	699	4733
9. VERONA	1270	192	12634	3078	1265	222	2365
10. VICENZA	2729	696	27586	7999	2040	392	4344
REGIONAL TOTAL	15548	2677	175764	25353	16207	3921	25771

4151

Declassified E.O. 12356 Section 3.3/NND No. 785015

APPENDIX "C"

UNEMPLOYMENT FIGURES REGIONAL - 30 JUNE 1946

(Due to persons inscribed in the Provincial Employment Office)
(and therefore not re-resentative of total unemployment)

Agriculture		Industry		Commerce		Varia		Total Amount	
F	MF	F	MF	F	MF	F	JUNE	MAY
3	4	5	6	7	8	9	10	11
80	11799	315	801	398	724	259	14065	14344
2	1357	76	857	532	877	453	3115	2795
1127	17925	2939	1781	399	1851	547	25997	24894
237	6773	869	436	74	1766	277	9837	14305
106	6595	1047	1425	680	4601	523	13788	12130
70	25466	4685	2175	225	1519	348	30790	30245
125	45951	1682	3376	300	2991	978	54044	55477
42	19678	2663	2052	699	4733	1878	27421	25582
192	12634	3078	1265	222	2365	1091	17534	17603
696	27586	7999	2040	392	4344	1518	36699	36566
2677	175764	25353	16207	3921	25771	7872	233290	253941

CM 6605

Declassified E.O. 12356 Section 3.3/NND No. 785015

REPORT UNIT - ITALIAN MISSION H-8 FORM S-50

Code	Commodity Group	Acquisitions	Issues It.Govt.	Issues Field
	1	3	5	
010	Grains, Cereals & Preparations	200,316	200,112	
020	Animal Feeds	4,500	4,500	
030	Meats & Meat Products	972	961	
040	Fish, Shellfish & Products	8,022	8,000	
050	Eggs & Dairy Products	1,209	1,168	
060	Vegetables Fruits	2,951	2,933	
070	Sugar & Products	25,413	25,387	
080	Soap, Oils & Fats	12,860	12,846	
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	
660 &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	

Declassified E.O. 12356 Section 3.3/NND No. 789015

REPORT UNIT - ITALIAN MISSION H-3 FORM S-50

4150

Month July 1946

Acquisitions	Issues It.Govt.	Field Operations
3	5	6
200,346	200,112	234
4,500	4,500	
972	961	11
8,022	8,000	22
1,209	1,168	41
2,951	2,933	18
25,413	25,387	26
12,860	12,846	14
354	354	
5	5	
116	116	
189	189	
3,990	3,990	
399	399	
24	24	
270	270	
3,152	3,152	
102	102	
341	341	
49	49	
78	78	
473,486	473,486	
15,005	15,005	
151	151	
2,443	2,443	
2,189	2,189	
2,203	2,203	
760,819	760,453	366

CM 6595

H - 9 INFORMATION REQUESTED UNDER FORM M.S.R. 1.

UNRRA

Country, Italy
Month covered by report, July 1946

A. Distribution of Supplies.

Note: In accordance with instructions from Washington, Form S-50 (Attachment H-9) has been substituted for Section A, Item 1, 2 and 3 of form M.S.R. - 1.

4. a. Supplies received from 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)
   Istituto Commercio Estero.

Commodity Class	Long 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	32,395

Declassified E.O. 12356 Section 3.3/NND No. 789015

(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)
Istituto Commercio Estero.

Commodity Class	Long Tons.
0	1,249,912
1	49,901
2	4,110
3	57
4	275
5	150
6	59,019
7	368
8	1,975,416
9	32,395
	3,351,603

4149

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: Nil.

CM 6615

Declassified E.O. 12356 Section 3.3/NND No. 782015

4.c.(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 395,232 metric tons
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 4.c.(1) 10,379,243,892 Lire

B. USE OF PROCEEDS FROM UNRRA SUPPLIES (TOTAL TO DATE)

1. Proceeds of Sale of Supplies under A.4.c(1) P.O.L. (150,000,000 Lire per month 1 April to 31 July, 1946 on account of Sales until actual determination)		10,379,243,892	Lire
		600,000,000	"
Coal (on account of Sales June 1946)		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 reimbursable to Lire Fund	631,155,220		
Retained by C.I.P. 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	3,744,014,945	"
Balance paid in to Special Proceeds of Sale Account		8,114,924,472	"

Declassified E.O. 12356 Section 3.3/NND No. 789015

B. USE OF PROCEEDS FROM UNRRA SUPPLIES (TOTAL TO DATE)

1. Proceeds of Sale of Supplies under A.4.c(1) P.O.L. (150,000,000 Lire per month 1 April to 31 July, 1946 on account of Sales until actual determination)		10,379,243,892 Lire	
		600,000,000	"
Coal (on account of Sales June 1946)		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 reimbursable to Lire Fund	631,155,220		
Retained by C.I.P. 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	3,744,014,945	"
Balance paid in to Special Proceeds of Sale Account		8,114,924,472	"
2. Amounts expended out of Proceeds under B.1 above UNRRA 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 10, 1946.	1,067,066,000	1,635,916,000	"

CM 6615

Declassified E.O. 12356 Section 3.3/NND No. 789015

C. REGISTRATION, REPATRIATION 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, Cine 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; [illegible]. 10391

11. Total number of child health examinations under UNRRA 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.Ag.)
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 Trspt., Indust.Rehab. & Agr.Rehab.)	88	130	-
g. Inland Transport (Dir. of T. & D.)	5	8	-
h. Camps Operations	94	478	-
i. Finance & Administration (except Divs. of Personnel & Vehicle Control & Maintenance)	85	469	-
	10	38	-

Declassified E.O. 12356 Section 3.3/NND No. 798015

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).

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g. Inland Transport (Dir. 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

4148

CM 6615

Declassified E.O. 12356 Section 3.3/NND No. 785015

D. 2. Nationalities of Class I Employees as of July 31, 1946.

American	206
Australian	3
British	282
Canadian	13
Danish	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	567

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

Declassified E.O. 12356 Section 3.3/NND No. 789015

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	567

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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	-	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	-	43	"	10	-	71	"	15	-	1

CM 6615

Declassified E.O. 12356 Section 3.3/NND No. 789015

Declassified E.O. 12356 Section 3.3/NND No. 785015

25 February 1946

Dear Mr. Hodgetts:

The Chief Commissioner desires to acknowledge and thank you for the copy of the "Supplementary Agreement with the Government of Italy" which was signed on 19 January 1946.

Very truly yours,

L. W. STEARNS
Lt Col, AGD
Staff Officer to CC

Mr. C. E. Hodgetts
Acting Chief of Mission
UNRRA Italian Mission
Rome

4142
Shepherd
3/6/12

16 RECD

UNRRA
ITALIAN MISSION
ROME

BUREAU OF REQUIREMENTS AND DISTRIBUTION
ADMINISTRATIVE INSTRUCTION NO. 2
14 DEC 46

SUBJECT: Designation of Supervisory Personnel

I. PURPOSE

The purpose of this Instruction is to designate the Supervisory Personnel for the Bureau of Requirements and Distribution.

II. APPLICATION

1. Some of the persons shown below are not yet on the UNRRA payroll, but it is necessary for operating purposes to show such persons as members of the UNRRA organization, in view of the fact that their work in the Allied Commission necessitates that they also assume responsibility for the UNRRA Program.

2. The list of names and designations is as follows:

(a) Office of Deputy Chief of Mission

1. Deputy Chief of Mission, Mr. Harlan Cleveland
2. Assistant Chief of Bureau, Mr. Elwood Holstein, Acting
   Executive Officer, Capt. C.B. Highland, Jr., Acting
   Administrative Officer, Mr. W. H. Colbach, Jr., "
   Registry - Miss Semira Abancal, Acting Supervisor
3. Special Assistant, Lt. Col. E.W. Tuby, Acting
4. Price Control Specialist, Mr. K. Stauffer, Acting.

(b) Sub-Bureau of Supply Operations

1. Chief of Sub-Bureau - Colonel C. W. Walton, Acting
2. Executive Assistant - Chaumin W.C. Peterson, Acting
3. Division of Program Coordination and Statistics-
   Mr. Vincent Checchi, Acting Director.
4. Local Resources Division - Mr. A.B. Arnoldy, Director

Declassified E.O. 12356 Section 3.3/NND No. 789015

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2. Executive Assistant - Captain W.S. Peterson, Acting
3. Division of Program Coordination and Statistics-
   Mr. Vincent Checchi, Acting Director.
4. Local Resources Division - Mr. E.R. Arnoldy, Director
5. Division of Ports and Shipping - Mr. C.C. Crooks,
   Director
6. Division of Internal Transport - Mr. J. Bordeau,
   Director

(c) Sub-Bureau of Relief Supply

1. Chief of Sub-Bureau - Mr. W. J. Logg
2. Chief Supply Officer- Mr. J. Durio
3. Chief Requirements Analyst - Mr. Victor Sullam (in USA)
4. Division of Agriculture and Fisheries-Major J.R.C.Sutherland, Director.
5. Division of Food-Major H. Hayden, Acting Director

4146

Declassified E.O. 12356 Section 3.3/NND No. 782015

6. Division of Consumer Goods Supply, Major S.K.I. Seul, Director

(d) Sub-Bureau of Industrial Rehabilitation:

1. Chief of Sub-Bureau-Mr. Bruno Luzzatto (in USA)
2. Executive Assistant-Major Charles Bowings, Acting
3. Division of Industries-Dr. E. Rembert, Acting Director
4. Division of Fuels-Colonel [illegible] Walker, Acting Director.

HARLAN CLEVELAND
Deputy Chief of Mission
Bureau of Requirements and Distribution

DISTRIBUTION:
PD - "A" and "B"

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Chief Commission

FEB 21 REC'D

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

ITALIAN MISSION

Chief of Mission's Narrative Report for the month of
January 1946

CONTENTS:

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

A. Introduction

B. Relationship with the Italian Government

C. Relationship with other Agencies

D. Supply and Distribution

E. Service Provided with UNRRA Personnel

F. Public Relations

G. Organization and Administration of the Mission

H. List of Attachments

876/cc

S.M. KLEMT
Chief of Italian Mission

Distribution :

U.S. Embassy (10) Cairo

20 FEB 1946

Declassified E.O. 12356 Section 3.3/NND No. 782015

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C.M. KENNY
Chief of Italian Mission

Distribution :

U.S. Embassy (10)
British Embassy (4)
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20 FEB 1946

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20 FEB 1946

CM 1585

Declassified E.O. 12356 Section 3.3/NND No. 785015

Declassified E.O. 12356 Section 3.3/NND No. 785015

in Italy. The targets for arrivals, both P.O.A. and UNRRA, of wheat to arrive in December, January and February were 172,000, 300,000 and 230,000 tons respectively. Actual arrivals in December and January were 105,550 and 102,000 tons respectively and, according to latest instructions, 345,000 tons can be expected through February. At the end of the month the stocks in the country available for the mills amounted to little more than a fortnight's supply, and these stocks were unevenly divided so that in many districts the position was only two or three days. Even this position was relieved only by drastic but prompt action in postponing the grain issue for weeks. That action cut the daily cereal ration by one third for most consumers. The result was called "conserving the steamrolls"; the housewife knew it, that of five children, with whom I talked last week in the dusty ruins of her half-demolished home in Valmontone, called it something else.

Every attempt is being made to use other cereal substitutes, including soya flour. We are entitled to feel that steps are being taken at the very highest levels to obtain more wheat. We need at least 350,000 tons a month until harvest. All stocks are exhausted until we know that the minimum ration can be distributed. That minimum is 300 grams a day. For the moment we are managing with 200 but only until our ships come in.

3. We need coal - and it will be delivered

The coal situation is equally desperate. The P.O.A. program, originally set at 1,827,000 tons was subsequently scheduled to be completed in 1945, after which UNRRA shipments were to commence. This programme had to be submitted to the Hyde Park Coal Organisation for approval. Non-availability of coal restricted allocations. The programme was revised, and the targets for arrivals in coal to arrive in December, January and February were 400,000, 250,000 and 250,000 tons respectively. Actual arrivals in December and January were 241,000 and 322,000 tons respectively, and, according to latest indications, 450,000 tons can be expected through February. The P.O.A. program should be completed in February, and the UNRRA shipments are to start immediately after the conclusion of the P.O.A. shipments. The figure of 450,000 tons of coal for February therefore includes imports from UNRRA as well as P.O.A. sources.

Because of the coal shortage, industry distribution has had to be limited to such essential services as railroads, city lighting systems, [illegible] that the [illegible] was relatively unimportant. The real trouble comes in the fact that without the factories the employees are out of work. As for the coal which does arrive, we are told that the remarks of the transportation and [illegible] are unprintable as are the coal! If 1,827,000 tons of coal can be sent, UNRRA can save at least a million dollars a month in food bills alone.

4. Feeding the Army in the North.

Supplies have been moving into Scandinavia in the north for the feeding

Declassified E.O. 12356 Section 3.3/NND No. 785015

Declassified E.O. 12356 Section 3.3/NND No. 785015

6. _____

The transfer of personnel from the Allied Commission to PCOA finally got under way in January. By the end of the month only 83 had completed the transfer, and a further 54 were in progress with a further 54. By the end of February the job will be done, and the total number coming over will be about 190. The PCOA establishment of 73 was raised to be filled when all the personnel available from AC have been recruited. Of these vacancies about 1 12 are clerical staff and the remainder expected technicians. Final determination of some of our needs depends on discussions now taking place.

7. The Pontine note applies to PCOA too.

One of the exciting events of the month has been the discussion about the new note at Tiger 325 to the dollar instead of Lire 100, made available to PCOA staff on Bruce cut off; the whole depot's toil at one flow; we in Italy are kinder and cut it off bit by bit.

X of 4 February

8. Army Surplus.

Great credit is due to Lucky Army surplus has been broken, but much valuable time and many highly desirable goods were lost while the matter was being debated. The PCOA pay slip has been re-cast like the Treasurement is in 2 pence. We are, however, not yet the vehicles that we need - although not always in the types we require. We have also received a lot of surplus medical supplies of all sorts. Within the next sixty days we hope to have the supplies themselves.

9. Italy - Transportation Thing

During the month a major study was made of the problem concerning the use of Trieste and Italian ports for moving supplies into Austria and Czechoslovakia. The outlook seems reasonably good for getting good service out of Trieste if the railway cars can be provided. Italy will, of course, co-operate in every way possible. Negotiations are under way to determine the basis of payment for trans-shipment services.

4144

10. The Pope Receives "Italian Children".

The most spectacular event of the month was the Pope's reception of 15,000 children in St. Peter's. This has been described elsewhere in Mr. Seward's lyric prose. Even the staid London "Times" characterized it as "perhaps the most moving ceremony ever held in St. Peter's". We hope that the news of it will be interpreted everywhere as applying not only to Italian children but also to the children of all the countries that are receiving help. [illegible]

11. Targets for February.

Our work targets for January were pretty largely accomplished. The Agreement was signed in good time and the work of implementing it is well under way. The reorganization of our staff is moving smoothly and should be practically complete at the end of February. Some of our targets for

Declassified E.O. 12356 Section 3.3/NND No. 782015

February are:-

1. To complete arrangements for reception of UNRWA supplies.

2. To review allocation procedures.

3. To review price policies with the Government.

4. To complete transfer of staff to the UNRWA building.

5. To complete contracts for all staff being transferred.

6. To install six Regional Directors.

Declassified E.O. 12356 Section 3.3/NND No. 782015

I. RELATIONSHIP WITH THE ITALIAN GOVERNMENT.

1. Supplemental Agreements Negotiated or in Process.

The Supplementary Agreement between UNRRA and the Italian Government was signed on 19 January 1946, three weeks after the presentation to the Government of the UNRRA draft. This Agreement, which is supplementary to that of 8 March 1945, defines the mutual responsibilities of the Government and the Administration with respect to the relief and rehabilitation program for Italy undertaken by UNRRA in accordance with Resolution No. 75.

Certain points not specifically covered in the Supplementary Agreement were raised during the discussion on it. The Government, and in particular, the Delegation, was anxious to know whether the relief services program undertaken under Resolution No. 50 would be continued until the exhaustion of the $ 90,000,000, or whether the 1946 import program would absorb the unexpended balance of the limited program. The Mission made it clear that although it was willing to consider any proposal by the Government covering the allocation of the 1946 funds, it agreed with the Delegation's desire to continue the relief services until the completion of the $ 90,000,000 program. It was decided further that the Mission should not deal directly with the various Government departments concerned with the 1946 program, but that the Delegation would be the liaison agency between the Government and the Mission. All policy decisions are to be final at the moment of agreement between the President of the Delegation and the Chief of Mission. The decision as to the agencies and procedures to be used by UNRRA for the reception, handling, and transfer of supplies to the Government was postponed until after the signature of the Supplementary Agreement. The Mission agreed to the Government's original distribution policy for UNRRA supplies provided that it did not conflict with the UNRRA Resolutions.

By the end of January considerable progress had been made in the Mission's discussions with the Government on the establishment of a policy for fixing internal selling prices for UNRRA imports in such a way as to bring down the general price level, on the procedures for the reception, transfer and distribution of UNRRA supplies, all on procedures which would enable the Mission to supervise the use to which they are put. It is expected that satisfactory working arrangements will be in effect before the arrival of the first supplies, under the 1946 program.

The Legislative Decree for the implementation of the Agreement of 8 March 1945 was finally published in the Official Gazette of 30 January. The Decree for the implementation of the Supplementary Agreement

Declassified E.O. 12356 Section 3.3/NND No. 785015

program undertaken under Resolution No. 32 would be terminated after the expiration of the $ 50,000,000, or whether the 1946 import program would absorb the unexpended balance of the limited program. The Mission made it clear that although it was willing to consider any proposal by the Government covering the allocation of the 1946 funds, it agreed with the Delegation's desire to continue the relief services until the completion of the $ 50,000,000 program. It was decided further that the Mission should not deal directly with the various Government departments concerned with the 1946 program, but that the Delegation would be the liaison agency between the Government and the Mission. All policy decisions are to be final at the moment of agreement between the President of the Delegation and the Chief of Mission. The decision as to the agencies and procedures to be used by UNRRA for the reception, handling, and transfer of supplies to the Government was postponed until after the signature of the Supplementary Agreement. The Mission agreed to the Government's policy and distribution policy for UNRRA supplies provided that it did not conflict with the UNRRA resolutions.

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The Legislative Decree for the implementation of the Agreement of 8 March 1945 was finally published in the Official Gazette of 30 January. The Decree for the implementation of the Supplementary Agreement has already been approved by the Council of Ministers and will shortly be published.

2. General Problems of Relationship.

The speed with which the Supplementary Agreement was negotiated is an indication of the cordial relations existing between the Mission and the Government, and of the Government's confidence in UNRRA's aims. The Government's attitude during the negotiations was that collaboration with UNRRA had been so successful in the past that the UNRRA proposals could be accepted almost in toto, leaving the implementation of the terms to later agreement between the two parties.

In January the Government extended to UNRRA as well as to the American and British Military, the Embassies and their subsidiary agencies, the privilege of converting salary allotments and allowances paid in Italy at a rate equal to the newly-established import-export rate (Lit. 225 to the dollar and Lit. 900 to the pound sterling).

5143

CM 1505

Declassified E.O. 12356 Section 3.3/NND No. 782015

C. REPATRIATION FROM ITALY.

During the period under review a total of [illegible] repatriated from Italy to their countries of origin. Of this number, [illegible] were repatriated by rail and [illegible] by air. The Italian Government has been informed that the number of persons to be repatriated during the month of February will be approximately [illegible]. The Italian Government has been requested to submit a plan for the repatriation of [illegible] persons during the month of March.

D. SUPPLY AND REHABILITATION.

1. Requirements.

Under the expanded Italian program, the Italian supply program will include portions of Italy's total civilian import requirements in 1946. In 1945 the Italian Government and the Economic Section of the Allied Commission jointly prepared a plan for the use of an assumed UNRRA allocation of $ 480,000,000 for Italy. The Mission forwarded the plan to the FWAA Headquarters (Office L. Washington, and now awaits receipt of the definitive amount of money allocated by the Central Committee to the Italian program. The major problem in the supply field is the serious cereal stock situation. Suspension of part of the pasta ration throughout Italy was necessary during the month. The present basic cereal ration is 300 grams of pasta daily, instead of the previous 4,900 grams and 600 grams of bread daily for the normal consumer. It is estimated that the cereal stocks on hand available at the end of the month amounted to only about three weeks' supply at the emergency scale, or two weeks' supply at the rate of 300 grams daily.

The shortage of fats and oils is likely to necessitate the reduction or abolition of the fat component of the ration now being issued to various classes under the Italian welfare program. The situation as regards other foodstuffs, however, was more satisfactory. By the end of January plans had almost been completed for the transfer to the Italian Government of further foodstuffs which will, under the Italian welfare program, supply [illegible] until 31 March and for [illegible] persons until 30 April.

Declassified E.O. 12356 Section 3.3/NND No. 782015

Declassified E.O. 12356 Section 3.3/NND No. 782015

b. On the application of the Greek regulations to the specific responsibilities of the mission.

D. SUPPLY AND DISTRIBUTION.

1. Requirements.

Under the expanded Italian program, the Italian supply program will include postwar as well as Italy's total civilian import requirements in 1946. In 1945 the Italian Government and the Economic Section of the Allied Commission jointly prepared a plan for the use of an assumed UNRRA allocation of $ 450,000,000 for Italy. The mission forwarded the plan to the PCAB headquarters during December, and new fields, notably of the availability amount of money allocated by the Central Committee to the Italian program, the major problem in the supply field is the serious general stock situation. Suspension of part of the ration throughout Italy was necessary during the month. The present basic cereal ration is 200 grams of pasta weekly, instead of the previous 2,200 grams. The ration is based only for the normal consumer. It is estimated that the cereal stocks on hand in Italy at the end of the month amounted to only about three weeks' supply at the emergency level, or two weeks' supply at the rate of 300 grams daily.

The shortage of milk and oils is likely to necessitate the reduction or abolition of the milk component of the ration now being issued to various classes under the UNRRA welfare program. The situation as regards other foodstuffs, however, was more satisfactory. By the end of January plans had almost been completed for the transfer to the Italian Government of further foodstuffs which, under the UNRRA welfare program, supply provisions until 31 March, and in many cases until 30 April.

2. Shipments receiving and furnished to Italian Liberated Territory.

Loadings against the 1946 program started in the supplying countries in January, but none of those shipments arrived during the month except for a consignment of seed potatoes. The mission's acquisitions for the month (based on out-turn reports received in Italy) amounted to approximately 5,400 net metric tons of foods, fats and oils and 500 metric tons of medical supplies. As of 31 January 1946 the mission had transferred a total of 104,900 metric tons of imported bulk and miscellaneous supplies to the Italian Government. It made no purchases of domestic importance in Italy during the month.

3. Distribution.

The discussions held with the Italian Government during the month on problems pertinent to the reception and distribution of UNRRA supplies have been noted under 2, above.

CM 1585

Under the welfare [illegible] food was distributed in sixty-six of the ninety provinces of Italy [illegible] Venezia Giulia. Six of the thirty provinces in the [illegible] were supplied. The penicillin distribution plan for [illegible] covered the northern provinces for the first time. The [illegible] was scheduled to increase from 3,000 to 5,000 [illegible]. Lack of transport facilities in the north, only 3,070 vials [illegible] the northern provinces at the close of the month. It is expected that the distribution will be completed early in February.

Some 25,672 cases of medical supplies, valued at $ 1,120,122 dollars, were transferred to the Italian Government early in the month.

An emergency distribution of medical supplies was released to the District Medical Officer in Naples to help in the treatment of the more than 600 casualties resulting from the explosions at Torre Annunziata.

4. Industrial Rehabilitation.

The Mission has submitted to Washington allocation requests sufficient to start a salient program of industrial rehabilitation in Italy, and has developed plans for industrial allocations, utilization controls, and reporting. No UNRRA materials have arrived as yet, but the Mission was endeavored to make the best possible distribution over Italian industries, utilities, and transport of the small supply of coal which arrived under the Allied program in January. The shipping tie-ups in American harbors in December resulted in reduced imports of POL and coal into Italy in January.

5. Agricultural Rehabilitation.

The Mission is attempting to carry on the activities of the former Allied Commission Agriculture Sub-Commission plus a larger supply import program than had been carried out previously.

The revised 1946 [illegible] of agricultural supplies was prepared by the Mission and the Italian Government [illegible] to Washington for final approval in January. The main [illegible] in the failure of Italian industry to supply agricultural needs, especially of fertilizers. The production of phosphate fertilizers and nitrogen has been lower than had been expected. The situation will be eased by the agreement reached with France in January for the supply of 500,000 tons of Tunisian phosphate rock to Italy in 1946 for the production of superphosphate fertilizer.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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5. Agricultural Rehabilitation.

The Mission is attempting to carry on the activities of the former Allied Commission Agriculture Sub-Commission plus a larger supply import program than had been carried out previously.

The revised 1946 program for agricultural supplies was prepared by the Mission and the Italian Government and submitted to Washington for final approval in January. The major bottleneck in this field is the failure of Italian industry to supply agricultural needs, in particular of fertilizers. The production of phosphate fertilizers and nitrates has been lower than had been expected. The situation will be eased by the agreement reached with France in January for the supply of 500,000 tons of Tunisian phosphate rock to Italy in 1946 for the production of superphosphate fertilizer.

CM 1505

4142

Declassified E.O. 12356 Section 3.3/NND No. 789015

E. SERVICES PROVIDED WITH UNRRA RESOURCES.

1. Welfare.

a. Services, Programs and Kind of Groups Given Service

In January food was distributed to more than one million needy children and nursing and expectant mothers in sixty-six provinces, and plans were approved for the distribution of food in the remaining twenty-four provinces of Italy proper.

In the light of the supply situation (fats had to be borrowed from the Ministry of Food to cover the February allocations, and there has also been difficulty in making flour and semolina available to Provincial Committees) some question was raised early in the month about the continuance after February of the supplementary child feeding program. The transfer of all UNRRA foods to the Ministry of Food for distribution through the regular ration program was also considered. As a result of requests from the Government, however, it was agreed in principle (and subject to the provision of the necessary supplies) that the present assistance program should be continued at least through June. The question of the nature and scope of welfare activities after that date will be re-opened.

The Mission's welfare staff continued to assist in the reactivation of Italian social services, notably the school lunch program(in which the provision of UNRRA foods plays a vital role), the de-requisitioning of an institution for deaf and dumb children in the Toscana district, and the establishment of an institution for delinquent boys in Chieti and of a children's feeding and occupation center under the auspices of the Anti-Tubercular Association in Pesaro. Staff members cooperated in the projects of other agencies, such as the United Jewish Relief Agency's attempt to improve the conditions of the people living in caves in Naples, and the Swiss Gift Committee and AMGOT's plans for the distribution, in the northern provinces, of the extra supplies which these institutions are able to make available.

b. Problems of Equitable Distribution to Resourceless Persons.

No serious complaints about the distribution of UNRRA foods were received during the month. Certain reports, about the loss of food in transit from Central to Provincial warehouses, are now being investigated to determine whether a theft occurred or whether a wrong amount of food was distributed in the first place.

Declassified E.O. 12356 Section 3.3/NND No. 785015

child feeding program. The transfer of all UNRRA foods to the Ministry of Food for distribution through the regular ration program was also considered. As a result of requests from the Government, however, it was agreed in principle (and subject to the provision of the necessary supplies) that the present assistance program should be continued at least through June. The question of the nature and scope of welfare activities after that date will be re-opened.

The Mission's welfare staff continued to assist in the reactivation of Italian social services, notably the school lunch program (in which the provision of UNRRA foods played a vital role), the de-vaccination of an institution for deaf and dumb children in the Toscana district, and the establishment of an institution for delinquent boys in Civitavecchia of a children's feeding and occupation center under the supervision of the Anti-Tuberculer Association in Pesaro. Staff members cooperated in the projects of other agencies, such as the United Nations Relief and Rehabilitation Administration's attempt to improve the conditions of the Gooche living in caves in Naples, and the Swiss Gift Committee and AMSTAR plan for the distribution, in the northern provinces, of the extra supplies which these institutions are able to make available.

b. Problems Encountered in Distribution to Resourceless Persons.

No serious complaints about the distribution of UNRRA foods were received during the month. Certain reports, about the loss of food in transit from Central to Provincial warehouses, are now being investigated to determine whether a theft occured or whether a wrong amount of food was distributed in the first place.

Another problem in the field of distribution is that of obtaining flour and semolina for Provincial Committees. The original allocation plans allowed for the provision of these items locally by transfer from the Ministry of Food through Central, the rationing agency. The Local Depots have been reluctant to make the flour available despite the fact that agreement for doing so had been reached between the Ministry of Food and the Italian Delegation. UNRRA and the Government are now negotiating on this problem. The original plans called for the local manufacture of semolina from wheat available for the total program, and the difficulty that has developed is that the type of wheat available cannot be used to produce semolina. The Mission has therefore cabled Washington to ask that hard wheat be made available for the Italian program immediately.

The distribution program is still handicapped by the lack of truck and personal transport. It has not yet been decided whether UNRRA can supply the transport requested by the Italian Delegation.

Declassified E.O. 12356 Section 3.3/NND No. 782015

Transport for Provincial Committee Secretaries is most urgently needed. Without it they cannot visit and instruct communes and institutions. This results in non-receipt or statistical reports on the numbers of persons fed and a lack of prompt action in correcting distribution errors in individual communes and institutions.

c. Voluntary Agency Matters.

As of 31 January a total of 78 Voluntary Agency members were attached to the Mission, 48 of them serving under the Displaced Persons Division, 16 in Camps Operations, 11 with the Health Division and one in a District office. A Voluntary Society hygiene unit is the Ministry of Post-War Assistance by inspecting and advising the hygiene aspects of Italian displaced persons camps. Other Voluntary Society members help to supervise the workshops for the processing of used clothing and shoes and assist in the repair and reconstruction of quarters for homeless Italians.

2. Displaced Persons.

a. Italian Displaced Persons.

i. Registration.

Both the Mission and the Ministry of Post-War Assistance have instructed their representatives to make a brief survey to bring their information on Italian displaced persons up to date.

ii. Maintenance and Care.

During January 138,453 pieces of clothing, 10,289 pieces of bedding and 101,559 pairs of shoes were sent to Provincial Committees for distribution to Italian displaced persons. Plans have been completed for the distribution of clothing and shoes thru peninsular Italy and distribution is in progress or completed in the case of 75% of the Provincial Committees. A study of the difficulties which impeded effective distribution in Sicily is being made before allocations are sent to Sicily and Sardinia. A special allocation of clothing and shoes is being made to 20,000 of the neediest refugees from the Italian North African colonies.

During the month Voluntary Society personnel attached

Declassified E.O. 12356 Section 3.3/NND No. 782015

Other Voluntary Society workers help to supervise the workshops for the processing of used clothing and others assist in the repair and reconstruction of civilian dwellings in Italian cities.

2. Displaced Persons.

a. Italian Displaced Persons.

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Both the Mission and the Ministry of Post-War Assistance have instructed their representatives to make a brief survey to bring their information on Italian displaced persons up to date.

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During the month Voluntary Society personnel attached to the Mission assisted in the repair of some 85 rooms for homeless Italians. A total of 4,463 rooms, housing 13,434 persons, have been restored habitable under the repair and reconstruction project.

b. Non-Italian Displaced Persons.

4141

i. Registration

All but 131 of the displaced persons in the Southern Italian Camps have been registered. The Allied Commission states that registration is practically complete in its camps, which are now being taken over by the Mission. It is estimated that there are about 140,000 non-Italian displaced persons in Italy, of whom over 120,000 are under the Mission Record Bureau. This figure includes approximately 3,200 from the Twenty-Nine areas (who are racially Italians but are considered Allied displaced persons), 100 or more persons of each of thirty-two other nationalities, and many smaller groups.

CM 1585

Declassified E.O. 12356 Section 3.3/NND No. 785015

ii. Repatriation.

Repatriation is virtually at a stand-still. Only nine displaced persons were repatriated from Italy during the month. A party of eighty Czechs en route to Prague from the UNRRA Middle East Office was still, early in February, in the Bolzano camp because the Brenner Pass was blocked by snow.

iii. Maintenance and Care. (Assistance Outside Camps).

An effort is being made to insist upon camp care for all except a few displaced persons who might legitimately be considered for outside camp in terms of possible resettlement in Italy. It was less successful than had been expected during January, largely because most of the camps were until comparatively recently U.N.R.R.A. It is, however, expected that there will be a marked decrease in the number of camps maintained outside camps as the result of an agreement reached with UNRRA in January, and a further agreement with the Joint Distribution Committee to the effect that displaced persons offered camp care and refused outside assistance by UNRRA would also be refused outside assistance by the J.D.C. and its auxiliary agencies.

A total of 17,138 displaced persons was assisted outside camps in January, at a total lire cost of 46 million. Medical care was given to 2,043 persons at lire cost of 1,300,000. Sixty-five metric tons of food and 3,000 units of clothing were distributed; 10% of the month's output of the Processing Section was transferred for the use of non-Italian displaced persons.

3. Health

a. Major Results and Problems.

The requirement list of drugs and raw materials for the second quarter of 1946 is ready for final screening before being sent to Washington. A short subsidiary list of items essential for the proper functioning of the national health services is also receiving consideration.

Declassified E.O. 12356 Section 3.3/NND No. 785015

been expected during January, largely because most of the camps were still controlled by A.F.H. It is, however, expected that there will be a marked decrease in the number of camps maintained outside camps as the result of an agreement reached with AFHQ late in January, and a further agreement with the Joint Distribution Committee to the effect that displaced persons offered camp care but refused outside assistance by UNRRA would also be refused outside assistance by the J.D.C. and its auxiliary agencies.

A total of 17,138 displaced persons was assisted outside camps in January, at a total lire cost of 46 million. Medical care was given to 2,083 persons at a lire cost of 1,300,000. Sixty-five metric tons of food and 8,000 units of clothing were distributed; 10% of the month's output of the processing section was transferred for the use of non-Italian displaced persons.

3. Health

a. Major Results and Problems.

The requirement list of drugs and raw materials for the second quarter of 1946 is ready for final screening before being sent to Washington. A short subsidiary list of items essential for the proper functioning of the national health services is also receiving consideration.

The final plan for the second distribution of medical supplies under the 1945 program has been received, the items are being assembled, and it is hoped that, with the assistance of Allied transport, distribution can be completed early in April. The supplies for the second distribution include drugs, surgical instruments and laboratory equipment whose total value (plus that of such stores as are set aside for special programs, like that for epidemic control) amounts to $ 1,128,183 and whose total weight is 975 tons. Of these figures roughly 65% by weight and by value is for distribution and 35% for special projects.

An agreement has been reached between the High Commissioner for Public Health that the manufacturers of X-ray tubes whereby sixty percent of production from the 100 pounds of tungsten imported by UNRRA, will be controlled on distribution and price by the High Commissioner and distribution of the tungsten is now in progress.

The 1946 malaria control program for Sicily was initiated by the departure of four (4) control units accompanied by a field sanitary engineer. A malaria survey of the Sardinian region is underway, from which a plan for malaria control in this area will be made. The Sardinia malaria eradication program has been delayed by circum-

Declassified E.O. 12356 Section 3.3/NND No. 782015

stances affecting the procurement of supplies and by the absence of the necessary Government decree. Equipment and supplies have been ordered forward, and the program will commence in February with the surveying and planning of the Island.

Reports received from hospitals and other institutions indicate that the disinfestation [illegible] been a complete success. Four mobile combined [illegible] units, accompanied by UNRRA-trained Italian supervisors, are being distributed to Medici Provinciali, whose staffs are being trained in the operation of these units.

Tuberculosis activities during the month included discussions within the Division on the advisability of establishing a program of supplementary rations to tuberculous patients and their families, a survey for the allocation of UNRRA X-ray units and assistance in the selection of tuberculous Italian University students for admittance to the sanitorium of Leysin, Switzerland, which has offered the use of twenty beds to the Italian Government.

b. Review of General Health Conditions.

The High Commissioner for Hygiene and Public Health reports that, as far as infectious diseases are concerned, the health conditions of the country indicate no cause for worry.

CSI 1565

Declassified E.O. 12356 Section 3.3/NND No. 782015

Four mobile combined diagnostic and radiology units, accompanied by UNRRA-trained Italian operators, are being distributed to Medici Provinciali, whose people are being trained in the operation of these units.

Tuberculosis activities during the month included discussions within the Mission on the advisability of establishing a program of supplementary rations to tuberculous patients and their families, a survey for the utilization of UNRRA X-ray units and assistance in the selection of tuberculous Italian University students for admittance to the sanitorium of Leysin, Switzerland, which has offered the use of twenty beds to the Italian Government.

b. Resume of General Health Conditions.

The High Commissioner for Hygiene and Public Health reports that, so far as infectious diseases are concerned, the health conditions of the country indicate no cause for worry.

CM 1686

4140

Declassified E.O. 12356 Section 3.3/NND No. 782015

F. PUBLIC RELATIONS

1. Visits to Mission of Non-Italian Legislative and Diplomatic Officials.

On 23 January the overseas sub-committee of the Mead Investigating Committee held an all-day hearing in Rome. It was directed by Senator James E. Tunnel (Democrat), Delaware, Chairman of the sub-committee, and Senator William F. Knowland (Republican), California. Their chief interest was in the question of Army surpluses, with emphasis on the maximum recovery of dollars. Conference about UNRRA dealt mainly with working arrangements under the new agreement. The Mission supplied information surrounding the Italian program, notes on surplus procurement activities, and, in collaboration with members of AC, gave data showing the absence of overlapping in distribution and economy of personnel in the transition from AC to UNRRA. Mr. Kenny explained the Administration's policy of helping Italy to grow more food, and stressed that the proceeds of sales should go only to relief and rehabilitation projects approved by UNRRA.

2. Major Results and Problems.

The chief events of the month, from the Public Relations standpoint, were the signing of the Supplementary Agreement on 31 January, and the audience granted by the Pope, on 2nd January, to 40,000 Roman children assisted by UNRRA. Both of these events received excellent coverage in the press, the movies and the radio. The expanded UNRRA program for 1948 was also a subject of lively interest in the Italian press, the comment on the whole being optimistic and favorable. Although many writers warned the Italian Government that no time must be lost in securing credits for the additional imports which Italy will require next year as we as the UNRRA program.

A total of 215 photographs taken by our staff photographers were sent to Washington and Caserta during the month. The principal subjects were the Pope's audience to the Roman children helped by UNRRA, the delivering of the NAPOLEON BACON's cargo, a Christmas play given for the liberated by children of a Roman school, a children's party organized by the UNRRA staff association in Rome, and the signature of the Supplementary Agreement.

Actual shooting has started on the Istituto Nazionale LUCE's film "Umanita", which has an UNRRA background. LUCE will also make a documentary on UNRRA, for which we provided positive, 2-wonder and sound films sent from Washington. Two thousand feet of negative film was borrowed from the U.S. Army film unit, as an expected shipment of two cases of film from Washington has not yet reached the Mission. The film borrowed from the Army must be replaced.

The UNRRA Mobile Cinema Unit gave several successful performances in t

Declassified E.O. 12356 Section 3.3/NND No. 785015

more food, and to describe their [illegible] relief and rehabilitation projects approved by UNRRA.

2. Major Results and Problems.

The chief events of the month, from the public relations standpoint, were the signing of the Supplementary Agreement on 14 January, and the audience granted by the Pope, on 20 January, to 40,000 Roman children conducted by UNRRA. Most of these events received excellent coverage in the press, the movie Journal and the radio. The expanded UNRRA program for 1946 was also a subject of lively interest in the Italian press, the comment on this being quite optimistic and favorable, although many writers warned that no time must be lost in sending credits for the Italian Government that no time must be lost in sending credits for the additional imports which Italy will require for and above the UNRRA program.

A total of 2247 photographs taken by our staff photographer was sent to Washington and London during the month. The principal subjects were the Pope's audience to the Roman children helped by UNRRA, the unloading of the SUPERFORT PACIFIC at Genoa, a Christmas play given for the children by children of a Rome school, a children's party organized by the UNRRA staff association in Rome, and the signature of the Supplementary Agreement.

Actual shooting has started on the Istituto Nazionale LUCE's film "Umanità", which has UNRRA as background. LUCE will also make a documentary on the UNRRA, for which we provided positive, negative and sound films sent from Washington. The shipment of the negative film was borrowed from the U.S. Army film unit, the expected shipment of two copies of film from Washington has not yet reached the latter. The film borrowed from the Army must be replaced.

The UNRRA Motion Picture Unit gave several successful performances in the Rome area this month.

As suggested by Washington, UNRRA will undertake the distribution in Italy of agricultural publications and technical bulletins published in the United States.

The first four numbers of the "Economic Notes" published jointly by AC and UNRRA [illegible], were already in distribution. "Economic Notes" will now become an official publication.

G. ORGANIZATION AND ACTIVITIES OF THE LIAISON

1. Major Organizational Changes.

The Mission has been reorganized in connection with the expanded 1946 program and the fusion with the Economic Section of the Allied Commission. The major coordinative units are the Chief of Mission's Office (comprising the Divisions of Public Information and Economic Analysis, an Executive Assistant, Special Assistants for Government and Military Liaison, and the

Declassified E.O. 12356 Section 3.3/NND No. 782015

Declassified E.O. 12356 Section 3.3/NND No. 785015

2. Personnel.

As of 31 January 1945, the Allied staff consists of 2,165 persons, of whom 525 are Class I (Allied), 1,567 Class II (local employees) and 73 Class III (Y.M.C.A. personnel). By countries the staff is divided as follows: Algeria, 1,000; Egypt, 46; Malta, 21; Industrial Rehabilitation, 5; Communications - Algeria and Italy, 47; Transport (including motor stock) 788; Civil Operations, 868; Procurement and Administration (including motor stock), 678; Personnel, 27; Office of the Chief of Mission, 26; and Medical Officers, 60.

3. Administrative Problems.

Major administrative problems continue to be those of space and personnel. Definitely settled office space should be available early in March, when the Mission hopes to take over all of the Marshall Store Building. The Italian Government has been asked to place a third hotel at our disposal for staff purposes.

As regards personnel, the situation was most unsatisfactory. The determination of all personnel to be taken on to the Mission staff is proceeding slowly, and the question of retroactive inclusion of new personnel, although now apparently settled in principle, still presents difficulties. The British Army's order regarding secondment of officers to civil jobs is difficult to apply, chiefly because the War Office is so slow in replying to our requests.

The Mission's transportation problems have been somewhat relieved by the acquisition of 150 jeeps (one-third of which will go to the malaria eradication program in Sardinia, at the request of Mission personnel), but seems appear to be unobtainable since the American Army will not release any.

4139

CM 1585

Declassified E.O. 12356 Section 3.3/NND No. 785015

H. LIST OF ATTACHMENTS.

H-1 Monthly Report of the Special Assistant to the Chief of Mission.

H-1-a Letter of 22 December 1945 from S.M.Keeny to Avv. Montini transmitting draft of Supplementary Agreement.
H-1-b Letter of 8 January 1946 from S.M.Keeny to Prime Minister De Gasperi
H-1-c Letter of 15 January 1946 from S.M.Keeny to Avv. Montini.
H-1-d Letter of 16 January 1946 from Prime Minister De Gasperi to S.M.Keen
H-1-e Letter of 17 January 1946 from S.M.Keeny to Prime Minister De Gasper
H-1-f Supplementary Agreement between the Government of Italy and UNRRA, signed on 19 January 1946.

H-2 Monthly Report of the Special Assistant for Military Liaison.

H-3 Monthly Report of the Economic Adviser.

H-4 Monthly Report of the Public Information Adviser.

H-4-a UNRRA Italian Mission Weekly Bulletin, Vol.2, No.1, dated 1 Jan.1946
H-4-b UNRRA Italian Mission Weekly Bulletin, Vol.2, No.2, dated 9 Jan.1946
H-4-c UNRRA Italian Mission Weekly Bulletin, Vol.2, No.3, dated 16 Jan.194
H-4-d UNRRA Italian Mission Weekly Bulletin, Vol.2, No.4, dated 23 Jan.194
H-4-e UNRRA Italian Mission Weekly Bulletin, Vol.2, No.5, dated 30 Jan.194
H-4-f Copy of letter to Editor of "Reprosco", dated 29 Jan. 1946.

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

H-5-a Monthly Report of the Sub-Bureau of Supply Operations.
H-5-b Monthly Report of the Sub-Bureau of Relief Supply.
H-5-c Monthly Report of the Industries Division.

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

H-6-a Organization Chart of the UNRRA Italian Mission.

Declassified E.O. 12356 Section 3.3/NND No. 785015

H-2 Monthly Report of the Special Assistant for Military Liaison.

H-3 Monthly Report of the Economic Advisor.

H-4 Monthly Report of the Public Information Advisor.

H-4-a UNRRA Italian Mission Weekly Bulletin, Vol.2, No.1, dated 1 Jan.1946
H-4-b UNRRA Italian Mission Weekly Bulletin, Vol.2, No.2, dated 9 Jan.1946
H-4-c UNRRA Italian Mission Weekly Bulletin, Vol.2, No.3, dated 16 Jan.194
H-4-d UNRRA Italian Mission Weekly Bulletin, Vol.2, No.4, dated 23 Jan.194
H-4-e UNRRA Italian Mission Weekly Bulletin, Vol.2, No.5, dated 30 Jan.194
H-4-f Copy of letter to Editor of "Espresso", dated 29 Jan. 1946.

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

H-5-a Monthly Report of the Sub-Bureau of Supply Operations.
H-5-b Monthly Report of the Sub-Bureau of Relief Supply.
H-5-c Monthly Report of the Industries Division.

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

H-6-a Organization Chart of the UNRRA Italian Mission.

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

H-7-a Monthly Report of the Health Division.
H-7-b Monthly Report of the Welfare Division.
H-7-b-(1) Current List of District Offices, Budget Lines and Staff Filling these Lines.

H-7-c Monthly Report of the Displaced Persons Division.
H-7-c-(1) Monthly Summary of Displaced Persons Registration Statistics for January 1946.
H-7-d Monthly Report of Camps Operations.

H-8 Monthly Reports of the Regional Directors.

CM 1585

Declassified E.O. 12356 Section 3.3/NND No. 785015

H-9 Information Requested in Form S-50.

H-10 Information Requested in Form MSR-1.

H-11 "Economic Notes" - Allied Commission.

H-11-a Vol.1, No.2, dated 19 January 1946.
H-11-b Vol.1, No.3, dated 30 January 1946.
H-11-c Vol.1, No.4, dated 9 February 1946.

ERRATUM:

On page 7, line 16 of the Chief of Mission's Narrative Report for December 1945, the figure 104,402 metric tons should read 101,402 metric tons.

Declassified E.O. 12356 Section 3.3/NND No. 785015

M-11-a Vol.1, No.2, dated 19 January 1946.
M-11-b Vol.1, No.3, dated 30 January 1946.
M-11-c Vol.1, No.4, dated 9 February 1946.

ERRATUM:

On page 7, line 16 of the Chief of Mission's Narrative Report for December 1945, the figure 114,402 metric tons should read 101,402 metric tons.

4138

CH 1505

Declassified E.O. 12356 Section 3.3/NND No. 782015

(a) RELATIONSHIP WITH THE ITALIAN GOVERNMENT.

The Supplementary Agreement.

On 19 January 1946, at the Viminale Palace, a supplementary Agreement (Attachment M-1-f) was signed by the Prime Minister De Gasperi for the Italian Government, and by Mr. S.M. Keeny for UNRRA. This Agreement, which is supplementary to that of 8 March 1945, defines the mutual responsibilities of the Government and UNRRA with respect to the relief and rehabilitation program for Italy undertaken by UNRRA in accordance with Resolution No.75. The negotiations proceeded fairly smoothly and rapidly. The Agreement was signed about three weeks after the presentation to the Government of the UNRRA draft.

A remarkable feature of the negotiations was their almost complete non-existence. There were a number of discussions within the Italian Government over the UNRRA proposals, but no Government delegation was appointed to negotiate officially with UNRRA. The views of the Government were expressed to UNRRA mainly by Avv. Montini (the President of the Italian Government Delegation for relations with UNRRA, which was set up by the 8 March Agreement) who, however, did not have any official authority to commit the Government as regards the new programme. In the end, this method of negotiating proved to be effective because Avv Montini, after informal sessions with UNRRA representatives, was able to convey to the Ministries concerned the views of the Administration, thus avoiding prolonged discussion with the various Government agencies over particular points of the Agreement.

The draft of Agreement was submitted to the Government on 21st December (Attachment M-1-e) and the first discussions took place at the beginning of January. It soon became apparent that the Government was prepared to accept the draft agreement without any major objections. The Government's concern, however, was focused mainly on some points which were omitted from the text, rather than on its clauses. It was noted that the draft and the letter of transmittal (Attachment M-1-e) were silent on such points as the following:

(a) Will the relief services program undertaken under Resolution No.58 be continued until the exhaustion of the $ 50,000,000,

Declassified E.O. 12356 Section 3.3/NND No. 785015

in accordance with Resolution No.75. The negotiations proceeded fairly smoothly and rapidly. The Agreement was signed about three weeks after the presentation to the Government of the UNRRA draft.

A remarkable feature of the negotiations was their almost complete non-existence. There were a number of discussions within the Italian Government over the UNRRA proposals, but no Government delegation was appointed to negotiate officially with UNRRA. The views of the Government were expressed to UNRRA mainly by Avv. Pontini (the President of the Italian Government Delegation for relations with UNRRA, which was set up by the 8 March Agreement) who, however, did not have any official authority to commit the Government as regards the new programme. In the end, this method of negotiating proved to be effective because Avv Pontini, after informal sessions with UNRRA representatives, was able to convey to the Ministries concerned the views of the Administration, thus avoiding prolonged discussion with the various Government Agencies over particular points of the Agreement.

The Draft of Agreement was submitted to the Government on 20th December (Attachment H-1-a) and the first discussions took place at the beginning of January. It soon became apparent that the Government was prepared to accept the draft agreement without any major objections. The Government's concern, however, was focused mainly on some points which were omitted from the text, rather than on its clauses. It was noted that the draft and the letter of transmittal (Attachment H-1-a) were silent on such points as the following:

(a) Will the relief services program undertaken under Resolution No.58 be continued until the exhaustion of the $ 50,000,000, or will the 1946 import program absorb the unexpended balance of the limited program ?

(b) Will UNRRA deal directly with the various Government departments on the execution of the 1946 program, or will there be a special Government Agency to act as the channel between UNRRA and the Government ?

(c) Which Agencies and procedures will be used by UNRRA as regards the reception, handling and transfer of the supplies to the Government?

4137

The first question reflected mainly a preoccupation of the Italian Government Delegation. In view of the fact that, contrary to expectations, the sum to be allocated to Italy in 1946 was inclusive of all the UNRRA programmes in that country, it was felt that an assurance should be given regarding the continuation of the relief services programme. On this point it was made clear that the Mission, although willing to consider any proposal by the Government concerning the allocation of the funds, agreed with the Delegation's desire to continue the relief services until the completion of the $50 million programme (Attachments H-1-b and H-1-c).

Declassified E.O. 12356 Section 3.3/NND No. 785015

As regards the question of the channel between the Government and UNRRA, the position of the Mission was that the Government should make its proposals to the Mission, and that this matter could be the object of an exchange of letters rather than a clause of the Agreement. This position of neutrality was maintained in the face of some pressure on the part of the Government urging that UNRRA express its preference on this subject. A number of different Government Departments claimed to be the proper channel because the UNRRA programme would naturally fall within their jurisdiction. For a while this question threatened to become the bone of contention which would delay the signing of the Agreement. However, at a meeting of the Interministerial Committee for Reconstruction, the thesis that the Delegation should continue and be adjusted to the expanded programme, prevailed within the Government. Accordingly, a letter was sent by the Prime Minister to the Chief of Mission (Attachment H-1-b) stating among other things that the Delegation will be the liaison agency between the Government and UNRRA, and that all policy decisions will be final at the moment of agreement between the President of the Delegation and the Chief of Mission.

The problem of reception and handling of supplies was another point in which there were conflicting views within the Government. The main question was whether UNRRA would continue to use the system and Agencies used by A.C. or whether it would set up its own methods. The Mission took the view that this would be determined after the signature of the Agreement establishing the general principles of the UNRRA - Italian Government co-Operation in the 1946 program.

The signing of the Agreement was preceded by an exchange of letters between Prime Minister De Gasperi and Mr. H.M.Henry (Attachments H-1-d and H-1-e) which, although not an integral part of the document are closely connected with it. The De Gasperi letter stressed that the price and distribution policies for UNRRA supplies should become a part of the general economic policy of the Government, and warned against the establishment of two different sets of prices for supplies originating from UNRRA and from other sources. Mr. Henry's reply expressed the Mission's agreement with the Government's statement of policy, provided that it did not conflict with the UNRRA Resolutions.

Summing up, the Government agreed on practically every point with the UNRRA proposals, and the Agreement as signed (Attachment H-1-f) was substantially the same as the draft which had been submitted to the

Declassified E.O. 12356 Sec. Section 3.3/NND No. 789015

the Chief of Mission (illegible) that the Delegation will be the liaison agency between the Government and UNRRA, and that all policy decisions will be final at the moment of agreement between the President of the Delegation and the Chief of Mission.

The problem of reception and handling of supplies was another point in which there were conflicting views within the Government. The main question was whether UNRRA would continue to use the system and agencies used by A.C. or whether it would set up its own methods. The Mission took the view that this would be determined after the signature of the Agreement establishing the general principles of the UNRRA - Italian Government co-operation in the 1946 program.

The signing of the Agreement was preceded by an exchange of letters between Prime Minister De Gasperi and Mr. H. Kenny (Attachments E-1-d and E-1-e) which, although not an integral part of the document are closely connected with it. The De Gasperi letter stressed that the price and distribution policies for UNRRA supplies should become a part of the general economic policy of the Government, and warned against the establishment of two different sets of prices for supplies originating from UNRRA and from other sources. Mr. Kenny's reply expressed the Mission's agreement with the Government's statement of policy, provided that it did not conflict with the UNRRA Resolutions.

Summing up, the Government agreed on practically every point with the UNRRA proposals, and the Agreement as signed (Attachment E-1-f) was substantially the same as the draft which had been submitted to the Government. Some of its most important provisions, such as the financial clauses, were accepted without discussion. This was due in no small part to the fact that there had been developed in the Italian Government a feeling of confidence in the aims of UNRRA and the attitude of the Mission towards Italy. The general attitude of the Government during the negotiations was that, since all major policy decisions would have to be agreed by the two parties, and since in the past the collaboration with UNRRA had been successful, the signing of the Agreement should not be delayed by detailed bargaining on specific items. Therefore, the Government accepted the UNRRA proposals "in toto" leaving the implementation of the Agreement to subsequent discussions.

(b) [illegible]

A meeting was held with A.F.H.Q. at Caserta, for the purpose of discussing the draft of the agreement between E.R.O. and the Supreme Allied Commander of the Mediterranean Area, concerning the transfer of responsibility over non-Italian displaced persons to UNRRA after the end of the military period. The draft, which was prepared by Messrs Franklin and Robertson will be slightly amended as a result of this meeting and will be submitted to E.R.O. and to the Combined Chiefs of Staff for approval.

Declassified E.O. 12356 Section 3.3/NND No. 789015

(c) LEGISLATIVE DECREE.

The Italian Legislative Decree for the implementation of the 9-a March Agreement was finally published in the Official Gazette of 30 January. The Decree for the implementation of the 19 January Agreement has already been approved by the Council of Ministers and will be published shortly.

(d) CLAIMS:

The Claims Committee was set up for the purpose of reviewing and making recommendations on traffic accidents and claims involving UNRRA. The functions of the Claims Committee include the settlement of minor and easily ascertainable cl[illegible]

(e) ATTACHMENTS

H-1-a Letter of 22 December 1945 from S.M.Keeny to Avv Montini transmitting draft of Supplementary Agreement.

H-1-b Letter of 8 January 1946 from S.M.Keeny to Prime Minister De Gasperi.

H-1-c Letter of 15 January 1946 from S.M.Keeny to Avv. Montini.

H-1-d Letter of 16 January 1946 from Prime Minister De Gasperi to S.M.Keeny.

H-1-e Letter of 17 January 1946 from S.M.Keeny to Prime Minister De Gasperi.

H-1-f Supplementary Agreement between the Government of Italy and UNRRA, signed on 19 January 1946.

Declassified E.O. 12356 Section 3.3/NND No. 785015

(c) ATTACHMENTS

H-1-a Letter of 22 December 1945 from S.M.Keeny to Avv Montini transmitting draft of Supplementary Agreement.

H-1-b Letter of 8 January 1946 from S.M.Keeny to Prime Minister De Gasperi.

H-1-c Letter of 15 January 1946 from S.M.Keeny to Avv. Montini.

H-1-d Letter of 16 January 1946 from Prime Minister De Gasperi to S.M.Keeny.

H-1-e Letter of 17 January 1946 from S.M.Keeny to Prime Minister De Gasperi.

H-1-f Supplementary Agreement between the Government of Italy and UNRRA, signed on 19 January 1946.

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4136

Declassified E.O. 12356 Section 3.3/NND No. 785015

Attachment H-I a/

UNRRA ITALIAN MISSION

Rome.

22 December 1945.

Dear Avvocato Martini,

On behalf of the Director General of UNRRA, I am transmitting herewith a draft of a Supplementary Agreement to that of 8 March 1945 designed to serve as the basis of operations for the expanded UNRRA program in Italy. The terms of this draft are satisfactory to UNRRA.

Although the attached agreement is drafted as supplementary to the Agreement of 8 March 1945, the Administration is also prepared to negotiate on the basis of a new consolidated agreement if the Government so wishes. In either case the amount of funds available would be the same.

It will be noted that there is no reference to the Joint Committee in this draft. The reason for the exclusion was that the Administration felt that the Italian Government should be free to propose whatever administrative arrangement it wishes to take care of its responsibilities. That omission, however, does not imply that present arrangements modified as necessary for the expanded operation would be unsatisfactory.

I trust that the Government will distribute copies of this draft promptly to the interested Ministries, in order that we may proceed at once on my return with the necessary conversations. We should like to have the Agreement signed by 1st January in order that all may be in readiness to take care of the first supplies leaving the Western Hemisphere after 1 January.

In order to expedite matters Mr. Robertson is authorized, even before my return, which will be about 1 January, to hold any preliminary conversations desired by the Government.

With the Season's best wishes to you and your colleagues.

Sincerely yours,

Declassified E.O. 12356 Section 3.3/NND No. 789015

Although the attached agreement is drafted as supplementary to the Agreement of 6 March 1948, the Administration is also prepared to negotiate on the basis of a new consolidated agreement if the Government so wishes. In either case the amount of funds available would be the same.

It will be noted that there is no reference to the Joint Committee in this draft. The reason for the omission was that the Administration felt that the Italian Government should be free to propose whatever administrative arrangement it wishes to take care of its responsibilities. That omission, however, does not imply that present arrangements modified as necessary for the expanded operation would be unsatisfactory.

I trust that the Government will distribute copies of this draft promptly to the interested Ministries, in order that we may proceed at once on our return with the necessary conversations. We should like to have the Agreement signed by 15 January in order that all may be in readiness to take care of the first supplies leaving the Western Hemisphere after 1 January.

In order to expedite matters Mr. Robertson is authorized, even before my return, which will be about 1 January, to hold any preliminary conversations desired by the Government.

With the Season's best wishes to you and your colleagues.

Sincerely yours,

S. J. Kenny
Chief of Italian Mission

4135

Avv. Ludovico Montini,
President, Italian Government Delegation,
Via Sallustiana 10,
Rome.

FA 1571 OM

Declassified E.O. 12356 Section 3.3/NND No. 789015

Attachment H-1-b

U.S.C. ITALIAN MISSION

R o m e .

8 January, 1946.

Hon. Alcide De Gasperi,
President of the Council of Ministers,
R o m e .

My dear Mr. Prime Minister,

With further reference to my letter of 31 December, 1945 to Avv. Bonomi transmitting a draft of supplementary Agreement between the Italian Government and UNRRA, I would like to clarify a few points in connection with the 1946 program.

First of all I wish to stress the necessity of signing the Agreement at the earliest possible moment. It is essential that the Agreement be signed before the arrival of the first ship carrying supplies to Italy under the new program. I understand that such ships are already on the way and are scheduled to arrive in the second half of January. Any delay in this respect may cause diversions of ships from Italy to other countries, thereby depriving the population of basic necessities. I hope, therefore, that it will be possible to sign the Agreement by 15 January.

In connection with your letter of 20 December 1945 transmitting the 1946 import requirements program as prepared by the Government in agreement with the Allied Commission, I wish to point out that such program is being reviewed both in Rome and in Washington in the light of the availability of supplies and shipping. As soon as the necessary data are available UNRRA will inform the Government about its partial or total acceptance of the program.

I agree with the desire expressed by the Italian Delegation, to the effect that the relief program provided for in Article II of the First Agreement should be continued until such time as supplies and services, totaling up to an amount of fifty million dollars, shall have been furnished. Inasmuch as the present central and local organization set up within the Government for the operation of the limited program of relief to the neediest groups of the population has been working satisfactorily, I would agree that the present arrangements should be continued.

Declassified E.O. 12356 Section 3.3/NND No. 785015

between the Italian Government and UNRRA, I would like to discuss a few points in connection with the 1946 program.

First of all I wish to stress the necessity of signing the Agreement at the earliest possible moment. It is essential that the Agreement be signed before the arrival of the first ship carrying supplies to Italy under the new program. I understand that such ships are already on the way and are scheduled to arrive in the second half of January. Any delay in this respect may cause diversions of ships from Italy to other countries, thereby depriving the population of basic necessities. I hope, therefore, that it will be possible to sign the Agreement by 15 January.

In connection with your letter of 20 December 1945 transmitting the 1946 import requirements program as proposed by the Government in agreement with the Allied Commission, I wish to point out that such program is being reviewed both in Rome and in Washington in the light of the availability of supplies and shipping. As soon as the necessary data are available UNRRA will inform the Government about its partial or total acceptance of the program.

I agree with the desire expressed by the Italian Delegation, to the effect that the relief programs provided for in Article II of the Bland Agreement should be continued until such time as supplies and services, costing up to an amount of fifty million dollars, shall have been furnished. Inasmuch as the present control and local organization set up within the Government for the operation of the limited program of relief to the neediest groups of the population has been working satisfactorily, I would agree that the present arrangements should be continued.

In regards the question of the relationship between the Government and UNRRA in 1946, I am looking forward to receiving the Government's proposals. However, I should like to draw your attention to the necessity of establishing clearly where authority will lie for the fulfillment of the Government's responsibilities under the Agreement; in particular, it is desirable to establish clearly the channel through which the Government's agreement will be expressed in those matters where it is required. Further, it is essential to confer sufficient authority to carry out any decisions agreed upon with UNRRA so as to ensure quick and effective joint action on the part of the Government and UNRRA.

Assuring you of our highest esteem, I am,

Sincerely,

(Signed) S.M. Kenny
Chief of Mission

FA 1552 OK

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Declassified E.O. 12356 Section 3.3/NND No. 782015

Attachment II-1-b

USSAG ITALIAN MISSION

Rome.

6 January, 1946.

Hon. Alcide De Gasperi,
President of the Council of Ministers,
Rome.

My dear Mr. Prime Minister,

With further reference to my letter of 21 December, 1945 to Av. Montini transmitting a draft of supplementary Agreement between the Italian Government and USSAG, I would like to clarify a few points in connection with the 1946 program.

First of all I wish to stress the necessity of signing the Agreement at the earliest possible moment. It is essential that the Agreement be signed before the arrival of the first ship carrying supplies to Italy under the new program. I understand that such ships are already on the way and are scheduled to arrive in the second half of January. Any delay in this respect may cause diversions of ships from Italy to other countries, thereby depriving the population of basic necessities. I hope, therefore, that it will be possible to sign the Agreement by 15 January.

In connection with your letter of 20 December 1945 transmitting the 1946 import requirements program as prepared by the Government in agreement with the Allied Commission, I wish to point out that such program is being reviewed both in Rome and in Washington in the light of the availability of supplies and shipping. As soon as the necessary data are available AFHQ will inform the Government about its partial or total acceptance of the program.

I agree with the desire expressed by the Italian Delegation, to the effect that the relief programs provided for in Article II of the First Agreement should be continued until such time as supplies and services, costing up to an amount of fifty million dollars, shall have been furnished. In spite of the present central and local organization set up within the Government for the execution of the limited program of relief to the neediest groups of the population has been

Declassified E.O. 12356 Section 3.3/NND No. 829015

to Avv. Montini transmitting a draft of supplementary Agreement between the Italian Government and UNRRA, I would like to clarify a few points in connection with the 1946 program.

First of all I wish to stress the necessity of signing the Agreement at the earliest possible moment. It is essential that the Agreement be signed before the arrival of the first ship carrying supplies to Italy under the new program. I understand that such ships are already on the way and are scheduled to arrive in the second half of January. Any delay in this respect may cause diversions of ships from Italy to other countries, thereby depriving the population of basic necessities. I hope, therefore, that it will be possible to sign the Agreement by 15 January.

In connection with your letter of 20 December 1945 transmitting the 1946 import requirements and plan as prepared by the Government in agreement with the Allied Commission, I wish to point out that such program is being reviewed both in Rome and in Washington in the light of the availability of supplies and shipping. As soon as the necessary data are available UNRRA will inform the Government about its partial or total acceptance of the program.

I agree with the desire expressed by the Italian Delegation, to the effect that the relief program provided for in Article II of the Rome Agreement should be continued until such time as supplies and services, costing up to an amount of fifty million dollars, shall have been furnished. In much as the present central and local organization set up within the Government for the operation of the limited program of relief to the neediest groups of the population has been working satisfactorily, I would agree that the present arrangements should be continued.

As regards the question of the relationship between the Government and UNRRA in 1946, I am looking forward to receiving the Government's proposals. However, I should like to draw your attention to the necessity of establishing clearly where authority will lie for the fulfillment of the Government's responsibilities under the Agreement; in particular, it is desirable to establish clearly the channel through which the Government's agreement will be expressed in those matters where it is required. Further, it is essential to confer sufficient authority to carry out any decisions agreed upon with UNRRA and to ensure quick and effective joint action on the part of the government and UNRRA.

Assuring you of our highest esteem, I am,

Sincerely,

(Signed) S.M. Keeny
Chief of Mission

FA 1532 GM

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Declassified E.O. 12356 Section 3.3/NND No. 782015

Attachment H-1-c

UNRRA ITALIAN MISSION
Office of the Chief of the Italian Mission

15 January, 1945.

Dear Avv. Bartini,

You asked at our meeting yesterday afternoon that I should send you a statement of the proposed UNRRA financial allocation for the Italian program during 1945. I do not think it is not yet possible to make any definite commitments in this respect, since the programs for the various countries still have to be approved by the Central Committee of UNRRA. Their decision is expected by the end of January. Subject to that reservation, I have to inform you that I anticipate that the total allocation for all UNRRA work in Italy (including that for non-Italian Displaced Persons) will amount to approximately 375 million dollars f.o.b. I hope that it may exceed this figure, but cannot give any assurance on this point.

As I wrote to the Prime Minister on 8 January, I agree that the relief program provided for in the Naples Agreement should be continued until such time as supplies and services costing up to an amount of fifty million dollars shall have been furnished. On this basis a sum of 15 million dollars should be allocated for the continuation of the original rescue program in 1945, since charges against this program up to the end of December 1945 (including supplies, shipping charges, and services) should amount (though exact figures are not yet available) to about 15 million dollars.

Expenditures on operations for non-Italian displaced persons are more difficult to estimate, since they will depend on a number of unknown factors, including the extent to which the military authorities will consent to bear the cost of supplies. This item, however, is unlikely to exceed 10 million dollars and may well be considerably less.

It would appear, therefore, that the total budget should be roughly as follows:

Continuation of original program	15 million dollars.
Displaced persons program	up to 10 million dollars.
General import program	at least 350 million dollars.

[illegible] in the first two.

Declassified E.O. 12356 Section 3.3/NND No. 789015

[illegible] decision is expected by the end of January. Subject to that reservation, I have to inform you that I anticipate that the total allocation for all UNRRA work in Italy (including that for non-Italian Displaced Persons) will amount to approximately 575 million dollars f.o.b. I hope that it may exceed this figure, but cannot give any assurance on this point.

As I wrote to the Prime Minister on 8 January, I agree that the relief program provided for in the First Agreement should be continued until such time as supplies and services costing up to an amount of fifty million dollars shall have been furnished. On this basis a sum of 15 million dollars should be allocated for the continuation of the original assistance program in 1946, since charges against this program up to the end of December 1946 (including supplies, shipping charges, and services) should amount (though exact figures are not yet available) to about 35 million dollars.

Expenditures on operations for non-Italian displaced persons are more difficult to estimate, since they will depend on a number of unknown factors, including the extent to which the military authorities will consent to bear the cost of supplies. This item, however, is unlikely to exceed 10 million dollars and may well be considerably less.

It would appear, therefore, that the total budget should be roughly as follows:

Continuation of original program	15 million dollars.
Displaced persons program	up to 10 million dollars.
General import program	at least 550 million dollars.

The last item would be increased by any saving in the first two, and might be increased further if further funds are made available. The figures given do not include costs of freight or administrative expenses, so that the total expenditure on the Italian programs will, of course, be perhaps 100 million dollars higher.

4131

I must reiterate that the above figures are entirely without commitment on the part of UNRRA. They represent the assumption which I think we must make as the background to our negotiations.

Yours sincerely,

(signed) S.L. Keeny
Chief of Mission

Avv. Ludovico Montini,
Chairman, Italian Delegation,
Via Sallustiana 10,
Rome.

FA 1528 GM

Declassified E.O. 12356 Section 3.3/NND No. 782015

Attachment E-1-1

(Translation)

No.00795 PRESIDENCY OF THE COUNCIL OF MINISTERS

Rome.

16 January, 1946.

Mr. S.H. Kosny,
Chief of UNRRA Italian Mission,
Rome.

Dear Mr. Kosny,

1) The Italian Government, at the moment of signing the supplementary Agreement with UNRRA, which defines the mutual responsibilities as regards relief and rehabilitation, deem it advisable to make some clarifications which may serve to interpret this important Agreement. This is done in order to better define, and to stress, the spirit of collaboration which must prevail in the application of the Agreement, and in order to adequately carry out the aims of relief and rehabilitation of UNRRA.

2) The Italian Government has noted the contents of Article III (c) according to which the supplies and services originating from UNRRA, must be sold at prices, in Italian lire, guaranteeing an equitable distribution and ensuring that all the categories of the population benefit by them.

The Italian Government believes that in order to achieve the aims of relief and rehabilitation, the distribution of UNRRA supplies and services and its relative price policy, cannot but belong to the framework of the general economic policy. Such policy, as is known, is directly to increase the purchasing power of all the categories of the population, but in order to achieve this objective with a degree of stability, it is necessary to take into consideration the economic normalcy which is an essential condition to any productive rehabilitation.

An application of the Agreement which would bring about two separate sets of prices might break the necessary unity of the economic system, compromising the above mentioned normalcy and making it impossible to achieve the aims of UNRRA which the Italian Government considers as its own.

The need for respecting the economic unity is clearly implied

Declassified E.O. 12356 Section 3.3/NND No. 782015

Dear Mr. Keely,

1) The Italian Government, at the moment of signing the supplementary Agreement with UNRRA, which defines the mutual responsibilities as regards relief and rehabilitation, deems it advisable to make some clarifications which may serve to interpret this important Agreement. This is done in order to better define, and to stress, the spirit of collaboration which must prevail in the application of the Agreement, and in order to adequately carry out the aims of relief and rehabilitation of UNRRA.

2) The Italian Government has noted the contents of Article III (c) according to which the supplies and services originating from UNRRA, must be sold at prices, in Italian lire, guaranteeing an equitable distribution and ensuring that all the categories of the population benefit by them.

The Italian Government believes that in order to achieve the aims of relief and rehabilitation, the distribution of UNRRA supplies and services and its relating price policy, cannot but belong to the framework of the general economic policy. Such policy, as is known, is directly to increase the purchasing power of all the categories of the population, but in order to achieve this objective with a degree of stability, it is necessary to take into consideration the economic normalcy which is an essential condition to any productive rehabilitation.

An application of the Agreement which would bring about two separate sets of prices might break the necessary unity of the economic system, compromising the above mentioned normalcy and making it impossible to achieve the aims of UNRRA which the Italian Government considers as its own.

The need for respecting the economic unity is clearly implied in the Agreement itself, where in Article III (d) iii, it is stated that the prices of sale of UNRRA supplies must be coordinated with those of similar prices of goods internally produced, and the Government adds, those from any other sources.

4130

3) Consequently the eventual adjustments which might be necessary for certain limited categories of supplies through the application of a system bringing about an equalization of the prices of supplies from the various sources, are not necessarily contrary to the aims of relief and rehabilitation and at the same time meet the above mentioned needs of a unification of the internal market. Indeed, any eventual augmentation applied to UNRRA supplies increases the special funds of the net proceeds which the Italian Government binds itself to devote to aims of relief and rehabilitation in collaboration with UNRRA.

4) The Government is aware of the importance that this fund has in the work of relief and rehabilitation and intends to engage all its policy in the realization of the aims of UNRRA. Inasmuch as the war has

FA 1550

Declassified E.O. 12356 Section 3.3/NND No. 789015

specially hit the transport system, private houses and public works, and has therefore a large part of the population at any possibility of working, the Italian Government binds itself to devote such fund to the reconstruction of the transport system, private houses, public works, and to assistance to returned soldiers, and the neediest categories of people.

5) The Government takes note with regret that contrary to what was foreseen at the moment of preparing the Government allocation plan, the expenditures for the continuation of the original program of assistance and the program for non-Italian displaced persons must be deducted from the single presumed sum of 475 million dollars allocated to Italy. The Government, therefore, must formally beg that this sum be, in so far as possible, increased in order not to affect the plan already accepted by the Italian Government and agreed to by the Economic Section of A.C.

6) The liaison agency between the Government and UNRRA is the Italian Delegation for Relations with UNRRA. Such Delegation will be composed of the president and a consultative body of members representing the interested ministries, in addition to the general secretary of the C.I.R. Such members will be either permanent or ad hoc by reason of competence; in any case, they will be at least Chiefs of Divisions.

The Delegation will have the function of ensuring a channel between the Government and UNRRA for all general matters and for policies to be established in connection with such matters. It therefore represents the agency through which the subsequent agreements necessary to the execution of the Agreement will be reached.

It is assumed that the UNRRA Mission will set up a body corresponding to the Delegation composed of the Chief of Mission and members of his staff designated by him, in order to form a single Committee composed of the two bodies. This Committee, with an appropriate extension of the present practice, will carry out the relations regarding the application of the Agreement.

Every decision will be considered final at the moment of the agreement between the Chief of the UNRRA Mission and the President of the Italian Delegation to which the Committee will have made its recommendations.

Declassified E.O. 12356 Section 3.3/NND No. 785015

power of control and the program for non-Italian displaced persons must be deducted from the single presumed sum of 325 million dollars allocated to Italy. The Government, therefore, must formally beg that the sum be, in so far as possible, increased in order not to affect the plan already accepted by the Italian Government and agreed to by the Economic Section of A.C.

6) The liaison agency between the Government and UNRRA is the Italian Delegation for Relations with UNRRA. Such Delegation will be composed of the president and a consultative body of members representing the interested ministries, in addition to the general secretary of the C.I.R.* Such members will be either permanent or ad hoc by reason of competence; in any case, they will be at least Chiefs of Divisions.

The Delegation will have the function of ensuring a channel between the Government and UNRRA for all general matters and for policies to be established in connection with such matters. It therefore represents the agency through which the subsequent agreements necessary to the execution of the Agreement will be reached.

It is planned that the UNRRA Mission will set up a body corresponding to the Delegation composed of the Chief of Mission and members of his staff designated by him, in order to form a single Committee composed of the two bodies. This Committee, with an appropriate extension of the present functions, will carry out the real tions regarding the application of the Agreement.

Every decision will be considered final at the moment of the agreement between the Chief of the UNRRA Mission and the President of the Italian Delegation to which the Committee will have made its recommendations.

Wherever necessary the Committee will be divided into Sub-Committees in accordance with the subject matters to be dealth with.

With cordial regards,

signed: De Gasperi

* C.I.R. - Comitato Interministeriale di Ricostruzione - Interministerial Committee for Reconstruction.

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Declassified E.O. 12356 Section 3.3/NND No. 778015

Attachment H-1-c

UNRRA FIFTH SESSION

Rome.

17 January, 1946.

My dear Mr. Prime Minister,

I have to acknowledge receipt of your letter of today's date relating to the draft Mutual Security Agreement between the Government of Italy and UNRRA. I have studied carefully your statement relating to the Government's views in your paras 2 and 3. As you know, UNRRA is governed in such matters by the Resolutions of the UNRRA Council, in particular by Resolution 7 relating to relief distribution policies; and the Government U.S.A. in Article I of the Wheat Agreement of 6 March, 1946, accepted the recommendations contained in the Resolutions of the Council. I am pleased to inform you that I am in agreement with the Government's statement of policy provided that it in no way conflicts with the UNRRA Resolutions.

I take note of the statement in paragraph 4 relating to the relief and rehabilitation projects to which the Government intends to devote the proceeds of sale of UNRRA supplies. Generally speaking I am in agreement with this statement of policy, though I understand that further discussions will take place on this question after the Agreement has been signed.

With reference to paragraph 5 of your letter, I shall transmit to the Director General the hope of the Government that further funds may be made available for Italy. Indeed, I have already made such a request myself.

I take note of the Government's proposals for the Italian Delegation for Relations with UNRRA. The UNRRA Italian Mission will be glad to work with the Italian Government in the way which you suggest. I take it, however, that your proposal will not preclude the Chief of Mission from having direct access to the President of the Council of Ministers should occasion demand.

You may rest assured that in the course of the technical discussions which will be required for the implementation of the Agreement, we shall give full and sympathetic consideration to any special problems which may arise. I am convinced that a spirit of mutual good will and collaboration is a prerequisite to the

Declassified E.O. 12356 Section 3.3/NND No. 785015

...ution policies; and the Government has, in Article I of the First Agreement of 5 March, 1947, accepted the recommendations contained in the Resolutions of the Council. I am pleased to inform you that I am in agreement with the Government's statement of policy provided that it in no way conflicts with the UNRRA Resolutions.

I take note of the statement in paragraph 4 relating to the relief and rehabilitation projects to which the Government intends to devote the proceeds of sale of UNRRA supplies. Generally speaking I am in agreement with this statement of policy, though I understand that further discussions will take place on this question after the Agreement has been signed.

With reference to paragraph 5 of your letter, I shall be remit to the Director General the text of the new request for further funds may be made available for Italy. Indeed, I have already made such a request myself.

I take note of the Government's proposals for the Italian Delegation for Relations with UNRRA. The UNRRA Italian Mission will be glad to work with the Italian Government in the way which you suggest. I take it, however, that your proposal will not preclude the Chief of Mission from having direct access to the President of the Council of Ministers should occasion demand.

You may rest assured that in the course of the technical discussions which will be required for the implementation of the Agreement, we shall give full and sympathetic consideration to any special problems which may arise. I am convinced that a spirit of mutual good will and collaboration is a prerequisite to the success of our common endeavour, and am looking forward to continuing the very good relationships which have prevailed in the past between the Italian Government and UNRRA.

Assuring you of our highest esteem, I am,

Sincerely yours,

4129

G.H. Kuchel
Chief of Mission

Hon. Alcide De Gasperi,
President of the Council of Ministers,
Rome.

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Declassified E.O. 12356 Section 3.3/NND No. 782015

Attachment 1-1-C.

SUPPLEMENTARY AGREEMENT

WHEREAS, the United Nations Relief and Rehabilitation Administration (hereinafter referred to as UNRRA) and the Government of Italy (hereinafter referred to as the Government) concluded an agreement on the 8th March, 1945 (hereinafter referred to as the first agreement) for relief and rehabilitation assistance in Italy; and

WHEREAS, by Resolution 75 of the Council (the text of which is attached as Annex I), UNRRA has since been authorized to undertake in Italy a program of relief and rehabilitation assistance adequate to meet the urgent needs of the Italian population, and the limitations previously imposed by Resolution 58 have been accordingly modified; and

WHEREAS, the Government and UNRRA desire to define their additional mutual responsibilities with respect to relief and rehabilitation in Italy in the light of the new authority granted to UNRRA by Resolution 75 of its Council;

THE GOVERNMENT OF ITALY,

represented by -

THE HONOURABLE ALCIDE DE GASPERI, President of the Council of Ministers

and

THE UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION,

Declassified E.O. 12356 Section 3.3/NND No. 785015

is attached as Annex I), UNRRA has also been authorised to undertake in Italy a program of relief and rehabilitation assistance adequate to meet the urgent needs of the Italian population, and the limitations previously imposed by Resolution 58 have been accordingly modified; and

WHEREAS, the Government and UNRRA desire to define their additional mutual responsibilities with respect to relief and rehabilitation in Italy in the light of the new authority granted to UNRRA by Resolution 75 of its Council;

THE GOVERNMENT OF ITALY,

represented by -

THE HONORABLE ALCIDE DE GASPERI, President of the Council of Ministers

and

THE UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION,

represented by

G.H. KERN, Chief of the UNRRA Mission to Italy,

HAVE AGREED AS FOLLOWS:

4128

ARTICLE I

Furnishing of Supplies and Services

In addition to the relief and rehabilitation operations provided for in the First Agreement, UNRRA will furnish Italy with relief and rehabilitation supplies and services to meet the urgent needs of the Italian population, and the Government will co-operate with UNRRA

CM 1410

Declassified E.O. 12356 Section 3.3/NND No. 785015

for this purpose. Such supplies and services will be furnished within the limits of UNRRA's resources and available supplies and transport and in accordance with Council policies. The supplies and services will be furnished by UNRRA for such period of time as it is determined, in accordance with Resolution 1., that Italy is not in a position to pay therefor with suitable means of foreign exchange. In the case of certain categories of long term equipment, UNRRA may, pursuant to special agreements between it and the Government, retain ownership, but furnish the use of such supplies during the life of such agreement.

ARTICLE II

Administration of Services

The relief and rehabilitation services furnished by UNRRA pursuant to Article I above, will be administered in accordance with plans agreed upon between UNRRA and the Government, and in conformity with the policies of the Council, particularly those embodied in Resolutions 2, and 7 to 13 inclusive. Whenever necessary the Government will take measures to ensure that such policies are followed throughout the country. Such relief and rehabilitation services for the benefit of Italian nationals in Italy will be administered by the Government, but UNRRA will assist in furnishing services, if requested

Declassified E.O. 12356 Section 3.3/NND No. 789015

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ARTICLE II

Administration of Services

The relief and rehabilitation services furnished by UNRRA pursuant to Article I above, will be administered in accordance with plans agreed upon between UNRRA and the Government, and in conformity with the policies of the Council, particularly those enacted in Resolutions 2, and 7 to 13 inclusive. Wherever necessary the Government will take measures to ensure that such policies are followed throughout the country. Such relief and rehabilitation services for the benefit of Italian nationals in Italy will be administered by the Government, but UNRRA will assist in furnishing services, if requested by the Government, in accordance with plans agreed upon between the Government and UNRRA. These services will, to the extent agreed upon between the Government and UNRRA, include the continuation of the relief services provided for in Article II of the First Agreement after completion of the program provided for therein. UNRRA will assist Italian displaced persons outside Italy in the same way, and subject to the same conditions, as other displaced persons whom UNRRA is authorized to assist. Relief services undertaken for the benefit of non-Italian displaced persons in Italy pursuant to Resolution 57 and to Articles III and VIII(b) of the First Agreement, will continue to be administered by UNRRA, with the co-operation if requested, of the Government.

CM 1611

Declassified E.O. 12356 Section 3.3/NND No. 789015

ARTICLE III

Transfer and Distribution of Supplies.

(a) The relief and rehabilitation supplies furnished by UNRRA which are destined for Italy will be consigned to the UNRRA Italian Mission. Supplies furnished under Article I will be transferred to the Government or its designees, against appropriate receipts, at such points as may be agreed upon from time to time by the Government and UNRRA. The Government and the Administration will agree upon appropriate procedures for the determination of the quantity and quality of goods delivered to the Government by UNRRA.

(b) The Government, having the responsibility for the distribution within Italy of relief and rehabilitation supplies furnished by UNRRA under Article I, will take appropriate measures to ensure that such distribution will be governed by the policies of the Council, particularly as embodied in Resolutions 2 and 7. The Government will ensure that UNRRA supplies will be adequately guarded in ports, warehouses, centres of distribution and during their movement within Italy.

(c) The Government will provide that supplies and services furnished by UNRRA pursuant to Article I of this Agreement will be sold, leased or otherwise transferred to the distributors and users against payments in local currency to the extent consistent with the equitable distribution and effective use of such supplies and [illegible] with the policy stated in Resolution 7 (3)

Declassified E.O. 12356 Section 3.3/NND No. 782017

and UNRRA. The Government of the [illegible]

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

(b) The Government, having the responsibility for the distribution within Italy of relief and rehabilitation supplies furnished by UNRRA under Article I, will take appropriate measures to ensure that such distribution will be governed by the policies of the Council, particularly as embodied in Resolutions 2 and 7. The Government will ensure that UNRRA supplies will be adequately guarded in ports, warehouses, centres of distribution and during their movement within Italy.

(c) The Government will provide that supplies and services furnished by UNRRA pursuant to Article I of this Agreement will be sold, leased or otherwise transferred to the distributors and users against payments in local currency to the extent consistent with the equitable distribution and effective use of such supplies and services. In accordance with the policy stated in Resolution 7 (3) that distribution should be so conducted that all classes of the population, irrespective of their purchasing power, shall receive their equitable shares of essential commodities, the Government may, in appropriate cases, arrange for the free distribution of such supplies and services.

4127

(d) To enable the administration effectively to discharge its responsibilities, the Government will discuss and agree with UNRRA its policies and plans for the distribution of UNRRA supplies, insofar as may be deemed necessary by UNRRA in order to ensure that such policies

Declassified E.O. 12356 Section 3.3/NND No. 782015

and plans are consistent with the Agreement of 9th November, 1943, with the Council Resolutions and with the purposes of this Agreement. With this object, the Government will consult with the Administration concerning the following subjects:-

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

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

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

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

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

(e) Further to enable UNRRA effectively to discharge its responsibilities under this Agreement, the Agreement of 9th November, 1943, and the Council Resolutions, the Government will keep UNRRA fully informed regarding the distribution of supplies within Italy. The

Declassified E.O. 12356 Section 3.3/NND No. 785015

groups of consumers.

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

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

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

(c) Further to enable UNRRA effectively to discharge its responsibilities under this Agreement, the Agreement of 9th November, 1943, and the Council Resolutions, the Government will keep UNRRA fully informed regarding the distribution of supplies within Italy. The Government will afford representatives of UNRRA opportunities to observe the distribution of supplies furnished by UNRRA at each stage, to make enquiries of and to consult with the appropriate governmental and other authorities with respect to such distribution, and generally to satisfy themselves that the system of distribution is operating in accordance with the Council Resolutions.

ARTICLE IV

Waiver of Payment

In accordance with the determination of the Director General made pursuant to Resolution 14 and Section 2 (b) of Resolution 57, all relief and rehabilitation supplies and services furnished by UNRRA in Italy shall be provided without charge to the Government.

CM 1410

Declassified E.O. 12356 Section 3.3/NND No. 789015

ARTICLE V

Financial Provisions

(a) In addition to the contribution to the relief and rehabilitation programme of UNRWA which the Government undertook to make in Article V of the first Agreement, the Government agrees that the net proceeds of sales, loans or other transfer of relief and rehabilitation supplies and services furnished by UNRWA under Article I of this Agreement shall be devoted to relief and rehabilitation purposes. In implementation of this principle the Government will pay into a special account of the Government established for the purpose the net proceeds referred to above. By "net proceeds" is meant the proceeds realised, less any expenditure incurred by the Government in transport tion, warehousing or distribution, and less any fiscal charges collected by the Government in accordance with current legislation on the sale of supplies. The Government will provide UNRWA monthly or upon request with a statement setting out payments into and disbursements from the account, together with such other information relating to the proceeds as UNRWA may require.

(b) The Government will, upon request, transfer to the account of UNRWA out of the special account referred to above such amounts as UNRWA may deem necessary:-

(i) for the payment of any expenses incurred by UNRWA in [illegible] currency within [illegible] in the execution of the

Declassified E.O. 12356 Section 3.3/NND No. 787015

In implementation of this principle the Government will pay into a special account of the Government established for the purpose the net proceeds referred to above. By "net proceeds" is meant the proceeds realised, less any expenditure incurred by the Government in transportation, warehousing and distribution, and less any fiscal charges collected by the Government in accordance with current legislation on the sale of supplies. The Government will receive UNRRA monthly or more frequent advices with a statement setting out payments into and disbursements from the account, together with such other information relating to the proceeds as UNRRA may require.

(b) The Government will, upon request, transfer to the account of UNRRA out of the special account referred to above such amounts as UNRRA may deem necessary.-

(i) for the payment of any expenses incurred by UNRRA in Italian currency within Italy in the execution of the purposes undertaken pursuant to the First Agreement and to this Agreement;

(ii) for the payment of any expenses incurred by UNRRA in Italian currency for UNRRA's other offices in Italy in connection with relief and rehabilitation of other areas; and

(iii) for the maintenance of an adequate working balance for such purposes.

In the event that the net realized proceeds of sale referred to above are not sufficient to permit the transfer to the account of UNRRA of such

4126

CM 1410

Declassified E.O. 12356 Section 3.3/NND No. 785015

amounts as UNRRA may request in accordance with this paragraph, the Government will, upon request, make the necessary payments.

(c) The balance of the net proceeds referred to in paragraph (a) above, after deducting the amounts transferred to the account of UNRRA in accordance with paragraph (b) above, will be used by the Government or as may be agreed between the Government and UNRRA in Italy for relief and rehabilitation purposes within three years after the date of signature of this Agreement (or such longer period as may be agreed by UNRRA or by such successor as UNRRA may designate). The relief and rehabilitation programs undertaken pursuant to this paragraph will, during the period when the UNRRA Italian Mission is operating in Italy, be agreed upon between the Government and UNRRA, insofar as may be deemed necessary by UNRRA in order to ensure that such programs serve relief and rehabilitation purposes in conformity with this paragraph. Before the end of such period the Government and UNRRA will agree upon the procedure to be followed thereafter. Expenditure on such programs, however, shall, in default of agreement to the contrary, be in addition to, and not in substitution for, the budget charges which the Government normally establishes for similar activities.

(d) As an indication of its desire to participate in the

Declassified E.O. 12356 Section 3.3/NND No. 785015

period as may be agreed by UNRRA or by such successor as UNRRA may designate). The relief and rehabilitation programs undertaken pursuant to this paragraph will, during the period when the UNRRA Italian Mission is operating in Italy, be agreed upon between the Government and UNRRA, insofar as may be deemed necessary by UNRRA in order to ensure that such programs serve relief and rehabilitation purposes in conformity with this paragraph. Before the end of such period the Government and UNRRA will agree upon the procedure to be followed thereafter. Expenditure on such programs, however, shall, in default of agreement to the contrary, be in addition to, and not in substitution for, the budget charges which the Government normally establishes for similar activities.

(d) As an indication of its desire to participate in the co-operative endeavour represented by the relief and rehabilitation programs of UNRRA, the Government will, at the request of UNRRA and within limits to be agreed provide the Administration with funds for expenditure which it wishes to incur in Italy for warehousing, handling and transportation services in connection with relief and rehabilitation operations in other areas; further, the Government may at its discretion agree to provide UNRRA with funds for the procurement of supplies and services available in Italy for relief and rehabilitation in other areas insofar as such procurement is not inconsistent with the economic requirements of Italy, nor in conflict with the Government's engagements of an international character.

(e) The determination of the Director General referred to in

DF 1410

Declassified E.O. 12356 Section 3.3/NND No. 782015

rticle IV above is subject to revision, and the provisions of that Article are accordingly subject to revision by UNRRA.

ARTICLE VI

Extension of the First Agreement

(a) Except insofar as modified by or in conflict with the present Agreement, the provisions of the First Agreement shall remain in force and shall be extended so as to apply to operations undertaken in accordance with the provisions of the present Agreement.

(b) In particular, and without prejudice to the generality of the foregoing, the relief and rehabilitation program provided for in Article II of the First Agreement will continue until such time as supplies and services costing up to an amount of fifty million dollars of foreign exchange shall have been furnished; and the Government will have to the credit established pursuant to Section 2 (b) (i) of Annex III of the First Agreement the balance of the sum in lire provided for in Article V of the First Agreement. Further, in order to complete the financial provisions of Section 2 (b) (ii) of the said Annex III, the Government will, immediately after the signature of this Agreement, transfer to the UNRRA account the balance of the 15 per cent or five billion lire required for UNRRA's expenditure in accordance with the said Section 2 (b) (ii).

(c) In order that the agreed [illegible] share of the proceeds [illegible] in accordance with this Agreement should

Declassified E.O. 12356 Section 3.3/NND No. 782015

in force and shall be extended so as to [illegible]

taken in accordance with the provisions of the present Agreement.

(b) In particular, and without prejudice to the generality of the foregoing, the relief and rehabilitation program provided for in Article II of the First Agreement will continue until such time as supplies and services costing up to an amount of fifty million dollars of foreign exchange shall have been furnished; and the Government will put to the credit established pursuant to Section 2 (b) (i) of Annex III of the First Agreement the balance of the sum in lire provided for in Article I of the First Agreement. Further, in order to complete the final provisions of Section 2 (b) (ii) of the said Annex III, the Government will, immediately after the signature of this Agreement, transfer to the UNRRA account the balance of the 15 per cent of five billion lire required for UNRRA's expenditure in connection with the said Section 2 (b) (ii).

(c) In order that the purchase receipts, shares of the proceeds or [illegible] furnished by UNRRA in accordance with this Agreement should be available for relief and rehabilitation projects in Italy, and in order to avoid unnecessary accounting, the Government will provide for UNRRA without charge -

(i) transportation by rail, road, sea, and, in appropriate cases, by air, for UNRRA personnel engaged on official business;

(ii) internal telegraph and telephone facilities, in addition to the postal facilities provided for in the First Agreement; and

(iii) insurance against third party risks or the appropriate procedure

4125

CH 1410

Declassified E.O. 12356 Section 3.3/NND No. 785015

and means for meeting claims against UNRRA, and against all UNRRA personnel in Italy arising in the course of their official business.

ARTICLE VII

Period of Agreement

This Agreement shall take effect as from this day's date. It shall remain in force until the expiration of six months from the date on which either of the parties shall have given notice in writing of its intention to terminate it. However, if at any time after six months UNRRA should give notice of its intention to revise the provisions of Article IV, the Government may, within 15 days after receiving such notice, in turn give notice to UNRRA in writing, which shall effect the termination of this Agreement 15 days after its receipt by UNRRA. Notwithstanding the termination of this Agreement, Articles 2, 3, 5 and 6, and the provisions so specified in Article XVIII of the First Agreement, shall remain in force to the extent necessary for an orderly liquidation until such liquidation is completed.

Done in the English language in the City of Rome this Nineteenth day of January, Nineteen hundred and forty six.

FOR THE GOVERNMENT OF ITALY

FOR THE UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION.

Declassified E.O. 12356 Section 3.3/NND No. 786015

date on which either of the parties shall have given notice in writing of its intention to terminate it. Moreover, if at any time after six months UNRRA should give notice of its intention to revise the provisions of Article IV, the Government may, within 15 days after receiving such notice, in turn give notice to UNRRA in writing, which shall effect the termination of this Agreement 15 days after its receipt by UNRRA. Notwithstanding the termination of this Agreement, Articles 2, 3, 5 and 6, and the provisions so specified in Article XVIII of the First Agreement, shall remain in force to the extent necessary for an orderly liquidation until such liquidation is completed.

Done in the English language in the City of Rome this Nineteenth day of January, Nineteen hundred and forty six.

FOR THE GOVERNMENT OF ITALY

FOR THE UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION.

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Declassified E.O. 12356 Section 3.3/NND No. 785015

ANNEX I

RESOLUTION NO. 73

A Resolution Relating to a Program of Relief and Rehabilitation
Assistance in Italy

PREAMBLE

Under Resolution No. 50 the United Nations Relief and Rehabilitation Administration has already initiated certain operations in Italy relating to the provision of medical and sanitary aid and supplies, to assistance in the care and return to their homes of displaced persons, and to the care of children and nursing and expectant mothers, and to other welfare services associated therewith, and

WHEREAS

The urgent needs of the Italian people for basic imported relief and rehabilitation supplies are being met by the armies of military occupation only until the end of August, 1945; it is therefore

RESOLVED

That the Administration is authorized and directed to initiate as soon as possible in Italy, and with respect to Italian nationals, a program of relief and rehabilitation assistance, adequate to meet the urgent needs of the Italian population, and that the limitations previously imposed on the Administration in Resolution 1, Part I (F), and 50 are modified accordingly by the Council.

Declassified E.O. 12356 Section 3.3/NND No. 785015

sanitary aid and advice, to be learned in the case [illegible]
to their areas of origin or [illegible], and to the care of children
and nursing and [illegible] mothers and the welfare services asso-
ciated therewith, and

WHEREAS

The urgent needs of the Italian people for basic imported
relief and rehabilitation supplies are being met by the combined
military authorities only until the end of August, 1943; it is
therefore

RESOLVED

That the Administration is authorized and directed to initiate
as soon as possible in Italy, and with respect to Italian nationals,
a program of relief and rehabilitation assistance, adequate to meet
the urgent needs of the Italian population, and that the limita-
tions previously imposed on the foregoing activities in Resolution 1,
Part I (5), and as now modified accordingly by the Council.

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4124

Declassified E.O. 12356 Section 3.3/NND No. 789015

H - 2. MONTHLY REPORT OF THE SPECIAL ASSISTANT FOR MILITARY LIAISON FOR JANUARY 1946.

There is no report from the Special Assistant for Military Liaison for January 1946.

He has been appointed but, as of 8 February, had not yet arrived.

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Declassified E.O. 12356 Section 3.3/NND No. 786015

Declassified E.O. 12356 Section 3.3/NND No. 785015

4123

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II - 3. MONTHLY REPORT OF THE ECONOMIC ADVISER FOR JANUARY 1946.

There is no report from the Economic Adviser to the Italian Mission for January 1946, as this post has not yet been filled.

Declassified E.O. 12356 Section 3.3/NND No. 785015

Declassified E.O. 12356 Section 3.3/NND No. 785015

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4122

Subject to no recoupment from the Immediate Adjutant to the
Thirteen Commission for January 1945, as this paper has not yet
been filled.

H - 4.. MONTHLY REPORT OF THE PUBLIC INFORMATION ADVISER FOR JANUARY 1946.

TO: H.R. Cummings

FROM: Adjutor Savard

LOCAL NEWS

" Italy is the country of rebirth as well as of the Renaissance .."

This lucid remark by an English writer seems appropriate at this time. It reflects, at any rate, a new tone of hopeful optimism in the Italian Press following the signing of a supplementary agreement with UNRRA and a solemn blessing by the Pope during the unforgettable ceremony at St. Peter's.

Anticipations in view of the expected signing of the supplementary agreement with UNRRA within the month, formed the subject of most news items and comments.

On 2 January, "L'UNRRA SPIEGA" argued that Italy's economic policies must be shaped in conformity with American wishes because Italy literally is living on America's bounty. If this were not done, a reduction of UNRRA's assistance to Italy might follow as a mark of American displeasure. IL GLOBO, on 4 January, was more reassuring. On information partly received from this office, it was able to give a detailed forecast of the UNRRA 1946 imports programme, and to point out that cereals and foodstuffs generally will have priority. "UNRRA's programme", concluded IL GLOBO, "means that Italy's situation has become less anxious. To meet in full the country's needs, much more is wanted and the financing of this 'much more' is a very serious problem; nevertheless UNRRA's help gives us a long breathing space."

Again, on 6 January, IL GLOBO announced that industries in the North will receive during 1946 the greater share of the 500,000 tons of coal imported monthly by UNRRA. The Press Conference held by Mr. Keeny and Mr. Cleveland on 8 January produced an abundant crop of articles. The space given in the Rome Press of 9 January to UNRRA's 1946 programme, as forecast by Mr. Keeny, totalled no less than 10 to 12,000 lines.

The facts were underlined that "Italy will get all the wheat needed until next harvest" (IL MESSAGGERO); that "Half of our needs for 1946 will be provided for, thanks to UNRRA" (IL SECOLO XX); that "Thanks to UNRRA many of the difficulties facing us this winter will be overcome" (IL QUOTIDIANO), etc. It was, however, pointed out by some newspapers that

Declassified E.O. 12356 Section 3.3/NND No. 782015

following the signing of a supplementary agreement with UNRRA and a solemn blessing by the Pope during the unforgettable ceremony at St. Peter's.

Anticipations in view of the expected signing of the supplementary agreement with UNRRA within the month, formed the subject of great news items and comments.

On 2 January, "L'UNITA SCARA" argued that Italy's economic policies must be shaped in conformity with American wishes because Italy literally is living on America's bounty. If this were not done, a reduction of UNRRA's assistance to Italy might follow as a mark of American displeasure. IL GLOBO, on 4 January, was more reassuring. On information partly received from this office, it was able to give a detailed forecast of the UNRRA 1946 imports programme, and to point out that cereals and foodstuffs generally will have priority. "UNRRA's programme", concluded IL GLOBO, "means that Italy's situation has become less serious. To meet in full the country's needs, much more is wanted and the financing of this 'much more' is a very serious problem; nevertheless UNRRA's help gives us a long breathing space."

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4124

There were, however, some discordant voices. The LIBERA STAMPA, bitterly recalling that "business is business", cynically asserted, on 12 January, that "we are even paying for UNRRA assistance through the agreement signed by Mr. Byrnes and our Ambassador in Washington, leaving our industries defenceless against American competition." IL GLOBO, on 10 January, deplored that trains in Sicily should have had to stop running owing to lack of coal, and added: "Under present conditions, we can only rely on UNRRA; but what has been promised us should be delivered so as not further to worsen a very bad situation".

A bright article in the STARS & STRIPES by Sgt. El Ellis described with figures and facts (given by this office) UNRRA's welfare work in Italy, appeared on 13 January, together wit a full-page display of pictures showing children enjoying UNRRA's food.

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Declassified E.O. 12356 Section 3.3/NND No. 798015

On the same day, IL GLOBO announced that negotiations were going on between UNRRA and the Italian Government with a view to concentrating distribution of UNRRA's supplies in the hands of a National Industrial Committee.

On 15 January, an item appeared in RICOSTRUZIONE and other papers stating that the U.S. in agreement with UNRRA had cabled "competent authorities" asking if the shipping of wheat should be hastened and a monthly plan of deliveries adhered to. This aroused much interest, owing to the fact that the first shipment of the distribution of "pasta" to the public had been announced on the previous day. An article in the TRIBUNA DEL POPOLO of 17 January again commented interest on the forthcoming supplementary agreement. The article announced that "100 ships per month full of UNRRA supplies will arrive in Italy during 1946:" adding much information supplied by this office as to UNRRA policies etc.,

IL MOMENTO, L'ITALIA LIBERA and several others gave more or less the same information, adding that the new agreement was to be signed on 19 January. A jarring note was provided by ex-Premier Signor Nitti, who said, speaking at the Consulta, that 450 million dollars will finance Italy's food imports and little else, so that Italian industries will receive little help, if any at all through UNRRA.

Nitti's speech was, of course, published by nearly all the Rome papers. Daily the press continued to give out items on UNRRA's new programme, and IL GIORNO on 19 January explained, in a leading article, that UNRRA's programme meant a tremendous help to Italy even if it could not meet Italy's needs in full. The signing of the agreement gained the widest publicity on 20 January, fully 20,000 lines were given in the Rome Press alone, with, in some cases, enthusiastic comment, based on the idea that "Italy will be getting real help at last" (LA CAPITALE and others.) Many of the writers, however, warned the Italian Government that time must not be lost in seeking credits for the additional imports required by Italy. The CORRIERE DELLA SERA of 20 January, under the heading "we shall eat" said that bread for 1946 is now secure, but for the rest loans and credits must be obtained with all delay." Several pictures showing Premier De Gasperi and Mr. Keeny signing the agreement, etc., also appeared, and the UNION SARDA on 22 January took the opportunity to publish a set of figures highlighting "Sardinia's share in UNRRA". Interest then shifted to the audience to be granted by the Pope on 26 January to 40,000 Rome children assisted by UNRRA. Several "releases" from this office obtained

Declassified E.O. 12356 Section 3.3/NND No. 785015

concentrated interest on the forthcoming supplementary Agreement. The article announced that "100 ships per month full of UNRRA supplies will arrive in Italy during 1946:" adding much information supplied by this office as to UNRRA policies etc.,

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Other items of interest during the month concerned the General Morgan incident in Germany, UNRRA's share in the "Befana" (Children's Christmas party held on 6 January in Italy) at Cassino, and an article (4 January) in IL MONDO (since defunct) asserting that "many poor people view UNRRA as a sort of unattainable mirage."

A press conference was held jointly by Mr.Keeny and Mr.Harlan Cleveland on 8 January for both the foreign and local press to explain the scope of the new program. Verbatim notes together with the prepared statement, read by Mr.Keeny were sent to London and Washington.

Another press conference was held at the Prefettura for the Italian Press at which Monsignor Bredli and the Public Information Adviser explained the arrangements for the Papal Audience and provided booklet and material.

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Declassified E.O. 12356 Section 3.3/NND No. 759015

Signor Barbera, ANSA, called to ask figures on UNRRA's assistance to Italy to date and to secure general information about the 1946 program.

Dr. John Stiefry, Swiss correspondent, was in our office to discuss an article that appeared in SECOLO, the gist of which has been communicated to ERC for information.

A letter was prepared by the Public Information Adviser (copy attached) and sent with Mr.Keeny's signature to the Editor of CORRIERE denying allegations contained in a correspondence from Bari which appeared on 24 January. The unsigned correspondence alleged that Jews were being smuggled from Southern Italy into Palestine with the secret help of UNRRA officials.

LOCAL RADIO

Arrangements for the broadcast of the ceremony at St.Peter's on 26 January were made with the assistance of Father Filippo Soccorsi Director of the Vatican Radio. The British Broadcasting Corporation made the pick-up on the right wavelength, then a full length recording was made at RAI. (Radio Audizione Italiane) which was later edited with the help of Father Soccorsi and Ing. Orsini, of RAI. At our request, Father Soccorsi secured Rev. Robert Finley, a young American of the Jesuit Order, to make running commentary in English. The result was a very presentable fifteen-minute record which was later broadcast to London through Italcable, and then presumably beamed to New York as per understanding. We managed to make this broadcast at thirteen hours, Rome time, on the very day of the event, which was in itself quite an achievement as all the arrangements had to be made at the last moment. We are very grateful to Italcable for their wonderful help in the matter.

Records were also made of the broadcast which were sent to London and Washington.

On 21 January, a Hallicrafter radio receiving set which had been ordered several months before was delivered to Public Information. This will prove a very useful piece of equipment and will keep us in touch with an essential expression of the life of Italy.

RAI, as previously, featured UNRRA news almost every day. The signing of the agreement was described in such a way over RAI that we have

Declassified E.O. 12356 Section 3.3/NND No. 782015

officials.

LOCAL RADIO

Arrangements for the broadcast of the ceremony at St.Peter's on 26 January were made with the assistance of Father Filippo Soccorsi Director of the Vatican Radio. The British Broadcasting Corporation made the pick-up on the right wavelength, then a full length recording was made at RAI. (Radio Audizione Italiana) which was later edited with the help of Father Soccorsi and Ing. Orsini, of RAI. At our request, Father Soccorsi secured Rev. Robert Finlay, a young American of the Jesuit Order, to make running commentary in English. The result was a very presentable fifteen-minute record which was later broadcast to London through Italcable, and then presumably beamed to New York as per understanding. We managed to make this broadcast at sixteen hours, Rome time, on the very day of the event, which was in itself quite an achievement as all the arrangements had to be made at the last moment. We are very grateful to Italcable for their wonderful help in the matter.

Records were also made of the broadcast which were sent to London and Washington.

On 21 January, a Philicorfter radio receiving set which had been ordered several months before was delivered to Public Information. This will prove a very useful piece of equipment and will keep us in touch with an essential expression of the life of Italy.

RAI, as previously, featured UNRRA news almost every day. The signing of the agreement was described in such a way over RAI that we have requested the text for our records.

LOCAL FILMS.

4120

Actual shooting has started on the film "Umanita" produced by Istituto Nazionale Luce, with UNRRA as a background. At the same time, a documentary is to be made on UNRRA. For that purpose, we have provided LUCE with positive lavender and sound films sent from Washington. Negative film had to be borrowed from the U.S.Army film unit and must later be replaced. An expected shipment of negative film seems to have been lost in transit as it never reached us.

LUCE covered the signing of the agreement and the ceremony at St. Peter's, as did INCOM, another Italian film, and UNIVERSAL Newsreels. Lavender copies of the LUCE pictures are to be sent to London and Washington while the LUCE newsreels are already being shown in Italy. Distribution of these newsreels is also to be made abroad.

CM 1574 PI

Declassified E.O. 12356 Section 3.3/NND No. 739015

On 6 January, on the occasion of the "Befana" organised by the UNRRA Staff Association at the Argentina Theatre, Rome, a successful performance was given by the UNRRA Mobile Cinema unit.

Very good performances were given, in the afternoon and again in the early evening of 20 January, at the Convent of Buon Pastore. Unfortunately the repeated break of electric current in Rome has caused several days to be lost and this indicates once more our urgent need of a set of generators to make the Unit independent of local conditions.

In spite of these difficulties, a series of much appreciated performance of which the film "Three Angelica" was the principal feature, was given to 650 children at the Institute of Notre Dame de Namur al Tor Pignattara, Rome. Two journeys to Latina proved fruitless because the electricity there had been cut off by the local authorities. The Unit will return to Latina this week, and will visit Sabaudia, Pontinia and Gaeta as well.

On Thursday 31 January, two performances are to be given at the "Boys' Village" at Santa Marinella. The Unit will be going to Naples for a three week's stay early in February.

PHOTOGRAPHS

Photographic coverage of the signing of the agreement, at the Viminale, and of the ceremony at St. Peter's reached unusual proportions. Beside our staff photographer Romagnoli, several other photographers were on hand, including representatives of "Life", the "Associated Press," "International News", "Keystone" and other agencies. The Italian Press carried pictures of the two events. Two striking pictures appeared in "Conservatore Romano." The widest distribution has been made abroad. Sets of pictures were sent by us to London and Washington.

The following pictures were taken during the month by our staff photographer and sent to London and Washington:

6 January	ROME.	Children's Party, Teatro Argentina	22
8 "	"	Press Conference-Mr. Keeny and Mr. Cleveland.	6
9 "	OSTIA	Agriculture Comm Allied Forces	12

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

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9 "	OSTIA	Agriculture Camp Allied Forces	12
12 "	CIVITAVECCHIA.	Salvaging the NATHEL BACON's cargo at Civitavecchia	25
13 "	ROME	Christmas play at Via Pacietti Convent School	24
16 "	"	Conference on North Italy Welfare	6
19 "	"	Signature of UNRRA's agreement at Viminale	18.
26 "	"	The Pope's Audience, in St.Peters to 40,000 Rome children assisted by UNRRA.	100.
		TOTAL....	213

LECTURES, SPEECHES AND PUBLIC UTTERANCES

None.

CM 1574 PI

Declassified E.O. 12356 Section 3.3/NND No. 789015

PAMPHLETS AND PRINTED MATERIAL.

UNRRA will undertake the distribution in Italy of agricultural publications and technical bulletins published in the United States. This is with the approval of Colonel Lacy, Chief of the Sub-Bureau of Relief Supply, with whom the Public Information Adviser conferred on the matter, at the request of Mr.Keeny. The suggestion had been made by Washington.

Distribution has been made of the first few numbers of the "Economic Notes" published jointly by AC and UNRRA. Copies in English and Italian were sent from Washington to UNRRA personnel. From now on, "Economic Notes" will become an UNRRA publication.

Five issues of the Weekly Bulletin have appeared during the month. This brings the total to forty issues with a circulation of nearly five hundred copies a week. The Bulletin is published in English for internal distribution among the members of the Italian Mission. Its purpose is to reflect UNRRA's activities in Italy in a factual way, and to convey interesting side lights concerning the life of the Mission personnel.

RELATIONS WITH FOREIGN CORRESPONDENTS.

A press conference was held jointly by Mr.Keeny and Mr.Harlan Cleveland on 8 January and was largely attended. The questions were to the point and produced a very useful symposium as reported in the verbatim notes.

Another press conference was held on 24 January to provide the foreign correspondents with the details of the arrangements for St.Peter's together with background information.

Almost every foreign correspondent is now a regular caller at this office, including newcomers like Mr.and Mrs.James Wellard, representing the SUNDAY EXPRESS.

With the help of our new staff, several releases have been issued during the month to keep the correspondents fully up to date.

It is too early to know what coverage was given the two main events of this month, the signing of the agreement and the ceremony at St.Peter's. But every correspondent seemed interested. Mr.Thomas Healy, of the NEW YORK POST informed us that he had cabled 1,200 words

Declassified E.O. 12356 Section 3.3/NND No. 789015

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DISTINGUISHED VISITORS.

During the month Mr.Boerm, of the Washington Headquarters Office, and Mr.Richard Ford, of N.Y.C., both visited the Mission. Such visits are very helpful to the Mission and its Public Information staff. 4119

Major General Lowell W. Rooks, Deputy Director General and Chief Executive Officer from the Headquarters Office also visited Rome in January. Deputy Chiefs of Mission and Heads of Divisions met with General Rooks on the evening of 25 January, stated their problems and suggested remedies by Headquarters. Mr.Keeny summed up the activities of the Mission, and the meeting proved most interesting and informal.

CM 1574 PI

Declassified E.O. 12356 Section 3.3/NND No. 789015

Another visitor during January was Dr. Caballero, President of the National University of Colombia, South America. He is particularly interested in Welfare and Education, and represents Dr.Santos, who is the representative of the South American Republics in UNRRA. Every effort was made to meet his expressed desire to see UNRRA in operation.

On 23 January the overseas sub-committee of the Mead Committee (the Sub-Committee on Expenditures Abroad of the U.S.Senate Special Committee investigating the National Defence Programme), held an all day hearing in Rome. It was directed by Senator James M. Turrel (Democrat of Delaware, Chairman of the sub-committee, and Senator William F.Knowland (Republican) of California. Their chief interest was in plans for the disposal of army surpluses with emphasis on the maximum recovery of dollars. Enquiries about UNRRA centred around welfare arrangements with the new agreement. Members of UNRRA and AC, including Mr.Keeny and Admiral Stone, collaborated in giving data showing the absence of overlapping in distribution and economy of personnel in the transfers from AC to UNRRA.

Mr.Keeny emphasized the policy of helping Italy to grow more food. He also stressed that the proceeds of sales should go solely to relief and rehabilitation projects which must be agreed to by UNRRA.

The Committee seemed especially interested in controls on supplies and funds to assure equitable distribution and avoid encouraging the black market.

The hearing was businesslike, serious, with well organized questions. A statement summarizing the Italian program, prepared by Mr.Keeny, and notes on surplus procurement activities, furnished by Air Vice Marshal Saul, were filed with the Committee.

FIELD TRIPS

The Public Information Adviser visited two warehouses for agricultural supplies in Rome with Major Sutherland of AC who is soon to join UNRRA. He also visited a farm run by the Cheshire Regiment near Ostia. This farm was the property of Rachele Mussolini. Some pictures were taken by our staff photographer to be used later in connection with an article concerning agricultural rehabilitation.

Miss R. Gaglielmo showed F.O.Cohen, Foggia, Sgt. Ellis, STARS AND STRIPES, and representatives from MAI around Displaced Persons and Refugee

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Miss R. Gaglielmo showed F.O.Cohen, Foggia, Sgt. Ellis, STARS AND STRIPES, and representatives from MGI around Displaced Persons and Refugee camps and the feeding operations in the Rome area for stories in STARS AND STRIPES and the Air Corps Weekly OCCUPATION. They also visited La Marmora workshops, Pontifical School I. Forte Aurelia, Enon Pastore shoeshop, where pictures were taken by Mr.Fischer, staff photographer of STARS AND STRIPES. Dr. Cohen there was accompanied to La Marmora and Cinecitta, and Mr.Robert McLaughlin, of the NEW YORKER, to Cinecitta. Mr. McLaughlin has filed an article for the NEW YORKER on what he saws

Fifteen Italian newspapermen and the representative of UNION JACK were taken on a tour of schools in Rome to show them the UNRRA feeding programme.

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Declassified E.O. 12356 Section 3.3/NND No. 785015

EQUIPMENT.

A radio receiving set was delivered to Public Information Division on 21 January. This radio had been ordered in Washington by Mr.Keeny several months ago for use by the Public Information section.

Moving picture positive, lavender and sound films received from Washington were handed over to LCCB, free of charge, for special coverage of the signing of the agreement, the Papal Audience and the UNRRA documentary film which is now being made.

Ten thousand feet of negative film were borrowed from a U.S.Army film unit and handed over to Lacs for the same purpose. This film has to be replaced. Two cases sent from Washington are missing and have not reached us; one contained 6,000 feet Panchro Cine Negative Film, and the other 3,000 feet Eastman sound recording film.

STAFF.

Mr.Seward, the Public Information Advisor, is scheduled to leave the Mission on 1st February. As of 31 January, the staff of the Public Information Division comprised the following;

Class I Personnel.

Adjutor Seward: Public Information Advisor.

Rowdon A.B Chumley: Writer.

Margaret Holt: Radio Specialist.

Rene V. Guglielmo: Public Relations Assistant.

Julia F. Cirani: Secretary.

Mary Bunnett : Secretary.

Class II Personnel.

Carlo Cerena: Writer.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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Class II Personnel.

Carlo Compana: Writer.

Guilio Cesotti, Movie Operator.

Lorenzo Romagnoli: Photographer.

Marisa Pompei : Typist.

Doris Duca Typist.

4118

ATTACHMENTS.

a-e Weekly Bulletins.

f. Copy of letter to ESPRESSO

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Declassified E.O. 12356 Section 3.3/NND No. 786015

P-5. MONTHLY REPORT OF THE BUREAU OF REQUIREMENTS AND DISTRIBUTION FOR JANUARY 1946.

INTRODUCTION

The Bureau of Requirements and Distribution came into being during the month of January 1946 with the expansion of the Mission supply programme to include a major part of the total civilian import requirements in 1946. The Bureau is being staffed mainly by transfer of personnel from the Economic Section of the Allied Commission, who bring with them experience and knowledge of the post-war conditions of Italy. The first loadings of UNRRA supplies under the expanded Italian programme have started abroad, while supplies shipped under the former Allied programme have continued to arrive in Italian ports. January has therefore been a month during which the personnel of the Bureau have had to carry dual responsibility, dealing with the closing down of down of business in Allied Commission and opening up in the Mission. The problems of this period of transition and organisation have been the major preoccupation of the Deputy Chief of Mission during the month.

REQUIREMENTS

The development of an overall supply programme for the Mission's operations in 1946 is well advanced. A great deal of preparatory work had been done in 1945. There was developed, jointly, by the Economic Section of the Allied Commission and the Italian Government, a recommended utilization of an assumed UNRRA allocation of $450 million for Italy. This was included by the Economic Section in its publication "Italian Import Requirements 1946", produced in December, 1945. The plan was formally transmitted by the Government to the Mission which, in turn, forwarded it to UNRRA Washington. The Bureau now awaits receipt from Washington of the definitive amount of money allocated to the Italian programme. The outstanding problem and concern of the Bureau in this field is the extremely tight position of supplies of bread-grains. Suspension of the pasta ration throughout Italy have been necessary, and the present low bread-ration scales can be maintained only if the grain required to provide them arrives in sufficient quantity. Stocks in Italy are down below minimum working margins.

SHIPMENTS REGISTERED AND LOCAL PURCHASES

Although loadings against the 1946 programme started during the month in the supplying countries, none of these shipments actually arrived in Italy in January, except for a consignment of seed potatoes. (Eight ships, four of which carried seed potatoes,

Declassified E.O. 12356 Section 3.3/NND No. 782015

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SHIPMENTS RECEIVED AND LOCAL PURCHASES

Although loadings against the 1946 programme started during the month in the supplying countries, none of those ships to actually arrived in Italy in January, except for a consignment of seed potatoes. (Eight ships, four of which carried seed potatoes, reached Italy during the month, but no out-turn reports on these vessels are yet available. The figure for Acquisitions in Form C-60 (Attachment B-8) refers to ships which arrived in Italy in December, and whose out-turn reports reached the Mission in January). The Mission has not, during the month, made any purchases in Italy of any economic importance. There has been some preliminary discussion within the Bureau of the possibility of using part of the Italian industrial potential to produce manufactured goods required by UNRRA for other countries. This proposal appears to have been accepted in principle in Washington, in view of the decision to produce, in Italian mills, fishnet twine for the Balkans and China from Egyptian cotton.

4117

x on the 1945 UNRRA program

DISTRIBUTION

The imminent arrival of the first shipments under the enlarged programme has necessitated a number of discussions with the Italian Government on problems relating to reception and distribution of these supplies. The main point on which agreement was sought were:

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Declassified E.O. 12356 Section 3.3/NND No. 782015

a) The establishment of a policy for fixing internal selling prices for UNRRA imports in such a way as to bring down the general price level.

b) Procedures for the reception, handing-over, and internal distribution of the supplies.

c) Procedures which will ensure that the Mission is able to maintain an adequate watch on the use to which the supplies are put.

By the end of the month discussions were well advanced, and it is planned that satisfactory working arrangements will have been developed with and implemented by the Government in time to be applied to the first arrivals of supplies.

INDUSTRIAL REHABILITATION

The main effort of the Bureau in this field has been concentrated on the development of plans for industrial allocations, utilization controls, and reporting. No UNRRA materials have actually arrived. The Bureau staff, however, has been involved in the most strenuous efforts to spread over Italian industries, utilities, and transport, the meagre supply of coal which arrived under the Allied programme in January, in such a manner as to satisfy the barest essentials of the economy. The short-falls in January arrivals of POL as well as coal, due principally to shipping tie-ups in U.S. ports in December, placed a most difficult strain not only on the Mission, but on the recuperative powers of the Italian people and their economy. The Mission has placed before the Supply Authorities in Washington allocation requests for the next three months' that are calculated to start a modest industrial rehabilitation programme.

AGRICULTURAL REHABILITATION

The principal UNRRA activity by the personnel of this Bureau during January is reflected in the revised 1946 Programme for Agricultural Supplies that was prepared in collaboration with the Italian Government and submitted to Washington. The prospects for agriculture are largely dependent upon the speed with which Italian industry can provide the necessary fertilizers and [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 782015

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E.M.Dolstein
for HARLAN CLEVELAND
Deputy Chief of Mission
for Bureau of Requirements and Distribution.

RD 1572

Declassified E.O. 12356 Section 3.3/NND No. 789015

H-5-a. MONTHLY REPORT OF THE SUB-BUREAU OF SUPPLY OPERATIONS FOR MARCH, 1945.

The organisation of the Sub-Bureau of Supply operations, though not firm in all aspects, has taken definite form.

Divisions of Program Co-ordination and Statistics, Shipping and Warehousing, Internal Transport, and Local Resources have been organized to carry out the functions assigned this Sub-Bureau.

Program Co-ordination and/or revision, indent implementation, supply accounting, and statistical accumulation and reporting have been considered a series of related activities which will be integrated by the Division first mentioned.

Definition of the scope of the Division of Shipping and Warehousing is dependent upon a comprehensive agreement with the Italian Government re reception arrangements for UNRRA imports and specification of the point at which title, responsibility and accountability pass to the Italian Government. These matters are under discussion and a final decision will be reached in a few days.

Mr. Dominick, UNRRA Washington, in conference with representatives of the Divisions of Shipping and Warehousing and Program Co-ordination agreed to have supplying countries furnish operational programs (on a three months' basis), tentative monthly loading programs, forwarding authorization serials, sets of bills of lading and other pertinent data to facilitate reception and programming. Compliance, on the part of supplying countries, with requests agreed to by Mr. Dominick, is essential to proper reception and distribution planning.

The Internal Transport Division is primarily concerned with the supervision and facilitation of the movement of UNRRA supplies by road and rail, and the calculation of road and rail imported supply requirements insofar as they are to be met by UNRRA. This Division is co-ordinating with the Road and Rail Sections of the Transportation Sub-Commission, Allied Commission, in anticipation of taking over their residual operations. Determination of the organizational vehicular requirements of the Italian Mission and clarification of the jurisdictional and operational positions of various operating units (i.e. Camps, Regions, etc.) relative of this Division, are necessary before the organization can be stabilized.

The balance of the functions presently the responsibility of the Sub-Bureau of Supply Operations have been bulked in the Local Resources

Declassified E.O. 12356 Section 3.3/NND No. 785015

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The balance of the functions presently the responsibility of the Sub-Bureau of Supply Operations have been bulked in the Local Resources Division. These include activities related to purchases of military surplus, salvage and scrap in the Mediterranean Theatre, intermission trade negotiations and procurement of indigenous material.

4116

Declassified E.O. 12356 Section 3.3/NND No. 785015

Re the last, the agreed policy is that actual contracts and negotiations will be effected with producers by the Sub-Bureau of Industrial Rehabilitation. In accordance, existing contracts involving the Italian Mission are being turned over to the Division of Industries.

The Local Resources Division is formulating a revised surplus property procedure in collaboration with the UNRRA Liaison Office with AFHQ to standardize and channel procurement for all Bureaus of the Mission.

The budgetary breakdown stipulated for the $5,000,000 authorized the Italian Mission for purchase of U.S. and U.K. military surpluses in the MTO is under discussion.

It is believed that the stipulations are not satisfactory and that the fund could be better adapted to the needs if the budget were prepared by the Mission in conformity with specific requirements and availabilities. Action recommendations will be made subsequent to receipt of reports from the Bureaus concerned.

Werner Peterson, Capt.,
for
CHARLES W. WALTON
Colonel, A.C.,
Chief.

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Declassified E.O. 12356 Section 3.3/NND No. 782015

H - 5 - b. MONTHLY REPORT OF SUB-BUREAU OF RELIEF SUPPLY FOR JANUARY 1946.

1. GENERAL

UNRRA became concerned with the national feeding program in Italy from the beginning of January , 1946.

The serious cereal stock situation which became apparent in December,1945, has been one of the main problems during January. It has necessitated constant contact with the Italian Government in regard to both rationing policy and the most economic utilisation of indigenous and imported cereals.

After a most searching review of the cereal stock situation,estimated amassing of indigenous cereals, and advices of sailings under the Import Program, it became clear that the basic cereal ration for non-producers (roughly 35 million) could not be maintained.

2. OVERALL SUPPLY

Stocks of cereals on hand at the beginning of January amounted to 232,000 tons or only 21 days' supply. Accordingly, therefore, agreement was reached with the Italian Government:-

a. To maintain the bread ration of 200 grams per capita per day.

b. To suspend the pasta element of the basic ration of 2,000 grams per month, in Southern Italy, Sicily and Sardinia,until further notice; also the pasta element of the"Generi da Minestra" ration in Liguria and Veneto with effect from 1 January,1946, thereby achieving a saving during January of 55,000 tons of wheat.

With grain imports of 192,000 tons, local amassing and reduced consumption resulting from the cuts in the pasta ration, the stock position at the end of the month is estimated to be approximately the same as at the beginning.

Important discussions with the Italian Government were held on the subject of oats as a substitute for wheat. Milling and baking tests were carried out in Rome,as a result of which the Italian Government has agreed that 20 % oat flour could satisfactorily be used in the standard bread of Italy.

Considerable information was sent to Washington on the general

Declassified E.O. 12356 Section 3.3/NND No. 785015

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Important discussions with the Italian Government were held on the subject of oats as a substitute for wheat. Milling and baking tests were carried out in Rome, as a result of which the Italian Government has agreed that 20 % oat flour could satisfactorily be used in the standard bread of Italy.

Considerable information was sent to Washington on the general cereals situation, regarding production and collections of grains, stocks on hand in warehouses, mills, etc., and estimates of future availibility, tonnages of maize, barley and rye flour that could be accepted in lieu of wheat, were notified. It was also confirmed that 40,000 tons of oats or oat flour could be accepted against a full wheat program, or a proportionate quantity of oats to wheat on a reduced wheat program.

Present advices of loadings do not indicate that the stock position is likely to improve in the near future. Thus there is now little chance that any arrears of the ration will ever be made good, and it is likely that, at the best, the ration level will have to be fixed at 200 grams bread daily and 500 grams pasta monthly instead of the previous 2,000 grams.

4115

Declassified E.O. 12356 Section 3.3/NND No. 782015

3. FOOD DIVISION - UNRRA WELFARE FOOD PROGRAM

a. The shortage of fats and oils provided another big problem.

The supply position in respect of these is extremely difficult; imported fats are not available in any appreciable quantity, and local supplies of olive oil are small owing to a poor crop and slow and incomplete crushing. Some indigenous olive oil and fats were procured from the Italian Government to enable provinces to be supplied with their requirements through January insofar as the Welfare Program is concerned, but it seems unlikely that future supplies will be available. The further outlook is not promising, and the shortage is likely to necessitate the reduction or abolition of the fat component of the ration now being issued to various classes under the Welfare Program.

b. As regards other foodstuffs, the situation was more satisfactory, and plans were almost complete by the end of the month to transfer further foodstuffs to the Italian Government to enable a fresh plan of distribution for the Welfare Program to be issued that will provide for the maintenance of provinces to 31 March, and in many cases to 30 April.

4. UNRRA BASIC FOOD PROGRAM

a. Latest information shows that loadings on UNRRA account during January for arrival in February amounted to 108,000 tons of grain and 15,000 tons of flour. Two ships carrying about 16,000 tons have so far been signalled to arrive. A large quantity of baccalà (salted fish) (2,698 tons) has also been signalled for arrival in February.

b. The delay in reaching agreement as to the procedure whereby the Italian Government will take title to foodstuffs imported by UNRRA is causing a certain amount of confusion. The old system whereby UNRRA retained title to foodstuffs while they were in main warehouses, and transferred comparatively small quantities from time to time to the Italian Government, was quite satisfactory and practicable where the total amount involved was not large. However, now that practically all foodstuffs due to arrive in the country will be on UNRRA account, the only satisfactory method would appear to be continuance of the system under which FEA supplies were transferred, namely, at the end of ship's tackle.

c. Discussions have been held regarding the revision of certain

Declassified E.O. 12356 Section 3.3/NND No. 782015

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c. Discussions have been held regarding the revision of certain existing ration scales in order to avoid redundancies and over-lapping between the Italian Government's national scales, and those operated by the Provincial Committees of the Italian Delegation to UNRRA. Such a revision is vitally necessary to ensure that the best possible use is made of the total quantity of UNRRA foodstuffs imported in the current year for all purposes. As soon as agreement on this matter has been reached between the Alto Commissariato Dell'Alimentazione and this Sub-Bureau, future procedure can be decided upon for handling those parts of the total imports which will be assigned from time to time for distribution under the auspices of the Italian Delegation to UNRRA.

5. MEDICAL SUPPLIES

Transfer of title and release of 25,672 cases of Medical Supplies valued at 1,128,122 dollars, to the Italian Government, was completed early in the month, enabling the Government to go forward with plan of distribution.

RD 1582 S

Declassified E.O. 12356 Section 3.3/NND No. 789015

The Penicillin distribution plan for the month covered the Northern provinces for the first time. A total of 3,070 vials reached the respective provinces.

An emergency distribution of medical supplies was released to the District Medical Officer in Naples upon advice being received of the explosions at Torre Annunziata, which resulted in several hundred casualities.

Medical supplies from five ships, totalling 27,569 cases, weighing 1,080 tons, arrived in warehouses during the month. Inventories are being prepared and transfer of title should take place in February.

6. AGRICULTURE DIVISION

Problems - The main problem with which the Division has been confronted is the one resulting from the failure of the Italian industry to supply agricultural needs: e.g. phosphate fertilisers have been produced far below what was expected. Also the nitrates will not reach the amount anticipated.

As to the crops, the seed situation has been fairly well taken care of with the exception of vetch and lucerne seeds.

Feed: Continuous feed shortages have hampered the livestock production over most of Italy, effecting the production of milk and other dairy products.

The above problems have been considered in the UNRRA Supply Program. In agreement with the Italian Ministry of Agriculture, superphosphates have been included in the UNRRA agricultural supply program and an increase in concentrate livestock feed has been agreed upon in the revised UNRRA program.

Policy- The UNRRA Mission is attempting to carry on the activities formerly discharged by the A.C. Agriculture Sub-Commission; in addition, they are preparing to take care of a greater supply import program than was formerly carried out. Close collaboration with the Italian Authorities is being continued with a view to maximise production and rehabilitate Italian agriculture through a flexible UNRRA policy.

Activities - During the month members of the Division have taken part in Agricultural Conferences and have conducted field trips. Especially important was the participation in the Seed

Declassified E.O. 12356 Section 3.3/NND No. 782015

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Activities - During the month members of the Division have taken part in Agricultural Conferences and have conducted field trips. Especially important was the participation in the Seed Conference, the Hague, where Miss Passerini and Major Sutherland, together with Prof. Albertario, Italian Minister of Agriculture, have represented Italy.

4114

Major Sutherland represented UNRRA at a conference in London on Infestation Control.

A group of officers and officials attended the Italo - American Agriculture Conference in Florence.

RD 1562 S

Declassified E.O. 12356 Section 3.3/NND No. 789015

Other field trips on Forestry, Livestock, Farm Machinery, and other supplies have been carried out.

During January the revised 1946 Program for Agricultural Supplies has been considered and submitted for final approval.

Three ships of seed potatoes have arrived, totalling 4,506 tons, and are being distributed to the provinces according to the distribution plan agreed upon the Italian Government.

Future plans for receiving and distributing other supplies are being formulated.

Sixty thousand trout eggs arrived by plane from U.S. for the breeding pool at Tivoli.

Up to date information regarding the progress of harvesting has been gathered.

Considerable liaison work with the Embassies and the Italian Government regarding procurement of steam trawlers for ocean fishing has been accomplished.

Declassified E.O. 12356 Section 3.3/NND No. 789015

H-5-c. MONTHLY REPORT OF THE INDUSTRIES DIVISION FOR JANUARY 1946

Note: The Sub-Bureau of Industrial Rehabilitation has not yet been fully organized. The Monthly Report of the Industries Division is therefore being submitted in lieu of the Sub-Bureau Report.

The Industries Division has functioned jointly during the month of January as the Industries Division of UNRRA and the Industry Department of AC. The principal effort has been on AC matters since arrival of UNRRA materials has not yet started.

The unit has been tentatively reorganised to function in the dual role of UNRRA and AC into six branches as follows:

1. Chemicals and Pharmaceuticals Branch
2. Engineering Branch
3. Textiles Branch
4. Monopoly Industries Branch
5. Administration Branch
6. Milan Liaison Office

It is contemplated that the same functional organisation will be maintained in the UNRRA structure until the Division can be built up along the lines shown in the Italian Mission Organization Chart (Attachment H-6-).

Intensive work on a plan for allocating and reporting on imported industrial materials has been carried forward during the month. In December substantial agreement was reached with C.I.A.I. (Comitato Industriale Alta Italia - Industrial Committee of Northern Italy) in Milan and the plan placed in effect in the North by A.M.G. decree with C.I.A.I. as the administration agent. However, C.I.A.I. ceased to function about 1 January, and the plan was not placed into actual operation. During the current month C.I.A.I. has been reactivated as an agent of the Italian Government, and co-operative

Declassified E.O. 12356 Section 3.3/NND No. 782015

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4113

E.W. HEMBERT
Chief,
Industries Division

FA 1545 OM

Declassified E.O. 12356 Section 3.3/NND No. 785015

H-6. MONTHLY REPORT OF THE BUREAU OF FINANCE AND ADMINISTRATION FOR JANUARY 1946.

a. RELATIONSHIP WITH THE ITALIAN GOVERNMENT

During the month the draft of the Supplementary Agreement between UNRRA and the Italian Government, in particular its financial clauses, was discussed and approved with the British and American Embassies and the Allied Commission. The Italian Minister of Finance gave his approval after certain procedural issues had been clarified, and the Supplementary Agreement was signed on 19 January 1946.

Since the original Supplementary Feeding Program is to run concurrently with the expanded program, it was decided that the unspent balance (estimated at approximately $16,000,000) of the $50,000,000 which had been earmarked for the limited program, must be considered to be included in the estimated value of the imports for 1946, which is $375,000,000 excluding freight.

During January the Italian Government extended to the American and British Embassies, their subsidiary agencies, the American and British military and to UNRRA, the privilege of converting salary allotments and allowances paid in Italy at a rate equal to the newly-established import-export rate, namely Lit. 225 to the American dollar, and Lit. 900 to the pound sterling.

Tentative arrangements were made with the Bank of Italy whereby the Bank would make available to the Mission up to $4,000, £1,000 and the equivalent of $4,000 in Swiss francs against credits with their correspondents in America for dollars and Swiss francs and in England for sterling.

Permission to ratify this arrangement in full or in part has been requested from the EPC. The Swiss franc situation has been eased somewhat through the arrangements made by the EPC with the American Express Company whereby rail tickets and a limited sum of Swiss francs are made available to travellers from Italy to London at the Swiss frontier. But the need for limited sums of sterling and dollars for transients still exists since the Allied military authorities have informed us that they do not intend to continue extending exchange facilities to UNRRA indefinitely.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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b. RELATIONSHIP WITH THE MILITARY AUTHORITIES.

There is nothing significant to report under this heading. The military authorities, in particular Rome Area Allied Command, have been extremely co-operative. Through their efforts the Mission was able to secure suitable premises for a mess for the Class II employees of the Rome Headquarters Building, which the Mission hopes to open in February.

c. PROBLEMS.

The Bureau of Finance and Administration continues to be concerned with the problems of space and personnel. The Mission hopes to take over all four floors of the Headquarters Building early in March - the extra rooms will provide urgently needed office space. The two hotels which the Mission now has in Rome (the Savoia and the Mediterranee) are

4112

Declassified E.O. 12356 Section 3.3/NND No. 789015

insufficient to accomodate the permanent staff of the Rome Headquarters office, the personnel attached to the Caserta office in Rome, the wives and families of permanent staff members who have received permission to live in Rome, and the great number of UNRRA transients passing through the city. The Mission has requested the Italian Government to place the Quirinale Hotel at UNRRA's disposal, which should cover all the Mission's present and future requirements in Rome.

The final determination of the AC personnel to be taken on to the UNRRA staff is proceeding slowly and thus retarding the actual inclusion of new personnel, although many are already working on UNRRA assignments. The British Army's order regarding secondment of officers to UNRRA (A.C.I.11 G/AG) is difficult to apply, chiefly because the War Office is so slow in replying to our requests, many of which are six weeks old. Only two have been cleared to date.

The Mission's transportation problems have been somewhat relieved by the acquisition of 150 jeeps, of which 100 will be available for use by Mission personnel, and 50 will be for the malaria eradication program in Sardinia. However, there are practically no other personnel vehicles, since the captured sedans which the Mission has been using are extremely unreliable and cannot be sent out into the Regions. The American Army will not release any sedans.

The administrative program would have been handicapped by Washington and London's delay in filling the Mission's requirements for PX and general supplies, had it not been possible for us to make temporary arrangements locally.

d. ACTION REQUESTED (G.P.O.

Secretaries are urgently needed for the Bureau of Requirements and Distribution in particular, and for the whole Mission generally; the ERO has been requested to send them to us as soon as possible. Staff welfare equipment is needed for use in Caserta. It is hoped that the ERO can furnish games, reading material, sports equipment, etc., which might be secured from the Army Welfare surpluses.

e. MAJOR ACTIVITIES, CURRENT AND PROPOSED.

During the month the Bureau of Finance and Administration worked on the recruitment of personnel for the Bureau of Requirements and Distribution. For details of the new administrative set-up, following the fusion with the AC Economic Section, see Attachment H-6-a, Organisation Chart of the UNRRA

Declassified E.O. 12356 Section 3.3/NND No. 789015

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The problem of financing shipments of UNRRA supplies for Austria, Czechoslovakia and Jugoslavia through Trieste and Italian ports arose at the Rome Shipping Conference between representatives of the Administration, A.M.G. Austria, the Czech and Jugoslav Governments and the British and American armies.

The Mission undertook an investigation, based on the estimated tonnages passing through Venice and Trieste, and arrived at an estimate of costs from ship to border.

Enquiries were made through Army channels as to possible sources of currency, and it was found that widely divergent opinions were held on the currency arrangements for Venezia Giulia. One opinion was that currency requirements would be obtained by UNRRA or its Agents entirely from military sources in Venezia Giulia, the other that the Italian Government would

Declassified E.O. 12356 Section 3.3/NND No. 789015

have to be requested to furnish the necessary lire. Meanwhile Washington has been asked, in the event that the Italian Government is requested to furnish this currency, whether it would be possible to extend commodity credits to Italy based on an exchange rate of Lit. 225 to the dollar, for transshipment costs incurred on behalf of other countries.

The work of the Claims and Insurance Branch was reviewed and discussed early in January with Messrs. Robertson and Franklin, Legal Advisers in Washington and the ERO respectively, who were on a visit to the Mission. It was agreed that the Claims Committee, which has been established within the Mission, should settle those cases where agreement can be reached and damages are easily ascertainable. These cases, however, where either the claimant is not satisfied that the award is just, or the damages are not easily ascertainable, should be referred to the Avvocatura dello Stato for a recommendation. It was further agreed that, should the claimant refuse to accept the recommendation of the Avvocatura dello Stato, the case should be referred to arbitration.

An Italian staff has been recruited for the new Economic Analysis Branch, and contacts with Ministries and institutions have been made. Leading Italian experts have been loaned to UNRRA by their organisations, which are to be reimbursed by UNRRA at the end of the experts' term of service with the Mission. The Senior Statistician has just completed a tour of Northern Italy, where he obtained much valuable information, recruited the remainder of personnel required, and set up an office in Milan.

At least one Finance and Administration representative is scheduled to be in position in each of the new Regional Offices by the first week in February. The balance of the staff is being recruited. Sub-Regional offices, especially those which will have financial supervision over Camps Groups, will require attention next, since UNRRA will probably take over complete financial responsibility for refugee camp operations from the military as of 1 March.

We are now working on the problem of supplying the Regions with billeting and messing facilities to replace those supplied in the past by the military, who are now withdrawing from Northern Italy. It is planned also to establish Class II messes at the Mission's two garages in Rome, and a third for the Class II Headquarters employees.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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f. PERSONNEL STATISTICS

As of 31 January 1946, the Mission staff consisted of 325 Class I (regular), 3,062 Class II (locally employed) and 78 Class III (Voluntary Agency) employees - a total of 3,465 persons. Of the Class I employees, 142 are British, 140 American, 20 South African, 6 Canadian and 3 Danish. Two each are Australians, New Zealanders, Palestinians and stateless persons, while the remaining six are Austrian, Belgian, French, Jugoslav, Polish and Salvadorean respectively. For division of staff by class and service, see Attachment H-10, Information Requested in Form MSR-1.

Declassified E.O. 12356 Section 3.3/NND No. 789015

H - 7. SUMMARY STATEMENT OF THE BUREAU OF RELIEF SERVICES FOR THE MONTH OF JANUARY 1946.

The report for the Bureau of Relief Services is embodied in the separate reports of the Health, Welfare and Displaced Persons Divisions and Camps Operations.

The major item of concern and discussion affecting the Bureau operation has been the determination of the relief program for 1946. As a result of the allocation of funds for civilian supports, provisions of previous Resolutions are no longer in effect and all assistance to Italy will come from the specific allocation of the amount finally to be approved for relief and rehabilitation in Italy.

The assumption has been that the relief services program will consist at least of the completion of programs started under the $ 50 million appropriation. The Italian Delegation has been particularly anxious that the supplementary feeding program for children, nursing and pregnant mothers shall be continued at least until the next harvest. There is agreement also that the medical supply program be completed along the general lines established during 1945. In connection with this program, supplies were extremely late in arriving in 1945 and it is only now that effective distribution in noticeable quantities has become possible. The Program for Italian displaced persons contemplated the distribution of clothing and shoes, together with some small items and assistance in the repair and construction of homes for those needy Italian displaced persons whose houses have been partially or totally destroyed.

While it is understandable that, in view of a total appropriation which only partly meets the emergency and rehabilitation needs of Italy, it is not possible to allocate considerable sums for relief purposes, it should be noted that even the use of the theoretical unexpended balance of the $50 million does not begin to meet the emergency relief needs of the country. This was established clearly during 1945 and becomes even more clear during 1946. The situation is, of course aggravated by the fact that the public relief structure in Italy was always spotty and inadequate and it has virtually broken down as a result of the war. With the exception of most inadequate cash grants, which are meaningless in the face of current prices and scarcity of essential supplies, there is no Italian Government relief program.

It is our considered opinion that the relief program should, at the very

Declassified E.O. 12356 Section 3.3/NND No. 780015

relief and rehabilitation in Italy.

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It is our considered opinion that the relief program should, at the very least, be continued throughout the year along the lines of the program which was in effect during 1945 and, because of its flexibility, that the new program be developed on a broader and more realistic basis.

4110

The responsibility for non-Italian displaced persons continue and become more acute, first, because of the impending transfer of major responsibilities from the Military to this Mission, and secondly because of the nature of the groups now displaced in Italy. The majority of displaced persons at the moment do not wish to be repatriated and decisions must be reached on a policy level as to the continued responsibility of UNRRA for such groups. The position of the Italian Government must also be kept clearly in mind, since the Government was not responsible for the presence of the majority of these displaced persons and since it will need substantial assistance in facing and resolving this problem.

RS 1566

Declassified E.O. 12356 Section 3.3/NND No. 785015

H-7-c MONTHLY REPORT OF THE HEALTH DIVISION FOR
JANUARY 1946.

1. RELATIONS WITH ITALIAN GOVERNMENT AND MILITARY AUTHORITIES.

Medical Supply Program.

The requirement list of drugs and raw materials for the second quarter of 1946 has been drawn up and has received joint consideration by the High Commissioner for Hygiene and Public Health and the Health Division. It is now ready for final screening before being sent to Washington Headquarters.

A short subsidiary list of items, which are not medical supplies but which are essential for the proper functioning of the national health services, is also receiving consideration.

The plan for the second distribution of medical supplies under the 1945 program is nearing completion and distribution to the Provinces should commence during February. The supplies for the second distribution include drugs, surgical instruments and laboratory equipment whose total value (plus that of such stores as are set aside for special programs, like that for epidemic control) amounts to ₤ 1,108,123. The total value of medical supplies distributed under the first distribution was about ₤140,000.

The Mission's Health Division's budget for 1946 is ₤16,000,000 This figure includes the residue of medical supplies for the 1945 program. As a result of a session on army surplus medical supplies with Mr. Richard Myers, Assistant Director of the Medical and Sanitation Supply Division, from the Washington Headquarters Office, it has been decided that the Mission will obtain about ₤1,000,000 of supplies from army surpluses in Italy and ₤2,000,000 worth from surplus army stocks in the European Theatre of Operations including Great Britain. Further supplies must be obtained from the United States and other sources. Steps have been taken in consultation with Mr. Myers to get the surplus army supplies forwarded with the greatest possible speed.

The plan for the distribution of 100 pounds of tungsten to manufacturers of X-ray tubes has been arranged by the High Commissioner for Hygiene and Public Health in co-operation with the Health Division and distribution is now in progress. The manufacturers agreed to control by the High Commission of the distribution and price of sixty percent of the X-ray tubes manufactur

Declassified E.O. 12356 Section 3.3/NND No. 785015

services, is also receiving consideration.

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Carbonia Relief Program

Eighty-five cases of expendable materials for the Carbonia Hospital have been delivered in Sardinia. The opening of the new hospital is chiefly dependent upon the provision of 200 mattresses, but owing to the loss of part of the cargo of the SS NATHANIEL BACON the delivery of the mattresses was inevitably delayed. Mattresses have now been procured and are in transi to Sardinia. The new hospital should be able to admit patients by the end of February.

Penicillin Production in Italy.

Preliminary inquiries and negotiations are being made regarding the possibility of manufacturing penicillin in Italy under the auspices of the Italian Government with the assistance of UNRRA. The matter is

Declassified E.O. 12356 Section 3.3/NND No. 782015

4109

still in its initial stages, but if the scheme is attended with success a considerable quantity of Italian manufactured penicillin should become available in 1947.

2. STATEMENT OF ACTIONS REQUESTED OF ERO.

ERO has been requested to accelerate the recruitment of a medical officer for duty in the Lombardia Region.

Headquarters ERO was also requested to deliver the film for the National Photoglucrographic Center, procurement of which was requested in December.

3. IMMEDIATE WORK PROGRAM.

The activities of the Health Division are continuous and do not lend themselves to description under this heading. They are described in Sections 1 and 4.

4. MAJOR ACTIVITIES.

(a) Headquarters Staff.

Medical Supply Activities.

The distribution, in Toscana, of some 876 cases of medical supplies, the residue from the first distribution, was completed during the month.

As stated in the Monthly Report for December, all medical supplies in Holds 1 and 2 of the SS NATHANIEL BACON (the bulk of the non-expendable items for 200 and 40 bed hospital units, laboratory units and dental units) were lost when the ship struck three mines off Civitevecchia. A list of these supplies was given to Mr. Richard Myers, Assistant Director of the Medical and Sanitation Supply Division, from the Washington Headquarters Office. It is intended to reprocure as many of the lost items as possible from the European Theater of Operations, through the Paris Surplus Procurement Office, and to get the remainder in the United States.

The monthly distribution of penicillin was scheduled to be increased from 3,000 to 5,000 vials, and nine centers in the Compartments of Piemonte, Liguria, Lombardia, Venezia Tridentina and Veneto were added to the distribution list. Distribution to all centers south of and including the Compartment of Emilia has been completed, but

Declassified E.O. 12356 Section 3.3/NND No. 782015

The activities of the Health Division are continuous and do not lend themselves to description under this heading. They are described in Sections 1 and 4.

4. MAJOR ACTIVITIES.

(a) Headquarters Staff.

Medical Supply Activities.

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Epidemiology - Plague.

No cases of plague have occurred in Taranto since November 1945. A member of the Sanitary Engineering staff visited Taranto and found that the scheme for rodent destruction had been carried out according to plan. The greater part of the City of Taranto had been treated, but the Old City and a small part of the Port, which formed the portion of the plan, had not yet received attention. The Sanitary Engineer reported certain difficulties

Declassified E.O. 12356 Section 3.3/NND No. 789015

encountered by Italian civil port authorities due to division of control between Italian and Allied military services. These difficulties are being brought to the attention of the appropriate authorities.

Malaria Control - Sicily and Italian Mainland.

Four UNRRA malaria control units left Rome on 28 January for commencement of the 1946 malaria control program in Sicily. The units carried with them 200% DDT powder, sprayers and other apparatus, and were in charge of a field sanitary engineer. When their work in Sicily is completed they will be transferred for malaria control work on the Italian mainland.

A survey of the Po Valley region is being conducted at present and when it is completed a program for malaria control in this area of Northwestern Italy will be prepared.

Sardinia Malaria Eradication Program.

Six 3-ton trucks were delivered to Cagliari early in January, thirty jeeps arrived later in the month and early in February. These vehicles will be used for surveying and zoning the Island. An additional twenty jeeps now being winterized, are scheduled to be shipped for this project before the end of February.

Disinfestation Program.

The disinfestation program in the Rome area is almost completed and the teams are to be transferred to malaria-control spraying in four weeks' time. In the Florence and Naples areas the work continues. Reports received from hospitals and other institutions where this work has been performed indicate that the disinfestation program has been a complete success.

A mobile sprinkled disinfector and bathing unit has been delivered to the Medici Provinciali of Aquila whose staff was instructed in its operation by an Italian engineer trained in this Division. Five disinfectors will also be delivered to Medici Provinciali of Frosinone, Bari and Cagliari during February.

Tuberculosis

The Consultant in Tuberculosis and the High Commissioner for Hygiene and Public Health called a meeting in Milan to discuss the development and operation of a section of the National Photofluorographic Center in that City.

An offer was made to the Italian Government of 20 beds in the Sanatorium of Leysin, Switzerland, for treatment of tuberculous Italian

Declassified E.O. 12356 Section 3.3/NND No. 789015

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A mobile combined disinfector and bathing unit has been delivered to the Medical Directorate of Health Welfare staff was instructed in its operation by an Italian engineer attached to this Division. Nine disinfectors will also be delivered to Medici Provinciali of Frosinone, Bari and Cagliari during February.

Tuberculosis

The Consultant in Tuberculosis and the High Commissioner for Hygiene and Public Health called a meeting in Milan to discuss the development and operation of a section of the National Fluoroscopic Center in that City.

An offer was made to the Italian Government of 20 beds in the Sanitorium of Leysin, Switzerland, for treatment of tuberculous Italian university students. The number of applicants was greater than the number of beds available and the Consultant in Tuberculosis was requested to assist Italian physicians in the selection of patients.

4108

Preliminary discussions have been held within the Mission on the advisability of establishing a program of supplementary rations to tuberculous patients and their families.

The officers of the Tuberculosis Section are making a survey for the allocation of X-ray units provided by UNRRA. The allocation will be determined on the basis of immediate local need and UNRRA technicians will assist in the erection of the units and in the instruction of local technicians in their use.

RS 1576 H

Declassified E.O. 12356 Section 3.3/NND No. 782015

At the request of ERO and the Principal Medical Officer, UNRRA Austria, the Tuberculosis Consultant of this Mission has been released for temporary duty in Vienna for a period of about three weeks.

Public Health Nursing.

The information that Italian nurses were eligible for nursing fellowships in the United States and England has aroused much interest among Italian nursing authorities. The proposal has received the approval of the High Commissioner for Hygiene and Public Health and selection of candidates for fellowships is in progress.

Medical Nutrition Mission.

The Unitarian Congregational Medical Nutrition Mission expects to complete its nutrition survey in Naples on 15 February, after which date a final report of its activities in Italy should be available. The Relief Section of this organization is continuing its endeavors for the betterment of the conditions of the Naples cave dwellers. The transfer of these people to better accommodation has been held up by lack of suitable alternative housing, but a site has been selected, lumber has been obtained, and construction of a temporary barracks will start shortly.

(b) Field Staff.

Naples An urgent call for medical supplies from the District Medical Officer in Naples for the treatment of casualties caused by explosion of ammunition boxcars at Torre Annunziata was met by the Medical Supplies Branch, Sub-Bureau of Relief Supply. Arrangements were made for the urgently needed supplies to be made available by the 300th General Hospital in Naples on loan to the UNRRA District Medical Officer. The supplies were divided between the Ospedale Incurabili, Ospedale Pellegrini and Ospedale Civile Torre Annunziata which admitted 33, 35 and 50 casualties, respectively. In addition, about 500 ambulatory cases attended the Ospedale Civile Torre Annunziata. The medical supplies were distributed by the Medico Provinciale with the co-operation of the UNRRA District Medical Officer. The supplies were replaced the following day from UNRRA stocks in Rome.

Sardinia. After ten months of very successful work, the three Public Health nurses who have had the responsibility of the Sardinia District with headquarters in Cagliari have been withdrawn from the Island. During this period these officers formulated a general plan for the distribution of medical supplies. This plan included the active distribution of the first consignment of UNRRA medical supplies and of hospital equipment and

Declassified E.O. 12356 Section 3.3/NND No. 785015

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The Health Division will in the immediate future be represented in Sardinia by the District Medical Officer of the Rome area, who will be able to visit the Island frequently and rapidly by the regular Italian air service between Rome and Cagliari.

Padua. A district medical officer has been assigned for the Compartments of Veneto and Venezia Tridentina with Headquarters office at Padua. The Compartment of Venezia Giulia will be included in his territory when that area is opened to UNRRA.

* Military Mission to the Italian Army.

RS 1576 H

Declassified E.O. 12356 Section 3.3/NND No. 782015

V. MAJOR RESULTS AND PROBLEMS.

The distribution list for the second distribution of medical supplies has been drawn up and the items (including drugs, surgical instruments and laboratory equipment) are being assembled. The Mission Health Division had received and screened requests for supplies from all the provinces, and the Mission has been urging the Italian Government's Health Department to get the plans in shape. The final plan was received on 5 February, transport will be arranged, and it is hoped that the second distribution can be completed early in April.

The Sardinia malaria eradication program has been delayed by circumstances affecting the procurement of supplies and by the absence of the necessary Government decree. The necessary equipment and supplies (including 800 tons of DDT emulsion, to be shipped at the rate of 100 tons per month for eight months, starting in March) have been ordered forward, and considerable progress should be made during the month of February.

VI. GENERAL HEALTH CONDITIONS IN ITALY.

The High Commissioner for Hygiene and Public Health reports that as far as infectious diseases are concerned the health conditions of the country indicate no cause for worry.

Declassified E.O. 12356 Section 3.3/NND No. 789015

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4107

Declassified E.O. 12356 Section 3.3/NND No. 789015

W - 7 h. MONTHLY REPORT OF THE WELFARE DIVISION
FOR JANUARY 1946.

To: Welfare Division, London E.H.C. and Washington.

From: Phoebe Bannister, Director of Welfare (Through Mr.Keeny) Italian Mission.

Subject: Monthly Report of Welfare Division, 1 January 1946 through January 1946.

(p) INTRODUCTION.

Our major efforts during the month of January were directed to or towards a solution of internal operating difficulties. Lack of staff coupled with a great amount of sick leave for persons now on the staff and an accident to two other staff members, greatly handicapped our work.

As so frequently happens in a large organization, considerations relating to the proposed reorganization and attendant internal procedures required a disproportionate amount of our total work time. Problems of re-districting, re-assignment of staff, routing and receipt of mail and the handling of supply and transport questions were those to which major consideration was given.

One piece of work completed during the month was the preparation of our estimate of supply needs for our program for the next year. We were not able to accomplish all the goals we set for ourselves in our last monthly report. Problems presented by goals 3, 4 and 5 (discussions on the desired scope of a welfare program for 1946, the proper placement of responsibility for handling problems of truck and personnel transport referred by the Italian Delegation, and the working relationships between Welfare District Staff and the recently established posts of Regional Welfare Directors) are not as yet all resolved, although a job definition for the Regional Directors has been prepared. Progress has been made by the Italian Delegation with respect to goal No.3 but corresponding progress within the Mission has not been obtained.

Our major accomplishments for the month were as follows:

Declassified E.O. 12356 Section 3.3/NND No. 785015

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Our major accomplishments for the month were as follows:

1. The approval of twenty-three distribution plans for the newly opened Northern areas and the beginning of food distribution in six provinces in these areas.

4106

2. The conclusion of negotiations with the Delegation on the advisability of ordering soya flour.

3. The completion of our supply estimates for the coming year.

4. The combination of the Naples and Bari District Offices and the beginning of plans for the combination of the Rome and Ascoli Districts.

RS 1567

Declassified E.O. 12356 Section 3.3/NND No. 788015

(b) MAJOR ACTIVITIES.

1. Distribution of Food

Food distribution was carried on during the month of January in sixty-six of the ninety provinces of Italy, exclusive of Venezia Giulia which does not yet come within the scope of the UNRRA Italian Mission. As of 31 January distribution had not begun in twenty-four provinces in the Northern area.

No serious complaints about the distribution of UNRRA foods were received during the month. Certain reports were received about losses of food in transit from Central to Provincial warehouses. These losses are now being investigated to determine whether a theft occurred or whether a wrong amount of food was distributed in the first place. In Lucca 30 sacks of sugar were reported lost, but 22 were later recovered. In the Lombardia area, the losses were 5 tons of peas at Cremona, 16 tons of sugar at Sondrio, 3 tons of fish at Mantova and 4 tons of sugar and 33 tons of [illegible] at Como.

We continued to be concerned during the month of January about our food supply for the continuation of the program. The lack of fats in particular is giving us the most immediate concern because amounts presently allocated are sufficient only for the month of February. Fats allocated for the month of February were borrowed from the Ministry of Food, inasmuch as UNRRA did not have a supply. Whether or not additional fats will be available after February is as yet unknown. The lack of fats in this program is serious because without this item of food, the program of cooked meals in schools and/or institutions cannot be carried on. This will be unfortunate because we have just arrived at a point where increased interest has been expressed throughout Italy in developing a school lunch program.

Another problem encountered in the distribution of food has been the difficulty of making flour and semolina available to Provincial Committees. The original allocation plans provided for the local provision of these items by transfer from the Ministry of Food through Central the rationing agency. The local Italians have been reluctant to make the flour available despite the fact that agreement for doing so had been reached between the Ministry of Food and the Italian Delegation, and further negotiations with respect to this problem are now being carried on by UNRRA and the Government. Original plans called for the local manufacture of semolina from wheat available for the total programme, and the difficulty that has developed

Declassified E.O. 12356 Section 3.3/NND No. 782015

recovered. In the Lombardia area, the losses were 5 tons of peas at Cremona, 15 tons of sugar at Sondrio, 5 tons of fish at Pavitera and 4 tons of sugar and 38 tons of lard at Como.

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Early in the month, in the light of the supply situation, some question was raised about the continuance after February of the supplementary child feeding program. Some consideration was also given to the possibility of transferring all UNRRA foods to the Ministry of Food to be distributed through the regular ration programme. As a result of requests received from the Government, however, agreement was reached to continue the present assistance programme at least through June, 1946, and to reopen the question of the nature and scope of Welfare activities after that date. While agreement has been reached on the principle of the need for a special assistance programme, the extent to which this can be adequately carried out still remains a question in the light of the supply situation.

RS 1567 W

Declassified E.O. 12356 Section 3.3/NND No. 782015

Problems of transport, both truck and personal continued during the month to affect the operation of the programme. As was reported last month, the Italian Delegation has submitted to UNRRA its transport needs but the question as to whether or not UNRRA can supply the additional truck transport required, and the small amount of personal transport needed for Provincial Committee Secretaries, has not as yet been resolved. Every report received from District Welfare representatives this month emphasizes the transport problem, particularly that of personal transport for Provincial Committee Secretaries, as the most serious factor affecting the operation of the programme. The lack of receipt of sectional reports on the numbers of persons fed, the lack of proper coding in correcting distribution errors in individual communes and/or institutions, both result from the fact that Provincial Committee Secretaries, without transport, are unable to visit communes and/or institutions and give them proper instructi The few Welfare staff members in each District have been doing as much of this work for the Provincial Committee Secretaries as they are able to do, and they have also made their jeeps available to the Provincial Committee Secretaries, but transport provided on this basis is not sufficient.

2. Organization for and Supervision of Programme Operation.

A little additional progress was made by the Italian Delegation Office during the month of January in the organization of its field staff. Resident representatives were appointed to both the Venezia and Lombardia areas and plans are under way for the Emilia and Toscana regions. The Italian Delegation is aware that the assignment of a representative to an area is merely the first step in the organization of a proper field service, and is currently working on a statement of duties and responsibilities for this staff. As was anticipated, some difficulties arose in some of the regions as a result of the Delegation's new field staff not being properly instructed either as to their specific duties or as to the general nature and content of the programme. Most of these difficulties have now been resolved temporarily, but cannot be considered to be satisfactorily settled until the Delegation sets forth a clear statement as to the work it expects of its field staff.

During the month of January, the Naples and Bari Welfare Districts were combined in accordance with the new Mission plan of regional organization. Headquarters for the new District is at Naples and all steps were completed in January for the re-assignment of duties amongst staff members presently placed in those areas. The new Regional Director also assumed his responsibilities in that area during this month, and new plans with respect to the relationship between

Declassified E.O. 12356 Section 3.3/NND No. 785015

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4105

As a result of the change in Mission Headquarters Office procedure and of the new delineation of divisional functions, some delays occurred during the month of January in offering the service to the Welfare Field Staff to which that staff has been accustomed in the past to receive. A temporary setback in operation, however, is always expected when re-organization is taking place, and it is hoped that in the coming month many of these operating problems can be resolved.

RS 1567 W

Declassified E.O. 12356 Section 3.3/NND No. 782015

3. Re-activation of Social Services.

Welfare field staff have found that the extent to which existing social services can be re-activated depends greatly upon the supplies available. The service in which the greatest degree of re-activation has taken place to date is that of the provision of school lunches. It is appreciated that the impetus to revitalize these programmes which had been known in Italy before the war has come largely from the fact that UNRRA has had food available for this purpose. The attendant values of this programme, in bringing back to the schools, children who for the past three years have been out of school and without any direction or discipline, are appreciated by all, and efforts on the part of Provincial Committees to concern themselves with the manner in which these lunches are provided as well as the fact that food is made available, are increasingly evident.

In some provinces there have been evidences of social agencies whose activities were discontinued during the war, beginning their services again and some evidences of the development of new services. In the Toscana District, the UNRRA Welfare representatives co-operated with the Town Major of Livorno in getting an institution for deaf and dumb children de-requisitioned. This institution had been occupied by the Italian Air Force but now the children are back in their home. In two communes in the provinces of Chieti and Pesaro, two interesting experiments have been started in which there would appear to be great possibilities for the provision of worth-while services. One is the organization of the Villagio dei Fanciulli della Strada in Lanciano. This is a programme for caring for delinquent boys under a cottage plan with principles of self government by the boys themselves. The other is the establishment of a feeding and occupation centre in the parish of St.Lucia, Pesaro for children under the supervision of the Anti-Tubercular Association. Our Welfare representative in that area is working with the Town Major in an attempt to procure army surplus or salvage for both of these places.

Again during the month of January all District Welfare personnel emphasized the need for supplies other than food. The supplies needed in all districts are clothing or materials from which to make clothing, shoes, beds and bedding, material for play and for vocational education, including sports equipment for asili, schools and institutions, glass or substitute glass for asili, schools and institutions, tables, chairs and kitchen equipment. Delegation representatives have expressed agreement to a Welfare program that would encompass the provision of such supplies to Welfare agencies, but the question of funds available for the procuring of such materials has not as yet been settled. Welfare staff have already computed the amounts of these types of materials

Declassified E.O. 12356 Section 3.3/NND No. 782015

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4. Personnel and Staff Assignments.

One new staff member, Mr.Jacob Gerrild, arrived during the month of January and he is now working as a District Welfare representative in the field. We will have vacancies in our Welfare budget lines for three Field Welfare Officers which should be filled immediately if we are to expect continuity of programme operation. Several present members of the staff are believed to be leaving us around March or April of this year, and if there is any delay in filling the three presently vacant budget

Declassified E.O. 12356 Section 3.3/NND No. 782015

lines we will be faced with the position around March or April of having an added number of vacancies. In addition, our Consultant on Child Care will be away from the office for a period of two or three months and it is necessary to have someone replace her during that period of time. We are also carrying, on one budget line, Mrs. Murray, who was seriously injured in an automobile accident the day after Christmas and it is not likely that Mrs. Murray will be able to return to work until at least six months have elapsed, if then.

(c) RELATIONS WITH THE ITALIAN GOVERNMENT

Relations with the Italian Government continue to be good, but there also continues to be presented some of the difficulties which we have outlined in earlier reports. Despite attempts to organize field staff, the Association's contact with the Provinces is still far too remote, and a disproportionate amount of time on the part of the Delegation continues to be directed to the material aspects of the programme which does not entail movements. The result of this is that the Provincial Committees are not always able to secure from Delegation Headquarters the kind of particular special help on programme operation that they desire. As was reported last month, field staff have again during this month noted improvement in the work of the Provincial Committees and the Provincial Committee Secretaries.

(i) RELATIONS WITH OTHER AGENCIES AND GROUPS.

Field reports have reflected this month a greater degree of co-operation with both foreign and indigenous voluntary agencies and with special community groups interested in welfare questions. In addition, during the month, Headquarters Office had many conferences with individuals and/or groups interested in the provision of services to people.

In Apuania, in collaboration with ENDSI, our District Welfare representative has procured two huts from the Swiss Gift Committee. They are to be used in one of the most devastated communes for the serving of a hot meal to children. In this particular commune both the school and mensa were completely destroyed and there has been no school instruction for lack of other buildings for two years. Until huts were procured a meal was served from the kitchen which was a small room in a destroyed house. Only twenty-five children could get into the kitchen and the rest had to eat their food in the street or carry it home. Now all the children can have their meal sitting down in a warm room. Our regional representative plans in addition to have the hut serve for some form of school instruction and [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 789015

there also continues to be presented some of the difficulties which we have outlined in earlier reports. Despite attempts to organize field staff, the Delegation's contact with the Provinces is still far too remote, and a disproportionate amount of time on the part of the Delegation continues to be directed to the material aspects of the programme, such as food acquisition and movements. The result of this is that the Provincial Committees are not always able to secure from Delegation Headquarters the kind of particular special help on programme operation that they desire. As was reported last month, field staff have again during this month noted improvement in the work of the Provincial Committees and the Provincial Committee Secretaries.

(d) RELATIONS WITH OTHER AGENCIES AND GROUPS.

Field reports have reflected this month a greater degree of co-operati with both foreign and indigenous voluntary agencies and with special community groups interested in welfare questions. In addition, during the month, Headquarters Office had many conferences with individuals and/or groups interested in the provision of services to people.

In Aquenia, in collaboration with EMBSI, our District Welfare representative has procured two huts from the Swiss Gift Committee. They are to be used in one of the most devastated communes for the serving of a hot meal to children. In this particular commune both the school and mairie were completely destroyed and there has been no school instruction for lack of other buildings for two years. Until huts were procured a meal was served from the kitchen which was a small room in a destroyed house. Only twenty-five children could get into the kitchen and the rest had to eat their food in the street or carry it home. Now all the children can have their meal sitting down in a warm room. Our representative plans in addition to have the hut serve for some form of school instruction and for basic activities.

In the Naples Office, Welfare staff have worked closely with the Unitarian Congregational Mission, which has undertaken a special project for the improvement of the conditions of people living in the caves. This activity undertaken by the Unitarian Congregational Mission has been linked with the general work of the Provincial Committee and operates as part of the total provincial committee programme.

In many of the Northern Provinces our representatives are working very closely with the Swiss Gift Committee and with UNRRA, and are developing a co-ordinated plan for the distribution of the extra supplies which these Agencies are able to make available. In the Piemonte region, an organization known as the Institute Nazionale per il Commercio Estero is providing 40,000 new and used blankets for free distribution to institution

Declassified E.O. 12356 Section 3.3/NND No. 782015

and hospitals and for sale to others in the community. During the month both the British and American Embassies called to our attention particular instances of need which our Welfare representatives have investigated and for which they are now attempting to make specific plans. The American Embassy referred to our attention the situation of a workshop for the blind in Rome which was unable to secure wool needed for its knitting machines. This organization was originally started by American residents in Rome and in the early days had been financed by funds from the United States. The workshop is now connected with the Italian Camera dei Lavoro, and our Welfare representative in Rome is attempting to straighten out the relationships between the workshop and the Camera dei Lavoro and to come to some conclusion with each regarding future plans. In addition she has interested some individuals in Rome in the workshop's activities and these individuals may give some financial assistance.

The request from the British Embassy concerned the situation of Italian bombed out persons who were living in a former Italian soldiers' camp in Rome. The group had not been placed there by the Ministry of Post War Assistance because the camp had been condemned as unsanitary and unfit for human habitation, and the Ministry has not yet concerned itself with the conditions of the group. The Embassy was concerned about the plight of the children, for whom there were no schools and little food available. Our Rome District Welfare representative is now investigating the possibility of the children of this camp being sent to neighbouring schools where lunches are served and groups of volunteers have been interested in making a further study of the population in an attempt to determine whether or not they can be returned to homes elsewhere in Italy. The basic question of the responsibility of the Ministry of Post War Assistance either for improving the camp or for providing other living arrangements for the inhabitants has been referred to the Displaced Persons Division.

The main example of collaboration between a number of agencies and groups this month was the ceremony at St. Peters on 26 January, at which His Holiness the Pope addressed 40,000 children in Rome who had been receiving UNRRA foods. The idea of such a ceremony was proposed to the Welfare Division by the Rome Provincial Committee at Christmastime. In planning this ceremony there was co-operation between the Vatican, the voluntary agencies and all the departments of UNRRA. The children present at the ceremony were from public and church schools, institutions, asili etc., A full report of the ceremony has already been sent to Washington and London by our

Declassified E.O. 12356 Section 3.3/NND No. 786015

individuals in Rome in the workshop's activities and these individuals may give some financial assistance.

The request from the British Embassy concerned the situation of Italian bombed out persons who were living in a former Italian soldiers' camp in Rome. The group had not been placed there by the Ministry of Post War Assistance because the camp had been condemned as unsanitary and unfit for human habitation, and the Ministry has not yet concerned itself with the conditions of the group. The Embassy was concerned about the plight of the children, for whom there were no schools and little food available. Our Rome District Welfare representative is now investigating the possibility of the children of this camp being sent to neighbouring schools where lunches are served and groups of volunteers have been interested in making a further study of the population in an attempt to determine whether or not they can be returned to homes elsewhere in Italy. The basic question of the responsibility of the Ministry of Post War Assistance either for improving the camp or for providing other living arrangements for the inhabitants has been referred to the Displaced Persons Division.

The main example of collaboration between a number of agencies and groups this month was the ceremony at St.Peters on 26 January, at which His Holiness the Pope addressed 10,000 children in Rome who had been receiving UNRRA foods. The idea of such a ceremony was proposed to the Welfare Division by the Rome Provincial Committee at Christmastime. In planning this ceremony there was co-operation between the Vatican, the voluntary agencies and all the departments of UNRRA. The children present at the ceremony were from public and church schools, institutions, asili etc.. A full report of the ceremony has already been sent to Washington and London by our Public Relations Officer.

In the transportation of the children to St.Peters' apart from UNRRA'S large share of help, the following agencies cooperated: ERDSI, Rome Area Allied Command, the American Red Cross, the Italian Red Cross and the Rome Tramway system. A further instance of Italian interest and co-operation was the fact that at the Provincial Committee Press Conference on Thursday, 24 January, twenty-three Italian journalists were present, and the greater part of these came the following day to visit institutions and schools with the UNRRA District Welfare representative.

RS 1567 W

Declassified E.O. 12356 Section 3.3/NND No. 795015

(e.) PROBLEMS

The same problems listed in our last few monthly reports continued to face us. Lack of sufficient staff and inadequate transportation for Provincial Committees are the two problems which give us most continuous and pressing concern. A new additional problem is that of making a satisfactory adjustment to the new Mission plan for re-organization both in Headquarters and the field.

(f) IMMEDIATE WORK PROGRAM.

The following are the most immediate next steps that need to be taken, and represent our accomplishment goals for February:

(1) The solution of steps 3, 4, and 5 listed in our December monthly report.

(2) The beginning of distribution in all of the provinces in the Northern area.

(3) The completion of plans for UNRRA assistance to the new school for social workers started in Rome.

(4) The reaching of agreement on our supply requests for the following year.

(5) The completion of plans for the re-organization of our District Offices in line with the Mission's new plan for regional organization.

(g) ACTIONS REQUESTED OF E.R.C.

The main actions requested of E.R.C. are the following:

1. The filling of three present vacancies for Field Welfare Officers in our budget lines.

2. The furnishing of copies of all Welfare Division reports from other Missions as requested in our monthly report for November.

(h) ATTACHMENT

Declassified E.O. 12356 Section 3.3/NND No. 789015

(1) The solution of steps 3, 4, and 5 listed in our December monthly report.

(2) The beginning of distribution in all of the provinces in the Northern area.

(3) The completion of plans for UNRRA assistance to the new school for social workers started in Rome.

(4) The reaching of agreement on our supply requests for the following year.

(5) The completion of plans for the re-organization of our District Offices in line with the Mission's new plan for regional organization.

(g) ACTIONS REQUESTED OF E.R.O.

The main actions requested of E.R.O. are the following:

1. The filling of three present vacancies for Field Welfare Officers in our budget area.

2. The furnishing of copies of all Welfare Division reports from other Missions as requested in our monthly report for November.

(h) ATTACHMENT

H-7-3-(1) Welfare District Staff as of 31 January 1946.
~~H-7-3-(2) Feeding Figures (Estimated and Actual) for the week ending 7 December 1945, and the week ending 7 January 1946.~~

4103

RS 1567 W

Declassified E.O. 12356 Section 3.3/NND No. 786015

Attachment H-7-b-4(i)

Attachment to Monthly Report of Welfare Division.
for January 1945.

District Office.	Provinces Concerned.	Budget Line and Staff.
1. Genoa	1. Alessandria 2. Aosta 3. Asti 4. Cuneo 5. Genoa 6. Imperia 7. Novara 8. Savona 9. Torino 10. Vercelli	R-240 Josephine Chisson District Welfare Officer R-242 D. Jankowsky Asst. Welfare Officer.
2. Milan	1. Bergamo 2. Brescia 3. Como 4. Cremona 5. Mantova 6. Milano 7. Pavia 8. Sondrio 9. Varese	R-238 Louis Horwitz Dist. Welfare Officer. R-242b Vacant Asst. Welfare Officer.
3. Padua	1. Belluno 2. Bolzano 3. Padova 4. Rovigo 5. Trento 6. Udine 7. Venezia 8. Verona 9. Vincenza	R-241 Anna Sundwall Dist. Welfare Officer R-242 Emil Pharao Asst. Welfare Officer.
4. Bologna	1. Bologna 2. Ferrara 3. Forli 4. Modena 5. Parma 6. Piacenza 7. Ravenna 8. Reggio Emilia	R-239 Margaret Cullen Dist. Welfare Officer. R-2 47 Viva Bruno Asst. Welfare Officer.

Declassified E.O. 12356 Section 3.3/NND No. 789015

	10. Vercelli	
2. Milan	1. Bergamo 2. Brescia 3. Como 4. Cremona 5. Mantova 6. Milano 7. Pavia 8. Sondrio 9. Varese	R-238 Louis Herwitz Dist. Welfare Officer. R-242b Vacant Asst. Welfare Officer.
3. Padua	1. Belluno 2. Bolzano 3. Padova 4. Rovigo 5. Trento 6. Udine 7. Venezia 8. Verona 9. Vincenza	R-241 Anna Sundwall Dist. Welfare Officer R-242 Emil Pharao Asst. Welfare Officer.
4. Bologna	1. Bologna 2. Ferrara 3. Forli 4. Modena 5. Parma 6. Piacenza 7. Ravenna 8. Reggio Emilia	R-239 Margaret Cullen Dist. Welfare Officer. R-247 Viva Bruce Asst. Welfare Officer.
5. Florence	1. Aquarin 2. Arezzo 3. Firenze 4. Grosseto 5. Livorno 6. Lucca 7. Pisa 8. Pistoia 9. Siena	R-243 Gwendolyn Price Dist. Welfare Officer. R-243 Chris Maude Asst. Welfare Officer. 4402
6. Rome	1. Frosinone 2. Latina 3. Perugia 4. Rieti 5. Roma 6. Terni 7. Viterbo	R-250 Olive Chandler Dist. Welfare Officer. R-244 Vacant Asst. Welfare Officer. R-249 Miriam Murray (1) Asst. Welfare Officer.

RS 1571 W

Declassified E.O. 12356 Section 3.3/NND No. 785015

District Office	Provinces Covered	Budget Line & Staff
7. Ascoli Piceno	1. Ancona 2. Aquila 3. Ascoli Piceno 4. Chieti 5. Macerata 6. Pesaro 7. Pescara 8. Teramo	R-238 Anne Thackeray Dist.Welfare Off. R-250c Hansen Asst. Welfare Off.
8. Naples	1. Avellino 2. Benevento 3. Campobasso 4. Caserta 5. Napoli 6. Salerno 7. Cosenza 8. Catanzaro 9. Reggio Calabria 10. Bari 11. Brindisi 12. Foggia 13. Lecce 14. Matera 15. Potenza 16. Taranto	R-237 Theodora Allan Dist.Welfare Off. R-246 Max Meyers Asst. Welfare Off. R-250d Jacobsen Asst.Welfare Off. R-250e Herbert Argonte Asst.Welfare Off. R-245 Vacant Asst.Welfare Off.
9. Palermo	1. Agrigento 2. Caltanissetta 3. Catania 4. Enna 5. Messina 6. Palermo 7. Ragusa 8. Siracusa 9. Trapani	R-235 Roland Artigues Dist.Welfare Off. R-243 Marciano Asst. Welfare Off.
11. Sardinia	1. Nuoro 2. Cagliari 3. Sassari	R-250a Jacob Cerrild Dist.Welfare Off.

Declassified E.O. 12356 Sec. Section 3.3/NND No. 785015

	4. Caserta		Asst. Welfare Off.
	5. Napoli	R-250d	Jacobsen
	6. Salerno		Asst.Welfare Off.
	7. Cosenza	R-250e	Herbert Argento
	8. Catanzaro		Asst.Welfare Off.
	9. Reggio Calabria		
	10. Bari	R-245	Vacant
	11. Brindisi		Asst.Welfare Off.
	12. Foggia		
	13. Lecce		
	14. Matera		
	15. Potenza		
	16. Taranto		
9. Palermo	1. Agrigento	R-238	Roland Artigues
	2. Caltanissetta		Dist.Welfare Off.
	3. Catania	R-243	Marciano
	4. Enna		Asst. Welfare Off.
	5. Messina		
	6. Palermo		
	7. Ragusa		
	8. Siracusa		
	9. Trapani		
11. Sardinia	1. Nuoro	R-250a	Jacob Gerrild
	2. Cagliari		Dist.Welfare Off.
	3. Sassari		

(1) Miss Murray now in hospital as result of accident.

RS 1571 W

Declassified E.O. 12356 Section 3.3/NND No. 782015

H - 7 - c. MONTHLY REPORT OF THE DISPLACED PERSONS

DIVISION FOR JANUARY 1946

Non-Italian Displaced Persons

1. Registration.

All displaced persons in the Southern Italian Camps with the exception of 17% have now been registered. We are in process of taking over the administration of the camps formerly run by Allied Commission and are not certain of the extent of registration there, although A.C. assures us that it is practically complete.

2. Repatriation.

Repatriation is virtually at a stand-still. Nine displaced persons were repatriated: one to Bulgaria, seven to Costa Rica, and one to the Dominican Republic.

In addition 90 Czechs continued on their way to Czechoslovakia having started from the Middle East Office. This group was escorted from Cairo by UNRRA staff, landed at Taranto, then moved to Cine Citta, outside of Rome. Through the normal arrangements with A.C., etc., as well as with careful clearance with the Czech representatives, they were started on their way to Prague. They reached Bolzano, near the border, but could not be moved further because of the snow at the Brenner Pass, which made that route impassable. The military authorities there arranged camp care at the Bolzano camp, but the group absolutely refused to accept this care, because of the presence of German civilians in this camp. They remained in their box cars despite all insistence on the part of the military authorities. One of the displaced persons died, although this was due not to exposure, but to the fact that he was an advanced t.b. case. He undertook this trip at his own risk. (A statement to this effect, signed by him was on file at Cine Citta camp) At this writing, namely 2 February, this group is at Bolzano camp, having finally accepted camp care there. Unconfirmed reports as of today, indicate that there has been difficulty between the Czech and German civilians in this camp, and the military authorities are moving the Czechs to Innsbruck. The Czech representative here is opposing that they be moved to Prague by motorbus, but that will not be permitted unless we have assurance that the proper accomodations and necessary arrangements are made.

Arrangements have been made by A.C. and the Ministry of Post - War

Declassified E.O. 12356 Section 3.3/NND No. 759015

were repatriated: one to Bulgaria, seven to Costa Rica, and one to the Dominican Republic.

In addition 80 Czechs continued on their way to Czechoslovakia having started from the Middle East Office. This group was escorted from Cairo by UNRRA staff, landed at Taranto, then moved to Cine Citta, outside of Rome. Through the normal arrangements with A.C., etc., as well as with careful clearance with the Czech representatives, they were started on their way to Prague. They reached Bolzano, near the border, but could not be moved further because of the snow at the Brenner Pass, which made that route impassable. The military authorities there arranged camp care at the Bolzano camp, but the group absolutely refused to accept this care, because of the presence of German civilians in this camp. They remained in their box cars despite all indications on the part of the military authorities. One of the displaced persons died, although this was due not to exposure, but to the fact that he was an advanced t.b. case. He undertook this trip at his own risk. (A statement to this effect, signed by him is on file at Cine Citta camp) At this writing, namely 2 February, this group is at Bolzano camp, having finally accepted camp care there. Unconfirmed reports as of today, indicate that there has been difficulty between the Czech and German civilians in this camp, and the military authorities are moving the Czechs to Innsbruck. The Czech representative here is proposing that they be moved to Prague by motorbus, but that will not be permitted unless we have assurance that the proper accomodations and necessary arrangements are made.

Arrangements have been made by A.C. and the Ministry of Post - War Assistance whereby a considerable lot of railroad tickets have been given to the military and UNRRA authorities for all moves within the Italian borders after February 1946.

3. Maintenance and Care.

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The number of displaced persons assisted outside camps increased to 17,138 during the month of January, for a total lire cost of 46 million. 65 metric tons of food were distributed as well as 8,000 units of clothing. Medical care was given to 2,083 persons at a lire cost of 1,300,000. It should be noted that food distribution was made to 6,130 persons who receive their assistance partly in food and partly in cash. The others receive only cash assistance outside of clothing allowances.

The effort to insist upon camp care for all those except a few thousand who might legitimately be considered for outside care in terms of possible resettlement in Italy was less successful than expected during January, partly because the control of most of the camps still rested with A.C. Instructions had been issued by A.C. not to permit the re-entry of any displaced persons who had left the camp previously for any reason whatever. Towards the end of January, as a result of action taken with A.C., instructions were sent

Declassified E.O. 12356 Section 3.3/NND No. 789015

to all camps to the effect that any persons bearing an UNRRA admission slip would be accepted for camp care.

Agreements were also reached with the Joint Distribution Committee to the effect that displaced persons offered camp care by the UNRRA Assistance Offices, and refused outside assistance by UNRRA would also be refused outside assistance by the JDC or any of their auxiliary agencies. In view of the above agreements, and our instructions to our own staff, there should be marked decrease in the number of cases assisted outside camps. It should be borne in mind, however, that the peak of outside care apart from the above considerations, is naturally to be expected during the month of January, because from November UNRRA has begun to assist 5 additional national groups (British, Yugoslav, American, French, Russian).

4. Camps Operations.

During the month we have concentrated on recruiting and placing personnel in the camps and camp group HQ in the administrative take-over from A.C. The directive covering the assumption of responsibility for internal administration was issued by AFHQ as of 31 December 1945. It had been agreed that this directive would be merely an amendment to the 11 February 1945 document, but instead it was issued as a new directive. The language was, in many cases, ambiguous and following careful consultation with Mr. Robertson (Legal Adviser for Mediterranean Region) and Mr. Franklin, (Assistant General Counsel (Washington Headquarters)) as well as with the Chief of Mission, statements to this effect were filed with AFHQ through UNRRA, Caserta.

Discussions were held with the Chief of Mission, Mr. Robertson, Mr. Franklin, and other members of the Mission's staff, concerning the the projected complete take-over of Displaced Persons responsibility in Italy as requested by AFHQ in their cable to CCS and the Washington office.

A draft agreement was prepared by Mr. Robertson and Mr. Franklin to be used as the basis of discussion for proposed final agreement between UNRRA and AFHQ. A meeting was held on 4 February with AFHQ at which time preliminary discussions were held in preparation for the Deputy Chief of Mission's visit to Caserta where this subject will be discussed. A report on the Caserta meeting has not yet reached the Rome Office.

5. Relations with National Governments.

Declassified E.O. 12356 Section 3.3/NND No. 782015

4. Camp Operations.

During the month we have concentrated on recruiting and placing personnel in the camps and camp group HQ in the administrative take-over from A.C. The directive covering the assumption of responsibility for internal administration was issued by AFHQ as of 31 December 1945. It had been agreed that this directive would be merely an amendment to the 11 February 1945 document, but instead it was issued as a new directive. The language was, in many cases, ambiguous and following careful consultation with Mr. Robertson (Legal Adviser for Mediterranean Region) and Mr. Franklin, (Assistant General Counsel (Washington Headquarters)) as well as with the Chief of Mission, statements to this effect were filed with AFHQ through UNRRA, Caserta.

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5. Relations with National Governments.

During the month separate discussions were held with the Soviet Consul General, the Polish Ambassador and the Polish Consul General. The Chief of Mission attended these discussions which covered problems of repatriation, certification and liaison arrangements. Clear understandings were reached as to the application of UNRRA resolutions, and the specific responsibilities of the Mission. These conferences were the culmination of many months of detailed discussions by the Displaced Persons staff with these and other government representatives on displaced persons' problems and operations.

6. Statistics on United Nations Nationals.

A full report is contained on the attached chart, H-7-c-(i).

RS 1575 DP

Declassified E.O. 12356 Section 3.3/NND No. 782015

Italian Displaced Persons.

1. Voluntary Societies.

The number of Voluntary Societies staff members assisting Italian displaced operations has decreased noticeably because of repatriation of 13 staff members at the end of December, and partly because of employment by the Mission of 12 others in December and January. At present the members working with us are CCRA-13; FAU 29; AFSC-7; Total 49.

2. Summary of Operations.

Distribution

Committees have been formed and plans made for the distribution of clothing and shoes for all Italy, with the exception of Sardinia and Sicily. In the latter case, a special survey is being made to straighten out some of the difficulties which impeded effective distribution in Sicily. 75 per cent of the Provincial Committees have received their allocation of clothing and shoes and actual distribution is either in progress or has been completed. During the month, 47,338 units (138,453 pieces of clothing), 101,559 pairs of shoes and 10,289 pieces of bedding were distributed to the Provinces. In addition an allocation of clothing and shoes is being made to 20,000 of the most needy of the refugees of the Italian Colonies from North Africa.

Following the Torre Annunziata explosion, 1,300 blankets and approximately 5,000 items of clothing were supplied from the Naples region.

10 per cent of the month's output of the Processing Section has been transferred for the use of non-Italian displaced persons.

Processing Section.

Output has increased slightly during the month; the fewer working days and transportation difficulties have prevented any considerable acceleration. All bales now in Italy will be processed by early March, and during the next few weeks several of the workshops will have to be closed. Production may be summarised as follows (for the period 15 December to 15 January):

Declassified E.O. 12356 Section 3.3/NND No. 785015

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Processing Section.

Output has increased slightly during the month; the fewer working days and transportation difficulties have prevented any considerable acceleration. All bales now in Italy will be processed by early March, and during the next few weeks several of the workshops will have to be closed. Production may be summarised as follows (for the period 15 December to 15 January):

a.) Used clothing.

Number of garments sorted was:	688,219
Number of garments repaired was	153,473

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The number of garments requiring repair remained approximately 30% of the total.

Average cost of sorting per garment was	L. 1.04
Average cost of repair per garment was	L. 11.0

b) Shoes

Number of shoes sorted was	123,797 pairs.
Number of shoes repaired was	93,776 pairs.
Average working day rate for sorting	4,700 pairs.

c) Underwear.

Number of garments made....	16,881
Average manufacturing cost per garment...	L. 17.

Declassified E.O. 12356 Section 3.3/NND No. 789015

H-7-d MONTHLY REPORT ON CAMPS OPERATIONS FOR JANUARY, 1946

To: A.A.Soriero
Deputy Chief of Mission for Relief Services.

From: Walter Hendrich
Assistant Camp Administrator.

REFUGEE STRENGTH

Di Bagni	2,346
Di Lecce	1,025
Santa Cesarea	1,226
Tricase	849
Gavoa	197
Milan	547
Cremona	993
Reggio Emilia	1,188
Modena	716
Bologna	199
Riccione	368
Senigallia	462
Fermo	2,071
Servigliano	1,278
Jesi	1,196
Bari	537
Aversa	1,023
Cinecitta	1,234
Barletta-Tre	[illegible]78
Total...	21,594

STAFF

Rome. At Rome HQ all positions are now filled.

Lecce Camp Group Headquarters. All staff is in place at the Lecce Camp Group Headquarters with the exception of an Administrative Assistant and a Group Medical Technician.

Declassified E.O. 12356 Section 3.3/NND No. 786015

Santa Cesarea	1,226
Tricase	849
Genoa	137
Milan	547
Cremona	993
Reggio Emilia	1,188
Modena	718
Bologna	199
Riccione	366
Senigallia	462
Fermo	2,071
Serviglieno	1,278
Jesi	1,196
Bari	937
Aversa	1,023
Cinecitta	1,234
Barletta-Trani	1,278
Total...	21,594

STAFF

Rome. At Rome HQ all positions are now filled.

Lecce Camp Group Headquarters. All staff is in place at the Lecce Camp Group Headquarters with the exception of an Administrative Assistant and a Group Medical Technician.

Lecce Camps. With the assignment of the six members of the Palestinian Team to the Lecce Camps, the Camp staffs are now up to full strength.

Ancona Camp Group Headquarters. All staff is in place at the Ancona Camp Group Headquarters with the exception of a Supply Officer an Administrative Assistant, a Camp Group Sanitarian, a Finance Officer and a Camp Group Caterer. The Administrative Assistant and the Supply Officer will be sent within a week.

4099

Ancona Camps. All positions are now filled either by UNRRA staff or, temporarily, by AC personnel. The replacement of the balance of AC personnel on temporary assignment will probably be completed by the first week in March.

Bologna Camp Group Headquarters. All positions at the Bologna Camp Group Headquarters are now filled with the exception of a Camp Group Supply Officer and a Camp Group Caterer.

RS 1568 CO

Declassified E.O. 12356 Section 3.3/NND No. 782015

Bologna Camps. All positions are now filled at this Camp by UNRRA staff or AC personnel on temporary assignment. We expect to replace all temporary personnel by the first week of March.

Milan This camp is still unattached but will probably become a part of the Bologna Camp Group. Of the present staff, Miss Smith, Welfare Officer, has already been assigned to UNRRA and the Camp Director has made an application for transfer to UNRRA. All other positions are adequately filled by local employees except that of Camp Storekeeper, which position is filled temporarily by an AC employee who is now coming to UNRRA.

Cine Citta. This Camp is now equipped with a complete staff.

Aversa. This Camp now has a complete staff with the exception of an Assistant Camp Director to replace the present incumbent, who is on temporary assignment from AC.

FINANCIAL TAKE OVER

At the request of our Bureau of Finance and Administration, AC has agreed to continue the present arrangements as to payments through the Prefectures for the month of February.

SUPPLIES

The supply situation is still very critical as regards building and maintenance materials.

The clothing situation, with the exception of underwear is much improved.

TRANSPORTATION.

We have not yet been able to release any AC vehicles, but hope that UNRRA vehicles will be in place by the end of the month. This continues to be a very critical problem.

Declassified E.O. 12356 Section 3.3/NND No. 785015

Cine Citta. This Camp is now equipped with a complete staff.

Aversa. This Camp now has a complete staff with the exception of an Assistant Camp Director to replace the present incumbent, who is on temporary assignment from AC.

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SUPPLIES

The supply situation is still very critical as regards building and maintenance materials.

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TRANSPORTATION.

We have not yet been able to release any AC vehicles, but hope that UNRRA vehicles will be in place by the end of the month. This continues to be a very critical problem.

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Declassified E.O. 12356 Section 3.3/NND No. 782015

H-8 MONTHLY REPORTS OF THE REGIONAL DIRECTORS

FOR JANUARY 1946.

There are no reports from the Regional Directors for January 1946. Seven of the eight posts had been filled as of 8 February (five by permanent and two by acting Regional Directors), but none of these officers had been at his post long enough to write a report.

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Declassified E.O. 12356 Section 3.3/NND No. 786015

Declassified E.O. 12356 Section 3.3/NND No. 785015

REPORTING UNIT - ITALIAN MISSION. H-9. FORM S - 50

All weights in Gross Metric Tons except Group C (Net Metric Tons)

Group	Stock Dec. 45 Book	Dec. Suppl. Acquisitions	Adjustment	Stock Dec. 45 Physical	Acquisitions	Recipient Government	Issues to Field Operations
	(2)			(2)	(3)	(5)	(6)
0	5939	2109	+ 397	8445	5426	441	133
1	1205	384	+ 18	1607		1302	1
2	120	44		164	552		115
3	13		+ 1	19		19	
4	5		- 2	3			
5	150	1	+ 1	152			
7	87	10	+ 19	116			56
	7524	2548	434	10506	5978	1762	305

Remarks: (1) Column No. 6 - [illegible] Clothing - Footwear for American Relief Italy Pro.

(2) Column No. 9 represents Spoilages. - Flour 90 M. Tons, Evap. Milk 20 M. Tons, Sw

-10-

Declassified E.O. 12356 Section 3.3/NND No. 785015

MISSION. H-9. FORM S - 50 Month January 1946.

All weights in Gross Metric Tons except Group C (Net Metric Tons)

Date Submitted 4 February 1946

ppl. itions	Adjustment	Stock Dec. 45 Physical	Acquisitions	Recipient Government	Issues to Field Office operations	Other	Losses	Stock, Jan. 46 Book
		(2)	(3)	(5)	(6)	(8)	(9)	(10)
9	+ 397	8445	5426	441	133		111	13186
4	+ 18	1607		1302	1	167		137
4		164	552		115			601
	+ 1	19		19				
	- 2	3						3
1	+ 1	152						152
0	+ 19	116			56			60
8	434	10506	5978	1762	305	167	111	14139

- [illegible] Clothing - Footwear for American Relief Italy Fr.

represents Spoilages.- Flour 90 m.Tons, Evap.Milk 20 M.Tons, Sundry 1 M.Ton

WA 1551 O/C

H - 10.

INFORMATION REQUESTED IN U.N.R.R.A. FORM M.S.R. 1

UNRRA
Form M.S.R. - 1

Country, Italy.
Month covered by report, January 1946.

A. DISTRIBUTION OF SUPPLIES.

Note: In accordance with instructions from Washington, Form S-50 (Attachment H-9) has been substituted for Section A, Items 1 2 and 3 of Form M.S.R. - 1.

4.a. Supplies received from UNRRA by overnight transfer and distributed by the Government :

I. (a) Nil
(b) Nil
(c) Nil
(d) Nil
(e) To Government Distribution Agencies :

Federazione Italiana dei Consorzi Agrari

Commodity Class	Metric Tons
0	28,235
1	4,220
2	1,004
3	57
	402,515

Spedizioni Generali Agricole Italiane

Commodity Class	Metric Tons
3	2,043

2. Nil

3. 104,368 Metric Tons

4.b. Nil

c. (1) Nil

Declassified E.O. 12356 Section 3.3/NND No. 782045

Items 1 2 and 3 of Form U.S.A. - 1.

4.a. Supplies received from UNRRA by outright transfer and distributed by the Government :

I. (a) Nil
(b) Nil
(c) Nil
(d) Nil
(e) To Government Distribution Agencies :

Federazione Italiana dei Consorzi Agrari

Commodity Class	Metric Tons
0	98,235
1	3,329
2	1,004 x
3	57
	102,625

Spedizioni Colonni Amedeo Italiane

Commodity Class	Metric Tons
3	3,943

2. Nil

3. 104,568 Metric Tons

4.b. Nil

c. (1) Nil
(2) 104,568 Metric Tons
(3) Nil

B. Use of Proceeds from UNRRA Supplies (total to date)

(1) Nil
(2) Nil

4097.

x Note: A revision of the year's statistical returns for Commodity Group 2 - Medical Supplies and Equipment - reveals that the figure of 1,307 metric tons in the December Report is an over-estimation of 448 metric tons. 161 tons of this difference resulted because of the inclusion of cod-liver oil as a medical, instead of a food, item. The balance of the difference is accounted for by the extreme difficulty in estimating accurately the weight of medical supplies issued.

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Declassified E.O. 12356 Section 3.3/NND No. 789015

C. REGISTRATION, REPATRIATION AND CARE OF DISPLACED PERSONS

It is estimated that there are about 140,000 non-Italian displaced persons in Italy, of whom over 128,000 are carded in the Mission Record Bureau. This figure includes approximately 3,200 from the Trieste-Fiume area, who are racially Italians, but are considered Allied displaced persons. The figures given below are as of 12 January, these being the latest available. They represent actual camp counts. Former monthly camp counts included persons already repatriated, emigrated and resettled.

1. Approximate number of displaced persons in Italy carded in the Record Bureau as of 12 January, 1946:

Albanian	1,573	American	1,[illegible]	Argentinian	140
Austrian	1,815	Belgian	1,152	Brazilian	580
British	4,3[illegible]	Bulgarian	112	Chinese	486
Czech	2,574	Danish	327	Dutch	1,440
Ethiopian	125	French	7,997	German	2,266
Greek	7,623	Hungarian	1,421	Iranian	114
Italian	3,178	Lithuanian	353	Luxembourger	149
Mexican	106	Norwegian	126	Palestinian	1,270
Polish	14,157	Rumanian	1,[illegible]	Russian	1,833
Spanish	826	Swiss	3[illegible]	Tripolitanian	656
Turkish	851	Yugoslav	33,2[illegible]	Stateless	6,685
Others	2,204				

Total: 128,115

2. Approximate number of displaced persons that have departed from Italy from UNRRA and AC-operated camps, from [illegible] 1944 through 12 January 1946:

Austrian	370	Belgian	458	Brazilian	308
British	1,313	Czech	805	Dutch	135
Dutch	650	French	3,417	German	394
Greek	4,458	Italian	1,371	Polish	637
Russian	110	Spanish	279	Yugoslav	31,624
Others	962				

Total: 47,291

3. Population in UNRRA-operated camps as of 12 January 1946, classified by nationality:

Albanian	486	Austrian	258	Belgian	153
Czech	309	French	347	German	102
Greek	538	Hungarian	624	Italian	235

Declassified E.O. 12356 Section 3.3/NND No. 789015

British	4,[illegible]	Bulgarian	[illegible]		
Czech	2,574	Danish	327	Dutch	1,440
Ethiopian	125	French	7,992	German	2,266
Greek	7,623	Hungarian	1,421	Iranian	114
Italian	3,178	Lithuanian	563	Luxembourger	149
Mexican	106	Norwegian	126	Palestinian	1,270
Polish	14,157	Rumanian	1,397	Russian	1,833
Spanish	826	Swiss	341	Tripolitanian	656
Turkish	851	Yugoslav	38,248	Stateless	6,685
Others	2,204				

Total: 128,115

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Austrian	370	Belgian	458	Brazilian	308
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Others	962				

Total: 47,291

3. Population in UNRRA-operated camps as of 12 January 1946, classified by nationality:

Albanian	496	Austrian	258	Belgian	153
Czech	396	French	347	German	102
Greek	538	Hungarian	624	Italian	235
Lithuanian	22	Rumanian	176	Polish	9,431
Rumanian	647	Russian	459	Spanish	163
Swiss	127	Turkish	421	Yugoslav	6,183
Stateless	2,817	Others	647		

Total: 24,594

4. Population in UNRRA-operated camps as of 12 January 1946, classified by sex and age:

a.	Men and boys	14,801
b.	Women and girls	7,421
c.	Children under 18	2,372

Total: 24,594

5. The number of displaced persons outside camps who received assistance in cash or supplies under UNRRA auspices of 12 January 1946 totalled 17,138. The number of family groups is not available.

FA 1552 OU

Declassified E.O. 12356 Section 3.3/NND No. 789015

6. Total number of patient days in UNRRA-operated hospitals during the period 23 December to 19 January 1946 - 3,173 .

7. Total number of clinic visits to UNRRA - operated clinics during above period - 7,114 .

8. Number of UNRRA - operated camps or other UNRRA - operated institutions in which services reported in items c.6 and c.7 were provided this month - 7.

9. Number serving these hospitals and clinics as of 19 January:
   a. Doctors - 15
   b. Nurses - 25

10. Total number of immunizations under UNRRA direction during above period - 6,20 .

11. Total number of child health examinations under UNRRA direction during the above period - 70.

D. PERSONNEL OF MISSION.

	Number		
	UNRRA I	LOCAL II	VOL. SOC. III
1. Classification of employees on payroll at end of month by service :			
a. Displaced Persons	22	138	43
b. Health	6	26	11
c. Welfare	9	12	-
d. Agricultural Rehabilitation	-	-	-

Declassified E.O. 12356 Sec. 3.3/NND No. 786015

c. Doctors - 15
d. Nurses - 25

10. Total number of immunizations under UNRRA direction during above period - 6,29.

11. Total number of child health examinations under UNRRA direction during the above period - 70.

D. PERSONNEL ON MISSION.

Number

	UNRRA I	LOCAL II	VOL. SOC. III
1. Classification of employees on payroll at end of month by service :			
a. Displaced Persons	22	138	48
b. Health	6	26	11
c. Welfare	9	12	-
d. Agricultural Rehabilitation	-	-	-
e. Industrial Rehabilitation	1	-	-
f. Requirements Co-ordination and Supply	34	53	-
g. Transport	18	711 (Incl. Garage)	-
h. Camp Operation	103	847	18
i. Finance & Administration	50	628 (Incl. Mess Staff)	-
j. Personnel	9	18	-
k. Office of Chief	14	11	-
l. District Offices	59	568	1
TOTAL	325	3062	78

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4096

Declassified E.O. 12356 Section 3.3/NND No. 785015

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

Italian Mission

CHIEF OF MISSION'S NARRATIVE REPORT FOR THE MONTH OF AUGUST 1945.

CONTENTS

This Report is an integrated summary of the Mission's operations and emphasises problems, developments, and trends during the month and specifies targets for the following month.

In order to facilitate compilation of this Report it was deemed necessary to adopt a consistent pattern in reporting throughout divisions and other organizational units. Thus the following sections contain the consolidated material :-

1. Introduction.
2. Relations with Military Authorities and Italian Government and Agencies.
3. Problems, such as (a) Significant problems in Divisions;
   (b) Problems caused by instructions received;
   (c) Repercussions caused by political disturbances;
   (d) Administrative problems.
4. Statement of actions requested of European Regional Office, London.
5. Immediate major work program.
6. Major activities.
7. Attachments.

Divisional material appears in the above sections in the following order:

A. Office of the Special Assistant to the Chief of Mission.
B. Public Relations.
C. Supply.
D. Health.
E. Displaced Persons.
F. Welfare.
G. Finance & Administration.

The omission of a Division from a section means that the Division has nothing to report under that heading.

Declassified E.O. 12356 Section 3.3/NND No. 759015

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2. Relations with Military Authorities and Italian Government and Agencies.
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F. Welfare.
G. Finance & Administration.

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(S.M.KEENY)
CHIEF OF ITALIAN MISSION

4095

Distribution:

U.S. Embassy (4)
British Embassy (4)
Allied Commission (3)
London (7)
Washington
Cochran
Cairo
Greece
Yugoslavia
Albania
Italy (All Divisions)

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Declassified E.O. 12356 Section 3.3/NND No. 789015

1. INTRODUCTION

August was a month in which the atomic bombs were dropped, Russia entered the war and the war itself ended.

Italy received the news of the end of the war quietly. Its attention had been centered on how to get out of its own difficulties. The note for the month has been relatively quiet, with the Parri Government apparently making real gains. There have been no considerable political disturbances, even Trieste being relatively peaceful. The announcements following Potsdam concerning the importance of an early settlement of the peace treaty has increased local optimism. Administration by the Allied armies, if they mean to get out fast, has eased the railway and housing situation and seems to be well received, with the usual misgivings in some quarters about what would happen when Italy has to look after its own affairs again.

The UNRRA action at the London Conference in approving an enlarged program for Italy has been received by the Italian press with general satisfaction. There is the usual optimistic handling of the news, with little recognition that the UNRRA relief will at best re-finance the supply lines already coming into Italy and will not add much additional aid. This Mission is stressing:
(a) that UNRRA cannot undertake any enlarged program until the money has been voted by the responsible governments;
(b) that the amount available for 1946 will not be large enough to provide anything but the bare essentials for the economy;
(c) that it is imperative that normal commercial relationships be re-established as soon as possible in order that the UNRRA program may be terminated at the end of 1946, without leaving the country in its present helpless position.

The outstanding bad news of the month is that there is a shortage in the wheat crop, which is down by 30% over last year. If the present estimates prove correct, it will be necessary to import wheat until the next crop comes in at nearly double the rate of the past year or to lower the ration. This is most serious, because nothing raises more excitement in Italy than lowering the bread ration.

The prospects for UNRRA's job for 1946 are of course changed drastically by the assignment of a broader program of work. Fortunately the present limited program is well under way. Also the end of the war makes it essential to get the necessary staff. The Mission's policy will be:

(a) to hold the present key people as far as possible;
(b) to place responsibility on the Italian Government as far as possible

Declassified E.O. 12356 Section 3.3/NND No. 785015

that the UNRRA relief will at best re-finance the supply lines already coming into Italy and will not add much additional aid. This Mission is stressing:
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(a) to hold the present key people as far as possible;
(b) to place responsibility on the Italian Government as far as possible, consistent with the necessity of ensuring that imported supplies are used as intended;
(c) to rely heavily on aid from Embassy staffs.

Urgent action is required and is being taken in cooperation with A.C. to
(a) assure that allocations are filed for the first quarter of 1946, though, of course, without final committment of UNRRA funds;
(b) to enquire as to the availability of present A.C. personnel; and
(c) to review the present organization to ascertain how much of it needs to be retained for operations next year.

2. RELATIONS WITH MILITARY AUTHORITIES, THE ITALIAN GOVERNMENT AND AGENCIES

(A) Office of the Special Assistant to the Chief of Mission

(1) The general relations with the Italian Government Delegation and with the Ministries concerned in the UNRRA program continue to be cordial and satisfactory. The UNRRA program in Italy has developed into a truly joint program between UNRRA and the Italian Government since all important actions are taken in agreement and in cooperation with the Government.

Declassified E.O. 12356 Section 3.3/NND No. 789015

(B) Public Relations

(i) An informal conversation which the Public Information Adviser had with Prime Minister Parri and Palmiro Togliatti, Minister of Justice, resulted in the Prime Minister's offering to place an official from his office to keep in touch with UNRRA affairs.

(C) Supply Division

(i) During the month it was established that the Government Delegation would be responsible for the manufacture of blankets and hospital textiles from UNRRA raw wool and cotton.

(ii) Negotiations were entered into with the Office of the High Commissioner for the 1942 Exposition with a view to obtaining its Science Building as a warehouse. This building could house 25,000 tons of food in Rome. Costs of alteration would be borne by the Exposition.

(iii) A very complete estimate of the Agricultural situation and of the food and agricultural needs of Italy was furnished by the Ministries of Food and Agriculture and the Office of the High Commissioner of Health and presented at a conference arranged for Congressman Christian A. Herter, Dr. Albert Viton and Mr. Henson.

(D) Health Division

(i) The Ministry of Health has arranged warehousing facilities in Genoa and Naples. Once an inventory of medical supplies has been made transfer of title to the Italian Government can be effected immediately.

(ii) The program of mosquito eradication to combat malaria in Sardinia is being drafted with the Ministry of Health and the Rockefeller Foundation; an official request for this project will be made to the Delegation in September.

(iii) Negotiations for exchanging UNRRA medical supplies on the mainland belonging to the Italian Army for items located in Sardinia have been initiated.

(iv) The Decree establishing the Ministry of Health has not yet been published by the Italian Government.

(v) 10,000 vials of penicillin are being purchased from the military to be used as a reserve to space out the periods when UNRRA shipments of Penicillin are late.

(E) Displaced Persons Division

Declassified E.O. 12356 Section 3.3/NND No. 789015

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(E) Displaced Persons Division

(i) A Legislative Decree, effective as at 31 July, was issued with reference to the new Ministry of Postwar Assistance. This Decree establishes the new Ministry and makes it responsible for directing, promoting, providing and coordinating the moral and material assistance for partisans, returning soldiers, prisoners of war, military internees and their families, civilian refugees and other civilian victims of the war and for all those repatriated from other countries. The groups covered include virtually all persons affected by the war. So far as we have been able to observe, however, the provisions of the Decree have not been implemented as yet.

409

(ii) Representatives of the Ministry have been made responsible for liaison work with the Division and some progress has been made in this direction. Unfortunately, however, these liaison officers, who appear to be of fairly high calibre, do not appear to have real authority within the Ministry. Attempts are being made to face this issue with the Minister and to have their responsibilities defined.

M-613-FR

Declassified E.O. 12356 Section 3.3/NND No. 795015

(iii) Work with the Italian refugees continues largely because of the activities of the military authorities and of our Voluntary Society personnel assigned to the Ministry, but there is not yet a real assumption of responsibility and authority by the new Ministry of Post-war Assistance.

(iv) Apart from the military, our main relations with other agencies are with the IGCR. In Italy the JDC operates under the aegis of IGCR. Apart from these agencies, relations are maintained with ENDSI (Italian agency established by the American Relief for Italy) and with the representative of the Voluntary Societies working directly with us. The Division, durin the past month, concentrated with the IGCR on plans for review of apparently stateless cases receiving assistance from UNRRA.

(v) Numerous consultations were held with JDC representatives since there has been an illegal influx of Jewish refugees into Italy, many of whom are in UNRRA camps or receiving assistance from UNRRA. It has not been possible as yet to even estimate the number involved.

(vi) Our Voluntary Society staff members engaged in supervision of distribution of relief supplies to Italian refugees have been working closely in the provinces with ENDSI on joint plans of distribution.

(F) Welfare Division

(i) Provincial committees are now functioning in 48 of the 58 provinces under the jurisdiction of the Italian Government.

(ii) Provincial Committees are still leaning quite heavily on the UNRRA District Welfare staff for guidance and assistance in carrying out their work.

(G) Finance and Administration Division

(i) Finance Section:

(a) The Government has been punctilious in its adherence to the financial terms of the Agreement. A Decree has been approved in which lira have been matched with the entire $ 50,000,000. Credits are established, however, in accordance with the terms of the Agreement. Lira have been transferred to the UNRRA account for Administrative and Operative expenses whenever requested.

(b) Relations with the Allied Commission continue to be excellent. The Commission's cooperation in furnishing financial and economic information has been invaluable, particularly in the compilation of the report on Italy's ability to pay.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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(ii) Administration Section:

(a) Whilst relations with the Italian Delegation are most amicable, some difficulty is experienced in getting the Delegation to act promptly, particularly in the requisitioning of billets, offices, garages and warehouse space. We eventually get what we want, but only after a great deal of effort.

(iii) Transport Section:

(a) The release of vehicles from AFHQ quarters has improved considerably. During the month 200 - 6x6 GMC 2½-ton trucks and 100 jeeps have been collected from the vehicle parks in the Leghorn area.

(b) The whole of the P.O.L. supplies for UNRRA are now obtained through C.I.P., which is the Italian Government Petrol Monopoly. Although adequate distribution points had not been established at the beginning of the month, the system is now working satisfactorily.

M-613-FR

Declassified E.O. 12356 Section 3.3/NND No. 759015

3. PROBLEMS

(A) Office of the Special Assistant to the Chief of Mission

(i) Progress made in August toward the strengthening of the Italian Government Delegation has not been satisfactory. The status of the Italian Government Delegation as the channel between the UNRRA Italian Mission and the Government needs further clarification. Since UNRRA may become responsible for the import program for Italy in 1946, it will be necessary that authority be given to the Italian Government Delegation in order to enable it to obtain prompt and efficient action from the Ministries. In fact, the whole problem of our relations with the Government is being re-examined in the light of the forthcoming expansion of the UNRRA program.

(B) Supply Division

(i) In coordination with our efforts to get AFHQ and AC to obtain Italian troops from the Military Mission, Italian Army, for guard duty for UNRRA goods, the Italian Delegation has addressed a similar request to the Commanding General of the Italian Army in the Rome Area.

(ii) A conference was held with various Government representatives to establish procedures for procurement by the UNRRA Italian Mission of indigenous Italian products for other countries.

(C) Health Division

(i) An outstanding problem of the Division is getting its supplies promptly from the U.S. Transport facilities have been seriously lacking, but this problem is gradually being solved.

(D) Displaced Persons Division

(i) The major problem facing the Division is that of taking over displaced persons work now being done by AC. Although food for displaced persons was requested last March, we are not yet in a position to provide from UNRRA sources a full ration to a single refugee in our camps. The possibility of purchasing rations from military sources as has been done in the past will soon be eliminated, which makes it essential to have basic rations without delay for a much larger number of refugees. The position with other supplies, such as clothing, canteen supplies and equipment, is equally unsatisfactory because of delays in shipment of items requisitioned.

Declassified E.O. 12356 Section 3.3/NND No. 782015

duty for UNRRA goods, the Italian Delegation [illegible] request to the Commanding General of the Italian Army in the Rome Area.

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(ii) The amendment to Resolution 57 raises important operational questions. It is not clear, for example, who will determine the nationality of these persons refusing to return to their countries. Yet another problem in this connection is the fact that displaced persons in, as well as outside camps, will be subject to considerable pressure and propaganda from representatives presenting contradictory points of view.

4093

(iii) Another disturbing problem is the unauthorized movement of refugees in Italy. These have been largely Jewish refugees coming in from Austria and Germany. We should like to stress again the need for UNRRA (ERO) assuming responsibility for displaced persons wherever they are found and the provision of sufficiently satisfactory care to help eliminate movements such as these. There is also the question as to the eligibility for care on the part of groups which move in this fashion. The interpretation of our resolutions indicates that a displaced person is one who was displaced by war. Now that the war is over, other groups may voluntarily displace themselves and there is a question as to whether these are to be considered as truly displaced persons.

M-613-FR

Declassified E.O. 12356 Section 3.3/NND No. 760015

(E) Finance and Administration Division

(i) Finance Section:

(a) The Mission still awaits the information necessary to submit a statement of the actual costs of supplies furnished to Italy. Prompt action by Washington on this is imperative.

(ii) Accounts Section:

(a) Obligations: The following procedure is used for purchase of supplies and services from the British and American Armies: Receivable Orders are made up in quadruplicate and signed by an authorized UNRRA official. Three copies are presented to the Army Depot with a request that the order be filled, the fourth copy being retained by the UNRRA office issuing the Order. At the time the order is completely filled, the Sales office of the Army forwards one copy of the order to MTOUSA, one copy to UNRRA HQ, Rome, and retains one copy for its own files. Until Rome HQ receives a copy from the Army, it does not know the amount of obligation to the Army on the particular purchase since the original copy made up by UNRRA does not carry any value. In most cases, Receivable Orders are supported by indents for many items, some of which are not immediately obtainable. In such cases the Army does not forward the completed Receivable Order until all parts of it are filled. At the present time we have approximately 30 Receivable Orders on file which carry no value, and upon which it is difficult to obtain any value from the Army. Therefore, while we know we have a liability existing, we do not know the exact amount. It is believed that until such time as arrangements can be made with the Army to have them produce the exact figures monthly, it is better not to show an estimated amount

(iii) Personnel Section:

(a) The Mission adheres to the scale of wages which the Army has established for its Italian employees. Professionally and Technically qualified Italians find little difficulty in earning wages in excess of these rates; consequently difficulty is being experienced in replacing from local sources U.S.P.H.S. personnel returning home.

(b) The interviewing of large numbers of service personnel about to be released or repatriated has considerably retarded the other work of the Section.

(iv) Administrative Section:

(a) The present office accommodation is proving inadequate owing to the expansion of the Mission. Every effort is being made to get more

Declassified E.O. 12356 Section 3.3/NND No. 759015

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(b) The interviewing of large numbers of service personnel about to be released or repatriated has considerably retarded the other work of the Section.

(iv) Administrative Section:

(a) The present office accommodation is proving inadequate owing to the expansion of the Mission. Every effort is being made to get more accommodation. The Government is supplying further furniture, but more slowly than we would like.

(v) Transport Section:

(a) The time lag between placing requests with AFHQ and actual release has meant an inadequate supply of spare parts and equipment for essential repairs in the past. This difficulty will be eliminated as stocks are built up.

(b) The 2½-ton trucks and jeeps purchased from American Army surplus stocks have proved to be in such bad condition that only minor repairs have been carried out in the Rome garage. Tenders have been received from contractors for major repairs.

(c) The present garage accommodation is quite inadequate, and steps are being taken to obtain at least one other garage.

(d) All Italian employees engaged are screened, particularly drivers whom we are employing in large numbers at the present time. A

Declassified E.O. 12356 Section 3.3/NND No. 782015

recording and accounting system is being established in the UNRRA Garage so that pilfering losses may be reduced to the minimum.

4. STATEMENT OF ACTIONS REQUESTED OF ERO

A. Finance and Administration Division

(i) Accounts Section:

(a) Although many questions concerning home allotments have been settled by Washington and ERO during the month of August, a few problems of long standing still exist, as well as many new ones which have cropped up during August.

(ii) Personnel Section:

(a) A statement clarifying the Administrative Orders recently issued on the new salary rates for Class 1 employees.

(iii) Administrative Section:

(a) Since the typewriter position is still unsatisfactory, it would seem well to outline the present situation. There are 75 typewriters throughout the entire Mission, some twelve of these are good and some 25 bad. Included in the 75 are 10 typewriters which arrived from ERO and 15 from Philippeville during the month. The majority of these required repairing before they could be put into use.

Negotiations are being carried on at the present time to obtain typewriters from AC and MEC, but at this stage it is not possible to estimate either numbers or condition. Any assistance ERO can render in this matter will be very much appreciated.

(b) Cable received from Washington on 22 August stated that office supplies would be shipped "soonest". Due to the fact that a great many items of office supplies cannot be obtained locally, and such supplies as we can obtain are exceedingly high in price on the local market, it is most essential that all supplies come forward at as early a date as possible.

(c) Registry: Difficulty is experienced in securing information as to the whereabouts of UNRRA personnel to whom personal mail has been incorrectly directed. This would present no difficulty if other Missions were to forward us personnel directories.

5. IMMEDIATE MAJOR WORK PROGRAM

(A) Public Relations

(1) It is necessary that the Italian people appreciate that the revolution

Declassified E.O. 12356 Section 3.3/NND No. 782015

seem well to outline the present situation. There are 75 typewriters throughout the entire Mission, some twelve of these are good and some 25 bad. Included in the 75 are 10 typewriters which arrived from ERO and 15 from Philippeville during the month. The majority of these required repairing before they could be put into use.

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5. IMMEDIATE MAJOR WORK PROGRAM

(A) Public Relations

(i) It is necessary that the Italian people appreciate that the resolution of the Council is but a recommendation, and that an expanded program 3092 Italy will be possible only when member nations subscribe additional funds.

(B) Supply Division

(i) The first series of movements to the provinces has established a fairly substantial stock securing, in most instances, three months' supply in those provinces, which have begun feeding. The Mission's goal is that by 30 September all provinces now organized should have in provincial warehouses or in the communes a stock sufficient to cover consumption for the rest of the year. Particular care is being taken to see that those places likely to be snowbound have sufficient stocks.

(ii) Pressure is being applied on the Government to prepare a plan of allocation and distribution for the northern provinces which are expected to come under the jurisdiction of the Government almost immediately.

M-613 - FR

Declassified E.O. 12356 Section 3.3/NND No. 785015

(C) Health Division

(i) The Medical Nutrition Mission, having completed a two weeks' survey in Cagliari and Sardinia, has moved to Catanzaro for the next survey.

(ii) Italian teams are being trained in the techniques of ridding hospitals and other institutions of insects.

(D) Displaced Persons Division

(i) Repatriation: Approval has not yet been received from the Italian Government of the Greek Agreement, although the terms of this Agreement are in effect. We are ready to pay transport of Greeks from Italy to Greece in any situation where such movement is not possible by the military. Constant contact with the Greek representative is being maintained and we are ready to make any plans which are necessary. The reverse situation, however, is not entirely satisfactory; for we have no assurance that Italians in Greece are being properly treated or that the Greeks will refrain from returning Italians who have lived in Greece for many years. This matter is being explored further with the Greece Mission.

(ii) Assistance: As a result of the amendment to Resolution 57, it is expected that the list of refugees assisted outside camps will increase by at least 3000.

(iii) Camps: Plans are going ahead for the closing of Philippeville. Shipping bids are in for the movement of refugees and supplies. Action on these bids has not been satisfactory but the matter is receiving urgent attention.

(iv) Italian Refugees: Plans have been developed in conjunction with the new Ministry for distribution of relief supplies on a continuing basis while taking into account supplies on hand, as well as those anticipated in the next month. These supplies are almost entirely clothing, which is badly needed and must be distributed before the bad weather sets in.

(E) Welfare Division

(i) Endeavors are being made to derequisition schools still held by the military for the fall term.

(ii) Every assistance is being given to provincial committees in the preparation of statistical reports.

Declassified E.O. 12356 Section 3.3/NND No. 795015

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(ii) Every assistance is being given to provincial committees in the preparation of statistical reports.

(iii) Efforts are being directed to the release of a social agency directory for Rome which is now partially prepared in draft form.

(F) Finance and Administration Division

(i) Finance Section:

(a) Consideration is being given to the greater employment of the lira fund on programs jointly approved under Annex III, Section 2 (b) (iii) of the Agreement.

(b) Provide an estimate of total costs for commodities imported and transferred to Government account to date.

(c) Audit the expenditures for the months of July and August of the Italian Delegation General Administration account for those expenditures over which the Mission has supervisory control in accordance with the Agreement in this regard.

(d) Reconsider the Government's instructions to the Federazione Italiana dei Consorzii Agrarii that all goods should be insured upon their arrival at warehouses.

Declassified E.O. 12356 Section 3.3/NND No. 760015

(e) Make the necessary arrangements to pay the Federazione Italiana dei Consorzii Agrarii for their expenses in connection with receipt, warehousing and transporting of UNRRA goods.

(f) Attempt to expedite the procurement for neighboring countries of relatively small quantities of commodities from Italian surpluses by establishing a credit from the lira fund for such purchases.

(g) In view of the impending program for Italy, it will be necessary, when further facts are available, to submit a supplementary Fourth Quarter Budget in its final form. A supplementary budget has been prepared with the facts at present available, but this draft must not be considered as final.

(h) Develop the Economic Statistical Subsection so that the Mission is not dependent upon the Economic Section of Allied Commission for financial and economic information.

(ii) Accounts Section:

(a) It is anticipated that the preparation of Philippeville's final financial statements will be completed by 30 September.

(iii) Administration Section:

(a) Registry: The establishment of our own courier service to some district offices. The revision and amplification of the directory. The revision of the filing system to provide for the expanded program.

(iv) Transport Section:

(a) In September it will be possible to step up the 2,500 tons of foodstuffs transported from port to provincial warehouses during the last fortnight of August, by virtue of the repair and issue of the GMC trucks.

(b) Once some thirty German and Italian passenger vehicles are made road-worthy, the personnel-carrying problems of the Mission, which have been particularly difficult in the last three months, will be to a large extent remedied.

6. MAJOR ACTIVITIES

(A) Office of the Special Assistant to the Chief of Mission

(i) A meeting was held at San Marino with the Government officials

Declassified E.O. 12356 Section 3.3/NND No. 785015

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6. MAJOR ACTIVITIES

(A) Office of the Special Assistant to the Chief of Mission

(i) A meeting was held at San Marino with the Government officials for the purpose of discussing the implementation of the Agreement with the Government of San Marino and of explaining the functioning of the Italian program after which the San Marino is patterned. At the present time an official request from San Marino is expected and a concrete plan of assistance to the Republic will be prepared on the basis of such request and the availability of supplies. In the meantime, the first shipment of emergency supplies has been delivered to San Marino.

4091

(B) Public Relations

(i) Fifteen United States Congressmen and other officials visited UNRRA in four different groups during the month and were shown UNRRA's activities in Italy and given pertinent material.

(ii) The Public Information Adviser visited Florence and organized public relations in the area. UNRRA posters were distributed and a Nutrition Conference covered.

(iii) Mr. Keeny granted an interview to Milton Bracker of the New York Times.

(iv) Feature articles were prepared for the American and Italian press.

M-613-FR

Declassified E.O. 12356 Section 3.3/NND No. 782015

(c) Supply Division

(i) Final agreement was reached that UNRRA would turn over to ARI 50% of the clothing and shoes received through the United National Clothing Drive and that ARI would stencil its own name on the bales received from the Mission.

(ii) The Director General of the Italian Delegation signed forms S-34 for food requirements for the last quarter and these were transmitted to Washington, together with a memorandum of justification.

(iii) During the month two full ships, the JOEL CHANDLER HARRIS with about 6,000 tons of mixed cargo, and the JOSEPH HOOKER with approximately 7,800 tons of wheat and flour were received from the States. The HOOKER was received in Sardinia where the cargo was turned over to the Government. The HARRIS was received in Genoa and has just finished discharging. Bills of Lading on the cargo were received from Washington on 5 September and in the statistical report appended estimated quantities are used since we do not yet have an out-turn report. The EMPIRE STRONGHOLD was received in Naples from the U.K. with 87 hundred pound spools of thread; the Beaconfield was received at Bari with 498 tons of yellow beans; and the WILLIAM BLOUNT was received with 100 tons of dried skim milk and 5.3 tons of medical supplies.

Total receipts to date are estimated at 86,165 metric tons, of which 61,470 have been transferred to the Government and 721 tons have been directed to UNRRA operations for displaced persons. Estimated losses before transfer are 415 tons, leaving stocks on hand under Mission control of 23,559 metric tons, none of which is wheat since all of this is transferred to the Government on arrival for repayment of an equivalent amount of locally-milled flour when and where needed in the provinces.

(iv) During the month 12,500 tons of food were made available to the provinces. Of this amount, approximately 3,500 tons represent merely a shift by UNRRA trucks from port warehouses in Rome and Naples to local provincial warehouses in the same cities. Also included are about 1,600 tons of locally-milled flour made available against UNRRA wheat.

There are several encouraging aspects in the figure of 12,500 tons. It is three times as large as that of the preceding month. Close to 3,000 tons were moved by rail, which represents a substantial improvement in the rail situation. It was possible to take partial advantage of the lift represented by the trucks obtained in Italy for the Greece and Yugoslav Missions. These trucks were driven overland by Army drivers from Naples and Leghorn to Brindisi for Greece and from Leghorn to Trieste [illegible] during the month was some 850

Declassified E.O. 12356 Section 3.3/NND No. 785015

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(D) Health Division

(i) The Fourth Quarter Budget for the Division was submitted for $ 1,417,607.

(ii) Of the 239 tons of medical supplies received to 31 August 141 tons had been transferred to the Italian Government and 4 tons to UNRRA-operated services.

(E) Displaced Persons Division

(i) At 18 August four-fifths of the camp population had been registered. Of these registered, 1,439 appear to be stateless. Of the rest, a list of 965 repatriable displaced persons has been submitted to AC for visas and transportation arrangements. By 31 August the registration of camps was up to date.

M-613FR

Declassified E.O. 12356 Section 3.3/NND No. 782015

(ii) During the month the number of displaced persons assisted outside of camps had increased from 3,938 to 6,082. This has been partly due to the additional cases in northern Italy where we have extended our operations and also to the influx of refugees who have come in from outside without authorization or official sanction. We have had to assis many of these groups on an emergency basis pending further disposition.

(iii) The camps in Southern Italy are practically full, with a populatio of 5800, with the exception of Ferramonti Camp, which is now closing because of malarial conditions. AC has agreed to our suggestion that approximately 900 Yugoslavs be moved from Santa Cesarea and Tricase Camps and that these camps be filled with apparently stateless Jews.

(iv) Italian Refugees: The repatriation of Italians from Germany continues at the rate of 7000 to 8000 daily, and movements are made to AC transit camps on the North and by train down both sides of the country to towns nearest their destination.

(v) Our Voluntary Society personnel continues its previous assignment of repatriation of Italian civilian refugees from Southern Italy to Central Italy. In addition, we have extended the service of supervision of distribution to Central Italy so that most of the country is now covered.

(F) Welfare Division

(i) During the month, food was distributed in 45 of the 58 provinces under the jurisdiction of the Italian Government.

(ii) Progress has been made in the solution of some of the difficulties encountered in the distribution process. The new allocation method developed by the Government should, in the future, assure the receipt of balanced supplies of foods. The movement of two or three months' supply of food to each province should also result in a smoother, more orderly and continuing distribution process.

(iii) In Naples the Welfare staff have been able to give some assistance in the reorganization of the entire investigation and visiting procedure of ECA. In Naples and Rome UNRRA staff has helped agencies coordinate their community services.

(iv) In both Naples and Rome the school lunch program has been operating successfully, together with special recreational programs

Declassified E.O. 12356 Section 3.3/NND No. 789015

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(iv) In both Naples and Rome the school lunch program has been operating successfully, together with special recreational programs which accompany the feeding program. In Naples 26,348 children are being fed under this project and in Rome 48,279.

(G) Finance and Administration Division

4090

(i) Finance Section:

(a) Certain alterations were made to the draft of the Decree which is to implement the financial terms of the Agreement between UNRRA and the Italian Government as it seemed doubtful that the draft presented implemented the terms accurately.

(b) UNRRA, as an Allied organization, has indicated to the Italian Government that we should treat our Italian employees in a similar manner to AC in respect of tax assessment.

(c) The report on Italy's ability to pay, as at 27 July 1945, was completed, and filed as a secret document.

(d) the Budget for the Fourth Quarter has been completed together with the provisional supplementary budget.

Declassified E.O. 12356 Section 3.3/NND No. 759015

(c) Statistics: During the month, the Section assumed responsibility for obtaining accurate figures for the number of persons receiving UNRRA food. In collaboration with the Welfare Division revised instructions were prepared. These instructions were issued by the Government on 20 August; Welfare officers have been briefed, as well, and it is expected that accurate figures will be obtained from the reporting system now in operation.

(ii) Accounts Section:

(a) The increase in the temporary staff has placed an added burden on the payroll units, since all auditing of time sheets is done by them. A systematic report of time worked has been put into operation at the UNRRA Garage and is functioning relatively well.

(b) All obligations assumed during August with regard to U.S. and British Army supplies and equipment have been recorded on the improved system now in operation.

(c) During August invoices were obtained from the Army for various stores and equipment covering a period of four months. These invoices have been identified as proper charges to the Mission and payment made in each case.

(iii) Transport Section:

(a) The fleet of goods-carrying vehicles has multiplied three times and is now capable of the movement of 2,500 to 3,000 tons per week. In addition to the movement of merchandise from port to provincial warehouses, some trucks are working for Displaced Persons Division, Camps, movement of refugees, and on reconstruction work in damaged areas. Some 30 trucks are working for Health Division on malaria control and other health activities.

(b) The Section has been actively engaged throughout the month on the clearance of some 2,500 vehicles from Leghorn and Naples for the Yugoslav and Greece Missions. Wherever possible these have been loaded with UNRRA goods for distribution en route, and a considerable quantity has been shipped by this means.

(c) A large number of convoys between various points in Italy have been organized.

(d) Approximately 40 jeeps have been repaired through the period.

Declassified E.O. 12356 Section 3.3/NND No. 782015

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Declassified E.O. 12356 Section 3.3/NND No. 789015